Memorial, and the Vietnam Veterans Memorial.

S. CON. RES. 3

At the request of Mr. FEINGOLD, the name of the Senator from Minnesota (Mr. DAYTON) was added as a cosponsor of S. Con. Res. 3, a concurrent resolution expressing the sense of Congress that a commemorative postage stamp should be issued in honor of the U.S.S. *Wisconsin* and all those who served aboard her.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HATCH (for himself, Mr. SCHUMER, and Mr. DEWINE):

S. 1234. A bill to amend title 18, United States Code, to provide that certain sexual crimes against children are predicate crimes for the interception of communications, and for other purposes; to the Committee on the Judiciary.

Mr. HATCH. Mr. President, the Internet has dramatically changed the lives of the American people. The way in which we work, live, play, and learn has been forever changed. The benefits this new technology has brought to us are truly innumerable. Unfortunately, however, the technology has also created some fearful problems. In particular, the Internet is fast becoming an increasingly popular means by which criminals pursue their nefarious activities.

Perhaps no criminal activity is as nefarious as sex crimes directed at children. And alarmingly, the Internet has proved to be a boon for these sexual predators. Before the Internet, these deranged individuals operated in the open, lurking near parks or schools in an effort to lure children. Now they are able, with almost absolute anonymity and from the security of their homes, to reach our children over the Internet.

The result is frightening. According to State and local law enforcement officials, the Internet has brought an explosion in sexual predator and child pornography activity. Since 1995, the FBI alone has investigated more than 4,900 cases involving persons traveling interstate for the purpose of engaging in illicit sexual relationships with minors and persons involved with the manufacture, dissemination and possession of child pornography.

According to the Bureau, computers have rapidly become one of the most prevalent communications devices with which pedophiles and other sexual predators share sexually explicit photographic images of minors and identify and recruit children for sexually illicit relationships.

This fact is not lost on the public. When asked about cyber-crime, a majority of Americans pointed to child pornography as their biggest concern. The Pew Internet & American Life Report Survey found that 92 percent of Americans are concerned about child pornography. Americans are rightly concerned that the Internet does not become a haven for those who would commit these horrific crimes.

The Anti-Sexual Predator Act of 2001, which I am introducing today, provides much-needed tools to investigators tracking sexual predators and child pornographers. The legislation will be particularly useful to investigators tracking sexual predators.

Although in many cases much of the initial relationship between these sexual predators and their child victims takes place online, the predators will ultimately seek to have personal contact with the child. Thus, the communications will move first to the telephone, and then to face to face meetings. The telephone calls between the perpetrators and the victims therefore represent a dangerous step in the luring of the child. And the more access the sexual predator is allowed to the child victim, the greater the chance that the predator will succeed in convincing the child to continue the ''relationship'' and agree to personal meetings.

As the laws stand today, investigators do not have access to the Federal wiretap statutes to investigate these predators. Absent this authority, law enforcement officers, upon discovery of the on-line relationship, are left to attempt to gain information about the relationship from an often uncooperative or resentful child who believes that he or she is ''in love'' with the perpetrator. Providing wiretap authority not only will aid law enforcement's efforts to obtain evidence of these crimes, it will also help them stop these crimes before the predator makes physical contact with the child.

The Anti-Sexual Predator Act of 2001 will add three predicate offenses to the Federal wiretap statute. This addition will enable law enforcement to intercept wire and oral communications relating to child pornography materials, the coercion and enticement of individuals to travel interstate to engage in sexual activity, the transportation of minors for the purpose of engaging in sexual activity.

To be sure, law enforcement will still need to obtain authority from a court in order to obtain a wiretap, and the court will authorize the wiretap only if the government meets the strict statutory guidelines laid out in Title III. Thus, this legislation does nothing to undermine the legitimate expectations of privacy of law-abiding American citizens.

This legislation fills a gap in our arsenal against child pornographers and sexual predators. I know we all share this goal, and I urge my colleagues to join me in expeditiously acting on 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. 1234

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 ''Anti-Sexual Predator Act of 2001''.

SEC. 2. AUTHORIZATION OF INTERCEPTION OF COMMUNICATIONS IN THE INVESTIGATION OF SEXUAL CRIMES AGAINST CHILDREN.

(a) CHILD PORNOGRAPHY.—Section 2516(1)(c) of title 18, United States Code, is amended by inserting ''section 2252A (relating to material constituting or containing child pornography),'' after ''2252 (sexual exploitation of children),''.

(b) TRANSPORTATION FOR ILLEGAL SEXUAL ACTIVITY.—Section 2516(1) of title 18, United States Code, is amended—

(1) by redesignating paragraph (p), as so redesignated by section 434(2) of the Antiterrorism and Effective Death Penalty Act of 1996 (Public Law 104–132; 110 Stat. 1274), as paragraph (q);

(2) by striking paragraph (p), as so redesignated by section 201(3) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (division C of Public Law 104–208; 110 Stat. 3009–565); and

(3) by inserting after paragraph (o) the following:

''(p) a violation of section 2422 (relating to coercion and enticement) or section 2423 (relating to transportation of minors) of this title, if, in connection with that violation, the sexual activity for which a person may be charged with a criminal offense would constitute a felony offense under chapter 109A or 110 of this title, if that activity took place within the special maritime and territorial jurisdiction of the United States; or''.

By Mr. HATCH:

S. 1235. A bill to make clerical and other technical amendments to title 18, United States Code, and other laws relating to crime and criminal procedure; to the Committee on the Judiciary.

Mr. HATCH. 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. 1235

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 ''Criminal Law Technical Amendments Act of 2001''.

SEC. 2. TECHNICAL AMENDMENTS RELATING TO CRIMINAL LAW AND PROCEDURE.

(a) MISSING AND INCORRECT WORDS.—

(1) CORRECTION OF GARBLED SENTENCE.—Section 510(c) of title 18, United States Code, is amended by striking ''fine of under this title'' and inserting ''fine under this title''.

(2) INSERTION OF MISSING WORDS.—Section 981(d) of title 18, United States Code, is amended by striking ''proceeds from the sale of this section'' and inserting ''proceeds from the sale of such property under this section''.

(3) CORRECTION OF INCORRECT WORD.—Sections 1425 through 1427, 1541 through 1544 and 1546(a) of title 18, United States Code, are each amended by striking ''to facility'' and inserting ''to facilitate''.

(4) CORRECTING ERRONEOUS AMENDATORY LANGUAGE ON EXECUTED AMENDMENT.—Effective on the date of the enactment of Public Law 103–322, section 60003(a)(13) of such public law is amended by striking ''$1,000,000 or imprisonment'' and inserting ''$1,000,000 and imprisonment''.

(5) INSERTION OF MISSING WORD.—Section 3286 of title 18, United States Code, is amended by inserting ''section'' before ''2332b''.

(6) CORRECTION OF REFERENCE TO SHORT TITLE OF LAW.—That section 2332d(a) of title

18, United States Code, which relates to financial transactions is amended by inserting ''of 1979'' after ''Export Administration Act''.

(7) ELIMINATION OF TYPO.—Section 1992(b) of title 18, United States Code, is amended by striking ''term or years'' and inserting ''term of years''.

(8) SPELLING CORRECTION.—Section 2339A(a) of title 18, United States Code, is amended by striking ''or an escape'' and inserting ''of an escape''.

(9) SECTION 3553.—Section 3553(e) of title 18, United States Code, is amended by inserting ''a'' before ''minimum''.

(10) MISSPELLING IN SECTION 205.—Section 205(d)(1)(B) of title 18, United States Code, is amended by striking ''groups's'' and inserting ''group's''.

(11) CONFORMING CHANGE AND INSERTING MISSING WORD IN SECTION 709.—The paragraph in section 709 of title 18, United States Code, that begins with ''A person who'' is amended—

(A) by striking ''A person who'' and inserting ''Whoever''; and

(B) by inserting ''or'' after the semicolon at the end.

(12) ERROR IN LANGUAGE BEING STRICKEN.—Effective on the date of its enactment, section 726(2) of the Antiterrorism and Effective Death Penalty Act of 1996 (Public Law 104–132) is amended—

(A) in subparagraphs (C) and (E), by striking ''section'' the first place it appears; and

(B) in subparagraph (G), by striking ''relating to'' the first place it appears.

(b) MARGINS, PUNCTUATION, AND SIMILAR ERRORS.—

(1) MARGIN ERROR.—Section 1030(c)(2) of title 18, United States Code, is amended so that the margins of subparagraph (B) and each of its clauses, are moved 2 ems to the left.

(2) CORRECTING CAPITALIZATION IN LANGUAGE TO BE STRICKEN.—Effective on the date of its enactment, section 607(g)(2) of the Economic Espionage Act of 1996 is amended by striking ''territory'' and inserting ''Territory''.

(3) CORRECTING PARAGRAPHING.—The material added to section 521(a) of title 18, United States Code, by section 607(q) of the Economic Espionage Act of 1996 is amended to appear as a paragraph indented 2 ems from the left margin.

(4) SUBSECTION PLACEMENT CORRECTION.—Section 1513 of title 18, United States Code, is amended by transferring subsection (d) so that it appears following subsection (c).

(5) INSERTION OF PARENTHETICAL DESCRIPTIONS.—Section 2332b(g)(5)(B)(i) of title 18, United States Code, is amended—

(A) by inserting ''(relating to certain killings in Federal facilities)'' after ''930(c)'';

(B) by inserting ''(relating to wrecking trains)'' after ''1992''; and

(C) by striking ''2332c,''.

(6) CORRECTION TO ALLOW FOR INSERTION OF NEW SUBPARAGRAPH AND CORRECTION OF ERRONEOUS INDENTATION.—Section 1956(c)(7) of title 18, United States Code, is amended—

(A) in subparagraph (B)(ii), by moving the margin 2 ems to the right;

(B) by striking ''or'' at the end of subparagraph (D);

(C) by striking the period at the end of subparagraph (E) and inserting ''; or''; and

(D) in subparagraph (F), by striking ''Any'' and inserting ''any''.

(7) CORRECTION OF CONFUSING SUBDIVISION DESIGNATION.—Section 1716 of title 18, United States Code, is amended—

(A) in the first undesignated paragraph, by inserting ''(j)(1)'' before ''Whoever'';

(B) in the second undesignated paragraph—

(i) by striking ''not more than $10,000'' and inserting ''under this title''; and

(ii) by inserting ''(2)'' at the beginning of that paragraph;

(C) by inserting ''(3)'' at the beginning of the third undesignated paragraph; and

(D) by redesignating subsection (j) as subsection (k).

(8) PUNCTUATION CORRECTION IN SECTION 1091.—Section 1091(b)(1) of title 18, United States Code, is amended by striking ''subsection (a)(1),'' and inserting ''subsection (a)(1)''.

(9) PUNCTUATION CORRECTION IN SECTION 2311.—Section 2311 of title 18, United States Code, is amended by striking the period after ''carcasses thereof'' the second place that term appears and inserting a semicolon.

(10) SYNTAX CORRECTION.—Section 115(b)(2) of title 18, United States Code, is amended by striking '', attempted kidnapping, or conspiracy to kidnap of a person'' and inserting ''or attempted kidnapping of, or a conspiracy to kidnap, a person''.

(11) CORRECTING CAPITALIZATION IN SECTION 982.—Section 982(a)(8) of title 18, United States Code, is amended by striking ''Court'' and inserting ''court''.

(12) PUNCTUATION CORRECTIONS IN SECTION 1029.—Section 1029 of title 18, United States Code, is amended—

(A) in subsection (c)(1)(A)(ii), by striking ''(9),'' and inserting ''(9)''; and

(B) in subsection (e), by adding a semicolon at the end of paragraph (8).

(13) CORRECTIONS OF CONNECTORS AND PUNCTUATION IN SECTION 1030.—Section 1030 of title 18, United States Code, is amended—

(A) by striking ''and'' at the end of subsection (c)(2)(A);

(B) by inserting ''and'' at the end of subsection (c)(2)(B)(iii);

(C) by striking ''; and'' at the end of subsection (c)(3)(B) and inserting a period;

(D) by striking the period at the end of subsection (e)(4)(I) and inserting a semicolon; and

(E) by striking ''and'' at the end of subsection (e)(7).

(14) CORRECTION OF PUNCTUATION IN SECTION 1032.—Section 1032(1) of title 18, United States Code, is amended by striking ''13,'' and inserting ''13''.

(15) CORRECTION OF PUNCTUATION IN SECTION 1345.—Section 1345(a)(1) of title 18, United States Code, is amended—

(A) in subparagraph (B), by striking '', or'' and inserting ''; or''; and

(B) in subparagraph (C), by striking the period and inserting a semicolon.

(16) CORRECTION OF PUNCTUATION IN SECTION 3612.—Section 3612(f)(2)(B) of title 18, United States Code, is amended by striking ''preceding.'' and inserting ''preceding''.

(17) CORRECTION OF INDENTATION IN CONTROLLED SUBSTANCES ACT.—Section 402(c)(2) of the Controlled Substances Act (21 U.S.C. 842(c)(2)) is amended by moving the margin of subparagraph (C) 2 ems to the left.

(c) ELIMINATION OF REDUNDANCIES.—

(1) ELIMINATION OF REDUNDANT PROVISION.—Section 2516(1) of title 18, United States Code, is amended—

(A) by striking the first paragraph (p); and

(B) by inserting ''or'' at the end of paragraph (o).

(2) ELIMINATION OF DUPLICATE AMENDMENTS.—Effective on the date of its enactment, paragraphs (1), (2), and (4) of section 601(b), paragraph (2) of section 601(d), paragraph (2) of section 601(f), paragraphs (1) and (2)(A) of section 601(j), paragraphs (1) and (2) of section 601(k), subsection (d) of section 602, paragraph (4) of section 604(b), subsection (r) of section 605, and paragraph (2) of section 607(j) of the Economic Espionage Act of 1996 are repealed.

(3) ELIMINATION OF EXTRA COMMA.—Section 1956(c)(7)(D) of title 18, United States Code, is amended—

(A) by striking ''Code,,'' and inserting ''Code,''; and

(B) by striking ''services),,'' and inserting ''services),''.

(4) REPEAL OF SECTION GRANTING DUPLICATIVE AUTHORITY.—

(A) Section 3503 of title 18, United States Code, is repealed.

(B) The table of sections at the beginning of chapter 223 of title 18, United States Code, is amended by striking the item relating to section 3503.

(5) ELIMINATION OF OUTMODED REFERENCE TO PAROLE.—Section 929(b) of title 18, United States Code, is amended by striking the last sentence.

(d) CORRECTION OF OUTMODED FINE AMOUNTS.—

(1) IN TITLE 18, UNITED STATES CODE.—

(A) IN SECTION 492.—Section 492 of title 18, United States Code, is amended by striking ''not more than $100'' and inserting ''under this title''.

(B) IN SECTION 665.—Section 665(c) of title 18, United States Code, is amended by striking ''a fine of not more than $5,000'' and inserting ''a fine under this title''.

(C) IN SECTIONS 1924, 2075, 2113(b), AND 2236.—

(i) Section 1924(a) of title 18, United States Code, is amended by striking ''not more than $1,000,'' and inserting ''under this title''.

(ii) Sections 2075 and 2113(b) of title 18, United States Code, are each amended by striking ''not more than $1,000'' and inserting ''under this title''.

(iii) Section 2236 of title 18, United States Code, is amended by inserting ''under this title'' after ''warrant, shall be fined'', and by striking ''not more than $1,000''.

(D) IN SECTION 372 AND 752.—Sections 372 and 752(a) of title 18, United States Code, are each amended by striking ''not more than $5,000'' and inserting ''under this title''.

(E) IN SECTION 924(e)(1).—Section 924(e)(1) of title 18, United States Code, is amended by striking ''not more than $25,000'' and inserting ''under this title''.

(2) IN THE CONTROLLED SUBSTANCES ACT.—

(A) IN SECTION 401.—Section 401(d) of the Controlled Substances Act (21 U.S.C. 841(d)) is amended—

(i) in paragraph (1), by striking ''and shall be fined not more than $10,000'' and inserting ''or fined under title 18, United States Code, or both''; and

(ii) in paragraph (2), by striking ''and shall be fined not more than $20,000'' and inserting ''or fined under title 18, United States Code, or both''.

(B) IN SECTION 402.—Section 402(c)(2) of the Controlled Substances Act (21 U.S.C. 842(c)) is amended—

(i) in subparagraph (A), by striking ''of not more than $25,000'' and inserting ''under title 18, United States Code''; and

(ii) in subparagraph (B), by striking ''of $50,000'' and inserting ''under title 18, United States Code''.

(C) IN SECTION 403.—Section 403(d) of the Controlled Substances Act (21 U.S.C. 843(d)) is amended—

(i) by striking ''of not more than $30,000'' each place that term appears and inserting ''under title 18, United States Code''; and

(ii) by striking ''of not more than $60,000'' each place it appears and inserting ''under title 18, United States Code''.

(e) CROSS REFERENCE CORRECTIONS.—

(1) SECTION 3664.—Section 3664(o)(1)(C) of title 18, United States Code, is amended by striking ''section 3664(d)(3)'' and inserting ''subsection (d)(5)''.

(2) CHAPTER 228.—Section 3592(c)(1) of title 18, United States Code, is amended by striking ''section 36'' and inserting ''section 37''.

(3) CORRECTING ERRONEOUS CROSS REFERENCE IN CONTROLLED SUBSTANCES ACT.—

Section 511(a)(10) of the Controlled Substances Act (21 U.S.C. 881(a)(10)) is amended by striking ''1822 of the Mail Order Drug Paraphernalia Control Act'' and inserting ''422''.

(4) CORRECTION TO REFLECT CROSS REFERENCE CHANGE MADE BY OTHER LAW.—Effective on the date of its enactment, section 601(c)(3) of the Economic Espionage Act of 1996 is amended by striking ''247(d)'' and inserting ''247(e)''.

(5) TYPOGRAPHICAL AND TYPEFACE ERROR IN TABLE OF CHAPTERS.—The item relating to chapter 123 in the table of chapters at the beginning of part I of title 18, United States Code, is amended—

(A) by striking ''2271'' and inserting ''2721''; and

(B) so that the item appears in bold face type.

(6) SECTION 4104.—Section 4104(d) of title 18, United States Code, is amended by striking ''section 3653 of this title and rule 32(f) of'' and inserting ''section 3565 of this title and the applicable provisions of''.

(7) ERROR IN AMENDATORY LANGUAGE.—Effective on the date of its enactment, section 583 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1998 (111 Stat. 2436) is amended by striking ''Section 2401'' and inserting ''Section 2441''.

(8) ERROR IN CROSS REFERENCE TO COURT RULES.—The first sentence of section 3593(c) of title 18, United States Code, is amended by striking ''rule 32(c)'' and inserting ''rule 32''.

(9) SECTION 1836.—Section 1836 of title 18, United States Code, is amended—

(A) in subsection (a), by striking ''this section'' and inserting ''this chapter''; and

(B) in subsection (b), by striking ''this subsection'' and inserting ''this section''.

(10) CORRECTION OF ERRONEOUS CITE IN CHAPTER 119.—Section 2510(10) of title 18, United States Code, is amended by striking ''shall have'' and all that follows through ''United States Code;'' and inserting ''has the meaning given that term in section 3 of the Communications Act of 1934;''.

(11) ELIMINATION OF OUTMODED CITE IN SECTION 2339A.—Section 2339A(a) of title 18, United States Code, is amended by striking ''2332c,''.

(12) CORRECTION OF REFERENCES IN AMENDATORY LANGUAGE.—Effective the date of its enactment, section 115(a)(8)(B) of Public Law 105–119 is amended—

(A) in clause (i)—

(i) by striking ''at the end of'' and inserting ''following''; and

(ii) by striking ''paragraph'' the second place it appears and inserting ''subsection''; and

(B) in clause (ii), by striking ''subparagraph (A)'' and inserting ''clause (i)''.

(f) TABLES OF SECTIONS CORRECTIONS.—

(1) CONFORMING TABLE OF SECTIONS TO HEADING OF SECTION.—The item relating to section 1837 in the table of sections at the beginning of chapter 90 of title 18, United States Code, is amended by striking ''Conduct'' and inserting ''Applicability to conduct''.

(2) CONFORMING HEADING TO TABLE OF SECTIONS ENTRY.—The heading of section 1920 of title 18, United States Code, is amended by striking ''**employee's**'' and inserting ''**employees'**''.

SEC. 3. ADDITIONAL TECHNICALS.

Title 18, United States Code, is amended—

(1) in section 922(t)(1)(C), by striking ''1028(d)(1)'' and inserting ''1028(d)'';

(2) in section 1005—

(A) in the first undesignated paragraph, by striking ''Act,,'' and inserting ''Act,''; and

(B) by inserting ''or'' at the end of the third undesignated paragraph;

(3) in section 1071, by striking ''fine of under this title'' and inserting ''fine under this title'';

(4) in section 1368(a), by inserting ''to'' after ''serious bodily injury'';

(5) in section 1956(c)(7)(B)(ii), by inserting ''or'' at the end thereof;

(6) in section 1956(c)(7)(B)(iii), by inserting a closing parenthesis after ''1978'';

(7) in subsections (b)(1) and (c) of section 2252A, by striking ''paragraphs'' and inserting ''paragraph''; and

(8) in section 2254(a)(3), by striking the comma before the period at the end.

SEC. 4. REPEAL OF OUTMODED PROVISIONS.

(a) Section 14 of title 18, United States Code, and the item relating thereto in the table of sections at the beginning of chapter 1 of title 18, United States Code, are repealed.

(b) Section 1261 of such title is amended—

(1) by striking ''(a) The Secretary'' and inserting ''The Secretary''; and

(2) by striking subsection (b).

(c) Section 1821 of such title is amended by striking '', the Canal Zone''.

(d) Section 3183 of such title is amended by striking ''or the Panama Canal Zone,''.

(e) Section 3241 of such title is amended by striking ''United States District Court for the Canal Zone and the''.

By Mrs. FEINSTEIN (for herself and Mr. HATCH):

S. 1236. A bill to reduce criminal gang activities; to the Committee on the Judiciary.

Mrs. FEINSTEIN. Mr. President, I rise to introduce the Criminal Gang Abatement Act of 2001, a bill to give law enforcement additional tools to fight the scourge of gang violence.

This legislation builds on and improves the Violent Crime Control and Law Enforcement Act of 1994, the first Federal statute to address directly the problem of criminal gangs.

I am delighted that Senator HATCH joins me in introducing this bill and I thank him for his hard work in helping develop the legislation.

I know that this bill will be familiar to my colleagues. It is similar to legislation that was included in the Juvenile Justice bill in the last Congress.

The Senate passed the Juvenile Justice bill overwhelmingly. Unfortunately, it did not become law. That is why Senator HATCH and I are introducing this gang legislation separately.

Mr. President, I care deeply about solving the problem of gang violence and crime.

I worked extensively on this problem when I was Mayor of San Francisco and have long considered it one of my top priorities.

I am often struck by how vicious gang crimes can be, and how damaging they are to the victims and to the surrounding community.

Let me give you a couple of recent examples from my own home city of San Francisco.

Last year, gang members tried to rob a passerby with an assault weapon from their car. When the victim resisted, the gang shot the victim 17 times. The victim survived but will never walk again.

Only two months before that assault, two rival gangs had a shootout in San Francisco's Mission District. An innocent bystander was caught in the crossfire and shot through both legs.

A brave eyewitness gave law enforcement the name of one shooting suspect, who was then arrested. The gang then tracked down the witness, put a 9 millimeter automatic to his head, and threatened to kill him for cooperating with the police.

I would like to explain how this legislation will help deter and punish such crimes, and why Congress should act quickly to pass it.

First, the bill makes it a separate Federal crime to recruit persons to join a criminal street gang with the intent that the recruit participate in a Federal drug or violent crime.

The penalty is up to 10 years in jail. The offender can also be held responsible for reimbursing the government's costs in housing, maintaining, and treating the minor until the age of 18.

The purpose of this provision is to deter criminal gang recruitment.

Such recruitment has continued to grow and grow every year.

Even while crime has been dropping generally, the number of criminal gangs and gang members has spiraled.

The 1999 Justice Department survey of gangs, the most recent available, found that the number of gang members has increased 8 percent just from 1998.

In fact, the growth of criminal gangs in the country over the last 20 years, has been extraordinary.

Twenty years ago, the gang problem was centered in Los Angeles and Chicago. Today, though, there are gangs in all 50 States and the District of Columbia.

In 1980, there were gangs in 286 jurisdictions. Today, they are in over 1500 jurisdictions.

In 1980, there were about 2000 gangs. Today, there are over 26,000 gangs.

In 1980, there were about 100,000 gang members. Today, there are 840,500 gang members.

Let me read from a Department of Justice publication entitled ''The Growth of Youth Gang Problems in the United States: 1970–1998'' that was just released a few months ago:

Youth gang problems in the United States grew dramatically between the 1970's and 1990's, with the prevalence of gangs reaching unprecedented levels. The growth was manifested by steep increase in the number of cities, counties, and States reporting gang problems. Increases in the number of gang localities were paralleled by increases in the proportions and populations of localities reporting gang problems. There was a shift in regions contains larger numbers of gang cities, with the Old South showing the most dramatic increase. The size of the gang-problem localities also changed, with gang problems spreading to cities, villages, and counties smaller in size than at any time in the past.

And as gangs have increased, so have all forms of youth violence.

That is because youngsters who join gangs are much more likely to commit violent crimes than similarly situated youngsters who are not in gangs.

Research shows, for example, that young people who join gangs are four to six times more likely to engage in criminal behavior when they are gang members than when they are not.

And it is also because gang members are responsible for a large proportion of violent crime. They don't just commit one violent crime but many.

One study found, for example, that gang members, who were 14 percent of sample, reported committing 89 percent of all serious violent offenses in the area.

Enacting this bill would give law enforcement an important tool to deter criminal gang recruitment, thus reducing gang crime.

The bill makes it a separate Federal crime to use a minor to commit a Federal violent crime, and sets penalties for doing so.

The penalty is twice the maximum term that would otherwise be authorized for the offense or, for repeat offenders, three times the maximum penalty.

The bill also increases the minimum penalties for persons using minors to distribute drugs.

Currently, both first-time and repeat offenders can receive a minimum of only a year.

Under the bill, a first-time offender will receive at least 3 years and a repeat-offender will receive at least 5 years.

These provisions are intended to deter gangs from recruiting youngsters to commit crimes.

Gangs recruit minors because they know that children are often not fully aware of the consequences of their actions.

Gangs also know that, if the child is caught, he or she will probably receive lighter punishment than an adult.

Gangs commonly start new recruits as drug lookouts or runners.

Once the youngsters get older, gangs encourage them to engage in more violent activity.

And young recruits often commit violent crimes to gain the gang's respect and improve their status within the gang.

I am very troubled by the fact that many youngsters, some barely in their teens, are lured into gangs by older children and start a life of crime even before they start high school.

One study of eighth graders in 11 cities, found that 9 percent were currently gang members and 17 percent said that they had belonged to a gang at some point in their lives.

According to California law enforcement, the average age of a new gang recruit in Los Angeles is 11, in San Diego 12–15, and in San Francisco 15.

In Alabama, it is 12–14. In Virginia, it is 13. In Ohio, it is 16.

In gangs such as the Latin Kings, babies of gang members are considered gang members from birth.

A South Carolina law enforcement officer told us that he recently looked into the case of one six-year-old child, who was found wearing typical gang attire, holding a gun and beeper, and tattooed with the phrase ''Thug Life.''

I believe that we need to punish gang recruitment of children very severely. This bill would do that.

The bill increases the penalties for gang members who commit drug or violent crimes and who use physical force to tamper with witnesses, victims, or informants.

The bill also generally directs the U.S. Sentencing Commission to increase penalties for criminal street gang members who commit crimes.

There is a strong link between gangs and drugs. By fighting gangs, we can help reduce the supply of illegal drugs in this country.

According to the 1999 Justice Department gang survey, almost half of youth gang members sell drugs to generate profits for the gang.

A survey of California law enforcement by my staff found that gang members in the States' largest cities are involved in 50 to 90 percent of all drug offenses.

This is confirmed by gang members themselves.

For example, in one survey of State prison inmates who were gang members, almost 70 percent said that they had manufactured, imported, or sold drugs as a group.

Worse, the DOJ 1999 gang survey found that about 40 percent of youth gangs are ''drug gangs,'' that is, gangs organized specifically to traffic in drugs.

This is an increase from the 34 percent reported for 1998. The increase was particularly pronounced in rural areas.

There is also a close correlation between gangs and violent crimes.

For example, gangs commit about half of all violent crimes in California's major cities. In some areas of Los Angeles, such as South Central and East Los Angeles, gangs account for 70–80 percent of all violent crimes.

The increased penalties in this legislation will help reduce drug and violent crimes, including threats against witnesses and informants.

Currently, under the Federal gang statute, 18 U.S.C. 521, gang members can only get enhanced penalties for gang crimes that involve drugs or violence.

The penalty is up to an additional 10 years in jail.

This bill allows enhanced penalties for crimes that are often committed by gang members but which may not involve drugs or violence.

These crimes include distributing explosives, kidnapping, extortion, illegal gambling, money laundering, obstruction of justice, and illegally transporting aliens.

The crimes act as ''predicate'' crimes permitting an additional charge of participating in a criminal gang.

The Federal gang statute is sort of similar in design to the criminal RICO statute. That statute permits an additional RICO charge where the defendant, as part of his or her criminal conspiracy, commits two or more predicate acts.

The bill ensures that, for gang offenses, offenders can get a sentence up to 10 years greater than the maximum term they receive for their most serious offense. They can also forfeit property derived from the offense.

The offenses added by the bill are those commonly pursued by gangs.

One study of gangs in various counties, for example, found that: 44–67 percent of gang members reported being involved in auto theft; 34–48 percent in intimidating or assaulting witnesses or victims; and 4–10 percent in kidnapping.

Other studies have found that gang extortion is also common.

Drug gangs commonly use booby traps, that sometimes include explosives, to protect their cultivation or manufacturing sites from law enforcement authorities and the public.

Numerous gangs illegally launder their illicit drug profits.

These include Russian and West African criminal gangs as well as street gangs such as the Bloods, Crips, Gangster Disciples, and Latin Kings.

Alien smuggling and harboring is especially prevalent in San Francisco, Los Angeles, Boston, and New York.

Among the worst offenders is the brutal Fuk Ching gang.

After a police crackdown in New York, law enforcement reports that Fuk Ching began to branch out to Chicago, Maryland, and western Pennsylvania.

The changes made by this legislation should help reduce drug and violent crimes.

The Travel Act allows Federal prosecutors to charge certain interstate crimes such as extortion, bribery, and arson, and for business enterprises involving gambling, liquor, drugs, or prostitution.

This statute was passed in 1961 with Mafia-related criminal activity in mind.

This legislation amends the Travel Act to enable law enforcement to respond more effectively to the growing problem of organized, highly sophisticated, and mobile criminal street gangs.

