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Senate

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LOTT (for himself and Mr. COCHRAN):

S. 1287. A bill to designate the Federal building and United States courthouse located at 2015 15th Street in Gulfport, Mississippi, as the ''Judge Dan M. Russell, Jr. Federal Building and United States Courthouse''; to the Committee on Environment and Public Works.

Mr. LOTT. 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. 1287

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

SECTION 1. DESIGNATION OF JUDGE DAN M. RUSSELL, JR. FEDERAL BUILDING AND UNITED STATES COURTHOUSE.

The Federal building and United States courthouse located at 2015 15th Street in Gulfport, Mississippi, shall be known and designated as the ''Judge Dan M. Russell, Jr. Federal Building and United States Courthouse''.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building and United States courthouse referred to in section 1 shall be deemed to be a reference to the Judge Dan M. Russell, Jr. Federal Building and United States Courthouse.

By Mr. SHELBY (for himself and Mr. SESSIONS):

S. 1288. A bill to amend the Tennessee Valley Authority Act of 1933 to modify provisions relating to the Board of Directors of the Tennessee Valley Authority, and for other purposes; to the Committee on Environment and Public Works.

Mr. SHELBY. Madam President, I rise today to introduce legislation to reform the board structure of the Tennessee Valley Authority. The legislation that I am introducing with my colleague from Alabama would create a corporate structure to oversee TVA.

This legislation expands the board from the current three members to 14 members, requiring the President to appoint two members from each of the seven states in which TVA operates. In addition to expanding the board, our legislation creates the position of a Chief Executive Officer who will be responsible for daily management and operation decisions. Under this new structure, board members would serve on a part-time basis, receiving a stipend for their services and the CEO would become the only full-time, paid position.

It is no secret that TVA has suffered financial turmoil in the past and is still trying to work its way out of substantial debt. In my view, restructuring and reform are overdue. The goal of this legislation is to provide the Authority with board members that have a direct interest in the well-being of TVA and its rate payers and to place at the helm a Chief Executive Officer to make the difficult business decisions that will guide TVA through the impending challenges of an evolving energy industry.

TVA is a multi-billion dollar entity. However, it continues to operate under the same administrative structure it did when Congress created the Authority in 1933. Senator Sessions and I believe that it is time for that structure to change. It is time for the Tennessee Valley Authority to step into the 21st Century and out of the bureaucratic stronghold that has guided its decision making process for so long. We believe that this new board structure will equip TVA to meet the challenges of the future and better serve the people of Alabama and the other States in which it operates.

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. 1288

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

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

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

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

''(a) MEMBERSHIP.—

''(1) APPOINTMENT.—The Board of Directors of the Corporation (referred to in this Act as the 'Board') shall be composed of 14 members appointed by the President by and with the advice and consent of the Senate.

''(2) COMPOSITION.—The Board shall be composed of 14 members, of whom—

''(A) 2 members shall be residents of Alabama;

''(B) 2 members shall be residents of Georgia;

''(C) 2 members shall be residents of Kentucky;

''(D) 2 members shall be residents of Mississippi;

''(E) 2 members shall be residents of North Carolina;

''(F) 2 members shall be residents of Tennessee; and

''(G) 2 members shall be residents of Virginia.

''(b) QUALIFICATIONS.—

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

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

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

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

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

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

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

''(2) PARTY AFFILIATION.—Not more than 8 of the 14 members of the Board may be affiliated with a single political party.

''(c) TERMS.—

''(1) IN GENERAL.—A member of the Board shall serve a term of 4 years except that in

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

first making appointments after the date of enactment of this paragraph, the President shall appoint—

''(A) 5 members to a term of 2 years;

''(B) 6 members to a term of 3 years; and

''(C) 3 members to a term of 4 years.

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

''(3) REAPPOINTMENT.—

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

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

''(d) QUORUM.—

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

''(2) MINIMUM NUMBER OF MEMBERS.— A vacancy in the Board shall not impair the power of the Board to act, so long as there are 8 members in office.

''(e) COMPENSATION.—

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

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

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

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

''(f) CHIEF EXECUTIVE OFFICER.—

''(1) APPOINTMENT.—The President, by and with the advice and consent of the Senate, shall appoint a person to serve as chief executive officer of the Corporation.

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

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

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

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

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

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

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

''(3) TERM.—

''(A) IN GENERAL.—The chief executive officer shall serve for a term of 4 years.

''(B) REAPPOINTMENT.—The chief executive officer may be reappointed for additional terms.

''(4) COMPENSATION.—

''(A) IN GENERAL.—The chief executive officer shall be entitled to receive—

''(i) compensation at a rate that does not exceed the annual rate of pay prescribed under Level III of the Executive Schedule under section 5315 of title 5, United States Code; and

''(ii) reimbursement from the Corporation for travel expenses, including per diem in lieu of subsistence, while away from home or regular place of business of the chief executive officer in the performance of the duties of the chief executive officer.''.

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

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

(2) may not be reappointed.

SEC. 3. EFFECTIVE DATE.

The amendments made by this Act take effect, and the additional members of the Board of the Tennessee Valley Authority and Chief Executive Officer shall be appointed so as to commence their terms on, the date that is 90 days after the date of enactment of this Act.

By Ms. SNOWE:

S. 1289. A bill to require the Secretary of the Navy to report changes in budget and staffing that take place as a result of the regionalization program of the Navy; to the Committee on Armed Services.

Mr. SNOWE. Madam President, I rise today to introduce the Navy Regionalization Reporting Act, a bill that would benefit all Navy bases and their surrounding communities by providing ample notification of planned, through regular reports, and unplanned, through the Congressional notifications, funding and employment level changes due to the Navy's regionalization process.

Earlier this year, it was brought to my attention that both funding and jobs at the Naval Air Station in Brunswick, ME, could be impacted by the Navy's reallocation of base operating functions as part of its regionalization program. The Navy's stated goal for the regionalization program is to consolidate functions by eliminating management and support redundancies with the end result being increased efficiency and decreased overhead costs for shore installations. As such, for the Navy's program to be successful, funding, as well as jobs, must be reduced in some areas.

While I applaud Navy's intentions to increase efficiency and save taxpayer dollars, I can not support efforts that may lead to reduced service levels for our men and women in uniform. I am also concerned that the Navy has not been able to produce detailed projections on the impact regionalization will have on the Federal employees.

To date, the Navy has been unable to answer questions regarding future employment levels and has not established a method to track or predict changes in budget and job allocations at its bases that take place as a result of the regionalization program.

This legislation would require the Navy to establish a tracking and planning program to make these changes more transparent. The Navy would provide an initial baseline or historical report that includes the pre-regionalization budgets and staffing levels at each base or station in each Navy region by July 2002. Subsequently, the Navy would submit semi-annual reports with projected and actual losses, gains, or restructuring of budgets and staff for each base. Any deviation from the reported budget or staff projections would then require Congressional notification 30 days prior to implementation.

Finally, in an effort to prevent the degradation of operational readiness and quality of life for our service members due to the redistribution of base support functions, this legislation includes a Sense of the Senate that the Navy should ensure the job and dollar distribution within each region is equitable and does not become concentrated at one location.

To assure the benefits of the Navy's program are equitably realized at all bases and communities, I urge my colleagues to support the Navy Regionalization Reporting Act.

By Mr. GRASSLEY. (for himself, Mr. HARKIN, and Mr. BROWNBACK):

S. 1290. A bill to amend title 49, United States Code, to preempt State laws requiring a certificate of approval or other form of approval prior to the construction or operation of certain airport development projects, and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mr. GRASSLEY. 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. 1290

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 ''End Gridlock at Our Nation's Critical Airports Act of 2001''.

SEC. 2. PREEMPTION OF STATE LAWS REQUIRING APPROVAL OF AIRPORT DEVELOPMENT PROJECTS.

(a) IN GENERAL.—Chapter 401 of title 49, United States Code, is amended by adding at the end the following:

''§ 40129. Preemption of State laws requiring approval of airport development projects

''(a) IN GENERAL.—No State, political subdivision of a State, or political authority of at least 2 States may enact or enforce a law, regulation, or other provision having the force and effect of law that—

''(1) requires a certificate of approval or other form of approval prior to the construction or operation of an airport development project at a covered airport if the project meets the standards established by the Secretary of Transportation under section 47105(b)(3), whether or not the project is the subject of a grant approved under chapter 471; or

''(2) prohibits, conditions, or otherwise regulates the direct application for, or receipt or expenditure of, a grant or other funds by the sponsor of a covered airport under chapter 471 for an airport development project at a covered airport if the project meets the standards referred to in paragraph (1).

''(b) COVERED AIRPORT DEFINED.—In this section, the term 'covered airport' means an airport that each year has at least .25 percent of the total annual boardings in the United States.''.

(b) CONFORMING AMENDMENT.—The analysis for such chapter is amended by adding at the end the following new item:

''40129. Preemption of State laws requiring approval of airport development projects.''.

By Mr. HATCH:

S. 1291. A bill to amend the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 to permit States to determine State residency for higher education purposes and to authorize the cancellation of removal and adjustment of status of certain alien college-bound students who are long term United States residents; to the Committee on the Judiciary.

Mr. HATCH. Madam President, I rise today to introduce legislation aimed at benefitting a very special group of persons—illegal alien children who are long-term residents of the United States. This legislation, known as the ''DREAM Act,'' would allow children who have been brought to the United States through no volition of their own the opportunity to fulfill their dreams, to secure a college degree and legal status. The purpose of the DREAM Act is to ensure that we leave no child behind, regardless of his or her legal status in the United States or their parents' illegal status.

By law, undocumented alien children are entitled to a subsidized education through high school. In fact, an estimated 50,000 to 70,000 such students graduate from high schools throughout the country each year. Many of these students are thereafter interested in bettering themselves and their families by securing higher education. Generally, admittance to college is not a problem. However, the cost of attending college and the lack of any mechanism by which undocumented aliens students may obtain legal status in the United States prevents these children from having a meaningful opportunity to obtain a college degree. The DREAM Act would 1. aid undocumented alien children in their financial efforts to attend college, and 2. provide adjustment of status to undocumented alien children who secure a degree of higher education.

Presently, the law penalizes States that grant a post-secondary benefit, such as in-state tuition, to an undocumented student unless the state also provides that same benefit to out-of-state students. I believe that the decision of a State to grant any such benefit to an undocumented individual residing in the same rests with the State alone. Accordingly, I am opposed to that aforementioned provision of law. The bill I introduce today, the DREAM Act, proposes to repeal that section of the law.

Second, I propose that we offer undocumented alien children the opportunity to earn permanent residency in the United States in conjunction with earning either a 4 or 2-year college degree. Under the DREAM Act, an alien who has continuously resided in the United States for 5 years, is a person of good moral character, has not been convicted of certain offenses, and has been admitted to a qualified institute of higher education may adjust his or her status to that of conditional permanent resident. Thereafter, the student has 6 or 4 years to graduate from a qualified 4 or 2-year institution, respectively. Upon graduation and a demonstration that the student has remained a person of good moral character, has maintained his or her continuous physical presence in the United States, and has not become removable based on criminal convictions or security grounds, the conditions of the student's status are removed and that student becomes a full-fledged permanent resident.