While the Travel Act currently allows law enforcement to target some activities, such as drug trafficking, the list is not complete.

The list needs to be updated to better reflect interstate crimes often committed today by gang members.

Thus, the bill amends the Travel Act to include crimes such as drive-by shootings, serious assaults, and intimidating witnesses.

In California's largest cities, gang members commit 80–100 percent of all drive-by shootings and around 50 percent of violent crimes.

The numbers are similar for other states as well.

A recent survey in Illinois, for example, found that 50 percent of the jurisdictions in that state face a serious problem of gang drive-by shootings.

The bill also increases the maximum penalty for most violations of the Travel Act from 5 years to 10 and authorizes the death penalty for certain homicides that technically do not qualify as murder.

Defendants who commit violent crimes covered by the act or who try to intimidate or retaliate against witnesses can get 20 years. And, if they kill someone, they can get life imprisonment or the death penalty.

The bill should ensure that prosecutors can use the Travel Act to act against crimes caused by the new Mafia: organized street gangs.

The bill would increase the penalties for using or attempting to use physical force to intimidate witnesses.

The bill would increase the maximum punishment for this crime from 10 years to 20 years.

The bill would also create a crime of threatening to use physical force against a witness.

Such a threat could be punished by up to 10 years.

Violent crimes by gang members often go unpunished because witnesses are afraid that, if they testify, gangs will kill or hurt them or their families.

For example, the Philadelphia deputy district attorney testified before Congress in 1997 that a very high number of the unsolved homicides in Philadelphia were unsolved due to gang intimidation.

One study found that intimidation of victims and witnesses was a major problem for 40–50 percent of prosecutors.

A similar study determined that witness intimidation occurs in at least 75 percent of violent crimes in gang-dominated neighborhoods.

Recently, DOJ estimated that witness intimidation has been growing since 1990 and is now a factor in about two-thirds of violent crimes committed in some gang-dominated neighborhoods.

The bill would help deter and punish victim and witness intimidation by gangs.

The bill amends several criminal statutes to address violent crimes frequently or typically committed by gangs.

Crimes include carjacking, assault, manslaughter, racketeering, murder-for-hire, and fraud against the United States.

These amendments make it easier for prosecutors to prove these crimes by eliminating or modifying the intent requirement for the crimes or by increasing the penalties for violations.

The bill permits the Attorney General to designate high intensity interstate gang activity areas, HIIGAs, and authorizes $100,000,000 for each of 7 years for these task forces.

These provisions are modeled after similar provisions creating high intensity drug trafficking areas, HIDTAs.

HIDTAs are joint efforts of local, State, and Federal law enforcement agencies whose leaders work together to assess regional drug threats, design strategies to combat those threats, and to develop initiatives to implement the strategies.

HIDTAs are based on an equal partnership between different law enforcement agencies.

HIDTAs integrate and synchronize efforts to reduce drug trafficking.

They eliminate unnecessary duplication of effort and maximize resources.

And they improve intelligence and information sharing both within and between regions.

HIDTAs are necessary because drug trafficking tends to be ''headquartered'' in certain areas of the country, from which it spreads to other areas.

Moreover, drug traffickers have been highly organized and developed sophisticated interstate and international operations.

However, both of these points are true for criminal gangs generally.

While criminal street gangs flourish in certain urban areas such as Los Angeles and Chicago, they typically also use these cities as bases to invade more rural locales.

In addition, many gangs have gone from relatively disorganized groups of street toughs to highly disciplined, hierarchical ''corporations,'' often encompassing numerous jurisdictions.

The Gangster Disciples Nation, for example, developed a corporate structure.

They had a chairman of the board, two boards of directors, one for prisons and one for streets, governors, regents, area coordinators, enforcers, and ''shorties,'' youth who staff drug-selling sites and help with drug deals.

From 1987 to 1994, this gang was responsible for killing more than 200 people. Moreover, one-half of their arrests were for drug offenses and only one-third for nonlethal violence.

In 1996, the Gangster Disciples Nation and other Chicago-based gangs were in 110 jurisdictions in 35 States.

Southern California-based gangs are equally well-dispersed.

In 1994, gangs claiming affiliation with the Bloods or Crips, both of whom are based in Southern California, were in 180 jurisdictions in 42 states.

As a result of such dispersal, violent criminal gangs can be found in rural areas.

For example, Washington State law enforcement told us about one gang member that they traced from Compton, California to San Francisco, then to Portland, Seattle, and Billings, Montana, and finally Sioux Falls, South Dakota.

The Justice Department has found that, from the 1970s to the 1990s, the number of small cities or towns, those with populations smaller than 10,000, with gangs increased by between 15 to 39 times.

This is a larger relative increase than for cities with populations larger than 10,000.

In the 1999 National Youth Gang Survey, law enforcement estimated that almost 1 of every 5 of gang members in their area were migrants from another area.

In fact, 83 percent of respondents said that the appearance of gang members in more suburban or rural areas was caused by migration of gangsters from central cities.

Gang members even travel to countries such as Mexico and El Salvador.

The Logan Heights Gang in San Diego, for example, is currently employed by the Arellano-Felix Cartel to help guard drug shipments in Mexico.

The Logan Heights Gang has also been linked to the killing of Cardinal Juan Pasados-Ocampo in Guadalajara in 1993.

As gangs have spread into rural areas and become more interstate and international, it has become more important than ever to ensure coordination between local, state, and federal law enforcement to combat gangs.

The HIDTA program has worked well and provides a good model for the high intensity interstate gang activity area program that this bill creates.

I expect that the high intensity interstate gang activity area program will help reduce the gang problem in the same way that the HIDTA program has helped reduce the drug problem.

The bill also allows serious juvenile drug offenses to be Armed Career Criminal Act predicates.

This provision ensures that career criminals do not escape higher sentences just because their most serious drug offenses occurred when they were a juvenile.

Under this legislation, all armed career criminals will get up to the maximum statutory maximum of 15 years in jail, time which may be not reduced through suspension or probation.

The bill makes the gang statute consistent with the Supreme Court's recent opinion in Apprendi v. United States.

In that decision, the Supreme Court held that any fact that increases the penalty for a crime beyond the statutory maximum must be treated as an element of the offense.

This decision has caused some problems for law enforcement in prosecuting gang crimes.

This is because the Federal gang statute has been treated as a sentence enhancement statute, not a stand-alone criminal offense statute.

Before Apprendi, prosecutors would charge gang members with drug and other crimes.

If they were convicted, they would then ask the court to enhance the gang member's sentence because of his or her membership in a criminal gang.

On many occasions, this sentence enhancement would go beyond the statutory maximum for the underlying offenses.

In light of Apprendi, this bill rewrites federal law to ensure that prosecutors can charge gang members for a separate offense under the federal gang statute.

In doing so, the bill also makes it easier for prosecutors to charge gang members by reducing the membership requirement for a criminal gang from a minimum of five members to a minimum of three members.

The bill authorizes $50,000,000 for 5 years to make grants to prosecutors' officers to combat gang crime and youth violence.

This money will help implement this legislation by ensuring that law enforcement has the money to prosecute gang members.

This is important legislation.

I urge my colleagues to act quickly to pass it.

I would also ask unanimous consent that the text of the bill and an accompanying section-by-section description be printed in the RECORD.

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

S. 1236

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 ''Criminal Gang Abatement Act of 2001''.

SEC. 2. SOLICITATION OR RECRUITMENT OF PERSONS IN CRIMINAL STREET GANG ACTIVITY.

(a) PROHIBITED ACTS.—Chapter 26 of title 18, United States Code, is amended by adding at the end the following:

''§ 522. Recruitment of persons to participate in criminal street gang activity

''(a) PROHIBITED ACTS.—It shall be unlawful for any person to use any facility in, or travel in, interstate or foreign commerce, or cause another to do so, to recruit, solicit, induce, command, or cause another person to be or remain as a member of a criminal street gang, or conspire to do so, with the intent that the person being recruited, solicited, induced, commanded, or caused to be or remain a member of such gang participate in an offense described in section 521(c) of this title.

''(b) PENALTIES.—Any person who violates subsection (a) shall—

''(1) be imprisoned not more than 10 years, fined under this title, or both; and

''(2) if the person recruited, solicited, induced, commanded, or caused is a minor, at the discretion of the sentencing judge, be liable for any costs incurred by the Federal Government, or by any State or local government, for housing, maintaining, and treating the person until the person attains the age of 18 years.

''(c) DEFINITIONS.—In this section:

''(1) CRIMINAL STREET GANG.—The term 'criminal street gang' has the meaning set forth in section 521 of this title.

''(2) MINOR.—The term 'minor' means a person who is less than 18 years of age.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 26 of title 18, United States Code, is amended by adding at the end the following:

''522. Recruitment of persons to participate in criminal street gang activity.''.

SEC. 3. PENALTIES FOR USE OF MINORS IN CRIMES OF VIOLENCE.

(a) IN GENERAL.—Chapter 1 of title 18, United States Code, is amended by adding at the end the following:

''§ 25. Use of minors in crimes of violence

''(a) PENALTIES.—Whoever, being a person not less than 18 years of age, intentionally uses a minor to commit a crime of violence for which such person may be prosecuted in a court of the United States, or to assist in avoiding detection or apprehension for such an offense, shall—

''(1) be subject to twice the maximum term of imprisonment and twice the maximum fine that would otherwise be authorized for the offense; and

''(2) for the second and any subsequent conviction under this subsection, be subject to three times the maximum term of imprisonment and three times the maximum fine that would otherwise be authorized for the offense.

''(b) DEFINITIONS.—In this section:

''(1) CRIME OF VIOLENCE.—The term 'crime of violence' has the meaning set forth in section 16 of this title.

''(2) MINOR.—The term 'minor' means a person who is less than 18 years of age.

''(3) USES.—The term 'uses' means employs, hires, persuades, induces, entices, or coerces.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1 of title 18, United States Code, is amended by adding at the end the following:

''25. Use of minors in crimes of violence.''.

SEC. 4. INCREASED PENALTIES FOR USING MINORS TO DISTRIBUTE DRUGS.

Section 420 of the Controlled Substances Act (21 U.S.C. 861) is amended—

(1) in subsection (b), by striking ''one year'' and inserting ''3 years''; and

(2) in subsection (c), by striking ''one year'' and inserting ''5 years''.

SEC. 5. CRIMINAL STREET GANGS.

(a) IN GENERAL.—Section 521 of title 18, United States Code, is amended to read as follows:

''§ 521. Criminal street gangs

''(a) DEFINITIONS.—In this section:

''(1) CONVICTION.—The term 'conviction' includes a finding, under Federal or State law, that a person has committed an act of juvenile delinquency involving an offense described in subsection (c).

''(2) CRIMINAL STREET GANG.—The term 'criminal street gang' means an ongoing group, club, organization, or association of 3 or more persons, whether formal or informal—

''(A) that has as 1 of its primary purposes or activities the commission of 1 or more of the offenses described in subsection (c);

''(B) the members of which engage, or have engaged within the past 5 years, in a continuing series of offenses described in subsection (c); and

''(C) the activities of which affect interstate or foreign commerce.

''(3) STATE.—The term 'State' means a State of the United States, the District of Columbia, and any commonwealth, territory, or possession of the United States.

''(b) OFFENSE.—

''(1) IN GENERAL.—Whoever during the commission of an offense described in paragraphs (1) through (10) of subsection (c)—

''(A) participates in a criminal street gang with knowledge that its members engage in or have engaged in a continuing series of offenses described in subsection (c);

''(B) intends to promote or further the felonious activities of the criminal street gang or maintain or increase the person's position in the gang; and

''(C) has been convicted within the past 5 years of an offense described in subsection (c),

shall be imprisoned for a term that is not more than 10 years greater than the maximum term provided by statute for the most serious offense described in paragraphs (1) through (10) of subsection (c) that the person was found to have committed as a basis for the person's conviction under this section.

''(2) CONSTRUCTION WITH OTHER CONVICTIONS.—A term of imprisonment imposed under this section shall run consecutively with any term imposed upon conviction of another count under the same indictment or information for an offense described in subsection (c).

''(3) FORFEITURE.—A person convicted under this section shall also forfeit to the United States, notwithstanding any provision of State law, all property, whether real or personal, derived directly or indirectly from the offense, all property used to facilitate the offense, and all property traceable thereto. The forfeiture shall be in accordance with the procedures set forth in the Federal Rules of Criminal Procedure and section 413 of the Controlled Substances Act (21 U.S.C. 853).

''(c) PREDICATE OFFENSES.—The offenses described in this subsection are as follows:

''(1) A Federal felony involving a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)) for which the maximum penalty is not less than 5 years.

''(2) A Federal felony crime of violence (as defined in section 16 of this title) against the person of another.

''(3) An offense under section 522 of this title.

''(4) An offense under section 844 of this title.

''(5) An offense under section 875 or 876 of this title.

''(6) An offense under section 1084 or 1955 of this title.

''(7) An offense under section 1956 of this title, to the extent that the offense is related to an offense involving a controlled substance.

''(8) An offense under chapter 73 of this title.

''(9) An offense under section 274(a)(1)(A), 277, or 278 of the Immigration and Nationality Act (8 U.S.C. 1324(a)(1)(A), 1327, 1328)).

''(10) A conspiracy, attempt, or solicitation to commit an offense described in paragraphs (1) through (9).

''(11) A State offense that would have been an offense described in paragraphs (1) through (10), if Federal jurisdiction existed.

(b) AMENDMENT OF SPECIAL SENTENCING PROVISION.—Section 3582(d) of title 18, United States Code, is amended—

(1) by striking ''chapter 95 (racketeering) or 96 (racketeer influenced and corrupt organizations) of this title'' and inserting ''section 521 or 522 (criminal street gangs) of this title, in chapter 95 (racketeering) or 96 (racketeer influenced and corrupt organizations) of this title,''; and

(2) by inserting ''a criminal street gang or'' before ''an illegal enterprise''.

(c) CONFORMING AMENDMENT RELATING TO ORDERS FOR RESTITUTION.—Section 3663(c)(4) of title 18, United States Code, is amended by striking ''chapter 46 or chapter 96 of this title'' and inserting ''section 521 of this title, under chapter 46 or 96 of this title,''.

SEC. 6. INTERSTATE AND FOREIGN TRAVEL OR TRANSPORTATION IN AID OF CRIMINAL GANGS.

(a) TRAVEL ACT AMENDMENTS.—Section 1952 of title 18, United States Code, is amended—

(1) in subsection (a)—

(A) by striking ''and thereafter performs or attempts to perform'' and inserting ''and thereafter performs, or attempts or conspires to perform'';

(B) by striking ''5 years'' and inserting ''10 years''; and

(C) by inserting '', and may be sentenced to death'' after ''if death results shall be imprisoned for any term of years or for life'';

(2) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively;

(3) by inserting after subsection (a) the following new subsection (b):

''(b) Whoever travels in interstate or foreign commerce or uses the mail or any facility in interstate or foreign commerce with intent, by bribery, force, intimidation, or threat, directed against any person, to delay or influence the testimony of or prevent from testifying a witness in a State criminal proceeding, or by any such means to cause any person to destroy, alter, or conceal a record, document, or other object, with intent to impair the object's integrity or availability for use in such a proceeding, and thereafter performs, or attempts or conspires to perform, an act described in this subsection shall be fined under this title, imprisoned not more than 20 years, or both, and if death results, shall be imprisoned for any term of years or for life, and may be sentenced to death.''; and

(4) in subsection (c), as so redesignated, by inserting ''assault with a deadly weapon, assault resulting in serious bodily injury (as defined in section 1365 of this title), shooting at an occupied dwelling or motor vehicle, intimidation of or retaliation against a witness, victim, juror, or informant,'' after ''extortion, bribery,''.

(b) AMENDMENT TO SENTENCING GUIDELINES.—Pursuant to its authority under section 994(p) of title 28, United States Code, the United States Sentencing Commission shall amend the Federal Sentencing Guidelines to provide an appropriate increase in the offense level for violations of section 1952 of title 18, United States Code, as amended by this section.

SEC. 7. INCREASED PENALTIES FOR USING PHYSICAL FORCE TO TAMPER WITH WITNESSES, VICTIMS, OR INFORMANTS.

(a) IN GENERAL.—Section 1512 of title 18, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking ''as provided in paragraph (2)'' and inserting ''as provided in paragraph (3)'';

(B) by redesignating paragraph (2) as paragraph (3);

(C) by inserting after paragraph (1) the following:

''(2) Whoever uses physical force or the threat of physical force against any person, or attempts to do so, with intent to—

''(A) influence, delay, or prevent the testimony of any person in an official proceeding;

''(B) cause or induce any person to—

''(i) withhold testimony, or withhold a record, document, or other object, from an official proceeding;

''(ii) alter, destroy, mutilate, or conceal an object with intent to impair the object's integrity or availability for use in an official proceeding;

''(iii) evade legal process summoning that person to appear as a witness, or to produce a record, document, or other object, in an official proceeding; or

''(iv) be absent from an official proceeding to which such person has been summoned by legal process; or

''(C) hinder, delay, or prevent the communication to a law enforcement officer or judge of the United States of information relating to the commission or possible commission of a Federal offense or a violation of conditions of probation, supervised release, parole, or release pending judicial proceedings,

shall be punished as provided in paragraph (3).''; and

(D) in paragraph (3), as so redesignated—

(i) by striking ''and'' at the end of subparagraph (A); and

(ii) by striking subparagraph (B) and inserting the following:

''(B) in the case of—

''(i) an attempt to murder; or

''(ii) the use, or attempted use, of physical force against any person,

imprisonment for not more than twenty years; and

''(C) in the case of the use of the threat of physical force against any person, imprisonment for not more than ten years.'';

(2) in subsection (b), by striking ''or physical force''; and

(3) by adding at the end the following:

''(j) Whoever conspires to commit any offense under this section shall be subject to the same penalties as those prescribed for the offense the commission of which was the object of the conspiracy.''.

(b) RETALIATING AGAINST A WITNESS.—Section 1513 of title 18, United States Code, is amended by adding at the end the following:

''(e) Whoever conspires to commit any offense under this section shall be subject to the same penalties as those prescribed for the offense the commission of which was the object of the conspiracy.''.

(c) CONFORMING AMENDMENTS.—

(1) WITNESS TAMPERING.—Section 1512 of title 18, United States Code, is amended in subsections (b)(3) and (c)(2) by inserting ''supervised release,'' after ''probation''.

(2) RETALIATION AGAINST A WITNESS.—Section 1513 of title 18, United States Code, is amended in subsections (a)(1)(B) and (b)(2) by inserting ''supervised release,'' after ''probation''.

SEC. 8. OTHER VIOLENT OFFENSES FREQUENTLY OR TYPICALLY COMMITTED BY GANGS.

(a) CARJACKING.—Section 2119 of title 18, United States Code, is amended by striking '', with the intent to cause death or serious bodily harm''.

(b) AMENDMENTS RELATING TO VIOLENT CRIME IN AREAS OF EXCLUSIVE FEDERAL JURISDICTION.—

(1) ASSAULT WITHIN MARITIME AND TERRITORIAL JURISDICTION OF UNITED STATES.—Section 113(a)(3) of title 18, United States Code, is amended by striking ''with intent to do bodily harm,''.

(2) MANSLAUGHTER.—Section 1112(b) of title 18, United States Code, is amended by striking ''ten years'' and inserting ''twenty years''.

(3) OFFENSES WITHIN INDIAN COUNTRY.—Section 1153(a) of title 18, United States Code, is amended by inserting ''an offense for which the maximum statutory term of imprisonment under section 1363 of this title is greater than five years,'' after ''a felony under chapter 109A,''.

(4) RACKETEER INFLUENCED AND CORRUPT ORGANIZATIONS.—Section 1961(1)(A) of title 18, United States Code, is amended by inserting ''or would have been so chargeable except that the act or threat (other than gambling) was committed in Indian country, as defined in section 1151 of this title, or in any other area of exclusive federal jurisdiction'' after ''chargeable under State law''.

(c) AMENDMENTS TO STATUTES PUNISHING VIOLENT CRIMES FOR HIRE OR IN AID OF RACKETEERING.—

(1) MURDER-FOR-HIRE.—Section 1958(a) of title 18, United States Code, is amended by inserting ''or other felony crime of violence against the person'' after ''murder''.

(2) VIOLENT CRIMES IN AID OF RACKETEERING.—Section 1959 of title 18, United States Code, is amended—

(A) in subsection (a)—

(i) in paragraph (4)—

(I) by inserting ''specified in paragraphs (1) through (3)'' after ''threatening to commit a crime of violence''; and

(II) by striking ''five'' and inserting ''ten'';

(ii) in paragraph (5), by striking ''ten'' and inserting ''twenty'';

(iii) in paragraph (6), by striking ''three'' and inserting ''ten''; and

(B) in subsection (b)—

(i) by striking ''and'' at the end of paragraph (1);

(ii) by striking the period at the end of paragraph (2) and inserting ''; and''; and

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

''(3) 'serious bodily injury' has the meaning set forth in section 2119 of this title.''.

(d) CONSPIRACY.—Section 371 of title 18, United States Code, is amended—

(1) by designating the first paragraph as subsection (a);

(2) in subsection (a), as so designated, by striking ''either to commit any offense against the United States, or'';

(3) by striking the second paragraph; and

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

''(b) If two or more persons conspire to commit any offense against the United States, and one or more of such persons do any act to effect the object of the conspiracy, each shall be subject to the same penalties as those prescribed for the most serious offense the commission of which was the object of the conspiracy, except that the penalty of death shall not be imposed.''.

SEC. 9. SERIOUS JUVENILE DRUG OFFENSES AS PREDICATE FOR ARMED CAREER CRIMINAL STATUS.

Section 924(e)(2)(C) of title 18, United States Code, is amended by inserting ''or serious drug offense'' after ''violent felony''.

SEC. 10. SENTENCING GUIDELINES FOR GANG CRIMES, INCLUDING AN INCREASE IN OFFENSE LEVEL FOR PARTICIPATION IN CRIME AS A GANG MEMBER.

Pursuant to its authority under section 994(p) of title 28, United States Code, the United States Sentencing Commission shall amend the Federal sentencing guidelines to eliminate the policy statement in section 5K2.18 of the guidelines regarding section 521 of title 18, United States Code, and instead provide a base offense level in chapter 2 of the guidelines for offenses described in sections 521 and 522 of title 18, United States Code, that reflects the seriousness of these offenses. Such guidelines shall include an appropriate enhancement (which shall be in addition to any other adjustment under chapter 3 of the Federal Sentencing guidelines) for any offense described in section 521 if the offense was both committed in connection with, or in furtherance of, the activities of a criminal street gang and the defendant was a member of the gang at the time of the offense. Such guidelines shall also include an appropriate enhancement (which shall be in addition to any other adjustment under chapter 3 of the Federal Sentencing Guidelines) for a person who, in violating such section 522, recruits, solicits, induces, commands, or causes another person residing in another State to be or remain a member of a criminal street gang, or who crosses a State line with intent to violate such section 522.

SEC. 11. HIGH INTENSITY INTERSTATE GANG ACTIVITY AREAS.

(a) DEFINITIONS.—In this section:

(1) GOVERNOR.—The term ''Governor'' means a Governor of a State or the Mayor of the District of Columbia.

(2) HIGH INTENSITY INTERSTATE GANG ACTIVITY AREA.—The term ''high intensity interstate gang activity area'' means an area within a State that is designated as a high intensity interstate gang activity area under subsection (b)(1).

(3) STATE.—The term ''State'' means a State of the United States, the District of Columbia, and any commonwealth, territory, or possession of the United States.

(b) HIGH INTENSITY INTERSTATE GANG ACTIVITY AREAS.—

(1) DESIGNATION.—The Attorney General, upon consultation with the Secretary of the Treasury and the Governors of appropriate States, may designate as a high intensity interstate gang activity area a specified area that is located—

(A) within a State; or

(B) in more than 1 State.

(2) ASSISTANCE.—In order to provide Federal assistance to a high intensity interstate gang activity area, the Attorney General may—

(A) facilitate the establishment of a regional task force, consisting of Federal, State, and local law enforcement authorities, for the coordinated investigation, disruption, apprehension, and prosecution of criminal activities of gangs and gang members in the high intensity interstate gang activity area; and

(B) direct the detailing from any Federal department or agency (subject to the approval of the head of that department or agency, in the case of a department or agency other than the Department of Justice) of personnel to the high intensity interstate gang activity area.

(3) CRITERIA FOR DESIGNATION.—In considering an area (within a State or within more than 1 State) for designation as a high intensity interstate gang activity area under this section, the Attorney General shall consider—

(A) the extent to which gangs from the area are involved in interstate or international criminal activity;

(B) the extent to which the area is affected by the criminal activity of gang members who—

(i) are located in, or have relocated from, other States; or

(ii) are located in, or have immigrated (legally or illegally) from, foreign countries;

(C) the extent to which the area is affected by the criminal activity of gangs that originated in other States or foreign countries;

(D) the extent to which State and local law enforcement agencies have committed resources to respond to the problem of criminal gang activity in the area, as an indication of their determination to respond aggressively to the problem;

(E) the extent to which a significant increase in the allocation of Federal resources would enhance local response to gang-related criminal activities in the area; and

(F) any other criteria that the Attorney General considers to be appropriate.

(c) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated to carry out this section $100,000,000 for each of fiscal years 2002 through 2008, to be used in accordance with paragraph (2).

(2) USE OF FUNDS.—Of amounts made available under paragraph (1) in each fiscal year—

(A) 60 percent shall be used to carry out subsection (b)(2); and

(B) 40 percent shall be used to make grants for community-based programs to provide crime prevention and intervention services that are designed for gang members and at-risk youth in areas designated pursuant to this section as high intensity interstate gang activity areas.

(3) REQUIREMENT.—

(A) IN GENERAL.—The Attorney General shall ensure that not less than 10 percent of amounts made available under paragraph (1) in each fiscal year are used to assist rural States affected as described in subparagraphs (B) and (C) of subsection (b)(3).

(B) RURAL STATE DEFINED.—In this paragraph, the term ''rural State'' has the meaning given the term in section 1501(b) of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796bb(b)).

SEC. 12. AUTHORITY TO MAKE GRANTS TO PROSECUTORS' OFFICES TO COMBAT GANG CRIME AND YOUTH VIOLENCE.

(a) IN GENERAL.—Section 31702 of subtitle Q of title III of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 13862) is amended—

(1) in paragraph (2), by striking ''and'' at the end;

(2) in paragraph (4), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

''(5) to allow the hiring of additional prosecutors, so that more cases can be prosecuted and backlogs reduced;

''(6) to provide funding to enable prosecutors to address drug, gang, and youth violence problems more effectively;

''(7) to provide funding to assist prosecutors with funding for technology, equipment, and training to assist prosecutors in reducing the incidence of, and increase the successful identification and speed of prosecution of young violent offenders; and

''(8) to provide funding to assist prosecutors in their efforts to engage in community prosecution, problem solving, and conflict resolution techniques through collaborative efforts with police, school officials, probation officers, social service agencies, and community organizations.''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 31707 of subtitle Q of title III of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 13867) is amended to read as follows:

''SEC. 31707. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this subtitle, $50,000,000 for each of fiscal years 2002 through 2006.''.

SEC. 13. NOTIFICATION AFTER ARREST.

Section 5033 of title 18, United States Code, is amended by striking ''arresting officer'' each place it appears in the first and second sentences and inserting ''arresting officer or another representative of the Attorney General''.

CRIMINAL GANG ABATEMENT ACT OF 2001—SECTION-BY-SECTION

SECTION 1

The short title of the bill is the ''Criminal Gang Abatement Act of 2001.''

SECTION 2

Adds section 522 to Chapter 26 of title 18, which prohibits any person from traveling in, or using any facility in, interstate commerce to recruit or retain a person as a member of a criminal street gang with the intent that the recruited or retained individual participate in an offense described in section 521(c) of the title. Section 521(c) offenses are Federal felonies involving controlled substances for which the maximum penalty is not less than five years, a Federal felony crime of violence involving the use or attempted use of physical force, and conspiracies to commit either of these two offenses.

The penalties for violating the section include imprisonment for not more than 10 years, fines, or both. In addition, if the individual who was recruited is a minor, the defendant may be held liable for any costs incurred by the Federal, State, or local government for housing, maintaining, and treating the minor until the age of 18.

The term ''criminal street gang'' is amended in section 5 of this bill.

SECTION 3

Prohibits the intentional use of minors to commit a crime of violence or to assist in avoiding detection or apprehension for such an offense. Any first-time offender shall be subject to twice the maximum term of imprisonment and fine that would otherwise be authorized for the offense. For any second or subsequent conviction under the section, the offender is subject to three times the maximum penalty.

SECTION 4

Amends 21 U.S.C. 861 to increase the minimum penalty to three years for any first-time offender who employs or uses a minor to distribute, receive, or avoid detection of a controlled substance in violation of the title or title III. The minimum punishment for a repeat offender is increased to five years.

SECTION 5

Amends 18 U.S.C. 521 to transform it from a penalty enhancement provision to an offense and, in so doing, also redefines the term ''criminal street gang'' to reduce the membership requirement from ''5 or more persons'' to ''3 or more persons.'' The rewriting of section 521 is in response to *Apprendi* v. *United States*, 530 U.S. 466 (2000), in which the Supreme Court held that any fact that increases the penalty for a crime beyond the statutory maximum, other than for a prior conviction, must be treated as an element of the offense.

The proposed amendment establishes ten predicate offenses in subsection c. Those offenses are: a Federal felony involving a controlled substance for which the maximum penalty is not less than 5 years; a Federal felony crime of violence; an offense under newly created section 522; an offense under section 844, (importation, manufacture, distribution, and storage of explosive materials; an offense under sections 875 or 876, kidnapping and extortion; an offense under section 1084 or 1955, illegal gambling; an offense under section 1956, money laundering, to the extent it relates to an offense involving a controlled substance; an offense under chapter 73 of title 18, obstruction of justice; an offense under section 274(a)(1)(A), 277, or 278 of the Immigration and Nationality Act, illegal transportation of an alien; and a conspiracy, attempt, or solicitation to commit an offense described above.

Any person who commits one of the predicate offenses while participating in a criminal street gang with the intent of promoting the felonious activities of the gang, and who has been convicted within the past five years of one of the predicate offenses, faces an additional 10-year consecutive sentence for the predicate crime. The bill also provides for the forfeiture of any property derived directly or indirectly from the offense.

The bill also amends 18 U.S.C. 3582(d) to allow the court to include as part of the sentence for any person convicted under section 521 or 522 an order requiring the offender while in prison to not associate or communicate with a specified person upon a showing of probable cause that the association or communication is for the purpose of enabling the offender to be engaged in illegal activity.