I recognize that there are significant differences between the DREAM Act and other legislation that has been recently introduced. However, I look forward to working with members of this body to ensure that the American dream is extended to these children. I therefore strongly urge my colleagues to support this bill and thereby provide hope and opportunity to hundreds of thousands of deserving alien children nationwide.

I ask unanimous consent that the text of the bill be included following my remarks.

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

S. 1291

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 ''Development, Relief, and Education for Alien Minors Act'' or ''DREAM Act''.

SEC. 2. RESTORATION OF STATE OPTION TO DETERMINE RESIDENCY FOR PURPOSES OF HIGHER EDUCATION BENEFITS.

Section 505 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (division C of Public Law 104–208; 110 Stat 3009–672; 8 U.S.C. 1623) is repealed.

SEC. 3. CANCELLATION OF REMOVAL AND ADJUSTMENT OF STATUS OF CERTAIN LONG-TERM RESIDENT STUDENTS.

(a) SPECIAL RULE FOR CHILDREN IN QUALIFIED INSTITUTIONS OF HIGHER EDUCATION.—

(1) IN GENERAL.—Notwithstanding any other provision of law and subject to paragraph (2), the Attorney General may cancel removal of, and adjust to the status of an alien lawfully admitted for permanent residence, subject to the conditional basis described in section 4, an alien who is inadmissible or deportable from the United States, if the alien demonstrates that—

(A) the alien has applied for relief under this subsection not later than two years after the date of enactment of this Act;

(B) the alien has not, at the time of application, attained the age of 21;

(C) the alien, at the time of application, is attending an institution of higher education in the United States (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001));

(D) the alien was physically present in the United States on the date of the enactment of this Act and has been physically present in the United States for a continuous period of not less than five years immediately preceding the date of enactment of this Act;

(E) the alien has been a person of good moral character during such period; and

(F) the alien is not inadmissible under section 212(a)(2) or 212(a)(3) or deportable under section 237(a)(2) or 237(a)(4).

(2) PROCEDURES.—The Attorney General shall provide a procedure by regulation allowing eligible individuals to apply affirmatively for the relief available under this paragraph without being placed in removal proceedings.

(b) TERMINATION OF CONTINUOUS PERIOD.—For purposes of this section, any period of continuous residence or continuous physical presence in the United States of an alien who applies for cancellation of removal under this section shall not terminate when the alien is served a notice to appear under section 239(a) of the Immigration and Nationality Act.

(c) TREATMENT OF CERTAIN BREAKS IN PRESENCE.—An alien shall be considered to have failed to maintain continuous physical presence in the United States under subsection (a) if the alien has departed from the United States for any period in excess of 90 days or for any periods in the aggregate exceeding 180 days.

(d) STATUTORY CONSTRUCTION.—Nothing in this section may be construed to apply a numerical limitation on the number of aliens who may be eligible for cancellation of removal or adjustment of status under this section.

(e) REGULATIONS.—

(1) PROPOSED REGULATIONS.—Not later than 90 days after the date of the enactment of this Act, the Attorney General shall publish proposed regulations implementing this section.

(2) INTERIM, FINAL REGULATIONS.—Not later than 180 days after the date of the enactment of this Act, the Attorney General shall publish final regulations implementing this section. Such regulations shall be effective immediately on an interim basis, but are subject to change and revision after public notice and opportunity for a period for public comment.

SEC. 4. CONDITIONAL PERMANENT RESIDENT STATUS FOR CERTAIN LONG-TERM RESIDENT STUDENTS.

(a) IN GENERAL.—

(1) CONDITIONAL BASIS FOR STATUS.—Notwithstanding any other provision of this Act, an alien whose status has been adjusted under section 3 to that of an alien lawfully admitted for permanent residence shall be considered, at the time of obtaining the adjustment of status, to have obtained such status on a conditional basis subject to the provisions of this section.

(2) NOTICE OF REQUIREMENTS.—

(A) AT TIME OF OBTAINING PERMANENT RESIDENCE.—At the time an alien obtains permanent resident status on a conditional basis under paragraph (1), the Attorney General shall provide for notice to such alien respecting the provisions of this section and the requirements of subsection (c)(1) to have the conditional basis of such status removed.

(B) AT TIME OF REQUIRED PETITION.—In addition, the Attorney General shall attempt to provide notice to such an alien, at or about the date of the alien's graduation from an institution of higher education of the requirements of subsection (c)(1).

(C) EFFECT OF FAILURE TO PROVIDE NOTICE.—The failure of the Attorney General to provide a notice under this paragraph shall not affect the enforcement of the provisions of this section with respect to such an alien.

(b) TERMINATION OF STATUS IF FINDING THAT QUALIFYING EDUCATION IMPROPER.—

(1) IN GENERAL.—In the case of an alien with permanent resident status on a conditional basis under subsection (a), if the Attorney General determines that the alien is no longer a student in good standing at an accredited institution of higher education,

the Attorney General shall so notify the alien and, subject to paragraph (2), shall terminate the permanent resident status of the alien as of the date of the determination.

(2) HEARING IN REMOVAL PROCEEDING.—Any alien whose permanent resident status is terminated under paragraph (1) may request a review of such determination in a proceeding to remove the alien. In such proceeding, the burden of proof shall be on the alien to establish, by a preponderance of the evidence, that the condition described in paragraph (1) is not met.

(c) REQUIREMENTS OF TIMELY PETITION FOR REMOVAL OF CONDITION.—

(1) IN GENERAL.—In order for the conditional basis established under subsection (a) for an alien to be removed the alien must submit to the Attorney General, during the period described in subsection (d)(2), a petition which requests the removal of such conditional basis and which states, under penalty of perjury, the facts and information described in subsection (d)(1).

(2) TERMINATION OF PERMANENT RESIDENT STATUS FOR FAILURE TO FILE PETITION.—

(A) IN GENERAL.—In the case of an alien with permanent resident status on a conditional basis under subsection (a), if no petition is filed with respect to the alien in accordance with the provisions of paragraph (1), the Attorney General shall terminate the permanent resident status of the alien as of the 90th day after the graduation of the alien from an institution of higher education.

(B) HEARING IN REMOVAL PROCEEDING.—In any removal proceeding with respect to an alien whose permanent resident status is terminated under subparagraph (A), the burden of proof shall be on the alien to establish compliance with the condition of paragraph (1).

(3) DETERMINATION AFTER PETITION AND INTERVIEW.—

(A) IN GENERAL.—If a petition is filed in accordance with the provisions of paragraph (1), the Attorney General shall make a determination, within 90 days, as to whether the facts and information described in subsection (d)(1) and alleged in the petition are true with respect to the alien's education.

(B) REMOVAL OF CONDITIONAL BASIS IF FAVORABLE DETERMINATION.—If the Attorney General determines that such facts and information are true, the Attorney General shall so notify the alien and shall remove the conditional basis of the status of the alien effective as of the 90th day after the alien's graduation from an institution of higher education.

(C) TERMINATION IF ADVERSE DETERMINATION.—If the Attorney General determines that such facts and information are not true, the Attorney General shall so notify the alien and, subject to subparagraph (D), shall terminate the permanent resident status of an alien as of the date of the determination.

(D) HEARING IN REMOVAL PROCEEDING.—Any alien whose permanent resident status is terminated under subparagraph (C) may request a review of such determination in a proceeding to remove the alien. In such proceeding, the burden of proof shall be on the Attorney General to establish, by a preponderance of the evidence, that the facts and information described in subsection (d)(1) and alleged in the petition are not true with respect to the alien's education.

(d) DETAILS OF PETITION.—

(1) CONTENTS OF PETITION.—Each petition under subsection (c)(1)(A) shall contain the following facts and information:

(A) The alien graduated from an institution of higher education, as evidenced by an official report from the registrar—

(i) within six years, in the case of a four-year bachelor's degree program; or

(ii) within four years, in the case of the degree program of a two-year institution.

(B) The alien maintained good moral character.

(C) The alien has not been convicted of any offense described in section 237(a)(2) or 237(a)(4).

(D) The alien has maintained continuous physical residence in the United States.

(2) PERIOD FOR FILING PETITION.—The petition under subsection (c)(1)(A) must be filed during the 90-day period after the alien's graduation from a institution of higher education.

(e) TREATMENT OF PERIOD FOR PURPOSES OF NATURALIZATION.—For purposes of title III of the Immigration and Nationality Act, in the case of an alien who is in the United States as a lawful permanent resident on a conditional basis under this section, the alien shall be considered to have been admitted as an alien lawfully admitted for permanent residence and to be in the United States as an alien lawfully admitted to the United States for permanent residence.

(f) TREATMENT OF CERTAIN WAIVERS.—In the case of an alien who has permanent residence status on a conditional basis under this section, if, in order to obtain such status, the alien obtained a waiver under subsection (h) or (i) of section 212 of the Immigration and Nationality Act of certain grounds of inadmissibility, such waiver terminates upon the termination of such permanent residence status under this section.

(g) INSTITUTION OF HIGHER EDUCATION DEFINED.—In this section, the term ''institution of higher education'' has the meaning given the term in section 101 of the Higher Education Act of 1965 (20 U.S.C.1001).

SEC. 5. GAO REPORT.

Six years after the date of enactment of this Act, the Comptroller General of the United States shall submit a report to the Committees on the Judiciary of the Senate and the House of Representatives setting forth—

(1) the number of aliens who were eligible for cancellation of removal and adjustment of status during the application period described in section 3(a)(1)(A);

(2) the number of aliens who applied for adjustment of status under section 3(a);

(3) the number of aliens who were granted adjustment of status under section 3(a); and

(4) the number of aliens with respect to whom the conditional basis of their status was removed under section 4.

Mrs. CARNAHAN. Madam President, one of the great challenges we face as a society is to find ways to ease the burdens of our modern, hectic world on working families. When I talk to Missouri parents who work outside the home, one of their top concerns, if not their top concern, is finding high-quality, affordable child care.

Every generation of my own family has struggled with this issue. My mother struggled with it. I struggled with it. My children struggle with it now. It would be this grandmother's fondest wish that when my grandchildren become parents themselves, finding affordable, quality child care won't be a problem.

More and more, employers are finding that providing access to daycare is important in attracting and retaining a quality workforce. Parents who know their children are happy, safe, and enriched in their day care setting are more productive, less distracted, and more satisfied employees. In an effort to support employers' efforts to offer this valuable service to their employees, I have co-sponsored S. 99, a bill that provides tax credits to employers who provide child care assistance to their employees.

Accessing affordable child care is an issue for federal employees, too. As the largest employer in the country, the Federal Government shall lead by example in supporting working families. For this reason, today I am introducing the ''Child Care Affordability for Federal Employees Act.

Senator BARBARA MIKULSKI is an original co-sponsor of the bill, and I would like to thank her for the strong leadership she has shown on this issue. She has worked hard to make this initiative a permanent reality for Federal employees in Maryland and across the United States.

This bill grants Federal agencies the flexibility to use a portion of their funds to provide child care assistance for their lower income employees. Federal agencies can choose to allow the assistance to apply towards the costs of its own-site Federal facility or an individual provider in the area that is licensed and safe.

Being able to afford child care is a problem for all employees, but it is particularly difficult for low income employees. This bill will assist low income Federal employees to afford the safe, quality child care that is available on-site. If the agency so chooses, it could also help low-income employees better afford safe, licensed child care that is available in the community.