SECTION 6

Amends 18 U.S.C. 1952 to increase the maximum penalty for traveling in interstate or foreign commerce or using any facility in interstate or foreign commerce to distribute the proceeds of any unlawful activity or for promoting, managing, establishing, carrying on of any unlawful activity from five years to ten. In addition, the bill authorizes the death penalty for any person convicted of traveling, or using any facility, in foreign or interstate commerce to commit any crime of violence to further an unlawful activity, if that act of violence results in death. Conspiring to violate the section is treated the same as an actual or attempted violation.

The bill amends the section to include new subsection b, which provides that any person who travels in interstate or foreign commerce or uses any facility in interstate or

foreign commerce with the intent to delay or influence the testimony of or prevent from testifying a witness in a State criminal proceeding or who seeks to cause any person to destroy, alter or conceal evidence and thereafter performs, or attempts or conspires to perform, an act described above shall be imprisoned not more than 20 years, fined, or both, and if death results, may be imprisoned for any term of years or for life, or be sentenced to death.

The proposed section also amends redesignated subsection c by amending ''unlawful activity'' to include assault with a deadly weapon, assault resulting in serious bodily injury, shooting at an occupied dwelling or motor vehicle, and intimidation of or retaliation against a witness, victim, juror, or informant.

Finally, the bill directs the United States Sentencing Commission to amend the Federal Sentencing Guidelines to provide an appropriate increase in the offense level for violations of the newly amended section.

SECTION 7

Amends 18 U.S.C. 1512 to increase the penalties for the use of physical force or the threat of physical force with the intent to influence, delay, or prevent the testimony of any person in an official proceeding.

The bill increases the maximum term of imprisonment for the use of physical force against any person in violation of the section from 10 years to 20 years. In the case of the use of the threat of physical force against any person, the individual may be imprisoned for not more than ten years. Identical penalties are assessed for those who conspire to commit any offense under the section.

SECTION 8

This section amends various sections of title 18 to address violent offenses frequently or typically committed by gangs. Most of the amendments either eliminate a mens rea requirement or increase the penalty for a violation.

Subsection a amends 18 U.S.C. 2119 by eliminating the requirement that the offender intend to cause death or serious bodily harm during a carjacking in order to violate the section.

Subsection b amends: 1. 18 U.S.C. 113(a)(3), dealing with assaults within the maritime and territorial jurisdiction of the United States, by striking the requirement that the offender intend to do bodily harm when assaulting a person with a dangerous weapon; 2. 18 U.S.C. 1112(b), dealing with manslaughter within the maritime and territorial jurisdiction of the United States, by increasing the maximum penalty for voluntary manslaughter from ten years to twenty; 3. 18 U.S.C. 1153(a), which deals with offenses committed within Indian country, by including within the list of offenses subject to the same law and penalties as all other persons ''an offense for which the maximum statutory term of imprisonment under section 1363 of this title is greater than five years''; 4. 18 U.S.C. 1961(1)(A) by including within the definition of ''racketeering activity'' the illegal activities specified in the section that ''would have been chargeable'' under State law ''except that the act or threat, other than gambling was committed in Indian country, as defined in section 1151 of this title, or in any other area of exclusive Federal jurisdiction''.

Subsection c amends: 1. 18 U.S.C. 1958(a), dealing with murder-for-hire, by bringing within the scope of the section those who travel, or use any facility, in interstate or foreign commerce with the intent that a felony crime of violence against the person be committed in violation of the laws of any State or the United States. As it currently stands, the section applies only to those who intend that a murder be committed; 2. 18 U.S.C. 1959, which deals with violent crimes in aid of racketeering. The bill increases the penalty for violating various subsections of section 1959. The maximum punishment for threatening to commit a crime of violence is increased from five to ten years; for attempting or conspiring to commit murder or kidnapping is increased from ten to twenty years; and for attempting or conspiring to commit a crime involving maiming, assault with a dangerous weapon, or assault resulting in serious bodily injury is increased from three to ten years. The amendment also incorporates the definition of ''serious bodily injury'' set forth in section 2119 of the title as the term was previously undefined within the section.

Subsection d amends 18 U.S.C. 371, dealing with conspiracies to commit offenses against or to defraud the United States. The bill strikes the second paragraph of section 371, dealing with conspiracies involving misdemeanors. A second subsection is added that provides that if two or more persons conspire to commit any offense against the United States, and one or more such persons acts on the conspiracy, each shall be subject to the same penalties as those prescribed for the most serious offense that was the object of the conspiracy, except that the penalty of death shall not be imposed.

SECTION 9

Amends the term ''conviction'' in 18 U.S.C. 924(e)(2)(C), part of the Armed Career Criminal Act, to include an act of juvenile delinquency involving serious drug offenses.

SECTION 10

Requires the United States Sentencing Commission to amend the Federal sentencing guidelines to eliminate the policy statement in section 5K2.18 dealing with sentence enhancement for gang crimes. As with the amendment to 18 U.S.C. 521 in section 5 of the bill, the deletion is in response to the recent decision in *Apprendi* v. *New Jersey*, 530 U.S. 466 (2000).

Instead of the to-be-deleted and no longer appropriate policy statement, the proposed amendment directs the Commission to provide a base offense level for offenses described in 18 U.S.C. 521 and 522 that reflects the seriousness of the offenses-including an appropriate enhancement for any offense described in section 521 committed by a member of a criminal street gang in connection with the activities of the gang. The guidelines are also to include an appropriate enhancement for a person who, in violating section 522, recruits, solicits, induces, commands, or causes another person residing in another State to be or remain a member of a criminal street gang, or who crosses a State line with intent to violate section 522.

SECTION 11

Permits the Attorney General to designate an area as a high intensity interstate gang activity area. The Attorney General makes such designation upon consultation with the Secretary of the Treasury and the Governors of the appropriate States. In making such designation, the Attorney General considers the extent to which gangs from the area are involved in interstate or international criminal activity, the extent to which the area is affected by the criminal activity of gang members who are located in, or have relocated from, other States or foreign countries, the extent to which State and local law enforcement agencies have committed resources to respond to the problem of criminal gang activity in the area, the extent to which a significant increase in the allocation of Federal resources would enhance local response to gang-related criminal activity in the area, and any other criteria deemed appropriate.

After such designation, the Attorney General may provide assistance to the area by facilitating the establishment of a regional task force, consisting of Federal, State, and local law enforcement, for the coordinated investigation, disruption, apprehension, and prosecution of criminal activities of gangs and gang members in the area. In addition, the Attorney General may direct the detailing from any Federal department or agency, subject to the approval of the head of that department or agency of personnel to the high intensity interstate gang activity area.

The bill authorizes $100,000,000 for each of fiscal years 2002 through 2008. Sixty percent of the appropriation is to be used to carry out the activities described above. The remainder is to be used to make grants for community-based programs to provide crime prevention and intervention services that are designed for gang members and at-risk youth in the designated areas. The bill further requires the Attorney General to ensure that not less than 10 percent of the amounts spent each fiscal year are used to assist rural States.

SECTION 12

Amends the Violent Crime Control and Law Enforcement Act of 1994, 42 U.S.C. 13862, to permit additional uses for grants made by the Attorney General under the section. The additional uses are: to hire additional prosecutors; to provide funding to enable prosecutors to address drug, gang, and youth violence problems more effectively; to provide funding to assist prosecutors with funding for technology, equipment, and training; and to provide funding to assist prosecutors in their efforts to engage in community prosecution, problem solving, and conflict resolution techniques through collaborative efforts with police, school officials, probation officers, social service agencies, and community organizations.

The bill authorizes the appropriation of $50,000,000 for each of fiscal years 2002 through 2006 to carry out the subtitle.

SECTION 13

Amends 18 U.S.C. 5033 so that government officials, other than the arresting officer, may advise juveniles of their rights, notify the Attorney General, and notify the juvenile's parents of the juvenile's detainment and rights. This provision clarifies a provision that has been interpreted in an overly literal manner by the Ninth Circuit and is now causing numerous problems for law enforcement in that circuit. *See United States* v. *Juvenile* (RRA–A), 229 F.3d 737, 748 (9th Cir. 2000) (Trott, J., dissenting).

By Mr. INOUYE:

S. 1237. A bill to allow certain individuals of Japanese ancestry who were brought forcibly to the United States from countries in Latin America during World War II and were interned in the United States to be provided restitution under the Civil Liberties Act of 1988, and for other purposes; to the Committee on the Judiciary.

Mr. INOUYE. Mr. President, I rise to introduce the Wartime Parity and Justice Act of 2001, the Senate companion bill to H.R. 619. Among other things, the bill provides restitution to Latin Americans of Japanese ancestry who were brought to the United States, then interned in Immigration and Naturalization Service camps during World War II.

Between December, 1941, to February, 1948, more than 2,000 men,

women, and children of Japanese ancestry were relocated from thirteen Latin American countries to the United States. During World War II, the United States had these individuals shipped to the United States to be traded with the Japanese Government for American prisoners of war. Of this number, approximately 800 were traded for American prisoners of war. The remaining individuals were placed in internment camps throughout the United States.

The governments of those thirteen Latin American countries cooperated with the United States because they received millions of dollars in monetary compensation for their assistance. Much like their Japanese American counterparts in the United States, these people were selected merely because of their ethnic origin.

The big difference, however, is that the United States made an effort to redress the wrong committed against the Japanese Americans. The Civil Liberties Act of 1988, signed into law by President Reagan, allowed for monetary compensation of $20,000 and an apology from the United States Government to all Japanese Americans interned in camps throughout the country. More than 120,000 Japanese Americans were placed into these internment camps because they were a ''threat'' to national security. To this day, not one case of sabotage or espionage by Japanese Americans during World War II has been uncovered by the United States Government.

Japanese Latin Americans were not an eligible class under the Civil Liberties Act of 1988 even though they suffered under the same conditions experienced by their Japanese American counterparts.

In 1996, Japanese Latin Americans sued the United States Government in Mochizuki v. the United States of America. Through the settlement of this case, the Japanese Latin Americans were eventually awarded $5,000 each, along with a letter of apology signed by President Clinton. The settlement agreement explicitly allows for further action by Congress to fund Japanese Latin American redress, in light of the fact that Japanese Americans were allowed $20,000 under the Civil Liberties Act of 1988.

My bill will allow us to correct this inequity by offering $20,000 to eligible Japanese Latin Americans. The Japanese Latin Americans who chose to accept their $5,000 award would be offered up to an additional $15,000 each. This bill would also reauthorize the educational mandate in the Act to continue research and education efforts, ensuring the internees' experiences will be remembered, and hopefully, to prevent recurrences.

By Mr. WELLSTONE (for himself and Mr. DAYTON):

S. 1238. A bill to promote the engagement of young Americans in the democratic process through civic education in classrooms, in service learning programs, and in student leadership activities, of America's public schools; to the Committee on Health, Education, Labor, and Pensions.

Mr. WELLSTONE. Mr. President, I hope that colleagues will support a bill I am introducing today: the Hubert H. Humphrey Civic Education Enhancement Act. Senator DAYTON joins me as an original co-sponsor of this legislation. As a co-sponsor of Senator DODD's electoral reform bill, I look forward to a debate later this year on a strong electoral reform measure that will ensure that all Americans who wish to vote be able to do so easily and without facing acts of intimidation and to do so using equipment that ensures all votes will be counted. However, as we think about reforming the methods through which our democracy is practiced on Election Day, we should focus attention on an issue that arguably presents a challenge to the vibrancy of that democracy that is even more fundamental: the decline of young Americans' engagement in public affairs. Turning the tide on political detachment by young persons through a new commitment to civic education in our public schools is the purpose of the Humphrey Act.

Civic knowledge, civic intellectual skills, civic participation skills, and civic virtue on the part of the American citizenry are all crucial for the vitality of a healthy representative democracy. But, there is growing evidence that many of our younger citizens are lagging in all of the components necessary for their effective engagement in public life as they enter adulthood. Because all these skills and values are vital to effective citizenship, a multifaceted approach to enhancing civic education in our Nation's elementary and secondary schools, expressed in the Humphrey Act, is a true national priority.

There are numerous pieces of evidence for a crisis in civic education that threatens the future vibrancy of our democracy. The most recent nationwide survey of incoming college freshmen conducted by the Higher Education Research Institute at the University of California at Los Angeles reports that only 28.1 percent of the students entering college in the fall of 2000 reported an interest in ''keeping up to date with political affairs.'' This was the lowest level in the 35 year history of the survey. In 1966, 60.3 percent of students reported an interest in political affairs. In addition, the 1998 National Assessment of Educational Progress, NAEP, Civics Assessment revealed startling results in terms of American students' competence in civics at grade levels 4, 8, and 12. At each grade level the percentage of students shown to be ''Below Basic'' outnumbered the percentage in the ''At or above Proficient'' and ''Advanced'' levels combined. Thirty-one percent of fourth-grade students, thirty percent of eighth-graders, and thirty-five percent of high school seniors were ''Below Basic'' in their civics achievement. And, a 1999 study published by the Lyndon B. Johnson School of Public Affairs at The University of Texas at Austin showed that the introduction of mandated state assessments in other fields, but typically not in civics, has resulted in a reduction in the amount of class time spent on civics.

Moreover, in the years after leaving high school, young Americans are becoming less engaged in the democratic process. While 50 percent of Americans between the ages of 18 and 25 voted in 1972, only 38 percent of that age group voted in 2000. And, according to a Harvard University survey published in 2000, 85 percent of young people now say that volunteer work is better than political engagement as a way to solve important issues. It is this evidence that links this effort directly to any serious electoral reform effort. Therefore, it is time for a serious national response to all of these troubling indicators on the civic health of those that we are relying upon to be thoughtful, active citizens in the years ahead. The vibrancy of American elections of the future depend upon our revitalizing civic education today.

It is most appropriate that this legislation focused on enhancing civic education would also serve as a memorial to one of the great Minnesotans of the twentieth century, Hubert H. Humphrey. As a political scientist, Mayor of St. Paul, United States Senator and as Vice President of the United States, Hubert H. Humphrey exemplified thoroughly the application of civic knowledge, civic intellectual skills, civic participation skills, and civic virtue in our representative democracy. As a teacher of political science at Macalester College, Hubert Humphrey made the case to students that, to be effective citizens, they must be informed about the political process and be analytical about the issues of their time as they take stances on them. By becoming active in party politics and, eventually, by running for office, Humphrey was a role model of a participant in the democratic experience at the local, State, and national levels. His belief in promoting public service was also shown in his nonstop work, beginning in his first campaign for President in 1960, in envisioning and supporting the Peace Corps program. Finally, Hubert Humphrey stood firm in his principles on so many occasions, exemplifying the civic virtue that is a crucial ingredient of complete citizenship. His moving oratory supporting President Truman's civil rights proposals at the 1948 Democratic National Convention helped to shift his political party and, eventually, the entire nation on one of the fundamental issues of his time. He showed fortitude in speech after speech and vote after vote on the floor of this Senate in expressing his heartfelt duty to support America's neediest citizens. As he put it: ''The moral test of government is how that

government treats those who are in the dawn of life, the children; those who are in the twilight of life, the elderly; and those who are in the shadows of life, the sick, the needy and the handicapped.'' There simply is no more worthy person to memorialize in a new significant national commitment to civic education than Hubert H. Humphrey.

Recognizing that there is no single answer to revitalizing civic engagement in young Americans, the Humphrey Act includes five sections, each centered on bettering a different aspect of civic education in the elementary and secondary schools of America. Together, these five components of the Humphrey Act offer a thoughtful step forward in American civic education.

First, in decades past, new and veteran teachers in the field of social studies had high-quality professional development opportunities made available to them through programs funded by the federal government as part of the National Defense Education Act, the Education Professional Development Act, the National Science Foundation, and other programs designed by the Department of Education. In recent years, most of these federally-funded opportunities, particularly helpful for new teachers, have disappeared. Social studies teachers, most of whom are now nearing retirement age, have told me how crucial these programs, generally in the format of summer institutes, were in aiding their ability to excite and inform their students about civics. We need to offer the same opportunities to younger civics teachers and the same benefits of good civics teachers to their students. Therefore, the Humphrey Act authorizes, at $25 million annually, summer Civics Institutes to promote creative curricula and pedagogy. The establishment of a new set of university and college campus-based summer institutes for teachers of all grades focused both on enlarging the teachers' knowledge of specific content as well as helping them to teach civics in exciting ways is a way that the Federal Government can play a role in quickly making a difference in enhancing the civics classroom for America's students.

Next, when high in quality, service learning programs have been shown to increase student efficacy in public affairs and to enhance students' knowledge of how government works and how social change can be brought about. For instance, according to a 1997 study, high school students who participated in service learning programs have been shown to be more engaged in community organizations and to vote than their nonparticipant counterparts 15 years after their service learning experiences. I know that many of my colleagues have heard stories from students and educators engaged in service learning that add depth to this data. I will recount just one description of a recent school-based service learning program in Huntsville, Alabama, coordinated by the St. Paul-based National Youth Leadership Council, that exemplifies the power of service learning as a force in civic education. After the 8th grade students on a field trip to a historic cemetery discovered that it had been ''whites only,'' a second field trip discovered the burial site for the town's African-Americans in the 19th century. That cemetery was found to be in a deplorable state, with vandalized headstones, unmarked graves, and poorly kept records. The students key question: ''What are we going to do about it?'' This led to the creation of the African American History Project and any number of learning experiences emanating out of this service to accurately rehabilitate the cemetery: Math classes platted the unmapped cemetery; history students undertook oral histories; research on those buried in the cemetery took students to the court records and to the pages of a 19th century black newspaper. One of the results of the endeavor was the development of a curriculum on the history of African-Americans in Huntsville for third-graders by the middle-school students with the assistance of their teachers. In this case, service and learning were almost entirely interwoven.

It is crucial, however, to connect service learning experiences to classroom civics curriculum to long-term payoff in terms of promoting students' involvement in public affairs. The Humphrey Act would increase the authorization of funds for the school-based Learn and Serve Program and would authorize Service Learning Institutes dedicated to training/retraining service learning teachers. Raising the authorization level of the school-based Learn and Serve program to $65 million would allow an expansion of a program for which the funding levels have been flat in recent fiscal years and would enhance states and local districts to more sharply link service learning programs to civic knowledge and engagement. Moreover, presently there is little money left for the professional development of new service learning instructors, including mid-career teachers who are interested in being retrained in service learning. Therefore, it is important to develop a summer campus-based Service Learning Institutes program, to parallel the Civics Institutes program. Great strides have been made in the field of service learning in recent years even with a limited federal investment; it is time for this national investment to increase in the interest of the future vitality of our democracy.

Third, we should do more to encourage local schools' innovation in the development of community service programs that explicitly link volunteer activities to social change in their communities. Therefore, the Humphrey Act incorporates provisions of a bill introduced in the House of Representatives by Representative LINDSEY GRAHAM to make spending on community service programs an allowable use of funds for districts under the ''innovative programs'' section of the Elementary and Secondary Education Act. Specifically, it would allow local schools to use federal money to fund community service programs which ''train and mobilize young people to measurably strengthen their communities through nonviolence, responsibility, compassion, respect, and moral courage.'' I applaud the philosophy and work of Do Something, an national organization founded in 1993 guided by the principle that young people could change the world if they believed in themselves and had the tools to take action. Using a project-centered approach, Do Something recognizes young people as effective leaders and, in the projects that they have promoted in hundreds of communities linking students and caring educators together, they have helped young persons turn their ideas into action. This section of the Humphrey Act would promote the work of Do Something and other local community service endeavors in schools all over the country.

Next, our Nation's public middle and high schools often miss opportunities to develop and support student governments that are viable voices for students in the operations of those schools. A 1996 study by the National Association of Secondary School Principals showed that fewer than half of high school students believed that their student government ''affects decisions about co-curricular activities.'' Barely one-third expressed confidence in those governments' ability to ''affect decisions about school rules.'' We should also be concerned about the decline in participation in student leadership activities. Between 1972 and 1992, student government participation fell by 20 percent and work on student publications fell by 7 percent. Effective, innovative student government in which the representatives of the students are connected to the decision-making processes in the school do more than simply enhance the experiences of those who are in the elected student leadership positions. It also sends the message to those leaders' constituents that participation in politics and government can truly make a difference in one's daily life. Dynamic student leadership experiences can make a difference in promoting the civic education within America's middle-schools and high schools. Therefore, this bill develops a competitive grants program to provide funding for school districts to use in strengthening student government programs. In a similar manner, student engagement in local or state government activities or on school boards can be crucial in allowing young persons to experience first-hand early in their lives that participation does indeed matter. At present, in some communities, high school students are explicitly involved in the activities of city government and school boards; we should do all we can to make that more common. The grant programs in this

portion of the Humphrey Act, therefore, also may be used to develop innovative programs for student engagement in governmental activities.

Finally, while a variety of civics education enhancement programs have been implemented through Federal Government efforts and at the state and local level, no comprehensive, national research exists on the short- and long-term efficacy of such programs in encouraging civic knowledge and other learning or in promoting civic engagement. This contrasts with the extensive research on the effectiveness of different approaches to the teaching of reading and mathematics that has driven decisions about curricula in those fields. Therefore, the final section of the legislation authorizes the Department of Education's Office of Educational Research and Improvement, OERI, to carry out an extensive five-year research project on the frequency and efficacy of different approaches employed in civic education, with attention given to their effectiveness with different subgroups of students. These include traditional classroom-based civics education, the federally-funded ''We the People . . . the Citizen and the Constitution'' curricular program, experiential learning programs such as the Close Up program, service learning, student government, as well as more innovative programs such as the ''public works'' approach to civic engagement, designed by the Hubert Humphrey Institute of Public Affairs at the University of Minnesota, that involve work on common projects of civic benefit with a focus on bringing together individuals with ideological, cultural, racial, income, and other differences in carrying out the project. So that we make wise curricular and funding decisions in the future we need to know which approaches, and combinations of approaches, to civic education are the most effective in achieving the outcomes we expect.

We should celebrate the efforts of all who have been involved in the civic education of America's students. This bill does not denigrate their efforts. But, because the engagement in public affairs by our young people is so important for the long-term health of our democracy, it is time to take a step forward in establishing a comprehensive new federal commitment to civic education. The Humphrey Civic Education Enhancement Act combines new commitments to the professional development of civics teachers, an increase in funding for school-based service learning and the professional development of service learning teachers, local innovation in community service programs in schools, and an encouragement of a revitalized student involvement in student leadership programs and in local government. I am proud that a broad range of organizations recognize the need for this legislation and have endorsed this bill. These include the National Council of the Social Studies, the State Education Agency K–12 Service-Learning Network, the National Youth Leadership Council, Do Something, the National Community Service Coalition, Earth Force, Youth Service America, the American Youth Policy Forum, the National Association of Secondary School Principals, and the National Association of Student Councils.

Hubert Humphrey said, ''It is not enough to merely defend democracy. To defend it may be to lose it; to extend it is to strengthen it. Democracy is not property; it is an idea.'' Let us extend democracy and, in so doing, create a new generation of civic engagement. I strongly urge my colleagues to memorialize Hubert H. Humphrey and his life of civic engagement with the passage of this legislation.

By Mr. HAGEL (for himself, Mr. ENSIGN, and Mr. LUGAR):

S. 1239. A bill to amend title XVIII of the Social Security Act to provide medicare beneficiaries with a drug discount card that ensures access to affordable outpatient prescription drugs; to the Committee on Finance.

Mr. HAGEL. 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. 1239

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Medicare Rx Drug Discount and Security Act of 2001''.

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

SEC. 2. VOLUNTARY MEDICARE OUTPATIENT PRESCRIPTION DRUG DISCOUNT AND SECURITY PROGRAM.

(a) ESTABLISHMENT OF PROGRAM.—Title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) is amended by redesignating part D as part E and by inserting after part C the following new part:

''PART D—VOLUNTARY MEDICARE OUTPATIENT PRESCRIPTION DRUG DISCOUNT AND SECURITY PROGRAM

''DEFINITIONS

''SEC. 1860. In this part:

''(1) COMMISSIONER.—The term 'Commissioner' means the Commissioner of Medicare Prescription Drugs appointed under section 1860S(a).

''(2) COVERED OUTPATIENT DRUG.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'covered outpatient drug' means—

''(i) a drug that may be dispensed only upon a prescription and that is described in clause (i) or (ii) of subparagraph (A) of section 1927(k)(2); or

''(ii) a biological product or insulin described in subparagraph (B) or (C) of such section.

''(B) EXCLUSIONS.—

''(i) IN GENERAL.—The term 'covered outpatient drug' does not include drugs or classes of drugs, or their medical uses, which may be excluded from coverage or otherwise restricted under section 1927(d)(2), other than those restricted under subparagraph (E) of such section (relating to smoking cessation agents).

''(ii) AVOIDANCE OF DUPLICATE COVERAGE.—A drug prescribed for an individual that would otherwise be a covered outpatient drug under this part shall not be considered to be such a drug if payment for the drug is available under part A or B (but such drug shall be so considered if such payment is not available because the eligible beneficiary has exhausted benefits under part A or B), without regard to whether the individual is entitled to benefits under part A or enrolled under part B.

''(3) ELIGIBLE BENEFICIARY.—The term 'eligible beneficiary' means an individual who is—

''(A) eligible for benefits under part A or enrolled under part B; and

''(B) not eligible for prescription drug coverage under a medicaid plan under title XIX.

''(4) ELIGIBLE ENTITY.—The term 'eligible entity' means any entity that the Commissioner determines to be appropriate to provide the benefits under this part, including—

''(A) pharmaceutical benefit management companies;

''(B) wholesale and retail pharmacy delivery systems;

''(C) insurers;

''(D) Medicare+Choice organizations;

''(E) other entities; or

''(F) any combination of the entities described in subparagraphs (A) through (E).

''(5) POVERTY LINE.—The term 'poverty line' means the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved.

''SUBPART 1—ESTABLISHMENT OF VOLUNTARY MEDICARE OUTPATIENT PRESCRIPTION DRUG DISCOUNT AND SECURITY PROGRAM

''ESTABLISHMENT OF PROGRAM

''SEC. 1860A. (a) PROVISION OF BENEFIT.—The Commissioner shall establish a Medicare Outpatient Prescription Drug Discount and Security Program under which an eligible beneficiary may voluntarily enroll and receive benefits under this part through enrollment with an eligible entity with a contract under this part.

''(b) PROGRAM TO BEGIN IN 2003.—The Commissioner shall establish the program under this part in a manner so that benefits are first provided for months beginning with January 2003.

''(c) VOLUNTARY NATURE OF PROGRAM.—Nothing in this part shall be construed as requiring an eligible beneficiary to enroll in the program under this part.

''(d) FINANCING.—The costs of providing benefits under this part shall be payable from the Federal Supplementary Medical Insurance Trust Fund established under section 1841.

''ENROLLMENT

''SEC. 1860B. (a) ENROLLMENT UNDER PART D.—

''(1) ESTABLISHMENT OF PROCESS.—

''(A) IN GENERAL.—The Commissioner shall establish a process through which an eligible beneficiary (including an eligible beneficiary enrolled in a Medicare+Choice plan offered by a Medicare+Choice organization) may make an election to enroll under this part. Except as otherwise provided in this subsection, such process shall be similar to the process for enrollment under part B under section 1837.

''(B) REQUIREMENT OF ENROLLMENT.—An eligible beneficiary must enroll under this part in order to be eligible to receive the benefits under this part.

''(2) ENROLLMENT PERIODS.—

''(A) IN GENERAL.—Except as provided under subparagraph (B) or (C), an eligible beneficiary may not enroll in the program under this part during any period after the beneficiary's initial enrollment period under part B (as determined under section 1837).

''(B) SPECIAL ENROLLMENT PERIOD.—In the case of eligible beneficiaries that have recently lost eligibility for prescription drug coverage under a medicaid plan under title XIX, the Commissioner shall establish a special enrollment period in which such beneficiaries may enroll under this part.

''(C) OPEN ENROLLMENT PERIOD IN 2003 FOR CURRENT BENEFICIARIES.—The Commissioner shall establish a period, which shall begin on the date on which the Commissioner first begins to accept elections for enrollment under this part and shall end on December 31, 2003, during which any eligible beneficiary may—

''(i) enroll under this part; or

''(ii) enroll or re-enroll under this part after having previously declined or terminated such enrollment.

''(3) PERIOD OF COVERAGE.—

''(A) IN GENERAL.—Except as provided in subparagraph (B) and subject to subparagraph (C), an eligible beneficiary's coverage under the program under this part shall be effective for the period provided under section 1838, as if that section applied to the program under this part.

''(B) ENROLLMENT DURING OPEN AND SPECIAL ENROLLMENT.—Subject to subparagraph (C), an eligible beneficiary who enrolls under the program under this part under subparagraph (B) or (C) of paragraph (2) shall be entitled to the benefits under this part beginning on the first day of the month following the month in which such enrollment occurs.

''(C) LIMITATION.—Coverage under this part shall not begin prior to January 1, 2003.

''(4) PART D COVERAGE TERMINATED BY TERMINATION OF COVERAGE UNDER PARTS A AND B OR ELIGIBILITY FOR MEDICAL ASSISTANCE.—

''(A) IN GENERAL.—In addition to the causes of termination specified in section 1838, the Commissioner shall terminate an individual's coverage under this part if the individual is—

''(i) no longer enrolled in part A or B; or

''(ii) eligible for prescription drug coverage under a medicaid plan under title XIX.

''(B) EFFECTIVE DATE.—The termination described in subparagraph (A) shall be effective on the effective date of—

''(i) the termination of coverage under part A or (if later) under part B; or

''(ii) the coverage under title XIX.

''(b) ENROLLMENT WITH ELIGIBLE ENTITY.—

''(1) PROCESS.—

''(A) IN GENERAL.—The Commissioner shall establish a process through which an eligible beneficiary who is enrolled under this part shall make an annual election to enroll with any eligible entity that has been awarded a contract under this part and serves the geographic area in which the beneficiary resides.

''(B) RULES.—In establishing the process under subparagraph (A), the Commissioner shall use rules similar to the rules for enrollment and disenrollment with a Medicare+Choice plan under section 1851 (including the special election periods under subsection (e)(4) of such section).

''(2) MEDICARE+CHOICE ENROLLEES.—An eligible beneficiary who is enrolled under this part and enrolled in a Medicare+Choice plan offered by a Medicare+Choice organization must enroll with an eligible entity in order to receive benefits under this part. The beneficiary may elect to receive such benefits from the Medicare+Choice organization in which the beneficiary is enrolled if the organization has been awarded a contract under this part.

''(3) COMPETITION.—Eligible entities with a contract under this part shall compete for beneficiaries on the basis of discounts, formularies, pharmacy networks, and other services provided for under the contract.

''(c) ENROLLMENT PERIOD FOR BENEFITS IN 2003.—The processes developed under subsections (a) and (b) shall ensure that eligible beneficiaries are permitted to enroll under this part and with an eligible entity prior to January 1, 2003, in order to ensure that coverage under this part is effective as of such date.

''PROVIDING ENROLLMENT AND COVERAGE INFORMATION TO BENEFICIARIES

''SEC. 1860C. (a) ACTIVITIES.—The Commissioner shall provide for activities under this part to broadly disseminate information to eligible beneficiaries (and prospective eligible beneficiaries) regarding enrollment under this part and the prescription drug coverage made available by eligible entities with a contract under this part.

''(b) SPECIAL RULE FOR FIRST ENROLLMENT UNDER THE PROGRAM.—To the extent practicable, the activities described in subsection (a) shall ensure that eligible beneficiaries are provided with such information at least 60 days prior to the first enrollment period described in section 1860B(c).

''ENROLLEE PROTECTIONS

''SEC. 1860D. (a) GUARANTEED ISSUE AND NONDISCRIMINATION.—

''(1) GUARANTEED ISSUE.—

''(A) IN GENERAL.—An eligible beneficiary who is eligible to enroll with an eligible entity under section 1860B(b) for prescription drug coverage under this part at a time during which elections are accepted under this part with respect to the coverage shall not be denied enrollment based on any health status-related factor (described in section 2702(a)(1) of the Public Health Service Act) or any other factor.

''(B) MEDICARE+CHOICE LIMITATIONS PERMITTED.—The provisions of paragraphs (2) and (3) (other than subparagraph (C)(i), relating to default enrollment) of section 1851(g) (relating to priority and limitation on termination of election) shall apply to eligible entities under this subsection.

''(2) NONDISCRIMINATION.—An eligible entity offering prescription drug coverage under this part shall not establish a service area in a manner that would discriminate based on health or economic status of potential enrollees.

''(b) DISSEMINATION OF INFORMATION.—

''(1) GENERAL INFORMATION.—An eligible entity with a contract under this part shall disclose, in a clear, accurate, and standardized form to each eligible beneficiary enrolled for prescription drug coverage with such entity under this part at the time of enrollment and at least annually thereafter, the information described in section 1852(c)(1) relating to such prescription drug coverage. Such information includes the following:

''(A) Access to covered outpatient drugs, including access through pharmacy networks.

''(B) How any formulary used by the eligible entity functions.

''(C) Grievance and appeals procedures.

''(2) DISCLOSURE UPON REQUEST OF GENERAL COVERAGE, UTILIZATION, AND GRIEVANCE INFORMATION.—Upon request of an eligible beneficiary, the eligible entity shall provide the information described in section 1852(c)(2) (other than subparagraph (D)) to such beneficiary.

''(3) RESPONSE TO BENEFICIARY QUESTIONS.—Each eligible entity offering prescription drug coverage under this part shall have a mechanism for providing specific information to enrollees upon request. The entity shall make available, through an Internet website and in writing upon request, information on specific changes in its formulary.

''(c) ACCESS TO COVERED BENEFITS.—

''(1) ENSURING PHARMACY ACCESS.—

''(A) IN GENERAL.—Each eligible entity with a contract under this part shall permit any pharmacy located in the area covered by such contract to participate in the pharmacy network of the eligible entity if the pharmacy agrees to accept such operating terms as the eligible entity may specify, including any fee schedule, requirements relating to covered expenses, and quality standards relating to the provision of prescription drug coverage.

''(B) CONSTRUCTION.—Nothing in this paragraph shall be construed as requiring a pharmacy to participate in a pharmacy network of an eligible entity with a contract under this part to participate in any other coverage program of the eligible entity.

''(2) ACCESS TO NEGOTIATED PRICES FOR PRESCRIPTION DRUGS.—For requirements relating to the access of an eligible beneficiary to negotiated prices (including applicable discounts), see section 1860F(a).

''(3) REQUIREMENTS ON DEVELOPMENT AND APPLICATION OF FORMULARIES.—Insofar as an eligible entity with a contract under this part uses a formulary, the following requirements must be met:

''(A) FORMULARY COMMITTEE.—The eligible entity must establish a pharmaceutical and therapeutic committee that develops the formulary. Such committee shall include at least 1 physician and at least 1 pharmacist.

''(B) INCLUSION OF DRUGS IN ALL THERAPEUTIC CATEGORIES.—The formulary must include drugs within all therapeutic categories and classes of covered outpatient drugs (although not necessarily for all drugs within such categories and classes).

''(C) APPEALS AND EXCEPTIONS TO APPLICATION.—The entity must have, as part of the appeals process under subsection (f)(2), a process for appeals for denials of coverage based on such application of the formulary.

''(d) COST AND UTILIZATION MANAGEMENT; QUALITY ASSURANCE; MEDICATION THERAPY MANAGEMENT PROGRAM.—

''(1) IN GENERAL.—For purposes of providing access to negotiated benefits under section 1860F(a) and the catastrophic benefit described in section 1860F(b), the eligible entity shall have in place—

''(A) an effective cost and drug utilization management program, including appropriate incentives to use generic drugs, when appropriate;

''(B) quality assurance measures and systems to reduce medical errors and adverse drug interactions, including a medication therapy management program described in paragraph (2); and

''(C) a program to control fraud, abuse, and waste.

''(2) MEDICATION THERAPY MANAGEMENT PROGRAM.—

''(A) IN GENERAL.—A medication therapy management program described in this paragraph is a program of drug therapy management and medication administration provided by a community-based pharmacy that is designed to ensure that prescription drugs made available under this part are appropriately used to achieve therapeutic goals and reduce the risk of adverse events, including adverse drug interactions.

''(B) ELEMENTS.—Such program shall include—

''(i) enhanced beneficiary understanding of such appropriate use through beneficiary education, counseling, and other appropriate means; and

''(ii) increased beneficiary adherence with prescription medication regimens through medication refill reminders, special packaging, and other appropriate means.

''(C) DEVELOPMENT OF PROGRAM IN COOPERATION WITH LICENSED PHARMACISTS.—The program shall be developed in cooperation with licensed pharmacists and physicians.

''(D) CONSIDERATIONS IN PHARMACY FEES.—An eligible entity with a contract under this part shall establish fees for pharmacists, pharmacies, and others providing services under the medication therapy management program that take into account the resources and time used in implementing the program.

''(3) TREATMENT OF ACCREDITATION.—Section 1852(e)(4) (relating to treatment of accreditation) shall apply to prescription drug coverage provided under this part with respect to the following requirements, in the same manner as they apply to Medicare+Choice plans under part C with respect to the requirements described in a clause of section 1852(e)(4)(B):

''(A) Subsection (c)(1) (relating to access to covered benefits).

''(B) Subsection (g) (relating to confidentiality and accuracy of enrollee records).

''(e) GRIEVANCE MECHANISM.—Each eligible entity shall provide meaningful procedures for hearing and resolving grievances between the organization (including any entity or individual through which the eligible entity provides covered benefits) and eligible beneficiaries enrolled with the entity under this part in accordance with section 1852(f).

''(f) COVERAGE DETERMINATIONS, RECONSIDERATIONS, AND APPEALS.—

''(1) IN GENERAL.—An eligible entity shall meet the requirements of section 1852(g) with respect to covered benefits under the prescription drug coverage it offers under this part in the same manner as such requirements apply to a Medicare+Choice organization with respect to benefits it offers under a Medicare+Choice plan under part C.

''(2) APPEALS OF FORMULARY DETERMINATIONS.—Under the appeals process under paragraph (1) an individual who is enrolled with an eligible entity with a contract under this part for prescription drug coverage may appeal any denial of coverage of a prescription drug to obtain coverage for a medically necessary covered outpatient drug that is not on the formulary of the eligible entity (established under subsection (c)) if the prescribing physician determines that the therapeutically similar drug that is on the formulary is not effective for the enrollee or has significant adverse effects for the enrollee.

''(g) CONFIDENTIALITY AND ACCURACY OF ENROLLEE RECORDS.—An eligible entity shall meet the requirements of section 1852(h) with respect to enrollees under this part in the same manner as such requirements apply to a Medicare+Choice organization with respect to enrollees under part C.

''ANNUAL ENROLLMENT FEE

''SEC. 1860E. (a) AMOUNT.—

''(1) IN GENERAL.—Except as provided in subsection (c), enrollment under the program under this part is conditioned upon payment of an annual enrollment fee of $25.

''(2) ANNUAL PERCENTAGE INCREASE.—

''(A) IN GENERAL.—In the case of any calendar year beginning after 2003, the dollar amount in paragraph (1) shall be increased by an amount equal to—

''(i) such dollar amount; multiplied by

''(ii) the inflation adjustment.

''(B) INFLATION ADJUSTMENT.—For purposes of subparagraph (A)(ii), the inflation adjustment for any calendar year is the percentage (if any) by which—

''(i) the average per capita aggregate expenditures for covered outpatient drugs in the United States for medicare beneficiaries, as determined by the Commissioner for the 12-month period ending in July of the previous year; exceeds

''(ii) such aggregate expenditures for the 12-month period ending with July 2003.

''(C) ROUNDING.—If any increase determined under clause (ii) is not a multiple of $1, such increase shall be rounded to the nearest multiple of $1.

''(b) COLLECTION OF ANNUAL ENROLLMENT FEE.—

''(1) IN GENERAL.—Unless the eligible beneficiary makes an election under paragraph (2), the annual enrollment fee described in subsection (a) shall be collected and credited to the Federal Supplementary Medical Insurance Trust Fund in the same manner as the monthly premium determined under section 1839 is collected and credited to such Trust Fund under section 1840.

''(2) DIRECT PAYMENT.—An eligible beneficiary may elect to pay the annual enrollment fee directly or in any other manner approved by the Commissioner. The Commissioner shall establish procedures for making such an election.

''(c) WAIVER.—The Commissioner shall waive the enrollment fee described in subsection (a) in the case of an eligible beneficiary whose income is below 200 percent of the poverty line.

''BENEFITS UNDER THE PROGRAM

''SEC. 1860F. (a) ACCESS TO NEGOTIATED PRICES.—

''(1) NEGOTIATED PRICES.—

''(A) IN GENERAL.—Subject to subparagraph (B), each eligible entity with a contract under this part shall provide each eligible beneficiary enrolled with the entity with access to negotiated prices (including applicable discounts) for such prescription drugs as the eligible entity determines appropriate. If such a beneficiary becomes eligible for the catastrophic benefit under subsection (b), the negotiated prices (including applicable discounts) shall continue to be available to the beneficiary for those prescription drugs for which payment may not be made under section 1860H(b). For purposes of this subparagraph, the term 'prescription drugs' is not limited to covered outpatient drugs, but does not include any over-the-counter drug that is not a covered outpatient drug.

''(B) LIMITATIONS.—

''(i) FORMULARY RESTRICTIONS.—Insofar as an eligible entity with a contract under this part uses a formulary, the negotiated prices (including applicable discounts) for prescription drugs shall only be available for drugs included in such formulary.

''(ii) AVOIDANCE OF DUPLICATE COVERAGE.—The negotiated prices (including applicable discounts) for prescription drugs shall not be available for any drug prescribed for an eligible beneficiary if payment for the drug is available under part A or B (but such negotiated prices shall be available if payment under part A or B is not available because the beneficiary has not met the deductible or has exhausted benefits under part A or B).

''(2) DISCOUNT CARD.—The Commissioner shall develop a uniform standard card format to be issued by each eligible entity that may be used by an enrolled beneficiary to ensure the access of such beneficiary to negotiated prices under paragraph (1).

''(3) ENSURING DISCOUNTS IN ALL AREAS.—The Commissioner shall develop procedures that ensure that each eligible beneficiary that resides in an area where no eligible entity has been awarded a contract under this part is provided with access to negotiated prices for prescription drugs (including applicable discounts).

''(b) CATASTROPHIC BENEFIT.—

''(1) IN GENERAL.—Subject to paragraph (4) (relating to eligibility for the catastrophic benefit) and any formulary used by the eligible entity with which the eligible beneficiary is enrolled, the catastrophic benefit shall be administered as follows:

''(A) BENEFICIARIES WITH ANNUAL INCOMES BELOW 200 PERCENT OF THE POVERTY LINE.—In the case of an eligible beneficiary whose modified adjusted gross income (as defined in paragraph (4)(E)) is below 200 percent of the poverty line, the beneficiary shall not be responsible for making a payment for a covered outpatient drug provided to the beneficiary in a year to the extent that the out-of-pocket expenses of the beneficiary for such drug, when added to the out-of-pocket expenses of the beneficiary for covered outpatient drugs previously provided in the year, exceed $1,200.

''(B) BENEFICIARIES WITH ANNUAL INCOMES BETWEEN 200 AND 400 PERCENT OF THE POVERTY LINE.—In the case of an eligible beneficiary whose modified adjusted gross income (as so defined) exceeds 200 percent, but does not exceed 400 percent, of the poverty line, the beneficiary shall not be responsible for making a payment for a covered outpatient drug provided to the beneficiary in a year to the extent that the out-of-pocket expenses of the beneficiary for such drug, when added to the out-of-pocket expenses of the beneficiary for covered outpatient drugs previously provided in the year, exceed $2,500.

''(C) BENEFICIARIES WITH ANNUAL INCOMES ABOVE 400 PERCENT OF THE POVERTY LINE.—In the case of an eligible beneficiary whose modified adjusted gross income (as so defined) exceeds 400 percent of the poverty line, the beneficiary shall not be responsible for making a payment for a covered outpatient drug provided to the beneficiary in a year to the extent that the out-of-pocket expenses of the beneficiary for such drug, when added to the out-of-pocket expenses of the beneficiary

for covered outpatient drugs previously provided in the year, exceed $5,000.

''(2) ANNUAL PERCENTAGE INCREASE.—

''(A) IN GENERAL.—In the case of any calendar year after 2003, the dollar amounts in paragraph (1) shall be increased by an amount equal to—

''(i) such dollar amount; multiplied by

''(ii) the inflation adjustment determined under section 1860E(a)(2)(B) for such calendar year.

''(B) ROUNDING.—If any increase determined under subparagraph (A) is not a multiple of $1, such increase shall be rounded to the nearest multiple of $1.

''(3) ELIGIBLE ENTITY NOT AT RISK FOR CATASTROPHIC BENEFIT.—

''(A) IN GENERAL.—The Commissioner, and not the eligible entity, shall be at risk for the provision of the catastrophic benefit under this subsection.

''(B) PROVISIONS RELATING TO PAYMENTS TO ELIGIBLE ENTITIES.—For provisions relating to payments to eligible entities for administering the catastrophic benefit under this subsection, see section 1860H.

''(4) CATASTROPHIC BENEFIT NOT AVAILABLE TO CERTAIN HIGH INCOME INDIVIDUALS.—

''(A) IN GENERAL.—An eligible beneficiary enrolled under this part whose modified adjusted gross income for a taxable year exceeds 600 percent of the poverty line shall not be eligible for the catastrophic benefit under this subsection.

''(B) BENEFICIARY STILL ELIGIBLE FOR DISCOUNT BENEFIT.—Nothing in subparagraph (A) shall be construed as affecting the eligibility of a beneficiary described in such subparagraph for the benefits under subsection (a).

''(C) PROCEDURES FOR DETERMINING MODIFIED ADJUSTED GROSS INCOME.—

''(i) IN GENERAL.—The Commissioner shall establish procedures for determining the modified adjusted gross income of eligible beneficiaries enrolled under this part.

''(ii) CONSULTATION.—The Commissioner shall consult with the Secretary of the Treasury in making the determinations described in clause (i).

''(iii) DISCLOSURE OF INFORMATION.—Notwithstanding section 6103(a) of the Internal Revenue Code of 1986, the Secretary of the Treasury may, upon written request from the Commissioner, disclose to officers and employees of the Medicare Prescription Drug Agency such return information as is necessary to make the determinations described in clause (i). Return information disclosed under the preceding sentence may be used by officers and employees of the Medicare Prescription Drug Agency only for the purposes of, and to the extent necessary in, making such determinations.

''(D) DEFINITION OF MODIFIED ADJUSTED GROSS INCOME.—In this paragraph, the term 'modified adjusted gross income' means adjusted gross income (as defined in section 62 of the Internal Revenue Code of 1986)—

''(i) determined without regard to sections 135, 911, 931, and 933 of such Code; and

''(ii) increased by the amount of interest received or accrued by the taxpayer during the taxable year which is exempt from tax under such Code.

''(5) ENSURING CATASTROPHIC BENEFIT IN ALL AREAS.—The Commissioner shall develop procedures for the provision of the catastrophic benefit under this subsection to each eligible beneficiary that resides in an area where there are no eligible entities that have been awarded a contract under this part.

''SELECTION OF ENTITIES TO PROVIDE PRESCRIPTION DRUG COVERAGE

''SEC. 1860G. (a) ESTABLISHMENT OF BIDDING PROCESS.—The Commissioner shall establish a process under which the Commissioner accepts bids from eligible entities and awards contracts to the entities to provide the benefits under this part to eligible beneficiaries in an area.

''(b) SUBMISSION OF BIDS.—Each eligible entity desiring to enter into a contract under this part shall submit a bid to the Commissioner at such time, in such manner, and accompanied by such information as the Commissioner may reasonably require.

''(c) AWARDING OF CONTRACTS.—

''(1) IN GENERAL.—The Commissioner shall, consistent with the requirements of this part and the goal of containing medicare program costs, award at least 2 contracts in each area, unless only 1 bidding entity meets the terms and conditions specified by the Commissioner under paragraph (2).

''(2) TERMS AND CONDITIONS.—The Commissioner shall not award a contract to an eligible entity under this section unless the Commissioner finds that the eligible entity is in compliance with such terms and conditions as the Commissioner shall specify.

''(3) COMPARATIVE MERITS.—In determining which of the eligible entities that submitted bids that meet the terms and conditions specified by the Commissioner under paragraph (2) to award a contract, the Commissioner shall consider the comparative merits of each of the bids.

''PAYMENTS TO ELIGIBLE ENTITIES FOR ADMINISTERING THE CATASTROPHIC BENEFIT

''SEC. 1860H. (a) IN GENERAL.—The Commissioner shall establish procedures for making payments to an eligible entity under a contract entered into under this part for—

''(1) providing covered outpatient prescription drugs to beneficiaries eligible for the catastrophic benefit in accordance with subsection (b); and

''(2) costs incurred by the entity in administering the catastrophic benefit in accordance with subsection (c).

''(b) PAYMENT FOR COVERED OUTPATIENT PRESCRIPTION DRUGS.—

''(1) IN GENERAL.—Except as provided in subsection (c) and subject to paragraph (2), the Commissioner may only pay an eligible entity for covered outpatient drugs furnished by the eligible entity to an eligible beneficiary enrolled with such entity under this part that is eligible for the catastrophic benefit under section 1860F(b).

''(2) LIMITATIONS.—

''(A) FORMULARY RESTRICTIONS.—Insofar as an eligible entity with a contract under this part uses a formulary, the Commissioner may not make any payment for a covered outpatient drug that is not included in such formulary.

''(B) NEGOTIATED PRICES.—The Commissioner may not pay an amount for a covered outpatient drug furnished to an eligible beneficiary that exceeds the negotiated price (including applicable discounts) that the beneficiary would have been responsible for under section 1860F(a).

''(c) PAYMENT FOR ADMINISTRATIVE COSTS.—

''(1) PROCEDURES.—The procedures established under subsection (a)(1) shall provide for payment to the eligible entity of an administrative fee for each prescription filled by the entity for an eligible beneficiary—

''(A) who is enrolled with the entity; and

''(B) to whom subparagraph (A), (B), or (C) of section 1860F(b)(1) applies with respect to a covered outpatient drug.

''(2) AMOUNT.—The fee described in paragraph (1) shall be—

''(A) negotiated by the Commissioner; and

''(B) consistent with such fees paid under private sector pharmaceutical benefit contracts.

''(d) SECONDARY PAYER PROVISIONS.—The provisions of section 1862(b) shall apply to the benefits provided under this part.

''DETERMINATION OF INCOME LEVELS

''SEC. 1860I. (a) PROCEDURES.—The Commissioner shall establish procedures for determining the income levels of eligible beneficiaries for purposes of sections 1860E(c) and 1860F(b).

''(b) PERIODIC REDETERMINATIONS.—Such income determinations shall be valid for a period (of not less than 1 year) specified by the Commissioner.

''APPROPRIATIONS

''SEC. 1860J. There are authorized to be appropriated from time to time, out of any moneys in the Treasury not otherwise appropriated, to the Federal Supplementary Medical Insurance Trust Fund established under section 1841, an amount equal to the amount by which the benefits and administrative costs of providing the benefits under this part exceed the enrollment fees collected under section 1860E.

''SUBPART 2—ESTABLISHMENT OF THE MEDICARE PRESCRIPTION DRUG AGENCY

''MEDICARE PRESCRIPTION DRUG AGENCY

''SEC. 1860S. (a) ESTABLISHMENT.—There is established, as an independent agency in the executive branch of the Government, a Medicare Prescription Drug Agency (in this part referred to as the 'Agency').

''(b) DUTY.—It shall be the duty of the Agency to administer the Medicare Outpatient Prescription Drug Discount and Security Program under subpart 1.

''COMMISSIONER; DEPUTY COMMISSIONER; OTHER OFFICERS

''SEC. 1860T. (a) COMMISSIONER OF MEDICARE PRESCRIPTION DRUGS.—

''(1) APPOINTMENT.—There shall be in the Agency a Commissioner of Medicare Prescription Drugs (in this subpart referred to as the 'Commissioner') who shall be appointed by the President, by and with the advice and consent of the Senate.

''(2) COMPENSATION.—The Commissioner shall be compensated at the rate provided for level I of the Executive Schedule.

''(3) TERM.—

''(A) IN GENERAL.—The Commissioner shall be appointed for a term of 6 years.

''(B) CONTINUANCE IN OFFICE.—In any case in which a successor does not take office at the end of a Commissioner's term of office, such Commissioner may continue in office until the appointment of a successor.

''(C) DELAYED APPOINTMENTS.—A Commissioner appointed to a term of office after the commencement of such term may serve under such appointment only for the remainder of such term.

''(D) REMOVAL.—An individual serving in the office of Commissioner may be removed from office only under a finding by the President of neglect of duty or malfeasance in office.

''(4) RESPONSIBILITIES.—The Commissioner shall be responsible for the exercise of all powers and the discharge of all duties of the Agency, and shall have authority and control over all personnel and activities thereof.

''(5) PROMULGATION OF RULES AND REGULATIONS.—

''(A) IN GENERAL.—The Commissioner may prescribe such rules and regulations as the Commissioner determines necessary or appropriate to carry out the functions of the Agency.

''(B) RULEMAKING.—The regulations prescribed by the Commissioner shall be subject to the rulemaking procedures established under section 553 of title 5, United States Code.

''(6) DELEGATION OF AUTHORITY.—

''(A) IN GENERAL.—The Commissioner may assign duties, and delegate, or authorize successive redelegations of, authority to act and to render decisions, to such officers and employees of the Agency as the Commissioner may find necessary.

''(B) EFFECT OF DELEGATION.—Within the limitations of such delegations, redelegations, or assignments, all official acts and decisions of such officers and employees shall have the same force and effect as though performed or rendered by the Commissioner.

''(7) CONSULTATION WITH SECRETARY OF HEALTH AND HUMAN SERVICES.—The Commissioner and the Secretary shall consult, on an ongoing basis, to ensure the coordination of the programs administered by the Commissioner with the programs administered by the Secretary under this title and under title XIX.

''(b) DEPUTY COMMISSIONER OF MEDICARE PRESCRIPTION DRUGS.—

''(1) APPOINTMENT.—There shall be in the Agency a Deputy Commissioner of Medicare Prescription Drugs (in this subpart referred to as the 'Deputy Commissioner') who shall be appointed by the President, by and with the advice and consent of the Senate.

''(2) TERM.—

''(A) IN GENERAL.—The Deputy Commissioner shall be appointed for a term of 6 years.

''(B) CONTINUANCE IN OFFICE.—In any case in which a successor does not take office at the end of a Deputy Commissioner's term of office, such Deputy Commissioner may continue in office until the entry upon office of such a successor.

''(C) DELAYED APPOINTMENT.—A Deputy Commissioner appointed to a term of office after the commencement of such term may serve under such appointment only for the remainder of such term.

''(3) COMPENSATION.—The Deputy Commissioner shall be compensated at the rate provided for level II of the Executive Schedule.

''(4) DUTIES.—

''(A) IN GENERAL.—The Deputy Commissioner shall perform such duties and exercise such powers as the Commissioner shall from time to time assign or delegate.

''(B) ACTING COMMISSIONER.—The Deputy Commissioner shall be Acting Commissioner of the Agency during the absence or disability of the Commissioner, unless the President designates another officer of the Government as Acting Commissioner, in the event of a vacancy in the office of the Commissioner.

''(c) CHIEF ACTUARY.—

''(1) APPOINTMENT.—

''(A) IN GENERAL.—There shall be in the Agency a Chief Actuary, who shall be appointed by, and in direct line of authority to, the Commissioner.

''(B) QUALIFICATIONS.—The Chief Actuary shall be appointed from individuals who have demonstrated, by their education and experience, superior expertise in the actuarial sciences.

''(C) DUTIES.—The Chief Actuary shall serve as the chief actuarial officer of the Agency, and shall exercise such duties as are appropriate for the office of the Chief Actuary and in accordance with professional standards of actuarial independence.

''(2) COMPENSATION.—The Chief Actuary shall be compensated at the highest rate of basic pay for the Senior Executive Service under section 5382(b) of title 5, United States Code.

''ADMINISTRATIVE DUTIES OF THE COMMISSIONER

''SEC. 1860U. (a) PERSONNEL.—

''(1) IN GENERAL.—The Commissioner may employ, without regard to chapter 31 of title 5, United States Code, such officers and employees as are necessary to administer the activities to be carried out through the Medicare Prescription Drug Agency.

''(2) FLEXIBILITY WITH RESPECT TO CIVIL SERVICE LAWS.—

''(A) IN GENERAL.—The staff of the Medicare Prescription Drug Agency shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and, subject to subparagraph (B), shall be paid without regard to the provisions of chapters 51 and 53 of such title (relating to classification and schedule pay rates).

''(B) MAXIMUM RATE.—In no case may the rate of compensation determined under subparagraph (A) exceed the rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

''(b) BUDGETARY MATTERS.—

''(1) SUBMISSION OF ANNUAL BUDGET.—The Commissioner shall prepare an annual budget for the Agency, which shall be submitted by the President to Congress without revision, together with the President's annual budget for the Agency.

''(2) APPROPRIATIONS REQUESTS.—

''(A) STAFFING AND PERSONNEL.—Appropriations requests for staffing and personnel of the Agency shall be based upon a comprehensive workforce plan, which shall be established and revised from time to time by the Commissioner.

''(B) ADMINISTRATIVE EXPENSES.—Appropriations for administrative expenses of the Agency are authorized to be provided on a biennial basis.

''(c) SEAL OF OFFICE.—

''(1) IN GENERAL.—The Commissioner shall cause a Seal of Office to be made for the Agency of such design as the Commissioner shall approve.

''(2) JUDICIAL NOTICE.—Judicial notice shall be taken of the seal made under paragraph (1).

''(d) DATA EXCHANGES.—

''(1) DISCLOSURE OF RECORDS AND OTHER INFORMATION.—Notwithstanding any other provision of law (including subsections (b), (o), (p), (q), (r), and (u) of section 552a of title 5, United States Code)—

''(A) the Secretary shall disclose to the Commissioner any record or information requested in writing by the Commissioner for the purpose of administering any program administered by the Commissioner, if records or information of such type were disclosed to the Administrator of the Health Care Financing Administration in the Department of Health and Human Services under applicable rules, regulations, and procedures in effect before the date of enactment of the Medicare Rx Drug Discount and Security Act of 2001; and

''(B) the Commissioner shall disclose to the Secretary or to any State any record or information requested in writing by the Secretary to be so disclosed for the purpose of administering any program administered by the Secretary, if records or information of such type were so disclosed under applicable rules, regulations, and procedures in effect before the date of enactment of the Medicare Rx Drug Discount and Security Act of 2001.

''(2) EXCHANGE OF OTHER DATA.—The Commissioner and the Secretary shall periodically review the need for exchanges of information not referred to in paragraph (1) and shall enter into such agreements as may be necessary and appropriate to provide information to each other or to States in order to meet the programmatic needs of the requesting agencies.

''(3) ROUTINE USE.—

''(A) IN GENERAL.—Any disclosure from a system of records (as defined in section 552a(a)(5) of title 5, United States Code) pursuant to this subsection shall be made as a routine use under subsection (b)(3) of section 552a of such title (unless otherwise authorized under such section 552a).

''(B) COMPUTERIZED COMPARISON.—Any computerized comparison of records, including matching programs, between the Commissioner and the Secretary shall be conducted in accordance with subsections (o), (p), (q), (r), and (u) of section 552a of title 5, United States Code.

''(4) TIMELY ACTION.—The Commissioner and the Secretary shall each ensure that timely action is taken to establish any necessary routine uses for disclosures required under paragraph (1) or agreed to under paragraph (2).

''MEDICARE COMPETITION AND PRESCRIPTION DRUG ADVISORY BOARD

''SEC. 1860V. (a) ESTABLISHMENT OF BOARD.—There is established a Medicare Prescription Drug Advisory Board (in this section referred to as the 'Board').

''(b) ADVICE ON POLICIES; REPORTS.—

''(1) ADVICE ON POLICIES.—On and after the date the Commissioner takes office, the Board shall advise the Commissioner on policies relating to the Medicare Outpatient Prescription Drug Discount and Security Program under subpart 1.

''(2) REPORTS.—

''(A) IN GENERAL.—With respect to matters of the administration of subpart 1, the Board shall submit to Congress and to the Commissioner of Medicare Prescription Drugs such reports as the Board determines appropriate. Each such report may contain such recommendations as the Board determines appropriate for legislative or administrative changes to improve the administration of such subpart. Each such report shall be published in the Federal Register.

''(B) MAINTAINING INDEPENDENCE OF BOARD.—The Board shall directly submit to Congress reports required under subparagraph (A). No officer or agency of the United States may require the Board to submit to any officer or agency of the United States for approval, comments, or review, prior to the submission to Congress of such reports.

''(c) STRUCTURE AND MEMBERSHIP OF THE BOARD.—

''(1) MEMBERSHIP.—The Board shall be composed of 7 members who shall be appointed as follows:

''(A) PRESIDENTIAL APPOINTMENTS.—

''(i) IN GENERAL.—Three members shall be appointed by the President, by and with the advice and consent of the Senate.

''(ii) LIMITATION.—Not more than 2 such members may be from the same political party.

''(B) SENATORIAL APPOINTMENTS.—Two members (each member from a different political party) shall be appointed by the President pro tempore of the Senate with the advice of the Chairman and the Ranking Minority Member of the Committee on Finance of the Senate.

''(C) CONGRESSIONAL APPOINTMENTS.—Two members (each member from a different political party) shall be appointed by the Speaker of the House of Representatives, with the advice of the Chairman and the Ranking Minority Member of the Committee on Ways and Means of the House of Representatives.