I hope this legislation will also help the Federal Government compete with the private sector in attracting employees. In January, the GAO placed the Federal Government's human capital crisis on its ''High-Risk'' list of serious government problems. In three years, more than half of the federal workforce will be eligible for regular or early retirement. This bill is a strong, concrete action that Congress can take to help the Federal Government compete with the private sector to attract the skilled Federal workforce it needs.

For the past two years, this initiative has been included in the annual Treasury-Postal Appropriations bill. This has been a critical first step. From its initial implementation, we now know that the program works and that families in Missouri and across the country have benefit from it. However, because the program was only temporary, some Federal agencies elected not to participate. They were afraid to offer the benefit for a year and then have to take it away from their employees if it were not renewed. Other agencies have only implemented the program at a small level for the same reason. Passing this legislation and making the program permanent is essential to helping this initiative reach its full potential and benefit the maximum number of families.

We know that child care is not simply about children having a place to go

where an adult is present. A child's environment has significant impact on their well-being and development. This is particularly true for children during the first three years of life. Recent brain studies have shown that those early brain influences matter more than we ever imagined. This bill seeks to ensure that more of our children spend their days in safe, nurturing environments. As the writer Gabriella Mistral has said: ''Many things can wait, the child cannot ... To him we cannot say tomorrow, his name is today.''

By Mr. EDWARDS:

S. 1292. A bill to amend the Internal Revenue Code of 1986 to allow a credit against income tax for dry and wet cleaning equipment which uses nonhazardous primary process solvents; to the Committee on Finance.

Mr. EDWARDS. Madam President, I rise today to introduce the Small Business Pollution Prevention and Opportunity Act. This legislation would help address a matter of great concern to all Americans who care about water quality and the environment.

Toxic and flammable solvents are used in ninety-five percent of the 35,000 small dry cleaning businesses in our country. Dry-cleaned clothes are the primary source of toxins entering our homes, endangering our health. These solvents often leak from storage tanks or spill onto the ground, contaminating the property on which dry cleaning businesses are located. This contamination has resulted in part in the large number of brownfields sites across our country. These dry cleaning solvents are regulated by numerous State and Federal agencies, causing dry cleaners and neighboring businesses to be concerned about the health of their workers and the dangers of property contamination.

An innovative scientist, Dr. Joseph M. DeSimone of North Carolina, developed an environmentally-friendly alternative to these solvents. He and his graduate students have developed a process to clean clothes using liquid carbon dioxide and special detergents. This safer dry cleaning method has been commercially available since February 1999, with several machines in operation around the country that have successfully cleaned half a million pounds of clothes in over 10,000 cleaning cycles at shops in various states across the Nation.

The Small Business Pollution Prevention and Opportunity Act would provide new and existing dry cleaners a 20 percent tax credit as an incentive to switch to an environmentally-friendly and energy efficient technology. Dry cleaners in Enterprise Zones would receive a 40 percent tax credit. The tax credit would also be extended to wet cleaning fabric cleaners who use water-based systems to effectively clean 40 percent of ''dry clean only'' garments.

This new technology is becoming increasingly recognized as a safer, cleaner alternative to traditional dry cleaning. The U.S. Environmental Protection Agency, EPA, has issued a case study declaring liquid carbon dioxide as a viable alternative to dry cleaning. R&D Magazine named Dr. DeSimone's technology one of the 100 most innovative technologies that will change our everyday lives. For his innovation, Dr. DeSimone received the Presidential Green Chemistry Challenge Award in 1997. The EPA as well as the National Science Foundation, NSF, has funded Dr. DeSimone's research.

Now that environmentally beneficial technologies like liquid carbon dioxide and wet cleaning are commercially available, it makes sense to provide a modest incentive to encourage dry cleaners to utilize them. The benefits to small business dry cleaners, consumers, employees, and the environment would be enormous. This bill's approach provides incentives, not additional regulations, for dry cleaners. The goal of the bill is to protect and enhance the dry cleaning industry, not reinvent or harm it.

I encourage my colleagues to join me in supporting this legislation. It is the right thing to do for 35,000 small businesses, millions of dry cleaning consumers, and for our environment.

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

S. 1293. A bill to amend the Internal Revenue Code of 1986 to provide incentives for the voluntary reduction, avoidance, and sequestration of greenhouse gas emissions and to advance global climate science and technology development and deployment; to the Committee on Finance.

By Mr. MURKOWSKI (for himself, Mr. CRAIG, Mr. HAGEL, Mr. DOMENICI, Mr. ROBERTS, and Mr. BOND):

S. 1294. A bill to establish a new national policy designed to manage the risk of potential climate change, ensure long-term energy security, and to strengthen provisions in the Energy Policy Act of 1992 and the Federal Nonnuclear Energy Research and Development Act of 1974 with respect to potential climate change; to the Committee on Energy and Natural Resources.

Mr. CRAIG. Madam President, let me first thank my colleagues, Senators MURKOWSKI, HAGEL, and DOMENICI, for their work on this very important legislation. I enjoyed working with them and their staffs on this analytically complex issue. The results of our patience and hard work are two companion pieces of legislation that will provide the underpinning for a path forward on the climate change issue that will meet the nation's and global needs for economic progress, while ensuring our nation's energy and national security. In addition, it will provide a sound basis for productive engagement with our friends and allies that share the same needs.

The first bill is the Climate Change Tax Amendments of 2001 which is essentially the same as S. 1777 that I introduced in the 106th Congress. This bill is an important element of the approach we should take as a nation because current U.S. tax policy treats capital formation—including investments that can increase energy efficiency and reduce emissions—harshly compared with other industrialized countries and our own recent past. Slower capital cost recovery means that facilities deploying new advanced technology will not be put in place as quickly, if at all.