''(2) QUALIFICATIONS.—The members shall be chosen on the basis of their integrity, impartiality, and good judgment, and shall be individuals who are, by reason of their education, experience, and attainments, exceptionally qualified to perform the duties of members of the Board.

''(d) TERMS OF APPOINTMENT.—

''(1) IN GENERAL.—Subject to paragraph (2), each member of the Board shall serve for a term of 6 years.

''(2) CONTINUANCE IN OFFICE AND STAGGERED TERMS.—

''(A) CONTINUANCE IN OFFICE.—A member appointed to a term of office after the commencement of such term may serve under such appointment only for the remainder of such term.

''(B) STAGGERED TERMS.—The terms of service of the members initially appointed under this section shall begin on January 1, 2002, and expire as follows:

''(i) PRESIDENTIAL APPOINTMENTS.—The terms of service of the members initially appointed by the President shall expire as designated by the President at the time of nomination, 1 each at the end of—

''(I) 2 years;

''(II) 4 years; and

''(III) 6 years.

''(ii) SENATORIAL APPOINTMENTS.—The terms of service of members initially appointed by the President pro tempore of the Senate shall expire as designated by the President pro tempore of the Senate at the time of nomination, 1 each at the end of—

''(I) 3 years; and

''(II) 6 years.

''(iii) CONGRESSIONAL APPOINTMENTS.—The terms of service of members initially appointed by the Speaker of the House of Representatives shall expire as designated by the Speaker of the House of Representatives at the time of nomination, 1 each at the end of—

''(I) 4 years; and

''(II) 5 years.

''(C) REAPPOINTMENTS.—Any person appointed as a member of the Board may not serve for more than 8 years.

''(D) VACANCIES.—Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of that member's term until a successor has taken office. A vacancy in the Board shall be filled in the manner in which the original appointment was made.

''(e) CHAIRPERSON.—A member of the Board shall be designated by the President to serve as Chairperson for a term of 4 years, coincident with the term of the President, or until the designation of a successor.

''(f) EXPENSES AND PER DIEM.—Members of the Board shall serve without compensation, except that, while serving on business of the Board away from their homes or regular places of business, members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government employed intermittently.

''(g) MEETING.—

''(1) IN GENERAL.—The Board shall meet at the call of the Chairperson (in consultation with the other members of the Board) not less than 4 times each year to consider a specific agenda of issues, as determined by the Chairperson in consultation with the other members of the Board.

''(2) QUORUM.—Four members of the Board (not more than 3 of whom may be of the same political party) shall constitute a quorum for purposes of conducting business.

''(h) FEDERAL ADVISORY COMMITTEE ACT.—The Board shall be exempt from the provisions of the Federal Advisory Committee Act (5 U.S.C. App.).

''(i) PERSONNEL.—

''(1) STAFF DIRECTOR.—The Board shall, without regard to the provisions of title 5, United States Code, relating to the competitive service, appoint a Staff Director who shall be paid at a rate equivalent to a rate established for the Senior Executive Service under section 5382 of title 5, United States Code.

''(2) STAFF.—

''(A) IN GENERAL.—The Board may employ, without regard to chapter 31 of title 5, United States Code, such officers and employees as are necessary to administer the activities to be carried out by the Board.

''(B) FLEXIBILITY WITH RESPECT TO CIVIL SERVICE LAWS.—

''(i) IN GENERAL.—The staff of the Board shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and, subject to clause (ii), shall be paid without regard to the provisions of chapters 51 and 53 of such title (relating to classification and schedule pay rates).

''(ii) MAXIMUM RATE.—In no case may the rate of compensation determined under clause (i) exceed the rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

''(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated, out of the Federal Supplemental Medical Insurance Trust Fund established under section 1841, and the general fund of the Treasury, such sums as are necessary to carry out the purposes of this section.''.

(b) CONFORMING REFERENCES TO PREVIOUS PART D.—

(1) IN GENERAL.—Any reference in law (in effect before the date of enactment of this Act) to part D of title XVIII of the Social Security Act is deemed a reference to part E of such title (as in effect after such date).

(2) SECRETARIAL SUBMISSION OF LEGISLATIVE PROPOSAL.—Not later than 6 months after the date of enactment of this section, the Secretary of Health and Human Services shall submit to the appropriate committees of Congress a legislative proposal providing for such technical and conforming amendments in the law as are required by the provisions of this section.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) shall take effect on the date of enactment of this Act.

(2) TIMING OF INITIAL APPOINTMENTS.—The Commissioner and Deputy Commissioner of Medicare Prescription Drugs may not be appointed before March 1, 2002.

SEC. 3. COMMISSIONER AS MEMBER OF THE BOARD OF TRUSTEES OF THE MEDICARE TRUST FUNDS.

(a) IN GENERAL.—Section 1841(b) of the Social Security Act (42 U.S.C. 1395t(b)) is amended by striking ''and the Secretary of Health and Human Services, all ex officio,'' and inserting '', the Secretary of Health and Human Services, and the Commissioner of Medicare Prescription Drugs, all ex officio,''.

(b) EFFECTIVE DATE.—The amendment made by this subsection shall take effect on March 1, 2002.

SEC. 4. EXCLUSION OF PART D COSTS FROM DETERMINATION OF PART B MONTHLY PREMIUM.

Section 1839(g) of the Social Security Act (42 U.S.C. 1395r(g)) is amended—

(1) by striking ''attributable to the application of section'' and inserting ''attributable to—

''(1) the application of section'';

(2) by striking the period and inserting ''; and''; and

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

''(2) the Voluntary Medicare Outpatient Prescription Drug Discount and Security Program under part D.''.

SEC. 5. MEDIGAP REVISIONS.

Section 1882 of the Social Security Act (42 U.S.C. 1395ss) is amended by adding at the end the following new subsection:

''(v) MODERNIZATION OF MEDICARE SUPPLEMENTAL POLICIES.—

''(1) PROMULGATION OF MODEL REGULATION.—

''(A) NAIC MODEL REGULATION.—If, within 9 months after the date of enactment of the Medicare Rx Drug Discount and Security Act of 2001, the National Association of Insurance Commissioners (in this subsection referred to as the 'NAIC') changes the 1991 NAIC Model Regulation (described in subsection (p)) to revise the benefit package classified as 'J' under the standards established by subsection (p)(2) (including the benefit package classified as 'J' with a high deductible feature, as described in subsection (p)(11)) so that—

''(i) the coverage for outpatient prescription drugs available under such benefit package is replaced with coverage for outpatient prescription drugs that complements but does not duplicate the benefits for outpatient prescription drugs that beneficiaries are otherwise entitled to under this title;

''(ii) a uniform format is used in the policy with respect to such revised benefits; and

''(iii) such revised standards meet any additional requirements imposed by the Medicare Rx Drug Discount and Security Act of 2001;

subsection (g)(2)(A) shall be applied in each State, effective for policies issued to policy holders on and after January 1, 2003, as if the reference to the Model Regulation adopted on June 6, 1979, were a reference to the 1991 NAIC Model Regulation as changed under this subparagraph (such changed regulation referred to in this section as the '2003 NAIC Model Regulation').

''(B) REGULATION BY THE SECRETARY.—If the NAIC does not make the changes in the 1991 NAIC Model Regulation within the 9-month period specified in subparagraph (A), the Secretary shall promulgate, not later than 9 months after the end of such period, a regulation and subsection (g)(2)(A) shall be applied in each State, effective for policies issued to policy holders on and after January 1, 2003, as if the reference to the Model Regulation adopted on June 6, 1979, were a reference to the 1991 NAIC Model Regulation as changed by the Secretary under this subparagraph (such changed regulation referred to in this section as the '2003 Federal Regulation').

''(C) CONSULTATION WITH WORKING GROUP.—In promulgating standards under this paragraph, the NAIC or Secretary shall consult with a working group similar to the working group described in subsection (p)(1)(D).

''(D) MODIFICATION OF STANDARDS IF MEDICARE BENEFITS CHANGE.—If benefits under part D of this title are changed and the Secretary determines, in consultation with the NAIC, that changes in the 2003 NAIC Model Regulation or 2003 Federal Regulation are needed to reflect such changes, the preceding provisions of this paragraph shall apply to the modification of standards previously established in the same manner as they applied to the original establishment of such standards.

''(2) CONSTRUCTION OF BENEFITS IN OTHER MEDICARE SUPPLEMENTAL POLICIES.—Nothing in the benefit packages classified as 'A' through 'I' under the standards established by subsection (p)(2) (including the benefit package classified as 'F' with a high deductible feature, as described in subsection (p)(11)) shall be construed as providing coverage for benefits for which payment may be made under part D.

''(3) APPLICATION OF PROVISIONS AND CONFORMING REFERENCES.—

''(A) APPLICATION OF PROVISIONS.—The provisions of paragraphs (4) through (10) of subsection (p) shall apply under this section, except that—

''(i) any reference to the model regulation applicable under that subsection shall be deemed to be a reference to the applicable 2003 NAIC Model Regulation or 2003 Federal Regulation; and

''(ii) any reference to a date under such paragraphs of subsection (p) shall be deemed to be a reference to the appropriate date under this subsection.

''(B) OTHER REFERENCES.—Any reference to a provision of subsection (p) or a date applicable under such subsection shall also be considered to be a reference to the appropriate provision or date under this subsection.''.

By Mr. BENNETT:

S. 1240. A bill to provide for the acquisition of land and construction of an interagency administrative and visitor facility at the entrance to American Fork Canyon, Utah, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. BENNETT. Mr. President, I rise today to introduce the Timpanogos Interagency Land Exchange Act of 2001.

Before I explain the details of my legislation I would like to share with my colleagues a bit of the area's history. So everyone understands the lay of the land, Timpanogos Cave is in American Fork Canyon, which is a 45–50 minute drive south of Salt Lake City. Now that my colleagues have a general idea of the location let me share some information on the designation of the cave. After being solicited by a group of Utahns familiar with Timpanogos Cave, President Warren G. Harding, invoking the Antiquities Act, designated the Timpanogos Cave National Monument on October 14, 1922. It just so happens that today is the 77th anniversary of the dedication of the Timpanogos Cave National Monument. The dedication took place on July 25, 1924. The Secretary of the Interior at that time, Hubert Work, invited a group of journalists from New York City on a five week tour of the recently created national parks and monuments in the west. Ostensibly, the tour had been organized to publicize the features of the new parks of the quickly growing National Park Service. After spending over a month visiting National Parks, the group arrived at Timpanogos Cave National Monument of the 25th of July where Mr. Alvah Davison, a noted New York publisher, gave the dedication speech.

I believe it is fitting on the 77th anniversary of the dedication of the Timpanogos Cave National Monument to introduce legislation that will enhance the unique visitor experience at this site. The Timpanogos Interagency Land Exchange Act of 2001 authorizes the exchange of 266 acres of United States Forest Service land for 37 acres of private land. This newly acquired land will serve as the site for a new visitor center and administrative offices of the Pleasant Grove Ranger district of the Uinta National Forest and the Timpanogos Cave National Monument. My legislation also authorizes the construction of the new interagency facility. This new facility, which will be located near the mouth of American Fork Canyon in the town of Highland, UT, will not only benefit the visiting public, but will also result in better coordination between the NPS and USFS.

The land exchange requires the Secretary of Agriculture's approval and must conform with the ''Uniform Appraisal Standards for Federal Land Acquisitions.'' Furthermore, the exchange is being conducted with a private landowner who is willing to trade his property for various USFS parcels on the Uinta National Forest.

The necessity for this legislation is ten years overdue. The original visitor center at Timpanogos Cave was built as part of the NPS's Mission '66 program. Unfortunately it burned down in 1991. In 1992, as an emergency measure, the NPS began use of a 20 foot by 60 foot double-wide trailer to serve temporarily as a make-shift visitor center. The trailer still serves today as the visitor center. The trailer is not suitable for the monument's annual visitation of 125,000 people. On high visitation days the center is easily overrun by the public. Additionally, the center suffers from rock-fall that has caused significant damage to the roof of the trailer and raises obvious safety issues.

The NPS will not be the only beneficiary of this new site. As I stated before,the Pleasant Grove Ranger District of the Uinta National Forest will also be getting a new home. Currently, the Pleasant Grove Ranger District is housed in a 1950's era building that was not designed for today's staffing requirements or modern day computer and communications needs. It is simply too small and too outdated. The new facility will meet the space needs of the ranger district and be more technology friendly. Furthermore, the public now will be able to visit one conveniently located office to inquire about NPS and USFS activities.

I view the Timpanogos Interagency Land Exchange Act of 2001 as simple legislation that will correct a decade old problem. I look forward to working with the Committee on Energy and Natural Resources to move this legislation quickly.

By Mr. SPECTER:

S. 1241. A bill to amend the Fair Labor Standards Act of 1938 to permit certain youth to perform certain work with wood products; to the Committee on Health, Education, Labor, and Pensions.

Mr. SPECTER. Mr. President, I have sought recognition today to introduce legislation designed to permit certain youths, those exempt from attending school, between the ages of 14 and 18 to work in sawmills under special safety conditions and close adult supervision. I introduced identical measures in the 105th and 106th Congresses. Similar legislation introduced by my distinguished colleague, Representative JOSEPH R. PITTS, has already passed in the House twice before. I am hopeful the Senate will also enact this important issue.

As the former Chairman of the Labor, Health and Human Services and Education Appropriations Subcommittee, I have strongly supported increased funding for the enforcement of the important child safety protections contained in the Fair Labor Standards Act. I also believe, however, that accommodation must be made for youths who are exempt from compulsory school-attendance laws after the eighth grade. It is extremely important that youths who are exempt from attending school be provided with access to jobs and apprenticeships in areas that offer employment where they live.

The need for access to popular trades is demonstrated by the Amish community. In 1998, I toured an Amish sawmill in Lancaster County, PA, and had the opportunity to meet with some of my Amish constituency. In December 2000, Representative PITTS and I held a meeting in Gap, PA, with over 20 members of the Amish community to hear their concerns on this issue. On May 3, 2001, I chaired a hearing of the Labor, Health and Human Services and Education Appropriations Subcommittee to examine these issues.

At the hearing the Amish explained that while they once made their living almost entirely by farming, they have increasingly had to expand into other occupations as farmland has disappeared in many areas due to pressure from development. As a result, many of the Amish have come to rely more and more on work in sawmills to make their living. The Amish culture expects youth, upon the completion of their education at the age of 14, to begin to learn a trade that will enable them to become productive members of society. In many areas, work in sawmills is one of the major occupations available for the Amish, whose belief system limits the types of jobs they may hold. Unfortunately, these youths are currently prohibited by law from employment in this industry until they reach the age of 18. This prohibition threatens both the religion and lifestyle of the Amish.

Under my legislation, youths would not be allowed to operate power machinery, but would be restricted to performing activities such as sweeping, stacking wood, and writing orders. My legislation requires that the youths must be protected from wood particles or flying debris and wear protective equipment, all while under strict adult supervision. The Department of Labor must monitor these safeguards to insure that they are enforced.

The Department of Justice has raised serious concerns under the Establishment Clause with the House legislation. The House measure conferred benefits only to a youth who is a ''member of a religious sect or division thereof whose established teachings do not permit formal education beyond the eighth grade.'' By conferring the ''benefit'' of working in a sawmill only to the adherents of certain religions, the

Department argues that the bill appears to impermissibly favor religion to ''irreligion.'' In drafting my legislation, I attempted to overcome such an objection by conferring permission to work in sawmills to all youths who ''are exempted from compulsory education laws after the eighth grade.'' Indeed, I think a broader focus is necessary to create a sufficient range of vocational opportunities for all youth who are legally out of school and in need of vocational opportunities.

I also believe that the logic of the Supreme Court's 1972 decision in Wisconsin v. Yoder supports my bill. In Yoder, the Court held that Wisconsin's compulsory school attendance law requiring children to attend school until the age of 16 violated the Free Exercise Clause. The Court found that the Wisconsin law imposed a substantial burden on the free exercise of religion by the Amish since attending school beyond the eighth grade ''contravenes the basic religious tenets and practices of the Amish faith.'' I believe a similar argument can be made with respect to Amish youth working in sawmills. As their population grows and their subsistence through an agricultural way of life decreases, trades such as sawmills become more and more crucial to the continuation of their lifestyle. Barring youths from the sawmills denies these youths the very vocational training and path to self-reliance that was central to the Yoder Court's holding that the Amish do not need the final two years of public education.

I offer my legislation with the hope that my colleagues will work with me to provide relief for the Amish community. I am pleased to have received a commitment on the Senate floor from Senator KENNEDY, Chairman of the Committee on Health, Education, Labor, and Pensions, to hold a hearing on this issue, and I urge the timely consideration of my bill by the full Senate.

By Mr. GRAHAM (for himself, Mr. MURKOWSKI, Mr. REID, Mr. NELSON of Florida, Mr. INHOFE, Mr. WARNER, and Mr. BURNS):

S. 1243. A bill to amend the Internal Revenue Code of 1986 to treat spaceports like airports under the exempt facility bond rules; to the Committee on Finance.

Mr. GRAHAM. Mr. President, today I am introducing with my colleagues, Senators MURKOWSKI, REID of Nevada, NELSON of Florida, INHOFE, WARNER and BURNS legislation entitled the Spaceport Equality Act.

Currently airports, high speed rail, seaports, mass transit, and other transportation projects can raise money through the issuance of tax-exempt bonds. The Spaceport Equality Act amends the Internal Revenue Code to clarify that spaceports enjoy the same favorable tax treatment.

The U.S. aerospace industry manufactures nearly 70 percent of the world's satellites, but only 40 percent of the satellites that enter the atmosphere are launched by this country. Our Nation's spaceports are a vital component of the infrastructure needed to expand and enhance the U.S. role in the international space arena. The Spaceport Equality Act is an important step in increasing our competitive position in this emerging industry.

This bill will stimulate investment in expanding and modernizing our Nation's space launch facilities by lowering the cost of financing spaceport construction and renovation. Upon enactment, the bill will increase U.S. launch capacity, and enhance both our economic and national security.

The commercial space market is expected to become increasingly more competitive in the next decade. The ability to have a robust space launch capability is in our best interests economically as well as strategically.

My proposal does not provide direct Federal spending to our commercial space transportation industry. Instead, it creates the conditions necessary to stimulate private sector capital investment in infrastructure. This bill offers Congress the chance to help open a new age to space, where the States and local communities can themselves take part in space transportation.

To be state of the art in space requires state of the art financing on the ground. I urge my colleagues in the Senate to join us in this important effort by co-sponsoring this bill.

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

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

S. 1243

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 ''Spaceport Equality Act''.

SEC. 2. SPACEPORTS TREATED LIKE AIRPORTS UNDER EXEMPT FACILITY BOND RULES.

(a) IN GENERAL.—Paragraph (1) of section 142(a) of the Internal Revenue Code of 1986 (relating to exempt facility bonds) is amended to read as follows:

''(1) airports and spaceports,''.

(b) TREATMENT OF GROUND LEASES.—Paragraph (1) of section 142(b) of the Internal Revenue Code of 1986 (relating to certain facilities must be governmentally owned) is amended by adding at the end the following new subparagraph:

''(C) SPECIAL RULE FOR SPACEPORT GROUND LEASES.—For purposes of subparagraph (A), spaceport property which is located on land owned by the United States and which is used by a governmental unit pursuant to a lease (as defined in section 168(h)(7)) from the United States shall be treated as owned by such unit if—

''(i) the lease term (within the meaning of section 168(i)(3)) is at least 15 years, and

''(ii) such unit would be treated as owning such property if such lease term were equal to the useful life of such property.''.

(c) DEFINITION OF SPACEPORT.—Section 142 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(l) SPACEPORT.—

''(1) IN GENERAL.—For purposes of subsection (a)(1), the term 'spaceport' means—

''(A) any facility directly related and essential to servicing spacecraft, enabling spacecraft to launch or reenter, or transferring passengers or space cargo to or from spacecraft, but only if such facility is located at, or in close proximity to, the launch site or reentry site, and

''(B) any other functionally related and subordinate facility at or adjacent to the launch site or reentry site at which launch services or reentry services are provided, including a launch control center, repair shop, maintenance or overhaul facility, and rocket assembly facility.

''(2) ADDITIONAL TERMS.—For purposes of paragraph (1)—

''(A) SPACE CARGO.—The term 'space cargo' includes satellites, scientific experiments, other property transported into space, and any other type of payload, whether or not such property returns from space.

''(B) SPACECRAFT.—The term 'spacecraft' means a launch vehicle or a reentry vehicle.

''(C) OTHER TERMS.—The terms 'launch', 'launch site', 'launch services', 'launch vehicle', 'payload', 'reenter', 'reentry services', 'reentry site', and 'reentry vehicle' shall have the respective meanings given to such terms by section 70102 of title 49, United States Code (as in effect on the date of enactment of this subsection).''.

(d) EXCEPTION FROM FEDERALLY GUARANTEED BOND PROHIBITION.—Paragraph (3) of section 149(b) of the Internal Revenue Code of 1986 (relating to exceptions) is amended by adding at the end the following new subparagraph:

''(E) EXCEPTION FOR SPACEPORTS.—Paragraph (1) shall not apply to any exempt facility bond issued as part of an issue described in paragraph (1) of section 142(a) to provide a spaceport in situations where—

''(i) the guarantee of the United States (or an agency or instrumentality thereof) is the result of payment of rent, user fees, or other charges by the United States (or any agency or instrumentality thereof), and

''(ii) the payment of the rent, user fees, or other charges is for, and conditioned upon, the use of the spaceport by the United States (or any agency or instrumentality thereof).''.

(e) CONFORMING AMENDMENT.—The heading for section 142(c) of the Internal Revenue Code of 1986 is amended by inserting '', SPACEPORTS,'' after ''AIRPORTS''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after the date of the enactment of this Act.

THE SPACEPORT EQUALITY ACT

DESCRIPTION OF PRESENT LAW

Present law allows exempt facility bonds to be issued to finance certain transportation facilities, such as airports, docks and wharves, mass commuting facilities, high speed intercity rail facilities, and storage or training facilities directly related to the foregoing. Except for high-speed intercity rail facilities, these facilities must be owned by a governmental unit to be eligible for such financing. Exempt facility bonds for airports, docks and wharves, and governmentally-owned, high-speed intercity rail facilities are not subject to the private activity bond volume cap. Only 25% of the exempt facility bonds for a privately-owned, high-speed intercity rail facility require private activity bond volume cap.

Airports.—Treasury Department regulations provide that airport property eligible for exempt facility bond financing includes facilities that are directly related and essential to the servicing of aircraft, enabling aircraft to take off and land, and transferring

passengers or cargo to or from aircraft, but only if the facilities are located at, or in close proximity to, the take-off and landing area. The regulations also provide that airports include other functionally related and subordinate facilities at or adjacent to the airport, such as terminals, hangers, loading facilities, repair shops, maintenance or overhaul facilities, and land-based navigational aids such as radar installations. Facilities, the primary function of which is manufacturing rather than transportation, are not eligible for exempt facility bond financing.

Public Use Requirement.—Treasury Department regulations provide generally that, in order to qualify as an exempt facility, the facility must serve or be available on a regular basis for general public use, or be part of a facility so used, as contrasted with similar types of facilities that are constructed for the exclusive use of a limited number of nongovernmental persons in their trades or businesses. For example, a private dock or wharf leased to and serving only a single manufacturing plant would not qualify as a facility for general public use, but a hangar or repair facility at a municipal airport, or a dock or a wharf, would qualify even if it is leased or permanently assigned to a single nongovernmental person provided that person directly serves the general public, such as a common passenger carrier or freight carrier. Certain facilities, such as sewage and solid waste disposal facilities, are treated in all events as serving a general public use although they may be part of a nonpublic facility, such as a manufacturing facility used in the trade of business of a single manufacturer.

Federally Guaranteed Bonds.—Bonds directly or indirectly guaranteed by the United States (or any agency or instrument thereof) are not tax-exempt. The Treasury Department has not issued detailed regulations interpreting the prohibition of federal guarantees and the scope of the prohibition is unclear.

EXPLANATION OF SPACEPORT EQUALITY ACT

The Spaceport Equality Act clarifies that spaceports are eligible for exempt facility bond financing to the same extent as airports. As in the case of airports, the facilities must be owned by a governmental unit to be eligible for such financing.

The term ''spaceport'' includes facilities directly related and essential to servicing spacecraft, enabling spacecraft to take off or land, and transferring passengers or space cargo door from spacecraft, but only if the facilities are located at, or in close proximity to, the launch site. Space cargo includes satellites, scientific experiments, and other property transported into space, whether or not the cargo will return from space. The term ''spaceport'' also includes other functionally related and subordinate facilities at or adjacent to the spaceport, such as launch control centers, repair shops, maintenance or overhaul facilities, and rocket assembly facilities that must be located at or adjacent to the launch site. The term ''spaceport'' further includes storage facilities directly related to any governmentally-owned spaceport (including a spaceport owned by the U.S. Government.

It is intended that spaceports shall be treated in all respects as serving the general public and will therefore satisfy the public use requirements contained in present Treasury Department regulations. It is also intended that the use of spaceport facilities by the federal government will not prevent the spaceport facilities from being treated as serving the general public, will not prevent the spaceport from being treated as owned by a government unit, and will not otherwise render such facilities ineligible for exempt facility bond financing. In addition, the amendment specifies that payment by the federal government of rent, user fees, or other charges for the use of spaceport property will not be taken into account in determining whether bonds for spacesports are federally guaranteed as long as such payments are conditioned on the use of such property and not payable unconditionally and in all events.

By Mr. KENNEDY (for himself, Ms. SNOWE, Mr. ROCKEFELLER, Mr. CHAFEE, Ms. COLLINS, Mr. DASCHLE, Mr. BAUCUS, Mr. BREAUX, Mr. TORRICELLI, Mrs. LINCOLN, Mr. GRAHAM, Mr. BINGAMAN, Mr. KERRY, Mrs. CLINTON, and Mr. CORZINE).

S. 1244. A bill to amend titles XIX and XXI of the Social Security Act to provide for FamilyCare coverage for parents of enrolled children, and for other purposes; to the Committee on Finance.

Mr. KENNEDY. Mr. President, it's a privilege to join Senator SNOWE and Senator ROCKEFELLER and many others in introducing the Family Care Act of 2001 to expand health coverage to millions of families.

Families across America get up every day, go to work, play by the rules, and still cannot afford the health insurance they need to stay healthy and protect themselves when serious illness strikes. Family Care is a practical, common-sense solution for millions of hardworking families, and it deserves to be a national priority.

The legislation we are introducing today will provide health insurance to millions of Americans. And it does so without creating a new program or a new bureaucracy. It builds on the existing Children's Health Insurance Program. By allowing children *and* their parents to be covered, we can reduce the number of uninsured Americans by one-third.

Four years ago we worked together, Republicans and Democrats, to expand coverage to uninsured children in families whose income is too high for Medicaid but not enough to afford private health insurance. The Children's Health Insurance Program has already brought quality health care to over 3 million children, and many more are eligible.

Our bill is an important step to build on that initiative. Over 80 percent of children who are uninsured or enrolled in Medicaid or CHIP have uninsured parents. Expanding CHIP to cover parents as well as children will make a huge difference to millions of working families.

We also need to do more to help sign up the large number of children who are already eligible for health coverage but have never enrolled. The numbers are dramatic. Ninety-five percent of low-income uninsured children are eligible for Medicaid or CHIP. If we can sign up these children, we can give almost every child in America a real chance at a healthy childhood.

Our legislation includes steps to make it easier for families to register and stay covered. Patients will enroll, and will enroll their children, too.

We also know that many families lose coverage because complicated applications and burdensome requirements make it hard to stay insured. Our bill sees that families will have a simple application and that they won't have to enroll over and over again. It also makes sure that families they aren't excluded because that have simple assets like cars.

I am pleased that this legislation has so much support in the Finance Committee. In addition to Senator SNOWE, we have the support of every single Democrat in that committee. I hope that we can move on this legislation before the August recess.

These are long-overdue steps to give millions more Americans the health coverage they deserve. It's a significant step toward the day when every man, woman and child in America has affordable health coverage. The Nation needs both, and I'm hopeful that Congress will enact both as soon as possible.

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

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

S. 1244

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

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

(a) SHORT TITLE.—This Act may be cited as the ''FamilyCare Act of 2001''.

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

SEC. 2. RENAMING OF TITLE XXI PROGRAM.

(a) IN GENERAL.—The heading of title XXI of the Social Security Act (42 U.S.C. 1397aa et seq.) is amended to read as follows:

''TITLE XXI—FAMILYCARE PROGRAM''.

(b) PROGRAM REFERENCES.—Any reference in any provision of Federal law or regulation to ''SCHIP'' or ''State children's health insurance program'' under title XXI of the Social Security Act shall be deemed a reference to the FamilyCare program under such title.

SEC. 3. FAMILYCARE COVERAGE OF PARENTS UNDER THE MEDICAID PROGRAM AND TITLE XXI.

(a) INCENTIVES TO IMPLEMENT FAMILYCARE COVERAGE.—

(1) UNDER MEDICAID.—

(A) ESTABLISHMENT OF NEW OPTIONAL ELIGIBILITY CATEGORY.—Section 1902(a)(10)(A)(ii) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(ii)) is amended—

(i) by striking ''or'' at the end of subclause (XVII);

(ii) by adding ''or'' at the end of subclause (XVIII); and

(iii) by adding at the end the following:

''(XIX) who are individuals described in subsection (k)(1) (relating to parents of categorically eligible children);''.

(B) PARENTS DESCRIBED.—Section 1902 of the Social Security Act is further amended by inserting after subsection (j) the following:

''(k)(1)(A) Individuals described in this paragraph are individuals—

''(i) who are the parents of an individual who is under 19 years of age (or such higher age as the State may have elected under section 1902(l)(1)(D)) and who is eligible for medical assistance under subsection (a)(10)(A);

''(ii) who are not otherwise eligible for medical assistance under such subsection, under section 1931, or under a waiver approved under section 1115 or otherwise (except under subsection (a)(10)(A)(ii)(XIX)); and

''(iii) whose family income exceeds the income level applicable under the State plan under part A of title IV as in effect as of July 16, 1996, but does not exceed the highest income level applicable to a child in the family under this title.

''(B) In establishing an income eligibility level for individuals described in this paragraph, a State may vary such level consistent with the various income levels established under subsection (l)(2) based on the ages of children described in subsection (l)(1) in order to ensure, to the maximum extent possible, that such individuals shall be enrolled in the same program as their children.

''(C) An individual may not be treated as being described in this paragraph unless, at the time of the individual's enrollment under this title, the child referred to in subparagraph (A)(i) of the individual is also enrolled under this title.

''(D) In this subsection, the term 'parent' includes an individual treated as a caregiver for purposes of carrying out section 1931.

''(2) In the case of a parent described in paragraph (1) who is also the parent of a child who is eligible for child health assistance under title XXI, the State may elect (on a uniform basis) to cover all such parents under section 2111 or under this title.''.

(C) ENHANCED MATCHING FUNDS AVAILABLE IF CERTAIN CONDITIONS MET.—Section 1905 of the Social Security Act (42 U.S.C. 1396d) is amended—

(i) in the fourth sentence of subsection (b), by striking ''or subsection (u)(3)'' and inserting '', (u)(3), or (u)(4)''; and

(ii) in subsection (u)—

(I) by redesignating paragraph (4) as paragraph (6), and

(II) by inserting after paragraph (3) the following:

''(4) For purposes of subsection (b) and section 2105(a)(1):

''(A) FAMILYCARE PARENTS.—The expenditures described in this subparagraph are the expenditures described in the following clauses (i) and (ii):

''(i) PARENTS.—If the conditions described in clause (iii) are met, expenditures for medical assistance for parents described in section 1902(k)(1) and for parents who would be described in such section but for the fact that they are eligible for medical assistance under section 1931 or under a waiver approved under section 1115.

''(ii) CERTAIN PREGNANT WOMEN.—Expenditures for medical assistance for pregnant women under section 1902(l)(1)(A) in a family the income of which exceeds the income level applicable under section 1902(l)(2)(A) to a family of the size involved as of January 1, 2000.

''(iii) CONDITIONS.—The conditions described in this clause are the following:

''(I) The State has a State child health plan under title XXI which (whether implemented under such title or under this title) has an effective income level for children that is at least 200 percent of the poverty line.

''(II) Such State child health plan does not limit the acceptance of applications, does not use a waiting list for children who meet eligibility standards to qualify for assistance, and provides benefits to all children in the State who apply for and meet eligibility standards.

''(III) The State plans under this title and title XXI do not provide coverage for parents with higher family income without covering parents with a lower family income.

''(IV) The State does not apply an income level for parents that is lower than the effective income level (expressed as a percent of the poverty line) that has been specified under the State plan under title XIX (including under a waiver authorized by the Secretary or under section 1902(r)(2)), as of January 1, 2000, to be eligible for medical assistance as a parent under this title.

''(iv) DEFINITIONS.—For purposes of this subsection:

''(I) The term 'parent' has the meaning given such term for purposes of section 1902(k)(1).

''(II) The term 'poverty line' has the meaning given such term in section 2110(c)(5).''.

(D) APPROPRIATION FROM TITLE XXI ALLOTMENT FOR CERTAIN MEDICAID EXPANSION COSTS.—Subparagraph (B) of section 2105(a)(1) of the Social Security Act, as amended by section 14(a), is amended to read as follows:

''(B) FAMILYCARE PARENTS.—Expenditures for medical assistance that is attributable to expenditures described in section 1905(u)(4)(A).''.

(E) ONLY COUNTING ENHANCED PORTION FOR COVERAGE OF ADDITIONAL PREGNANT WOMEN.—Section 1905 of the Social Security Act (42 U.S.C. 1396d) is amended—

(i) in the fourth sentence of subsection (b), by inserting ''(except in the case of expenditures described in subsection (u)(5))'' after ''do not exceed'';

(ii) in subsection (u), by inserting after paragraph (4) (as inserted by subparagraph (C)), the following:

''(5) For purposes of the fourth sentence of subsection (b) and section 2105(a), the following payments under this title do not count against a State's allotment under section 2104:

''(A) REGULAR FMAP FOR EXPENDITURES FOR PREGNANT WOMEN WITH INCOME ABOVE JANUARY 1, 2000 INCOME LEVEL AND BELOW 185 PERCENT OF POVERTY.—The portion of the payments made for expenditures described in paragraph (4)(A)(ii) that represents the amount that would have been paid if the enhanced FMAP had not been substituted for the Federal medical assistance percentage.''.

(2) UNDER TITLE XXI.—

(A) FAMILYCARE COVERAGE.—Title XXI of the Social Security Act (42 U.S.C. 1397aa et seq.) is amended by adding at the end the following:

''SEC. 2111. OPTIONAL FAMILYCARE COVERAGE OF PARENTS OF TARGETED LOW-INCOME CHILDREN.

''(a) OPTIONAL COVERAGE.—Notwithstanding any other provision of this title, a State child health plan may provide for coverage, through an amendment to its State child health plan under section 2102, of FamilyCare assistance for individuals who are targeted low-income parents in accordance with this section, but only if—

''(1) the State meets the conditions described in section 1905(u)(4)(A)(iii); and

''(2) the State elects to provide medical assistance under section 1902(a)(10)(A)(ii)(XIX), under section 1931, or under a waiver under section 1115 to individuals described in section 1902(k)(1)(A)(i) and elects an applicable income level for such individuals that consistent with paragraphs (1)(B) and (2) of section 1902(k), ensures to the maximum extent possible, that those individuals shall be enrolled in the same program as their children if their children are eligible for coverage under title XIX (including under a waiver authorized by the Secretary or under section 1902(r)(2)).''.

''(b) DEFINITIONS.—For purposes of this title:

''(1) FAMILYCARE ASSISTANCE.—The term 'FamilyCare assistance' has the meaning given the term child health assistance in section 2110(a) as if any reference to targeted low-income children were a reference to targeted low-income parents.

''(2) TARGETED LOW-INCOME PARENT.—The term 'targeted low-income parent' has the meaning given the term targeted low-income child in section 2110(b) as if the reference to a child were deemed a reference to a parent (as defined in paragraph (3)) of the child; except that in applying such section—

''(A) there shall be substituted for the income level described in paragraph (1)(B)(ii)(I) the applicable income level in effect for a targeted low-income child;

''(B) in paragraph (3), January 1, 2000, shall be substituted for July 1, 1997; and

''(C) in paragraph (4), January 1, 2000, shall be substituted for March 31, 1997.

''(3) PARENT.—The term 'parent' includes an individual treated as a caregiver for purposes of carrying out section 1931.

''(4) OPTIONAL TREATMENT OF PREGNANT WOMEN AS PARENTS.—A State child health plan may treat a pregnant woman who is not otherwise a parent as a targeted low-income parent for purposes of this section but only if the State has established an income level under section 1902(l)(2)(A)(i) for pregnant women that is at least 185 percent of the income official poverty line described in such section.

''(c) REFERENCES TO TERMS AND SPECIAL RULES.—In the case of, and with respect to, a State providing for coverage of FamilyCare assistance to targeted low-income parents under subsection (a), the following special rules apply:

''(1) Any reference in this title (other than subsection (b)) to a targeted low-income child is deemed to include a reference to a targeted low-income parent.

''(2) Any such reference to child health assistance with respect to such parents is deemed a reference to FamilyCare assistance.

''(3) In applying section 2103(e)(3)(B) in the case of a family provided coverage under this section, the limitation on total annual aggregate cost-sharing shall be applied to the entire family.

''(4) In applying section 2110(b)(4), any reference to 'section 1902(l)(2) or 1905(n)(2) (as

selected by a State)' is deemed a reference to the income level applicable to parents under section 1931 or under a waiver approved under section 1115, or, in the case of a pregnant woman described in subsection (b)(4), the income level established under section 1902(l)(2)(A).

''(5) In applying section 2102(b)(3)(B), any reference to children is deemed a reference to parents.''.

(B) ADDITIONAL ALLOTMENT FOR STATES PROVIDING FAMILYCARE.—

(i) IN GENERAL.—Section 2104 of the Social Security Act (42 U.S.C. 1397dd) is amended by inserting after subsection (c) the following:

''(d) ADDITIONAL ALLOTMENTS FOR STATE PROVIDING FAMILYCARE.—

''(1) APPROPRIATION; TOTAL ALLOTMENT.—For the purpose of providing additional allotments to States to provide FamilyCare coverage under section 2111, there is appropriated, out of any money in the Treasury not otherwise appropriated—

''(A) for fiscal year 2002, $2,000,000,000;

''(B) for fiscal year 2003, $2,000,000,000;

''(C) for fiscal year 2004, $3,000,000,000;

''(D) for fiscal year 2005, $3,000,000,000;

''(E) for fiscal year 2006, $6,000,000,000;

''(F) for fiscal year 2007, $7,000,000,000;

''(G) for fiscal year 2008, $8,000,000,000;

''(H) for fiscal year 2009, $9,000,000,000;

''(I) for fiscal year 2010, $10,000,000,000; and

''(J) for fiscal year 2011 and each fiscal year thereafter, the amount of the allotment provided under this paragraph for the preceding fiscal year increased by the percentage increase (if any) in the medical care expenditure category of the Consumer Price Index for All Urban Consumers (United States city average).

''(2) STATE AND TERRITORIAL ALLOTMENTS.—

''(A) IN GENERAL.—In addition to the allotments provided under subsections (b) and (c), subject to paragraphs (3) and (4), of the amount available for the additional allotments under paragraph (1) for a fiscal year, the Secretary shall allot to each State with a State child health plan approved under this title—

''(i) in the case of such a State other than a commonwealth or territory described in clause (ii), the same proportion as the proportion of the State's allotment under subsection (b) (determined without regard to subsection (f)) to 98.95 percent of the total amount of the allotments under such section for such States eligible for an allotment under this subparagraph for such fiscal year; and

''(ii) in the case of a commonwealth or territory described in subsection (c)(3), the same proportion as the proportion of the commonwealth's or territory's allotment under subsection (c) (determined without regard to subsection (f)) to 1.05 percent of the total amount of the allotments under such section for commonwealths and territories eligible for an allotment under this subparagraph for such fiscal year.

''(B) AVAILABILITY AND REDISTRIBUTION OF UNUSED ALLOTMENTS.—In applying subsections (e) and (f) with respect to additional allotments made available under this subsection, the procedures established under such subsections shall ensure such additional allotments are only made available to States which have elected to provide coverage under section 2111.

''(3) USE OF ADDITIONAL ALLOTMENT.—Additional allotments provided under this subsection are not available for amounts expended before October 1, 2001. Such amounts are available for amounts expended on or after such date for child health assistance for targeted low-income children, as well as for FamilyCare assistance.

''(4) REQUIRING ELECTION TO PROVIDE FAMILYCARE COVERAGE.—No payments may be made to a State under this title from an allotment provided under this subsection unless the State has made an election to provide FamilyCare assistance.''.

(ii) CONFORMING AMENDMENTS.—Section 2104 of the Social Security Act (42 U.S.C. 1397dd) is amended—

(I) in subsection (a), by inserting ''subject to subsection (d),'' after ''under this section,'';

(II) in subsection (b)(1), by inserting ''and subsection (d)'' after ''Subject to paragraph (4)''; and

(III) in subsection (c)(1), by inserting ''subject to subsection (d),'' after ''for a fiscal year,''.

(C) NO COST-SHARING FOR PREGNANCY-RELATED BENEFITS.—Section 2103(e)(2) of the Social Security Act (42 U.S.C. 1397cc(e)(2)) is amended—

(i) in the heading, by inserting ''AND PREGNANCY-RELATED SERVICES'' after ''PREVENTIVE SERVICES''; and

(ii) by inserting before the period at the end the following: ''and for pregnancy-related services''.

(3) EFFECTIVE DATE.—The amendments made by this subsection apply to items and services furnished on or after October 1, 2001, whether or not regulations implementing such amendments have been issued.

(b) RULES FOR IMPLEMENTATION BEGINNING WITH FISCAL YEAR 2005.—

(1) REQUIRED COVERAGE OF FAMILYCARE PARENTS.—Section 1902(a)(10)(A)(i) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(i)) is amended—

(A) by striking ''or'' at the end of subclause (VI);

(B) by striking the semicolon at the end of subclause (VII) and insert '', or''; and

(C) by adding at the end the following:

''(VIII) who are described in subsection (k)(1) (or would be described if subparagraph (A)(ii) of such subsection did not apply) and who are in families with incomes that do not exceed 100 percent of the poverty line applicable to a family of the size involved;''.

(2) EXPANSION OF AVAILABILITY OF ENHANCED MATCH UNDER MEDICAID FOR PRE-CHIP EXPANSIONS.—Paragraph (4) of section 1905(u) of the Social Security Act (42 U.S.C. 1396d(u)), as inserted by subsection (a)(1)(C), is amended—

(A) by amending clause (ii) of subparagraph (A) to read as follows:

''(ii) CERTAIN PREGNANT WOMEN.—Expenditures for medical assistance for pregnant women under section 1902(l)(1)(A) in a family the income of which exceeds the 133 percent of the income official poverty line.''; and

(B) by adding at the end the following:

''(B) CHILDREN IN FAMILIES WITH INCOME ABOVE MEDICAID MANDATORY LEVEL NOT PREVIOUSLY DESCRIBED.—The expenditures described in this subparagraph are expenditures (other than expenditures described in paragraph (2) or (3)) for medical assistance made available to any child who is eligible for assistance under section 1902(a)(10)(A) (other than under clause (i)) and the income of whose family exceeds the minimum income level required under subsection 1902(l)(2) (or, if higher, the minimum level required under section 1931 for that State) for a child of the age involved (treating any child who is 19 or 20 years of age as being 18 years of age).''.

(3) OFFSET OF ADDITIONAL EXPENDITURES FOR ENHANCED MATCH FOR PRE-CHIP EXPANSION; ELIMINATION OF OFFSET FOR REQUIRED COVERAGE OF FAMILYCARE PARENTS.—

(A) IN GENERAL.—Section 1905(u)(5) of the Social Security Act (42 U.S.C. 1396d(u)(5)), as added by subsection (a)(1)(E), is amended—

(i) by amending subparagraph (A) to read as follows:

''(A) REGULAR FMAP FOR EXPENDITURES FOR PREGNANT WOMEN WITH INCOME ABOVE 133 PERCENT OF POVERTY.—The portion of the payments made for expenditures described in paragraph (4)(A)(ii) that represents the amount that would have been paid if the enhanced FMAP had not been substituted for the Federal medical assistance percentage.''; and

(ii) by adding at the end the following:

''(B) FAMILYCARE PARENTS UNDER 100 PERCENT OF POVERTY.—Payments for expenditures described in paragraph (4)(A)(i) in the case of parents whose income does not exceed 100 percent of the income official poverty line applicable to a family of the size involved.

''(C) REGULAR FMAP FOR EXPENDITURES FOR CERTAIN CHILDREN IN FAMILIES WITH INCOME ABOVE MEDICAID MANDATORY LEVEL.—The portion of the payments made for expenditures described in paragraph (4)(B) that represents the amount that would have been paid if the enhanced FMAP had not been substituted for the Federal medical assistance percentage.''.

(B) CONFORMING AMENDMENTS.—Subparagraph (B) of section 2105(a)(1) of the Social Security Act, as amended by section 14(a) and subsection (a)(1)(D), is amended to read as follows:

''(B) CERTAIN FAMILYCARE PARENTS AND OTHERS.—Expenditures for medical assistance that is attributable to expenditures described in section 1905(u)(4), except as provided in section 1905(u)(5).''.

(4) EFFECTIVE DATE.—The amendments made by this subsection apply as of October 1, 2004, to fiscal years beginning on or after such date and to expenditures under the State plan on and after such date, whether or not regulations implementing such amendments have been issued.

(c) MAKING TITLE XXI BASE ALLOTMENTS PERMANENT.—Section 2104(a) of the Social Security Act (42 U.S.C. 1397dd(a)) is amended—

(1) by striking ''and'' at the end of paragraph (9);

(2) by striking the period at the end of paragraph (10) and inserting ''; and''; and

(3) by adding at the end the following:

''(11) for fiscal year 2008 and each fiscal year thereafter, the amount of the allotment provided under this subsection for the preceding fiscal year increased by the percentage increase (if any) in the medical care expenditure category of the Consumer Price Index for All Urban Consumers (United States city average).''.

(d) OPTIONAL APPLICATION OF PRESUMPTIVE ELIGIBILITY PROVISIONS TO PARENTS.—Section 1920A of the Social Security Act (42 U.S.C. 1396r–1a) is amended by adding at the end the following:

''(e) A State may elect to apply the previous provisions of this section to provide for a period of presumptive eligibility for medical assistance for a parent (as defined for purposes of section 1902(k)(1)) of a child with respect to whom such a period is provided under this section.''.

(e) CONFORMING AMENDMENTS.—

(1) ELIGIBILITY CATEGORIES.—Section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)) is amended, in the matter before paragraph (1)—

(A) by striking ''or'' at the end of clause (xii);

(B) by inserting ''or'' at the end of clause (xiii); and

(C) by inserting after clause (xiii) the following:

''(xiv) who are parents described (or treated as if described) in section 1902(k)(1),''.

(2) INCOME LIMITATIONS.—Section 1903(f)(4) of the Social Security Act (42 U.S.C. 1396b(f)(4)) is amended—

(A) effective October 1, 2004, by inserting ''1902(a)(10)(A)(i)(VIII),'' after ''1902(a)(10)(A)(i)(VII),''; and

(B) by inserting ''1902(a)(10)(A)(ii)(XIX),'' after ''1902(a)(10)(A)(ii)(XVIII),''.

(3) CONFORMING AMENDMENT RELATING TO NO WAITING PERIOD FOR PREGNANT WOMEN.—Section 2102(b)(1)(B) of the Social Security Act (42 U.S.C. 1397bb(b)(1)(B)) is amended—

(A) by striking '', and'' at the end of clause (i) and inserting a semicolon;

(B) by striking the period at the end of clause (ii) and inserting ''; and''; and

(C) by adding at the end the following:

''(iii) may not apply a waiting period (including a waiting period to carry out paragraph (3)(C)) in the case of a targeted low-income parent who is pregnant.''.

SEC. 4. AUTOMATIC ENROLLMENT OF CHILDREN BORN TO TITLE XXI PARENTS.

Section 2102(b)(1) of the Social Security Act (42 U.S.C. 1397bb(b)(1)) is amended by adding at the end the following:

''(C) AUTOMATIC ELIGIBILITY OF CHILDREN BORN TO A PARENT BEING PROVIDED FAMILYCARE.—Such eligibility standards shall provide for automatic coverage of a child born to an individual who is provided assistance under this title in the same manner as medical assistance would be provided under section 1902(e)(4) to a child described in such section.''.

SEC. 5. OPTIONAL COVERAGE OF LEGAL IMMIGRANTS UNDER THE MEDICAID PROGRAM AND TITLE XXI.

(a) MEDICAID PROGRAM.—Section 1903(v) of the Social Security Act (42 U.S.C. 1396b(v)) is amended—

(1) in paragraph (1), by striking ''paragraph (2)'' and inserting ''paragraphs (2) and (4)''; and

(2) by adding at the end the following:

''(4)(A) A State may elect (in a plan amendment under this title) to provide medical assistance under this title, notwithstanding sections 401(a), 402(b), 403, and 421 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, for aliens who are lawfully residing in the United States (including battered aliens described in section 431(c) of such Act) and who are otherwise eligible for such assistance, within any of the following eligibility categories:

''(i) PREGNANT WOMEN.—Women during pregnancy (and during the 60-day period beginning on the last day of the pregnancy).

''(ii) CHILDREN.—Children (as defined under such plan), including optional targeted low-income children described in section 1905(u)(2)(B).

''(iii) PARENTS.—If the State has elected the eligibility category described in clause (ii), caretaker relatives who are parents (including individuals treated as a caregiver for purposes of carrying out section 1931) of children (described in such clause or otherwise) who are eligible for medical assistance under the plan.

''(B) In the case of a State that has elected to provide medical assistance to a category of aliens under subparagraph (A), no debt shall accrue under an affidavit of support against any sponsor of such an alien on the basis of provision of assistance to such category and the cost of such assistance shall not be considered as an unreimbursed cost.''.

(b) TITLE XXI.—Section 2107(e)(1) of the Social Security Act (42 U.S.C. 1397gg(e)(1)) is amended by adding at the end the following:

''(E) Section 1903(v)(4) (relating to optional coverage of categories of lawful resident alien children and parents), but only with respect to an eligibility category under this title, if the same eligibility category has been elected under such section for purposes of title XIX.''.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2001, and apply to medical assistance and child health assistance furnished on or after such date, whether or not regulations implementing such amendments have been issued.

SEC. 6. OPTIONAL COVERAGE OF CHILDREN THROUGH AGE 20 UNDER THE MEDICAID PROGRAM AND TITLE XXI.

(a) MEDICAID.—

(1) IN GENERAL.—Section 1902(l)(1)(D) of the Social Security Act (42 U.S.C. 1396a(l)(1)(D)) is amended by inserting ''(or, at the election of a State, 20 or 21 years of age)'' after ''19 years of age''.

(2) CONFORMING AMENDMENTS.—

(A) Section 1902(e)(3)(A) of the Social Security Act (42 U.S.C. 1396a(e)(3)(A)) is amended by inserting ''(or 1 year less than the age the State has elected under subsection (l)(1)(D))'' after ''18 years of age''.

(B) Section 1902(e)(12) of the Social Security Act (42 U.S.C. 1396a(e)(12)) is amended by inserting ''or such higher age as the State has elected under subsection (l)(1)(D)'' after ''19 years of age''.

(C) Section 1920A(b)(1) of the Social Security Act (42 U.S.C. 1396r–1a(b)(1)) is amended by inserting ''or such higher age as the State has elected under section 1902(l)(1)(D)'' after ''19 years of age''.

(D) Section 1928(h)(1) of the Social Security Act (42 U.S.C. 1396s(h)(1)) is amended by inserting ''or 1 year less than the age the State has elected under section 1902(l)(1)(D)'' before the period at the end.

(E) Section 1932(a)(2)(A) of the Social Security Act (42 U.S.C. 1396u–2(a)(2)(A)) is amended by inserting ''(or such higher age as the State has elected under section 1902(l)(1)(D))'' after ''19 years of age''.

(b) TITLE XXI.—Section 2110(c)(1) of the Social Security Act (42 U.S.C. 1397jj(c)(1)) is amended by inserting ''(or such higher age as the State has elected under section 1902(l)(1)(D))''.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2001, and apply to medical assistance and child health assistance provided on or after such date, whether or not regulations implementing such amendments have been issued.

SEC. 7. APPLICATION OF SIMPLIFIED TITLE XXI PROCEDURES UNDER THE MEDICAID PROGRAM.

(a) APPLICATION UNDER MEDICAID.—

(1) IN GENERAL.—Section 1902(l) of the Social Security Act (42 U.S.C. 1396a(l)) is amended—

(A) in paragraph (3), by inserting ''subject to paragraph (5)'', after ''Notwithstanding subsection (a)(17),''; and

(B) by adding at the end the following:

''(5) With respect to determining the eligibility of individuals under 19 years of age (or such higher age as the State has elected under paragraph (1)(D)) for medical assistance under subsection (a)(10)(A) and, separately, with respect to determining the eligibility of individuals for medical assistance under subsection (a)(10)(A)(i)(VIII) or (a)(10)(A)(ii)(XIX), notwithstanding any other provision of this title, if the State has established a State child health plan under title XXI—

''(A) the State may not apply a resource standard;

''(B) the State shall use the same simplified eligibility form (including, if applicable, permitting application other than in person) as the State uses under such State child health plan with respect to such individuals;

''(C) the State shall provide for initial eligibility determinations and redeterminations of eligibility using verification policies, forms, and frequency that are no less restrictive than the policies, forms, and frequency the State uses for such purposes under such State child health plan with respect to such individuals; and

''(D) the State shall not require a face-to-face interview for purposes of initial eligibility determinations and redeterminations unless the State requires such an interview for such purposes under such child health plan with respect to such individuals.''.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) apply to determinations of eligibility made on or after the date that is 1 year after the date of the enactment of this Act, whether or not regulations implementing such amendments have been issued.

(b) PRESUMPTIVE ELIGIBILITY.—

(1) IN GENERAL.—Section 1920A(b)(3)(A)(i) of the Social Security Act (42 U.S.C. 1396r–1a(b)(3)(A)(i)) is amended by inserting ''a child care resource and referral agency,'' after ''a State or tribal child support enforcement agency,''.

(2) APPLICATION TO PRESUMPTIVE ELIGIBILITY FOR PREGNANT WOMEN UNDER MEDICAID.—Section 1920(b) of the Social Security Act (42 U.S.C. 1396r–1(b)) is amended by adding at the end after and below paragraph (2) the following flush sentence:

''The term 'qualified provider' includes a qualified entity as defined in section 1920A(b)(3).''.

(3) APPLICATION UNDER TITLE XXI.—

(A) IN GENERAL.—Section 2107(e)(1)(D) of the Social Security Act (42 U.S.C. 1397gg(e)(1)) is amended to read as follows:

''(D) Sections 1920 and 1920A (relating to presumptive eligibility).''.

(B) CONFORMING ELIMINATION OF RESOURCE TEST.—Section 2102(b)(1)(A) of such Act (42 U.S.C. 1397bb(b)(1)(A)) is amended—

(i) by striking '' and resources (including any standards relating to spenddowns and disposition of resources)''; and

(ii) by adding at the end the following: ''Effective 1 year after the date of the enactment of the FamilyCare Act of 2001, such standards may not include the application of a resource standard or test.''.

(c) AUTOMATIC REASSESSMENT OF ELIGIBILITY FOR TITLE XXI AND MEDICAID BENEFITS FOR CHILDREN LOSING MEDICAID OR TITLE XXI ELIGIBILITY.—

(1) LOSS OF MEDICAID ELIGIBILITY.—Section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)) is amended—

(A) by striking the period at the end of paragraph (65) and inserting ''; and'', and

(B) by inserting after paragraph (65) the following:

''(66) provide, in the case of a State with a State child health plan under title XXI, that before medical assistance to a child (or a parent of a child) is discontinued under this title, a determination of whether the child (or parent) is eligible for benefits under title XXI shall be made and, if determined to be so eligible, the child (or parent) shall be automatically enrolled in the program under such title without the need for a new application.''.

(2) LOSS OF TITLE XXI ELIGIBILITY AND COORDINATION WITH MEDICAID.—Section 2102(b)(42 U.S.C. 1397bb(b)) is amended—

(A) in paragraph (3), by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F), respectively, and by inserting after subparagraph (C) the following:

''(D) that before health assistance to a child (or a parent of a child) is discontinued under this title, a determination of whether the child (or parent) is eligible for benefits under title XIX is made and, if determined to be so eligible, the child (or parent) is automatically enrolled in the program under such title without the need for a new application;'';

(B) by redesignating paragraph (4) as paragraph (5); and

(C) by inserting after paragraph (3) the following new paragraph:

''(4) COORDINATION WITH MEDICAID.—The State shall coordinate the screening and enrollment of individuals under this title and under title XIX consistent with the following:

''(A) Information that is collected under this title or under title XIX which is needed to make an eligibility determination under the other title shall be transmitted to the appropriate administering entity under such other title in a timely manner so that coverage is not delayed and families do not have to submit the same information twice. Families shall be provided the information they need to complete the application process for coverage under both titles and be given appropriate notice of any determinations made on their applications for such coverage.

''(B) If a State does not use a joint application under this title and such title, the State shall—

''(i) promptly inform a child's parent or caretaker in writing and, if appropriate, orally, that a child has been found likely to be eligible under title XIX;

''(ii) provide the family with an application for medical assistance under such title and offer information about what (if any) further information, documentation, or other steps are needed to complete such application process;

''(iii) offer assistance in completing such application process; and

''(iv) promptly transmit the separate application under this title or the information obtained through such application, and all other relevant information and documentation, including the results of the screening process, to the State agency under title XIX for a final determination on eligibility under such title.

''(C) Applicants are notified in writing of—

''(i) benefits (including restrictions on cost-sharing) under title XIX; and

''(ii) eligibility rules that prohibit children who have been screened eligible for medical assistance under such title from being enrolled under this title, other than provisional temporary enrollment while a final eligibility determination is being made under such title.

''(D) If the agency administering this title is different from the agency administering a State plan under title XIX, such agencies shall coordinate the screening and enrollment of applicants for such coverage under both titles.

''(E) The coordination procedures established between the program under this title and under title XIX shall apply not only to the initial eligibility determination of a family but also to any renewals or redeterminations of such eligibility.''.

(3) EFFECTIVE DATE.—The amendments made by paragraphs (1) and (2) apply to individuals who lose eligibility under the medicaid program under title XIX, or under a State child health insurance plan under title XXI, respectively, of the Social Security Act on or after October 1, 2001 (or, if later, 60 days after the date of the enactment of this Act), whether or not regulations implementing such amendments have been issued.

(d) PROVISION OF MEDICAID AND CHIP APPLICATIONS AND INFORMATION UNDER THE SCHOOL LUNCH PROGRAM.—Section 9(b)(2)(B) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)(2)(B)) is amended—

(1) by striking ''(B) Applications'' and inserting ''(B)(i) Applications''; and

(2) by adding at the end the following:

''(ii)(I) Applications for free and reduced price lunches that are distributed pursuant to clause (i) to parents or guardians of children in attendance at schools participating in the school lunch program under this Act shall also contain information on the availability of medical assistance under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) and of child health and FamilyCare assistance under title XXI of such Act, including information on how to obtain an application for assistance under such programs.

''(II) Information on the programs referred to in subclause (I) shall be provided on a form separate from the application form for free and reduced price lunches under clause (i).''.

(e) 12-MONTHS CONTINUOUS ELIGIBILITY.—

(1) MEDICAID.—Section 1902(e)(12) of the Social Security Act (42 U.S.C. 1396a(e)(12)) is amended—

(A) by striking ''At the option of the State, the plan may'' and inserting ''The plan shall'';

(B) by striking ''an age specified by the State (not to exceed 19 years of age)'' and inserting ''19 years of age (or such higher age as the State has elected under subsection (l)(1)(D)) or, at the option of the State, who is eligible for medical assistance as the parent of such a child''; and

(C) in subparagraph (A), by striking ''a period (not to exceed 12 months) '' and inserting ''the 12-month period beginning on the date''.

(2) TITLE XXI.—Section 2102(b)(2) of such Act (42 U.S.C. 1397bb(b)(2)) is amended by adding at the end the following: ''Such methods shall provide 12-months continuous eligibility for children under this title in the same manner that section 1902(e)(12) provides 12-months continuous eligibility for children described in such section under title XIX. If a State has elected to apply section 1902(e)(12) to parents, such methods may provide 12-months continuous eligibility for parents under this title in the same manner that such section provides 12-months continuous eligibility for parents described in such section under title XIX.''.

(3) EFFECTIVE DATE.—

(A) IN GENERAL.—The amendments made by this subsection shall take effect on October 1, 2001 (or, if later, 60 days after the date of the enactment of this Act), whether or not regulations implementing such amendments have been issued.

SEC. 8. IMPROVING WELFARE-TO-WORK TRANSITION UNDER THE MEDICAID PROGRAM.

(a) MAKING PROVISION PERMANENT.—

(1) IN GENERAL.—Subsection (f) of section 1925 of the Social Security Act (42 U.S.C. 1396r–6) is repealed.

(2) CONFORMING AMENDMENT.—Section 1902(e)(1) of the Social Security Act (42 U.S.C. 1396a(e)(1)) is repealed.