Based on our current understanding of the science available on climate change, I remain convinced that it is still premature for our government to mandate stringent controls on carbon dioxide emissions and pick winners and losers in technology. This bill assures that there will be a true partnership between tax policy and technology innovation in both research and deployment.

Although the science of climate change has progressed rather dramatically over the last five years, many trenchant questions remain about what is happening to our climate system. However, the climate change issue is at a crossroads. We can and must make decisions on how to proceed. The bills introduced today ensure a more focused and coordinated effort to understand the outstanding and formidable scientific issues associated with climate change. While pursuing answers to those questions, the bills also create a comprehensive and systematic program to achieve the goals of reducing, avoiding, or sequesting greenhouse gas emissions. That program is manifest in both the technological research and development effort authorized in the Risk Management bill and a comprehensive and systematic approach that aggressively encourages voluntary actions to reduce, avoid, or sequester greenhouse gas emissions.

To bolster and strengthen the voluntary action program we have proposed tax incentives in the companion Tax Amendment bill that should also stimulate the creative ways to reduce, avoid, or sequester greenhouse gas emissions without creating drag on future economic growth. Although some special interest groups have criticized voluntary programs as ineffective, my colleagues and I do not believe that past efforts were as clearly designed and planned or aggressively promoted as we have proposed in this legislation.

The companion bill is the Climate Change Risk Management Act of 2001. This bill has as its roots in S. 1776 and S. 882, two bills that were introduced in the 106th Congress with the expressed intent to forge consensus on this issue. The principal objectives of the current legislation are to encourage the research, development, and deployment of the technologies that can meet our needs and the needs of developing nations. A key focus are the technologies that can help us reduce, avoid or sequester emissions of greenhouse gases.

In addition the bill also encourages deployment of technologies that can sequester greenhouse gases in the atmosphere. This approach is essential to assure that we can fully use all of our domestic resources to their fullest. This must include coal and nuclear power.

An essential element in this legislation is the active engagement of developing countries. Our policy must recognize the legitimate needs of our bilateral trading partners to use their resources and meet the needs of their people. For too long the climate policy debate has been fixated on assigning blame and inflicting pain. This is harmful and counterproductive. Our best technology must be made available and our research activities must focus on developing country needs as well as our own.

Moreover, we believe that the President has chosen the right path forward on this issue and we are committed to working with his Cabinet level task force on finding effective, technologically based approaches to attacking this important environmental and economic issue.

Although these bills are comprehensive, there are still more steps Congress can and will take in the immediate future to ensure we are doing all that is reasonably and responsibly possible. For example, a key piece of this puzzle is better government-wide coordination of scientific efforts to solve the remaining mysteries of climate change. A strong and consistent recommendation from the National Academy of Sciences has been for us to solve this problem.

Because that issue includes Federal agency ''turf battles,'' legislative committee jurisdictional constraints prevented us from fully addressing that issue in these bills. However, we will have this, and other key pieces (such as traffic congestion, agricultural, forest management, and ocean sequestration) not currently getting sufficient attention, ready to complete a comprehensive package on climate change before the end of the 107th Congress.

But for now, the bills we introduce today are an important and aggressive attempt to shape and implement policy on climate change. It is a responsible effort to work with our friends and allies to:

1. Develop better policy mechanisms for assessing the effects of greenhouse gas emissions; 2. accelerate development and deployment of climate response technology; 3. facilities international deployment of U.S. technology to mitigate climate change to the developing world; 4. advance climate science to reduce uncertainties in key areas; and 5. improve public access to government information on climate science.

All involved in this debate must stop politicizing science and help us get to the point where the issue is confidently understood. The American people have a right to know the whole truth on this issue. The success of any future government response to climate change depends on that more than anything else.

I ask unanimous consent that the bill texts along with section-by-section analyses be printed in the RECORD.

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

S. 1293

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 ''Climate Change Tax Amendments of 2001''.

SEC. 2. PERMANENT TAX CREDIT FOR RESEARCH AND DEVELOPMENT REGARDING GREENHOUSE GAS EMISSIONS REDUCTION, AVOIDANCE, OR SEQUESTRATION.

(a) IN GENERAL.—Section 41(h) of the Internal Revenue Code of 1986 (relating to termination) is amended by adding at the end the following:

''(3) EXCEPTION FOR CERTAIN RESEARCH.—Paragraph (1)(B) shall not apply in the case of any qualified research expenses if the research—

''(A) has as one of its purposes the reducing, avoiding, or sequestering of greenhouse gas emissions, and

''(B) has been reported to the Department of Energy under section 1605(b) of the Energy Policy Act of 1992.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to amounts paid or incurred after the date of enactment of this Act, except that such amendment shall not take effect unless the Climate Change Risk Management Act of 2001 is enacted into law.

SEC. 3. TAX CREDIT FOR GREENHOUSE GAS EMISSIONS FACILITIES.

(a) ALLOWANCE OF GREENHOUSE GAS EMISSIONS FACILITIES CREDIT.—Section 46 of the Internal Revenue Code of 1986 (relating to amount of credit) is amended by striking ''and'' at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting '', and'', and by adding at the end the following:

''(4) the greenhouse gas emissions facilities credit.''.

(b) AMOUNT OF CREDIT.—Subpart E of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to rules for computing investment credit) is amended by inserting after section 48 the following:

''SEC. 48A. CREDIT FOR GREENHOUSE GAS EMISSIONS FACILITIES.

''(a) IN GENERAL.—For purposes of section 46, the greenhouse gas emissions facilities credit for any taxable year is the applicable percentage of the qualified investment in a greenhouse gas emissions facility for such taxable year.