(b) STATE OPTION OF INITIAL 12-MONTH ELIGIBILITY.—Section 1925 of the Social Security Act (42 U.S.C. 1396r–6) is amended—

(1) in subsection (a), by adding at the end the following:

''(5) OPTION OF 12-MONTH INITIAL ELIGIBILITY PERIOD.—A State may elect to treat any reference in this subsection to a 6-month period (or 6 months) as a reference to a 12-month period (or 12 months). In the case of such an election, subsection (b) shall not apply.''; and

(2) in subsection (b)(1), by inserting ''and subsection (a)(5)'' after ''paragraph (3)''.

(c) SIMPLIFICATION.—

(1) REMOVAL OF ADMINISTRATIVE REPORTING REQUIREMENTS FOR ADDITIONAL 6-MONTH EXTENSION.—Section 1925(b)(2) of the Social Security Act (42 U.S.C. 1396r–6(b)(2)) is amended—

(A) by striking subparagraph (B);

(B) in subparagraph (A)(i)—

(i) in the heading, by striking ''AND REQUIREMENTS'';

(ii) by striking ''(I)'' and all that follows through ''(II)'' and inserting ''(i)'';

(iii) by striking '', and (III)'' and inserting ''and (ii)'';

(iv) by redesignating such subparagraph as subparagraph (A) (with appropriate indentation); and

(C) in subparagraph (A)(ii)—

(i) in the heading, by striking ''REPORTING REQUIREMENTS AND'';

(ii) by striking ''notify the family of the reporting requirement under subparagraph (B)(ii) and'' and inserting ''provide the family with notification of''; and

(iii) by redesignating such subparagraph as subparagraph (B) (with appropriate indentation).

(2) REMOVAL OF REQUIREMENT FOR PREVIOUS RECEIPT OF MEDICAL ASSISTANCE.—Section 1925(a)(1) of the Social Security Act (42 U.S.C. 1396r–6(a)(1)) is amended—

(A) by inserting ''but subject to subparagraph (B)'' after ''any other provision of this title'';

(B) by redesignating the matter after ''REQUIREMENT.—'' as a subparagraph (A) with the heading ''IN GENERAL.—'' and with the same indentation as subparagraph (B) (as added by subparagraph (C)); and

(C) by adding at the end the following:

''(B) STATE OPTION TO WAIVE REQUIREMENT FOR 3 MONTHS PREVIOUS RECEIPT OF MEDICAL ASSISTANCE.—A State may, at its option, elect also to apply subparagraph (A) in the case of a family that had applied for and was eligible for such aid for fewer than 3 months during the 6 immediately preceding months described in such subparagraph.''.

(3) PERMITTING INCREASE OR WAIVER OF 185 PERCENT OF POVERTY EARNING LIMIT.—Section 1925(b)(3)(A)(iii)(III) of the Social Security Act (42 U.S.C. 1396r–6(b)(3)(A)(iii)(III)) is amended—

(A) by inserting ''(at its option)'' after ''the State''; and

(B) by inserting ''(or such higher percent as the State may specify)'' after ''185 percent''.

(4) EXEMPTION FOR STATES COVERING NEEDY FAMILIES UP TO 185 PERCENT OF POVERTY.—Section 1925 of the Social Security Act (42 U.S.C. 1396r–6), as amended by subsection (a), is amended—

(A) in each of subsections (a)(1) and (b)(1), by inserting ''but subject to subsection (f),'' after ''Notwithstanding any other provision of this title,''; and

(B) by adding at the end the following:

''(f) EXEMPTION FOR STATE COVERING NEEDY FAMILIES UP TO 185 PERCENT OF POVERTY.—

''(1) IN GENERAL.—At State option, the provisions of this section shall not apply to a State that uses the authority under section 1902(a)(10)(A)(ii)(XIX), section 1931(b)(2)(C), or otherwise to make medical assistance available under the State plan under this title to eligible individuals described in section 1902(k)(1), or all individuals described in section 1931(b)(1), and who are in families with gross incomes (determined without regard to work-related child care expenses of such individuals) at or below 185 percent of the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved.

''(2) APPLICATION TO OTHER PROVISIONS OF THIS TITLE.—The State plan of a State described in paragraph (1) shall be deemed to meet the requirements of section 1902(a)(10)(A)(i)(I).''.

(d) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2001, whether or not regulations implementing such amendments have been issued.

SEC. 9. ELIMINATION OF 100 HOUR RULE AND OTHER AFDC-RELATED ELIGIBILITY RESTRICTIONS.

(a) IN GENERAL.—Section 1931(b)(1)(A)(ii) of the Social Security Act (42 U.S.C. 1396u–

1(b)(1)(A)(ii)) is amended by inserting ''other than the requirement that the child be deprived of parental support or care by reason of the death, continued absence from the home, incapacity, or unemployment of a parent,'' after ''section 407(a),''.

(b) CONFORMING AMENDMENT.—Section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)) is amended, in the matter before paragraph (1), in clause (ii), by striking ''if such child is (or would, if needy, be) a dependent child under part A of title IV''.

(c) EFFECTIVE DATE.—The amendments made by this section apply to eligibility determinations made on or after October 1, 2001, whether or not regulations implementing such amendments have been issued.

SEC. 10. STATE GRANT PROGRAM FOR MARKET INNOVATION.

(a) IN GENERAL.—The Secretary of Health and Human Services (in this section referred to as the ''Secretary'') shall establish a program (in this section referred to as the ''program'') to award demonstration grants under this section to States to allow States to demonstrate the effectiveness of innovative ways to increase access to health insurance through market reforms and other innovative means. Such innovative means may include any of the following:

(1) Alternative group purchasing or pooling arrangements, such as purchasing cooperatives for small businesses, reinsurance pools, or high risk pools.

(2) Individual or small group market reforms.

(3) Consumer education and outreach.

(4) Subsidies to individuals, employers, or both, in obtaining health insurance.

(b) SCOPE; DURATION.—The program shall be limited to not more than 10 States and to a total period of 5 years, beginning on the date the first demonstration grant is made.

(c) CONDITIONS FOR DEMONSTRATION GRANTS.—

(1) IN GENERAL.—The Secretary may not provide for a demonstration grant to a State under the program unless the Secretary finds that under the proposed demonstration grant—

(A) the State will provide for demonstrated increase of access for some portion of the existing uninsured population through a market innovation (other than merely through a financial expansion of a program initiated before the date of the enactment of this Act);

(B) the State will comply with applicable Federal laws;

(C) the State will not discriminate among participants on the basis of any health status-related factor (as defined in section 2791(d)(9) of the Public Health Service Act (42 U.S.C. 300gg–91(d)(9)), except to the extent a State wishes to focus on populations that otherwise would not obtain health insurance because of such factors; and

(D) the State will provide for such evaluation, in coordination with the evaluation required under subsection (d), as the Secretary may specify.

(2) APPLICATION.—The Secretary shall not provide a demonstration grant under the program to a State unless—

(A) the State submits to the Secretary such an application, in such a form and manner, as the Secretary specifies;

(B) the application includes information regarding how the demonstration grant will address issues such as governance, targeted population, expected cost, and the continuation after the completion of the demonstration grant period; and

(C) the Secretary determines that the demonstration grant will be used consistent with this section.

(3) FOCUS.—A demonstration grant proposal under this section need not cover all uninsured individuals in a State or all health care benefits with respect to such individuals.

(d) EVALUATION.—The Secretary shall enter into a contract with an appropriate entity outside the Department of Health and Human Services to conduct an overall evaluation of the program at the end of the program period. Such evaluation shall include an analysis of improvements in access, costs, quality of care, or choice of coverage, under different demonstration grants.

(e) OPTION TO PROVIDE FOR INITIAL PLANNING GRANTS.—Notwithstanding the previous provisions of this section, under the program the Secretary may provide for a portion of the amounts appropriated under subsection (f) (not to exceed $5,000,000) to be made available to any State for initial planning grants to permit States to develop demonstration grant proposals under the previous provisions of this section.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $100,000,000 for each fiscal year to carry out this section. Amounts appropriated under this subsection shall remain available until expended.

(g) STATE DEFINED.—In this section, the term ''State'' has the meaning given such term for purposes of title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

SEC. 11. LIMITATIONS ON CONFLICTS OF INTEREST.

(a) LIMITATION ON CONFLICTS OF INTEREST IN MARKETING ACTIVITIES.—

(1) TITLE XXI.—Section 2105(c) of the Social Security Act (42 U.S.C. 300aa–5(c)) is amended by adding at the end the following:

''(8) LIMITATION ON EXPENDITURES FOR MARKETING ACTIVITIES.—Amounts expended by a State for the use of an administrative vendor in marketing health benefits coverage to low-income children under this title shall not be considered, for purposes of subsection (a)(2)(D), to be reasonable costs to administer the plan unless the following conditions are met with respect to the vendor:

''(A) The vendor is independent of any entity offering the coverage in the same area of the State in which the vendor is conducting marketing activities.

''(B) No person who is an owner, employee, consultant, or has a contract with the vendor either has any direct or indirect financial interest with such an entity or has been excluded from participation in the program under this title or title XVIII or XIX or debarred by any Federal agency, or subject to a civil money penalty under this Act.''.

(b) PROHIBITION OF AFFILIATION WITH DEBARRED INDIVIDUALS.—

(1) MEDICAID.—Section 1903(i) of the Social Security Act (42 U.S.C. 1396b(i))is amended—

(A) by striking the period at the end of paragraph (20) and inserting ''; or''; and

(B) by inserting after paragraph (20) the following:

''(21) with respect to any amounts expended for an entity that receives payments under the plan unless—

''(A) no person with an ownership or control interest (as defined in section 1124(a)(3)) in the entity is a person that is debarred, suspended, or otherwise excluded from participating in procurement or non-procurement activities under the Federal Acquisition Regulation; and

''(B) such entity has not entered into an employment, consulting, or other agreement for the provision of items or services that are material to such entity's obligations under the plan with a person described in subparagraph (A).''.

(2) TITLE XXI.—Section 2107(e)(1) of the Social Security Act (42 U.S.C. 1397gg(e)(1)), as amended by sections 5(b) and 7(b)(3), is further amended—

(A) in subparagraph (B), by striking ''and (17)'' and inserting ''(17), and (21)''; and

(B) by adding at the end the following:

''(F) Section 1902(a)(67) (relating to prohibition of affiliation with debarred individuals).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to expenditures made on or after October 1, 2001, whether or not regulations implementing such amendments have been issued.

SEC. 12. INCREASE IN CHIP ALLOTMENT FOR EACH OF FISCAL YEARS 2002 THROUGH 2004.

Paragraphs (5), (6), and (7) of section 2104(a) of the Social Security Act (42 U.S.C. 1397dd(a)) are amended by striking ''$3,150,000,000'' each place it appears and inserting ''$4,150,000,000''.

SEC. 13. DEMONSTRATION PROGRAMS TO IMPROVE MEDICAID AND CHIP OUTREACH TO HOMELESS INDIVIDUALS AND FAMILIES.

(a) AUTHORITY.—The Secretary of Health and Human Services may award demonstration grants to not more than 7 States (or other qualified entities) to conduct innovative programs that are designed to improve outreach to homeless individuals and families under the programs described in subsection (b) with respect to enrollment of such individuals and families under such programs and the provision of services (and coordinating the provision of such services) under such programs.

(b) PROGRAMS FOR HOMELESS DESCRIBED.—The programs described in this subsection are as follows:

(1) MEDICAID.—The program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

(2) CHIP.—The program under title XXI of the Social Security Act (42 U.S.C. 1397aa et seq.).

(3) TANF.—The program under part of A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

(4) SAMHSA BLOCK GRANTS.—The program of grants under part B of title XIX of the Public Health Service Act (42 U.S.C. 300x–1 et seq.).

(5) FOOD STAMP PROGRAM.—The program under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

(6) WORKFORCE INVESTMENT ACT.—The program under the Workforce Investment Act of 1999 (29 U.S.C. 2801 et seq.).

(7) WELFARE-TO-WORK.—The welfare-to-work program under section 403(a)(5) of the Social Security Act (42 U.S.C. 603(a)(5)).

(8) OTHER PROGRAMS.—Other public and private benefit programs that serve low-income individuals.

(c) APPROPRIATIONS.—For the purposes of carrying out this section, there is appropriated for fiscal year 2002, out of any funds in the Treasury not otherwise appropriated, $10,000,000, to remain available until expended.

SEC. 14. TECHNICAL AND CONFORMING AMENDMENTS TO AUTHORITY TO PAY MEDICAID EXPANSION COSTS FROM TITLE XXI APPROPRIATION.

(a) AUTHORITY TO PAY MEDICAID EXPANSION COSTS FROM TITLE XXI APPROPRIATION.—Section 2105(a) of the Social Security Act (42 U.S.C. 1397ee(a)) is amended to read as follows:

''(a) ALLOWABLE EXPENDITURES.—

''(1) IN GENERAL.—Subject to the succeeding provisions of this section, the Secretary shall pay to each State with a plan approved under this title, from its allotment under section 2104, an amount for each quarter equal to the enhanced FMAP of the following expenditures in the quarter:

''(A) CHILD HEALTH ASSISTANCE UNDER MEDICAID.—Expenditures for child health assistance under the plan for targeted low-income

children in the form of providing medical assistance for expenditures described in the fourth sentence of section 1905(b).

''(B) RESERVED.—[reserved].

''(C) CHILD HEALTH ASSISTANCE UNDER THIS TITLE.—Expenditures for child health assistance under the plan for targeted low-income children in the form of providing health benefits coverage that meets the requirements of section 2103.

''(D) ASSISTANCE AND ADMINISTRATIVE EXPENDITURES SUBJECT TO LIMIT.—Expenditures only to the extent permitted consistent with subsection (c)—

''(i) for other child health assistance for targeted low-income children;

''(ii) for expenditures for health services initiatives under the plan for improving the health of children (including targeted low-income children and other low-income children);

''(iii) for expenditures for outreach activities as provided in section 2102(c)(1) under the plan; and

''(iv) for other reasonable costs incurred by the State to administer the plan.

''(2) ORDER OF PAYMENTS.—Payments under a subparagraph of paragraph (1) from a State's allotment for expenditures described in each such subparagraph shall be made on a quarterly basis in the order of such subparagraph in such paragraph.

''(3) NO DUPLICATIVE PAYMENT.—In the case of expenditures for which payment is made under paragraph (1), no payment shall be made under title XIX.''.

(b) CONFORMING AMENDMENTS.—

(1) SECTION 1905(u).—Section 1905(u)(1)(B) of the Social Security Act (42 U.S.C. 1396d(u)(1)(B)) is amended by inserting ''and section 2105(a)(1)'' after ''subsection (b)''.

(2) SECTION 2105(c).—Section 2105(c)(2)(A) of the Social Security Act (42 U.S.C. 1397ee(c)(2)(A)) is amended by striking ''subparagraphs (A), (C), and (D) of''.

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective as if included in the enactment of the Balanced Budget Act of 1997 (Public Law 105–33; 111 Stat. 251), whether or not regulations implementing such amendments have been issued.

SEC. 15. ADDITIONAL CHIP REVISIONS.

(a) LIMITING COST-SHARING TO 2.5 PERCENT FOR FAMILIES WITH INCOME BELOW 150 PERCENT OF POVERTY.—Section 2103(e)(3)(A) of the Social Security Act (42 U.S.C. 1397cc(e)(3)(A)) is amended—

(1) by striking ''and'' at the end of clause (i);

(2) by striking the period at the end of clause (ii) and inserting ''; and''; and

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

''(iii) total annual aggregate cost-sharing described in clauses (i) and (ii) with respect to all such targeted low-income children in a family under this title that exceeds 2.5 percent of such family's income for the year involved.''.

(b) REPORTING OF ENROLLMENT DATA.—

(1) QUARTERLY REPORTS.—Section 2107(b)(1) of such Act (42 U.S.C. 1397gg(b)(1)) is amended by adding at the end the following: ''In quarterly reports on enrollment required under this paragraph, a State shall include information on the age, gender, race, ethnicity, service delivery system, and family income of individuals enrolled.''.

(2) ANNUAL REPORTS.—Section 2108(b)(1)(B)(i) of such Act (42 U.S.C. 1397hh(b)(1)(B)(i)) is amended by inserting ''primary language of enrollees,'' after ''family income,''.

(c) EMPLOYER COVERAGE WAIVER CHANGES.—Section 2105(c)(3) of such Act (42 U.S.C. 1397ee(c)(3)) is amended—

(1) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii) and indenting appropriately;

(2) by designating the matter beginning with ''Payment may be made'' as a subparagraph (A) with the heading ''IN GENERAL'' and indenting appropriately; and

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

''(B) APPLICATION OF REQUIREMENTS.—In carrying out subparagraph (A)—

''(i) the Secretary shall not require a minimum employer contribution level that is separate from the requirement of cost-effectiveness under subparagraph (A)(i), but a State shall identify a reasonable minimum employer contribution level that is based on data demonstrating that such a level is representative to the employer-sponsored insurance market in the State and shall monitor employer contribution levels over time to determine whether substitution is occurring and report the findings in annual reports under section 2108(a);

''(ii) the State shall establish a waiting period of at least 6 months without group health coverage, but may establish reasonable exceptions to such period and shall not apply such a waiting period to a child who is provided coverage under a group health plan under section 1906;

''(iii) subject to clause (iv), the State shall provide satisfactory assurances that the minimum benefits and cost-sharing protections established under this title are provided, either through the coverage under subparagraph (A) or as a supplement to such coverage; and

''(iv) coverage under such subparagraph shall not be considered to violate clause (iii) because it does not comply with requirements relating to reviews of health service decisions if the enrollee involved is provided the option of being provided benefits directly under this title.

''(C) ACCESS TO EXTERNAL REVIEW PROCESS.—In carrying out subparagraph (A), if a State provides coverage under a group health plan that does not meet the following external review requirements, the State must give applicants and enrollees (at initial enrollment and at each redetermination of eligibility) the option to obtain health benefits coverage other than through that group health plan:

''(i) The enrollee has an opportunity for external review of a—

''(I) delay, denial, reduction, suspension, or termination of health services, in whole or in part, including a determination about the type or level of services; and

''(II) failure to approve, furnish, or provide payment for health services in a timely manner.

''(ii) The external review is conducted by the State or a impartial contractor other than the contractor responsible for the matter subject to external review.

''(iii) The external review decision is made on a timely basis in accordance with the medical needs of the patient. If the medical needs of the patient do not dictate a shorter time frame, the review must be completed—

''(I) within 90 calendar days of the date of the request for internal or external review; or

''(II) within 72 hours if the enrollee's physician or plan determines that the deadline under subclause (I) could seriously jeopardize the enrollee's life or health or ability to attain, maintain, or regain maximum function (except that a State may extend the 72-hour deadline by up to 14 days if the enrollee requests an extension).

''(iv) The external review decision shall be in writing.

''(v) Applicants and enrollees have an opportunity—

''(I) to represent themselves or have representatives of their choosing in the review process;

''(II) timely review their files and other applicable information relevant to the review of the decision; and

''(III) fully participate in the review process, whether the review is conducted in person or in writing, including by presenting supplemental information during the review process.''.

(d) EFFECTIVE DATE.—The amendments made by this section apply as of October 1, 2001, whether or not regulations implementing such amendments have been issued.

NATIONAL WOMEN'S LAW CENTER,
Washington, DC, July 24, 2001.

Hon. EDWARD M. KENNEDY,
Hon. OLYMPIA SNOWE,
U.S. Senate, Washington, DC.

DEAR SENATORS KENNEDY AND SNOWE: We would like to thank you for your leadership in introducing the ''FamilyCare Act of 2001,'' which would allow states to provide health insurance coverage for millions of women. This is such a critical women's health issue that over one hundred organizations working on women's health throughout the nation have endorsed the bill. The list of these organizations follows:

ORGANIZATIONS ADDRESSING WOMEN'S HEALTH THAT ENDORSE THE FAMILYCARE ACT OF 2001

9to5 National Association of Working Women
AFL–CIO
Abortion Access Project
Abortion Rights Fund of Western Massachusetts
ACCESS/Women's Health Rights Coalition
African American Women Evolving
Alan Guttmacher Institute
American Association of University Women
American College of Nurse-Midwives
American College of Obstetricians and Gynecologists
American Counseling Association
American Federation of Teachers
American Medical Women's Association
American Public Health Association
Americans for Democratic Action
Association of Maternal and Child Health Programs
Association of Reproductive Health Professionals
Boston Women's Health Book Collective
California Women's Law Center
Catholics for a Free Choice
Center for Community Change
Center for Reproductive Law and Policy
Center for Women Policy Studies
Central Conference of American Rabbis
Child Care Law Center
Choice USA
Church Women United
Coalition of Labor Union Women
Connecticut Association for Human Services
Connecticut Sexual Assault Crisis Services
Connecticut Women's Health Campaign
Contact Center
FamiliesUSA
Family Planning Advocates of New York State
Family Violence Prevention Fund
Family Voices
Feminist Majority
Feminist Women's Health Center
Florida NOW
Friends of Midwives, CT
Hadassah
Human Rights Campaign
Human Services Coalition of Dade County
Jewish Women International
Jewish Women's Coalition, Inc.
Juneau Pro-Choice Coalition
Justice for Women Working Group of the National Council of Churches
Lutheran Office for Governmental Affairs, ELCA

McAuley Institute
Maine Women's Health Campaign
March of Dimes
Mexican American Legal Defense and Education Fund
Ms. Foundation for Women
National Abortion and Reproductive Rights Action League
National Abortion Federation
National Asian Women's Health Organization
National Association of Commissions on Women
National Association of Community Health Centers, Inc.
National Association of Nurse Practitioners in Women's Health
National Association of Public Hospitals and Health Systems
National Association of Social Workers
National Black Nurses Association
National Black Women's Health Project
National Center for Policy Research for Women and Families
National Center on Poverty Law
National Center on Women and Aging
National Coalition Against Domestic Violence
National Council of Churches of Christ in the USA
National Council of Jewish Women
National Council of Women's Organizations
National Family Planning and Reproductive Health Association
National Health Law Program
National Hispanic Council on Aging
National Hispanic Medical Association
National Network of Abortion Funds
National Organization for Women
National Partnership for Women and Families
National Training Center on Domestic and Sexual Violence
National Women's Health Network
National Women's Law Center
National Women's Political Caucus
New York Affiliate of the National Abortion and Reproductive Rights Action League (NARAL/NY)
Northwest Connecticut Chapter of the Older Women's League
Northwest Women's Law Center
NOW Legal Defense and Educational Fund
Ohio Empowerment Coalition
Oregon Law Center
Planned Parenthood Federation of America
Progressive Leadership Alliance of Nevada
Project WISE/Project Inform
Religious Coalition for Reproductive Choice
Religious Network of Equality for Women
Service Employees International Union
Society for Women's Health Research
Texas Council on Family Violence
Union of American Hebrew Congregations
Unitarian Universalist Association of Congregations
Welfare Law Center
Welfare Rights Initiative
Westchester Coalition for Legal Abortion
Wider Opportunities for Women
Women Employed
Women Empowered Against Violence, Incorporated
Women Leaders Online
Women of Reform Judaism
Women Work!
Women's Emergency Network
Women's International Public Health Network
Working for Equality and Economic Liberation
YWCA of the USA
Zeta Phi Beta Sorority

Sincerely,

MARCIA D. GREENBERGER,
Co-President.
REGAN RALPH,
Vice President, Women's Health and Reproductive Rights.

AMERICAN ACADEMY OF PEDIATRICS,
Washington, DC, July 24, 2001.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, DC.

DEAR SENATOR KENNEDY: On behalf of the 55,000 members of the American Academy of Pediatrics, I am writing to express the Academy's strong support of the Family Care Act of 2001. This legislation takes critical steps to ensure that every child in the United States has access to affordable quality health care. We are pleased that you and your colleagues have put this measure forward and we look forward to working with you in the coming months to ensure that the bill's provisions become law.

In addition to the important expansion of coverage options under Medicaid and SCHIP, including those for pregnant women and immigrant children and their families, we strongly endorse the numerous components of the legislation that will make getting enrolled, and staying enrolled, in Medicaid and SCHIP simpler for children and families. By expanding the types of entities that are able to perform presumptive eligibility determinations, consolidating application and enrollment procedures and providing for automatic redetermination of eligibility, states can ensure that children and families have seamless access to quality care.

We appreciate your continued attention to the health care needs of our nation's children. If we can be of assistance in your efforts, please do not hesitate to contact me at (202) 347–8600.

Sincerely,

GRAHAM NEWSON,
Director,
Department of Federal Affairs.

AMERICAN HOSPITAL ASSOCIATION,
Washington, DC, July 24, 2001.

Hon. EDWARD M. KENNEDY,
Chairman, Committee on Health, Education, Labor, and Pensions, U.S. Senate, Russell Building, Washington, DC.

DEAR CHAIRMAN KENNEDY: The American Hospital Association (AHA), which represents 5,000 hospitals, health care systems, networks, and other providers of care, shares your goal of expanding access to health care coverage for the nation's over 42 million uninsured Americans. As you know, eight out of every 10 uninsured persons lives in a working family. Ten million of the uninsured are children. The uninsured are concentrated disproportionately in low-income families. And while health care coverage by itself does not guarantee good health or access to appropriate health services, the absence of health care coverage is a major contributor to poor health.

AHA supports an array of legislative proposals that would expand coverage to low-income people, including those that would build on current programs such as Medicaid and the State Children's Health Insurance Program (S–CHIP), and those that would use changes in the tax code to bolster coverage. Therefore, AHA strongly supports the objective of your bipartisan legislation, the Family Care Act of 2001, sponsored with Senator Snowe. Your legislation embraces, as one option, expanding state options to allow coverage of the parents of children covered by S–CHIP. We support provisions that would improve state options for Medicaid coverage for children, pregnant women, and those making the transition from welfare to work. Furthermore, we applaud your provisions that would simplify applications, increased outreach activities, and create state grant programs to encourage market innovation in health care insurance. AHA believes these are good first steps toward lowering the number of the uninsured.

In addition to expanding public programs, AHA supports other measures that utilize the tax code to make health care insurance more affordable for low-income working families. Toward that end, AHA also supports the bipartisan REACH Act drafted by Senators Jeffords, Snowe, Frist, Chafee, Breaux, Lincoln and Carper; and the bipartisan Fair Care for the Uninsured Act (S. 683) sponsored by Senators Santorum and Torricelli. Both of these bills would establish refundable tax credits to help low-income families purchase health care insurance.

Our nation's hospitals see every day that the absence of health coverage is a significant barrier to care, reducing the likelihood that people will get appropriate preventive, diagnostic and chronic care. AHA supports your efforts to help more low-income families to get the health care coverage they need and deserve. We thank you for your leadership and we look forward to working with you to advance the Family Care Act of 2001.

Sincerely,

RICK POLLACK,
Executive Vice President.

NATIONAL ASSOCIATION OF CHILDREN'S HOSPITALS,
Alexandria, VA, July 24, 2001.

Hon. EDWARD KENNEDY,
Hon. OLYMPIA SNOWE,
U.S. Senate, Washington, DC.

DEAR SENATOR KENNEDY AND SENATOR SNOWE: On behalf of the National Association of Children's Hospitals (N.A.C.H.), which represents over 100 children's hospitals nationwide, I want to express our strong support for your introduction of the ''FamilyCare Act of 2001.''

As providers of care to all children, regardless of their economic status, children's hospitals devote more than 40% of their patient care to children who rely on Medicaid or are uninsured, and more than three-fourths of their patient-care to children with chronic and congenital conditions. These hospitals have extensive experience in assisting families to enroll eligible children in Medicaid and SCHIP. They are keenly aware of the importance of addressing the challenges that states face in enrolling this often hard to reach population of eligible children.

In particular, N.A.C.H. appreciates your efforts to simplify and coordinate the application process for SCHIP and Medicaid, as well as to provide new tools for states to use in identifying and enrolling families. We strongly support your provision guaranteeing continuous 12-month eligibility for children and parents, which will address one major problem in assuring coverage for eligible children.

N.A.C.H. also applauds your provisions that continue children's coverage as the first priority of the SCHIP program, including (1) requiring states to first cover children up to 200% of poverty and eliminating waiting lists in the SCHIP program before covering parents, and (2) requiring every child who loses coverage under Medicaid or SCHIP to be automatically screened for other avenues of eligibility and if found eligible, enrolled immediately in that program.

N.A.C.H. further supports your legislation's provision to give states additional flexibility under SCHIP and Medicaid to cover legal immigrant children. In states with high proportions of uninsured children, such as California, Texas and Florida, the federal government's bar on coverage of legal immigrant children helps contribute to

the fact that Hispanic children represent the highest rate of uninsured children of all major racial and ethnic minority groups. Your provision to ensure coverage of legal immigrant children would be extremely useful in improving this situation.

N.A.C.H. greatly appreciates your efforts to provide all children with the best possible chance at starting out and staying healthy. We welcome and look forward to working with you to pass the ''FamilyCare Act of 2001.''

Sincerely,

LAWRENCE A. MCANDREWS,
President and CEO.

MARCH OF DIMES,
Washington, DC, July 24, 2001.

Hon. EDWARD KENNEDY,
U.S. Senate, Washington, DC.

DEAR SENATOR KENNEDY: On behalf of more than 3 million volunteers and 1600 staff members of the March of Dimes, I want to commend you for introducing the ''Family Care Act of 2001.'' The March of Dimes is committed to increasing access to appropriate and affordable health care for women, infants and children and supports the targeted approach to expanding the State Children's Health Insurance Program contained in the Family Care proposal.

The ''Family Care Act of 2001'' contains a number of beneficial provisions that would expand and improve SCHIP. The March of Dimes strongly supports giving states the option to cover low-income pregnant women in Medicaid and SCHIP programs with an enhanced matching rate. We understand that Family Care would allow states to cover uninsured parents of children enrolled in Medicaid and SCHIP as well as uninsured first-time pregnant women. SCHIP is the only major federally-funded program that denies coverage to pregnant women while providing coverage to their infants and children. We know prenatal care improves birth outcomes. Expanding health insurance coverage for low-income pregnant women has bipartisan support in both the House and Senate.

The March of Dimes also supports Family Care provisions to require automatic enrollment of children born to SCHIP parents; automatic screening of every child who loses coverage under Medicaid or SCHIP to determine eligibility for other health programs; and distribution of information on the availability of Medicaid and SCHIP through the school lunch program. The March of Dimes also supports giving states the option to provide Medicaid and SCHIP benefits to children and pregnant women who arrived legally to the United States after August 23, 1996, and to people ages 19 and 20. The National Governors Association recently endorsed this proposal as part of its legislation policy platform.

Finally, we commend you for raising issues such as the elimination of assets tests in Medicaid and CHIP for parents and children as well as providing for guaranteed continuous 12-month eligibility for parents and children enrolled in Medicaid and CHIP. While controversial, we hope states would voluntarily adopt these provisions which would provide the kind of continuity that is so important for keeping families insured.

We thank you for your leadership in introducing the ''Family Care Act of 2001'' and are eager to work with you to achieve approval of this much needed legislation.