''(b) GREENHOUSE GAS EMISSIONS FACILITY.—For purposes of subsection (a), the term 'greenhouse gas emissions facility' means a facility of the taxpayer—

''(1)(A) the construction, reconstruction, or erection of which is completed by the taxpayer, or

''(B) which is acquired by the taxpayer if the original use of such facility commences with the taxpayer,

''(2) the operation of which—

''(A) replaces the operation of a facility of the taxpayer,

''(B) reduces, avoids, or sequesters greenhouse gas emissions on a per unit of output basis as compared to such emissions of the replaced facility, and

''(C) uses the same type of fuel (or combination of the same type of fuel and biomass fuel) as was used in the replaced facility,

''(3) with respect to which depreciation (or amortization in lieu of depreciation) is allowable, and

''(4) which meets the performance and quality standards (if any) which—

''(A) have been jointly prescribed by the Secretary and the Secretary of Energy by regulations,

''(B) are consistent with regulations prescribed under section 1605(b) of the Energy Policy Act of 1992, and

''(C) are in effect at the time of the acquisition of the facility.

''(c) APPLICABLE PERCENTAGE.—For purposes of subsection (a), the applicable percentage is one-half of the percentage reduction, avoidance, or sequestration of greenhouse gas emissions described in subsection (b)(2) and reported and certified under section 1605(b) of the Energy Policy Act of 1992.

''(d) QUALIFIED INVESTMENT.—For purposes of subsection (a), the term 'qualified investment' means, with respect to any taxable year, the basis of a greenhouse gas emissions facility placed in service by the taxpayer during such taxable year, but only with respect to that portion of the investment attributable to providing production capacity not greater than the production capacity of the facility being replaced.

''(e) QUALIFIED PROGRESS EXPENDITURES.—

''(1) INCREASE IN QUALIFIED INVESTMENT.—In the case of a taxpayer who has made an election under paragraph (5), the amount of the qualified investment of such taxpayer for the taxable year (determined under subsection (d) without regard to this subsection) shall be increased by an amount equal to the aggregate of each qualified progress expenditure for the taxable year with respect to progress expenditure property.

''(2) PROGRESS EXPENDITURE PROPERTY DEFINED.—For purposes of this subsection, the term 'progress expenditure property' means any property being constructed by or for the taxpayer and which it is reasonable to believe will qualify as a greenhouse gas emissions facility which is being constructed by or for the taxpayer when it is placed in service.

''(3) QUALIFIED PROGRESS EXPENDITURES DEFINED.—For purposes of this subsection—

''(A) SELF-CONSTRUCTED PROPERTY.—In the case of any self-constructed property, the term 'qualified progress expenditures' means the amount which, for purposes of this subpart, is properly chargeable (during such taxable year) to capital account with respect to such property.

''(B) NON-SELF-CONSTRUCTED PROPERTY.—In the case of non-self-constructed property, the term 'qualified progress expenditures' means the amount paid during the taxable year to another person for the construction of such property.

''(4) OTHER DEFINITIONS.—For purposes of this subsection—

''(A) SELF-CONSTRUCTED PROPERTY.—The term 'self-constructed property' means property for which it is reasonable to believe that more than half of the construction expenditures will be made directly by the taxpayer.

''(B) NON-SELF-CONSTRUCTED PROPERTY.—The term 'non-self-constructed property' means property which is not self-constructed property.

''(C) CONSTRUCTION, ETC.—The term 'construction' includes reconstruction and erection, and the term 'constructed' includes reconstructed and erected.

''(D) ONLY CONSTRUCTION OF GREENHOUSE GAS EMISSIONS FACILITY TO BE TAKEN INTO ACCOUNT.—Construction shall be taken into account only if, for purposes of this subpart,

expenditures therefor are properly chargeable to capital account with respect to the property.

''(5) ELECTION.—An election under this subsection may be made at such time and in such manner as the Secretary may by regulations prescribe. Such an election shall apply to the taxable year for which made and to all subsequent taxable years. Such an election, once made, may not be revoked except with the consent of the Secretary.''

(c) RECAPTURE.—Section 50(a) of the Internal Revenue Code of 1986 (relating to other special rules) is amended by adding at the end the following:

''(6) SPECIAL RULES RELATING TO GREENHOUSE GAS EMISSIONS FACILITY.—For purposes of applying this subsection in the case of any credit allowable by reason of section 48A, the following shall apply:

''(A) GENERAL RULE.—In lieu of the amount of the increase in tax under paragraph (1), the increase in tax shall be an amount equal to the investment tax credit allowed under section 38 for all prior taxable years with respect to a greenhouse gas emissions facility (as defined by section 48A(b)) multiplied by a fraction whose numerator is the number of years remaining to fully depreciate under this title the greenhouse gas emissions facility disposed of, and whose denominator is the total number of years over which such facility would otherwise have been subject to depreciation. For purposes of the preceding sentence, the year of disposition of the greenhouse gas emissions facility property shall be treated as a year of remaining depreciation.

''(B) PROPERTY CEASES TO QUALIFY FOR PROGRESS EXPENDITURES.—Rules similar to the rules of paragraph (2) shall apply in the case of qualified progress expenditures for a greenhouse gas emissions facility under section 48A, except that the amount of the increase in tax under subparagraph (A) of this paragraph shall be substituted in lieu of the amount described in such paragraph (2).

''(C) APPLICATION OF PARAGRAPH.—This paragraph shall be applied separately with respect to the credit allowed under section 38 regarding a greenhouse gas emissions facility.''

(d) TECHNICAL AMENDMENTS.—

(1) Section 49(a)(1)(C) of the Internal Revenue Code of 1986 is amended by striking ''and'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting '', and'', and by adding at the end the following:

''(iv) the portion of the basis of any greenhouse gas emissions facility attributable to any qualified investment (as defined by section 48A(d)).''

(2) Section 50(a)(4) of such Code is amended by striking ''and (2)'' and inserting '', (2), and (6)''.