Sincerely,

ANNA ELEANOR ROOSEVELT,
Vice Chair, Board of Trustees; Chair, National Public Affairs Committee.

Dr. JENNIFER L. HOWSE,
President.

THE CATHOLIC HEALTH ASSOCIATION,
Washington, DC, July 24, 2001.

Hon. EDWARD M. KENNEDY,
Russell Senate Office Building,
U.S. Senate, Washington, DC.

DEAR SENATOR KENNEDY: On behalf of the Catholic Health Association of the United States (CHA), the national leadership organization of more than 2,000 Catholic healthcare sponsors, systems, facilities, and related organizations, I write to thank you for your efforts to expand health coverage for uninsured low-income families. CHA shares your commitment to the goal of accessible and affordable care for all, and we strongly support the ''Family Care Act of 2001'' as an important step toward that goal.

The ''Family Care Act of 2001'' would allow states to extend Medicaid and State Children's Health Insurance Program (SCHIP) coverage to parents of children already eligible for these programs. Most of these individuals are working but do not have incomes sufficient to afford the high cost of private insurance. Family Care is a cost-effective way to address this problem. Not only would it reduce the number of uninsured parents but it would also improve enrollment of uninsured low-income children in Medicaid and SCHIP at a time when more than 10 million children still do not have health coverage. While a number of states have already initiated efforts to expand SCHIP to parents and to eliminate enrollment barriers, much more needs to be done. Moreover, the additional funding called for in your bill is essential if states are to proceed with the assurance of federal support for their coverage expansion efforts.

We are also pleased that your bill would address gaps in Medicaid and SCHIP coverage for pregnant women and legal immigrants.

Catholic hospitals and healthcare systems provide inpatient and outpatient care in 48 states and more than 360 local areas. Every day we see the impact that lack of health insurance has on families' access to coordinated and high-quality health care. With a substantial federal surplus, Congress and the administration simply must make addressing this problem a national priority. We applaud your leadership in introducing the ''Family Care Act of 2001'' and look forward to working with you and your colleagues to advance this important bill.

Sincerely,

Rev. MICHAEL D. PLACE, STD,
President and CEO.

CHILDRENS DEFENSE FUND,
Washington, DC, July 24, 2001.

Hon. EDWARD M. KENNEDY,
U.S. Senate, Russell Senate Office Building,
Washington, DC.

DEAR SENATOR KENNEDY: We are taking this opportunity to thank you for your work on the FamilyCare Act and your intention to introduce the bill in the current Congress. This proposal has the strong support of the Children's Defense Fund because it provides and strengthens health care coverage for uninsured children and their parents. Building on the successes of Medicaid and the Children's Health Insurance Program (CHIP), this legislation will increase coverage for uninsured children, provide funding for health insurance coverage for the uninsured parents of Medicaid and CHIP-eligible children, and simplify the enrollment process for Medicaid and CHIP to make the programs more family friendly.

We look forward to working with you for passage of the FamilyCare Act by the Congress.

Sincerely,

GREGG, HAIFLEY,
Deputy Director Health Division.

By Mr. KENNEDY:

S. 1247. A bill to establish a grant program to promote emotional and social development and school readiness; to the Committee on Health, Education, Labor, and Pensions.

Mr. KENNEDY. Mr. President, I am proud to introduce the Foundations for Learning Act. I want to thank my son, PATRICK for his leadership in developing this legislation. This bill is an extremely important piece of legislation that addresses the whole child's early development.

There is no question that healthy emotional and social development are critical to school success. The development of curiosity, self-direction, the ability to cooperate with peers and to exhibit self-control are essential before a child can be ready to learn. Children whose lives are threatened by socioeconomic disadvantage, violence, family disruption and diagnosed disabilities are at a severe disadvantage in the classroom. There is no question these children cannot perform at their highest academic potential.

While we are all concerned about reading readiness and children's readiness to learn, we cannot ignore the underlying factors that enable them to learn. We know that children cannot learn when they are hungry or sleepy, but rarely do we stop to think about their emotional ability to learn. Children who are angry, afraid or cannot control their own emotions, or have no sense of self-direction, and ability to resolve conflicts with peers are not ready to learn either.

Last month, a national study reported that children who receive more than 30 hours per week of non-parental child care exhibit higher levels of aggressive behavior than those who spend less than 10 hours per week in comparable settings. The study called national attention to the quality of child care that parents entrust the care of their young children to. It also rekindled the Nation's interest in the early years and how these years contribute to a young children's development. As we debate investments in early care and education, we must not underestimate the need to look at the social and emotional readiness of the child that leads to later academic readiness.

Studies are showing that increasing numbers of children are unprepared to cope with the demand of school, not because they lack the academic tools, but because they lack the social skills and emotional self-regulation necessary to succeed. In a survey of kindergarten teachers, 46 percent said that at least half of their class had difficulty following directions, 34 percent reported half of the class or more had difficulty working as part of a group, and 20 percent said at least half of the class had

problems with social skills. Is it a surprise that children who cannot follow simple directions and get along with their peers cannot learn to read?

According to the latest data, 61 percent of children under age 4 are in regularly scheduled child care. With such a high percentage of our youngest children in child care and with such certainty as we have that early care and education has a long-lasting if not permanent impact on an individual's social and academic development, we cannot deny the necessity of ensuring that those providers are equipped to work with all of our children including those with emotional and behavioral problems.

Neither can we deny that the most important relationship in a child's life is the one with his or her parents. It is absolutely essential to the child's future success that the parent-child relationship be as healthy as possible. Without a close, dependable relationship with a healthy and responsible adult, a child's potential for growth could be severely and permanently impaired. We must provide high quality education and support not only for children but also for their parents.

The goal of this legislation is to enable all children to enter school ready to learn by focusing on the social and emotional development of children ages 0–5. The bill would accomplish this by: providing family support initiatives such as parent training and home visitation to provide intensive early interventions to families of at-risk children; providing consultations and professional development opportunities for child care workers and hiring of behavioral specialists by early childhood service providers and the development of curriculum for use in early childhood settings; providing early intervention services to at-risk children to promote their emotional and social development; and by developing community resources and linkages between early childhood service providers to enhance the quality of services to children.

This bill will help communities lay the foundation for school readiness by providing funding to integrate emotional and social development support services into early childhood programs and strengthening the capacity of parents to constructively manage behavior problems.

Study after study had shown that intervention can work to increase the quality of early care and educational experiences that children receive. Study after study has shown that financial resources are essential to improving quality of early care and education. Study after study has shown that investments in young children can save costs of adolescents' incarceration tomorrow. Investing in young children is well worth the investment. If we're serious about adequately preparing our children for school and for life, we must provide communities, families, child care providers with the necessary resources to support the development of a healthy whole child.

I hope that my colleagues will join me in supporting and pushing this important legislation.

By Mr. KERRY (for himself, Mr. CHAFEE, Mr. REED, Mr. JEFFORDS, Mr. SARBANES, Mr. LEAHY, Mr. WELLSTONE, Mr. DAYTON, Mrs. FEINSTEIN, Mr. LEVIN, Mr. SCHUMER, Mr. DURBIN, Ms. STABENOW, Mrs. BOXER, Mr. KENNEDY, Mr. CORZINE, and Mr. DODD):

S. 1248. A bill to establish a National Housing Trust Fund in the Treasury of the United States to provide for the development of decent, safe, and affordable, housing for low-income families, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

Mr. KERRY. Mr. President, our Nation is facing an affordable housing crisis. Recent changes in the housing market have limited the availability of affordable housing across the country while the growth in our economy in the last decade has dramatically increased the cost of housing that remains. That is why, along with sixteen cosponsors, I am proposing to address the severe shortage of affordable housing by introducing legislation that will establish a National Affordable Housing Trust Fund.

The Affordable Housing Trust Fund that is established in this legislation would create an affordable housing production program, ensuring that new rental units are built for those who most need assistance extremely low-income families, including working families. The goal is to create long-term affordable, mixed-income developments in areas with the greatest opportunities for low-income families. Seventy-five percent of Trust Fund assistance will be given out, based on need, through matching grants to states. The States will allocate funds on a competitive basis to projects that meet Federal requirements, such as mixed-income projects and long-term affordability, and to address local needs. The remainder of the funding will be competitively awarded by the Department of Housing and Urban Development, HUD, to intermediaries such as the Enterprise Foundation, which will be required to leverage private funds. A portion of the Trust Fund will be used to promote home ownership activities for low-income Americans.

Funding for the Trust Fund would be drawn from excess revenue generated by the Federal Housing Administration and Government National Mortgage Administration beyond the amounts necessary to ensure their safety and soundness. These Federal housing programs generate billions of dollars in excess income, which currently go to the general Treasury for use on other Federal priorities. It is time to stop taking housing money out of housing programs. These excess funds should be used to help alleviate the current housing crisis. According to current projections, approximately $5.7 billion will be available for the Trust Fund in the first year and $2 billion will be available each year thereafter.

The need for affordable housing is great. While many Americans have benefitted from the growing economy over the past decade, it has also fueled a dramatic increase in the cost of housing. Many working families have been unable to keep up with these increases. HUD estimates that more than five million American households have what is considered ''worst case'' housing needs. Many of these families are spending more than half their income for housing or are living in severely substandard housing. Since 1990, the number of families who have ''worst case'' housing needs has increased by 12 percent, that's 600,000 more American families that cannot afford a decent and safe place to live. Recent growth in our economy also has squeezed many working families out of tight housing markets across the country. On average, a person needs to earn more than $11 per hour just to afford the median rent on a two-bedroom apartment in the United States. There is not one metropolitan area in the country where a minimum wage earner can afford to pay the rent for a two-bedroom apartment. This hourly figure is dramatically higher in many metropolitan areas, an hourly wage of $22 is needed in San Francisco; $21 on Long Island; $17 in Boston; $16 in the D.C. area; $14 in Seattle and Chicago; and, $13 in Atlanta.

Mikala Bembery is a single mother with two boys who now lives in Framingham, MA. Her family's housing story is not unique for many low-and moderate income families in Massachusetts and across the nation. In 1995, Mikala lost her full-time job and could not make the rent on the fair market apartment in which she and her children lived. While she quickly got a part-time job, for the next two years, the Bembery family was forced to live with friends or in rooming houses because they did not initially qualify for either a shelter or a Federal Section 8 subsidy. Finally, after appealing HUD's decision and months of delay, Mikala was given a Section 8 voucher for her family. You would think that obtaining a Section 8 voucher would allow the Bembery family to find affordable housing. However, because there is a dramatic shortage of affordable housing in Massachusetts, it took several months of searching to find a new apartment for her family. Every available apartment was viewed by hundreds of people and landlords were able to pick and choose whom they wanted. Because of Mikala's strong work history, she and her family were finally able to move into a new apartment two years after she lost her full time job. Although, Mikala kept working and her children stayed in school throughout their ordeal, this family is still struggling to rebuild their lives.

Working families in this country are increasingly finding themselves unable to afford housing. A person trying to live in Boston would have to make more than $35,000, annually, just to afford a 2-bedroom apartment. This means teachers, janitors, social workers, police officers and other full time workers may have trouble affording even a modest 2-bedroom apartment.

At the same time, there has been a tremendous decline in the available stock of affordable housing. Between 1993 and 1995, there was a 900,000 decline in the number of affordable rental units available to very low-income families. From 1996 to 1998, there was another 19 percent decline in the number of affordable housing units. This amounted to a dramatic reduction of 1.3 million affordable housing units available to low-income Americans. Making matters worse, many current affordable housing providers are deciding to opt-out of their Section 8 contracts or are prepaying their HUD-insured mortgages. These decisions have limited further the availability of affordable housing across the country. Many more providers will be able to opt-out of their Section 8 contracts in the next few years, further limiting the availability of affordable housing in our nation. This decline has already forced many working families eligible for Section 8 vouchers in Boston, Massachusetts to live outside the City there is no affordable housing available.

The loss of affordable housing has exacerbated the housing crisis in this country, and the Federal Government must take action. We have the resources, yet we are not devoting these resources to fix the problem. Despite the fact that more families are unable to afford housing, we have decreased federal spending on critical housing programs over time. Between 1978 and 1995, the number of households receiving housing assistance was increased by almost three million. From 1978 through 1984, we provided an additional 230,000 families with housing assistance each year. This number dropped significantly to 126,000 additional households each year from 1985 through 1995.

In 1996, this Nation's housing policy went all the way back to square one—not only was there no increase in families receiving housing assistance, but the number of assisted units actually decreased. From 1996 to 1998, the number of HUD assisted households dropped by 51,000.

During this time of rising rents, increased housing costs, and the loss of affordable housing units, it is incomprehensible that we are not doing more to increase the amount of housing assistance available to working families. Unfortunately, President Bush and Republicans in the Congress have again failed to assist working families in obtaining decent affordable housing. From fiscal year 1995 to fiscal year 1999, Republicans in control of the Congress diverted or rescinded more than $20 billion from federal housing programs for other uses.

This year, many Republicans in the Congress and the Bush Administration have supported more than $2 billion in additional cuts for the Department of Housing and Urban Development budget. These cuts include terminating the Drug Elimination Program, reducing funding for the Community Development Block Grant, and funds incremental Section 8 vouchers for 53,500 fewer families. Thankfully, under the leadership of the Democrats in the Senate and Chairman BARBARA MIKULSKI, the worst of these cuts have been restored in the Senate FY 2002 VA–HUD and Independent Agencies Appropriations bill. Nevertheless, we still have much more work to do. The Commonwealth of Massachusetts is expected to receive a reduction in federal assistance at a time when my State has the greatest need. The future is even bleaker. These reductions at HUD follow the enactment of a tax plan that will make it almost impossible for any significant increases in the HUD's budget over the next decade. We need to bring housing resources back up to where they belong and the National Affordable Housing Trust Fund will provide desperately needed funds to begin production of affordable housing in the United States. Enacting the Housing Trust Fund legislation is an important step in the right direction to add resources to housing and to help begin producing housing again.

We can no longer ignore the lack of affordable housing, and the impact it is having on families and children around the country. It is not clear to me why this lack of housing has not caused more uproar. How many families need to be pushed out of their homes and into the streets, before action is taken. I believe it is time for our Nation to take a new path, one that ensures that every American, especially our children, has the opportunity to live in decent and safe housing. Everyone knows that decent housing, along with neighborhood and living environment, play enormous roles in shaping young lives. Federal housing assistance, has benefitted millions of low-income children across the nation and has helped in developing stable home environments. However, too many children currently live in families that have substandard housing or are homeless. These children are less likely to do well in school and less likely to be productive citizens. Because of the positive affect that this legislation would have on America's children, the Trust Fund was included in the Act to Leave No Child Behind, a comprehensive proposal by the Children's Defense Fund to assist in the development of our Nation's children.

I also believe that our Nation deserves a program that would assist in maintaining the affordable housing stock that already exists. I am working with Senator JAMES JEFFORDS in developing legislation to help preserve our affordable housing stock. It is my hope that this legislation will be taken up and passed this Congress so that we can avoid losing any more affordable units. However, we must also focus on producing additional housing, which is exactly what this Housing Trust Fund will do.

I urge you to support this legislation which restores our commitment to providing affordable housing for all families. We can no longer turn our backs on those families who struggle every day just to put a roof over their heads.

Mr. LEAHY. Mr. President, I rise today in support of the National Affordable Housing Trust Fund Act of 2001. This is an important piece of legislation that will help address the lack of affordable housing available in our Nation today.

For far too long we have neglected our Nation's stock of affordable housing, allowing too many properties to fall by the wayside. Between 1995 to 1997 the nation lost 370,000 affordable rental units, nearly 5 percent of the housing available to low-income families. These homes were lost to deterioration, demolition, or simply because landlords opted out of Federal programs in order to secure more lucrative rents.

Unfortunately these units were not replaced at a pace adequate enough to address the need. Our most vulnerable populations, the low-income, the elderly, and working families, have been left with the difficult task of finding an apartment or a house that they can afford. Roughly five million households in the United States have ''worst case'' housing needs. These families are spending over 50 percent of their incomes on rent alone, leaving precious little to put groceries on the table, gas in their cars, or buy clothes for their kids.

In my home State of Vermont, the situation is no different. Production of new housing has stalled, prices for rental units have dramatically increased, and rental vacancy rates are at an all time low. The competition for housing, any housing at all, is so great that many low and middle-income families must stay in hotels, school dorms, and homeless shelters until they can find a permanent place. This results in a huge personal and emotional loss to the families and drives up the needs for additional State and Federal social services dollars to help these people in their time of crisis.

For those fortunate enough to find an apartment available for rent, few are able to afford the rent that the market demands. It is estimated that the average person would have to earn over $11 dollars per hour to afford a two bedroom apartment at the Fair Market Rent.

While Vermont has a dedicated community of State officials, no profit organizations, advocates and affordable housing developers working to ensure

the housing needs of our State's population are met, the resources are simply not available to construct the number of units necessary to alleviate the problem. As a result the number of homeless families in the state are rising.

In Chittenden County, Vermont's most populous region, the number of families seeking services from homeless shelters has risen 400 percent in three years, over half of these families are working families, unable to afford a place to live even while holding down a job. This is a trend we see spreading throughout the state. We cannot allow this to continue.

The creation of a National Affordable Housing Trust Fund will go a long way to help address this situation. By harnessing revenues generated by other Federal housing programs, States, communities and non-profit organizations, will be able to leverage local funds for new housing construction in the most needy areas.

I cannot think of a time in recent history when it has been more important to reaffirm the federal government's commitment to the housing needs of this country, and I am proud to rise as a cosponsor of this bill. There is a long road ahead of us in our endeavor to create a National Affordable Housing Trust Fund, and I look forward to working with my colleagues to ensure that the final product is fair and equitable to all regions of the country, including rural and small states.

I urge my colleagues to join me in support of this legislation.

By Mr. WELLSTONE (for himself, Mrs. MURRAY, Mr. SCHUMER, Mr. DODD, Mr. DAYTON, Mrs. CLINTON, and Mr. INOUYE):

S. 1249. A bill to promote the economic security and safety of victims of domestic and sexual violence, and for other purposes; to the Committee on Finance.

Mr. WELLSTONE. Mr. President, along with my colleagues, Senators MURRAY, SCHUMER, DODD, DAYTON, CLINTON and INOUYE, I am introducing legislation that if adopted would have a most profound and even life-saving effect on people who are victims of domestic and sexual violence and their families. It is called the Victims' Economic Security and Safety Act. Similar to the Battered Women's Economic Security and Safety Act, which I introduced last session, the legislation acknowledges that the impact of domestic and sexual violence extends far beyond the moment the abuse occurs. It strikes at the heart of victims' and their families' economic self sufficiency. As a result, many victims are unable to provide for their own or their children's safety. Too often they are forced to choose between protecting themselves from abuse and keeping a roof over their head. This is a choice that no mother should have to make. Nor should any person face the double tragedy of first being abused and then losing a job, health insurance or any other means of self sufficiency because they were abused.

In response to this cycle of violence and dependence, and in response to domestic and sexual violence's devastating impact on a victim's financial independence, this legislation would help to ensure the economic security of victims of domestic violence, sexual assault and stalking so they are better able to provide permanent safety for themselves and their children and so they are not forced, because of economic dependence, to stay in an abusive relationship. In the fight against violence against women, and after the passage of the Violence Against Women Act of 2000, this legislation is a next, critical step.

The link between poverty and domestic and sexual abuse is clear. For example, according to the United States Conference of Mayors, domestic violence is the fourth leading cause of homelessness. A 2000 study conducted by the Manpower Research and Development Corporation of Minnesota's welfare program, the Minnesota Family Investment Program, showed that 49 percent of single-parent long term recipients were in abusive relationships while they were receiving or had recently been receiving MFIP benefits. A 1998 GAO study found that when compared with women who report never experiencing abuse, women who report having been abused experience more spells of unemployment; greater job turnover; and significantly higher rates of receipt of welfare, Medicaid and food stamps.

Economic dependence is a clear reason people who are in abusive relationships may return to abusers or even may not be able to leave abusive situations in the first place. Abusers will go to great lengths to sabotage their partner's ability to have a job or get an education so that their partners will remain dependent on them. If we want battered women and victims of sexual violence to be able to escape the dangerous, often life-threatening situations in which they are trapped, they need the economic means to do so. Yet, victims of domestic and sexual violence face very serious challenges to self-sufficiency every day.

Multiple studies of domestic violence victims who were working while being abused found that as many as 60 percent of respondents said they had been reprimanded at work for behaviors related to the abuse, such as being late to work, and as many as 52 percent said they had lost their jobs because of the abuse. Almost 50 percent of sexual assault survivors reported they had lost their jobs or were forced to quit in the aftermath of the assaults. A study from the National WorkPlace Resource Center on Domestic Violence found that abusive husbands and partners harass 74 percent of employed battered women at work.

The effects of this are felt not only by the victims of such abuse and their families, but also by employers and the nation as a whole. From the perspective of employers, a 1999 CNN report found that 37 percent of domestic violence victims said that domestic violence impacted their ability to do their job and 24 percent said it caused them to be late from work. A survey of employers confirmed this—49 percent of corporate executives said that domestic violence harmed their company's productivity. The Bureau of National Affairs has estimated that domestic violence costs employers between $3 billion and $5 billion in lost time and productivity each year. Ninety-four percent of corporate security and safety directors at companies nationwide rank domestic violence as a high security concern, and homicide continues to be the leading cause of death of women in the workplace. The United States Department of Labor, in 2000 reported that Domestic Violence accounted for 27 percent of all incidents of workplace violence.

More generally, prior to 1994, the Congress gathered years of testimony and evidence as to the negative impact of gender violence in the national economy and found that gender violence costs the economy $10 billion per year.

Victims need to be able to deal with these problems without fear of being fired and without fear of losing their livelihoods and their children's livelihoods. Corporations, too, need to be able to ensure their employee's safety and productivity. That is the goal of this legislation. VESSA would help break down the economic barriers that prevent victims from leaving their batterer or abuser, protect victims from violence in the workplace and mitigate the negative economic effects of violence on employers and on the national economy.

The bill would provide emergency leave for employees who need to address the effects of domestic and sexual assault. That way, if a victim had to go to court to get a restraining order or leave work to find shelter, the victim could take limited leave without facing the prospect of being fired, demoted or financially penalized.

The bill would also extend unemployment compensation to people who are forced to leave their job to provide for their safety or their children's safety. As mentioned above, homicide is the leading cause of death for women in the workplace, 15 percent of these deaths are due to domestic violence, 11 percent of all rapes occur at the workplace. These grim statistics do not begin to address the many women that are physically injured or otherwise harassed at work each day. Often, the only way to escape that kind of brutal stalking is for a victim to leave her job so she can relocate to a safer place. In circumstances in which a victim is forced to leave a job to ensure her own safety, unemployment compensation should be available to her, so that she does not have to make the terrible choice of risking her safety to ensure her livelihood.

Further, VESSA would prohibit discrimination in employment against victims because of domestic and sexual assault. Victims should not be fired or passed over for promotions for reasons beyond their control. Maintaining a victim's dependence is the insidious goal of an abuser. The abuser must never be rewarded for his crime and a victim should never face severe punishment because of being abused.

The bill would also prohibit insurance providers from discriminating against such victims because of a history of domestic and sexual assault. Such discrimination only forces people to lie about their victimization and avoid medical treatment until it is too late. It punishes victims for a perpetrator's crime.

Finally, the bill recognizes the positive role that companies can play in helping victims of domestic and sexual violence at the same time that they can increase their own productivity. It would provide a tax credit to businesses that implement workplace safety and education programs to combat violence against women.

For women attempting to escape a violent environment, this legislation could be a lifeline. I urge that all my colleagues support it so that we can help ensure that no more women are forced to trade their family's personal safety for their economic livelihood. I urge that my colleagues support it so that no more women have to face the double violation of first being assaulted and second losing their job or their self-sufficiency because of it. In what seems to many like a hopeless situation, we can take very strong actions to improve the safety and the lives of the millions of victims of domestic and sexual violence. The cycle too many people face can end. Today we have the opportunity not just to help victims escape violence, but also to provide for so many people a light at the end of a very dark tunnel. Today we can give victims hope that they will not only survive, but that they will be able to maintain or regain their independence and have a safe, happy and productive future. I urge my colleagues to join me in support of this bill and to cosponsor this bill.

Mrs. MURRAY. Mr. President, I am proud to join with my colleagues, Senators WELLSTONE and SCHUMER, to introduce the Victims Economic Safety and Security Act, VESSA. VESSA will help our country take the next step forward to protest victims of domestic violence. In 1994, our country took a dramatic step forward by passing the historic Violence Against Women Act, VAWA. This landmark legislation brought together social service providers, victim advocates, law enforcement, and the courts to respond to the immediate threat of violence. VAWA has been a success in meeting the immediate challenges. But there is still work to be done.

Between 1993 and 1998 the average annual number of physical attacks on intimate partners was 1,082,110. Eighty-seven percent of these were committed against women. According to recent government estimates, more than 900,000 women are raped every year in the United States. Women who are victims of abuse are especially vulnerable to changes in employment, pay, and benefits. Because of these factors they need legal protection.

Today, it's time to take the next step. Our bill will protect victims who are forced to flee their jobs. Today a woman can receive unemployment compensation if she leaves her job because her husband must relocate. But if that same woman must leave her job because she's fleeing abuse, she can't receive unemployment compensation. That's wrong, and our bill will protect those victims.

Our bill will also protect victims by allowing them unpaid time to get the help they need. Today, a woman can use the Family Medical Leave Act, FMLA, to care for a sick or injured spouse. But a woman cannot use FMLA leave to go to court to stop abuse. Our bill will correct these fatal flaws.

Finally, our bill will protect victims of domestic violence from insurance discrimination. Insurance companies have classified domestic violence as a high risk behavior. That punishes women who are victims. Once again, women must sacrifice their economic safety net if they choose to come forward and seek help from violence. Title IV of VESSA would prohibit discrimination in all lines of insurance against victims of domestic violence, stalking and sexual assault.

I am proud of the guidance we've received from advocates in crafting this legislation. I want to thank them for their efforts and their commitment to breaking the cycle of violence. I want to particularly acknowledge the efforts of the advocates in Washington State who have provided invaluable input in drafting this legislation. Without the grassroots support for our communities, we couldn't have passed VAWA in the first place. Their support and leadership will help us take this critical next step in passing VESSA.

AMENDMENTS SUBMITTED AND PROPOSED

SA 1063. Mr. KERRY submitted an amendment intended to be proposed by him to the bill H.R. 2299, making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 2002, and for other purposes; which was ordered to lie on the table.

SA 1064. Mr. GRAHAM proposed an amendment to amendment SA 1025 submitted by Mrs. MURRAY and intended to be proposed to the bill (H.R. 2299) supra.

SA 1065. Mr. GRAMM (for himself, Mr. MCCAIN, and Mr. DOMENICI) proposed an amendment to amendment SA 1030 submitted by Mrs. MURRAY and intended to be proposed to the amendment SA 1025 proposed by Mrs. MURRAY to the bill (H.R. 2299) supra.

SA 1066. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill H.R. 2299, supra; which was ordered to lie on the table.

SA 1067. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill H.R. 2299, supra; which was ordered to lie on the table.

SA 1068. Mr. LOTT submitted an amendment intended to be proposed by him to the bill H.R. 2299, supra; which was ordered to lie on the table.

SA 1069. Mr. VOINOVICH submitted an amendment intended to be proposed by him to the bill H.R. 2299, supra; which was ordered to lie on the table.

SA 1070. Mr. CRAPO (for himself and Mr. CRAIG) submitted an amendment intended to be proposed by him to the bill H.R. 2299, supra; which was ordered to lie on the table.

SA 1071. Mr. FITZGERALD (for himself and Mr. INHOFE) submitted an amendment intended to be proposed by him to the bill H.R. 2299, supra; which was ordered to lie on the table.

SA 1072. Mr. MCCAIN (for himself and Mr. GRAMM) submitted an amendment intended to be proposed by him to the bill H.R. 2299, supra; which was ordered to lie on the table.

SA 1073. Mr. MCCAIN (for himself and Mr. GRAMM) submitted an amendment intended to be proposed by him to the bill H.R. 2299, supra; which was ordered to lie on the table.

SA 1074. Mr. MCCAIN (for himself and Mr. GRAMM) submitted an amendment intended to be proposed by him to the bill H.R. 2299, supra; which was ordered to lie on the table.

SA 1075. Mr. MCCAIN (for himself and Mr. GRAMM) submitted an amendment intended to be proposed by him to the bill H.R. 2299, supra; which was ordered to lie on the table.

SA 1076. Mr. MCCAIN (for himself and Mr. GRAMM) submitted an amendment intended to be proposed by him to the bill H.R. 2299, supra; which was ordered to lie on the table.

SA 1077. Mr. MCCAIN (for himself and Mr. GRAMM) submitted an amendment intended to be proposed by him to the bill H.R. 2299, supra; which was ordered to lie on the table.

SA 1078. Mr. MCCAIN (for himself and Mr. GRAMM) submitted an amendment intended to be proposed by him to the bill H.R. 2299, supra; which was ordered to lie on the table.

SA 1079. Mr. MCCAIN (for himself and Mr. GRAMM) submitted an amendment intended to be proposed by him to the bill H.R. 2299, supra; which was ordered to lie on the table.

SA 1080. Mr. MCCAIN (for himself and Mr. GRAMM) submitted an amendment intended to be proposed by him to the bill H.R. 2299, supra; which was ordered to lie on the table.

SA 1081. Mr. MCCAIN (for himself and Mr. GRAMM) submitted an amendment intended to be proposed by him to the bill H.R. 2299, supra; which was ordered to lie on the table.

SA 1082. Mr. MCCAIN (for himself and Mr. GRAMM) submitted an amendment intended to be proposed by him to the bill H.R. 2299, supra; which was ordered to lie on the table.

SA 1083. Mr. MCCAIN (for himself and Mr. GRAMM) submitted an amendment intended to be proposed by him to the bill H.R. 2299, supra; which was ordered to lie on the table.

SA 1084. Mr. MCCAIN (for himself and Mr. GRAMM) submitted an amendment intended to be proposed by him to the bill H.R. 2299, supra; which was ordered to lie on the table.

SA 1085. Mr. MCCAIN (for himself and Mr. GRAMM) submitted an amendment intended to be proposed by him to the bill H.R. 2299, supra; which was ordered to lie on the table.

SA 1086. Mr. MCCAIN (for himself and Mr. GRAMM) submitted an amendment intended to be proposed by him to the bill H.R. 2299, supra; which was ordered to lie on the table.

SA 1087. Mr. MCCAIN (for himself and Mr. GRAMM) submitted an amendment intended to be proposed by him to the bill H.R. 2299, supra; which was ordered to lie on the table.

SA 1088. Mr. MCCAIN (for himself and Mr. GRAMM) submitted an amendment intended to be proposed by him to the bill H.R. 2299, supra; which was ordered to lie on the table.