(3) The table of sections for subpart E of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 48 the following:

''Sec. 48A. Credit for greenhouse gas emissions facilities.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

(f) STUDY OF ADDITIONAL INCENTIVES FOR VOLUNTARY REDUCTION, AVOIDANCE, OR SEQUESTRATION OF GREENHOUSE GAS EMISSIONS.—

(1) IN GENERAL.—The Secretary of the Treasury and the Secretary of Energy shall jointly study possible additional incentives for, and removal of barriers to, voluntary, non recoupable expenditures for the reduction, avoidance, or sequestration of greenhouse gas emissions. For purposes of this subsection, an expenditure shall be considered voluntary and non recoupable if the expenditure is not recoupable—

(A) from revenues generated from the investment, determined under generally accepted accounting standards (or under the applicable rate-of-return regulation, in the case of a taxpayer subject to such regulation), or

(B) from any tax or other financial incentive program established under Federal, State, or local law.

(2) REPORT.—Within 6 months of the date of enactment of this Act, the Secretary of the Treasury and the Secretary of Energy shall jointly report to Congress on the results of the study described in paragraph (1), along with any recommendations for legislative action.

(g) SCOPE AND IMPACT.—

(1) POLICY.—In order to achieve the broadest response for reduction, avoidance, or sequestration of greenhouse gas emissions and to ensure that the incentives established by or pursuant to this Act do not advantage one segment of an industry to the disadvantage of another, it is the sense of Congress that such incentives should be available for individuals, organizations, and entities, including both for-profit and non-profit institutions.

(2) LEVEL PLAYING FIELD STUDY AND REPORT.—

(A) IN GENERAL.—The Secretary of the Treasury and the Secretary of Energy shall jointly study possible additional measures that would provide non-profit entities (such as municipal utilities and energy cooperatives) with economic incentives for greenhouse gas emissions facilities comparable to those incentives provided to taxpayers under the amendments made to the Internal Revenue Code of 1986 by this Act.

(B) REPORT.—Within 6 months after the date of enactment of this Act, the Secretary of the Treasury and the Secretary of Energy shall jointly report to Congress on the results of the study described in subparagraph (A), along with any recommendations for legislative action.

THE CLIMATE CHANGE TAX AMENDMENTS OF 2001—SECTION-BY-SECTION ANALYSIS

A bill to amend the Internal Revenue Code of 1986 to provide incentives for the voluntary reduction avoidance, and sequestration of greenhouse gas emissions and to advance global climate science and technology development.

Section 1 designates the short title as the ''Climate Change Tax Amendments.''

Section 2 extends on a permanent basis the tax credit for research and development in the case of R & D involving climate change.

In order for a research expense to qualify for the credit, it must; have as one of its purposes the reducing or sequestering of greenhouse gases; and have been reported to DOE under Sec. 1605(b) of the Energy Policy Act of 1992.

This tax credit applies with respect to amounts incurred after the Act becomes law, and only if the Climate Change Risk Management Act of 2001 also becomes law.

Section 3 provides for investment tax credits for greenhouse-gas-emission reduction facilities.

Greenhouse Gas Emissions Facility Credit

The amount of the credit would be calculated based upon the amount of greenhouse gas emission reductions reported and certified under section 1605(b) of the Energy Policy Act. The credit would be equal to one-half of the applicable percentage of the qualified investment in a ''reduced greenhouse gas emissions facility.''

For example, if a taxpayer replaces a coal-fired generator with a more efficient one that reduced greenhouse gas emissions by 18 percent, compared to the retired unit, the taxpayer would be entitled to a tax credit of 9 percent of qualified investment in that ''reduced greenhouse gas emissions facility''. Such facility is defined as a facility of the taxpayer: the construction, reconstruction; or erection of which is completed by the taxpayer; or the facility may be acquired by the taxpayer if the original use of the facility commences with the taxpayer; which replaces an existing facility of the taxpayer; which reduces greenhouse gas emissions (on a per unit of output basis) as compared to the facility it replaces; which uses the same type of fuel as the facility it replaces; the depreciation (or amortization in lieu of depreciation) of which is allowable; which meets performance and quality standards (if any) jointly prescribed by the Secretaries of Treasury and Energy; and are consistent with regulations prescribed under Sec. 1605 (b) of the Energy Policy Act (relating to voluntary reporting of greenhouse gas emission reductions).

Only that portion of the investment attributable to providing production capacity not greater than the production capacity of the facility being replaced qualifies for the credit.

While unit efficiencies could be achieved if the credit were allowed for replacing a unit with another that burned a different fuel, such incentive for fuel shifting does not directly stimulate efficiency technology development for each fuel type. The objective is to improve efficiencies ''within a fuel;'' not to encourage fuel shifting ''between fuels.''

Qualified Progress Expenditure Credit

With respect to qualified progress expenditures, the amount of the qualified investment for the taxable year shall be increased by the aggregate of each qualified progress expenditure for the taxable year with respect to progress expenditure property. Progress expenditure property is defined as any property being constructed by or for the taxpayer and which it is reasonable to believe will qualify as a reduced greenhouse gas emission facility.

Election

A taxpayer may elect to take the tax credit in such a manner (i.e. as an investment credit, or as qualified progress expenditures) as the Secretary may be regulations prescribe. The election will apply to the taxable year for which it was made and to all subsequent taxable years. Such an election, once made, may not be revoked except with the consent of the Secretary.

Recapture Where Facility is Prematurely Disposed of

If the facility is disposed of before the end of the facility's depreciation period (or ''useful life'' for tax purposes) the taxpayer will be assessed an increase in tax equal to the greenhouse gas emissions facility investment tax credit allowed for all prior taxable years multiplied by a fraction whose numerator is the number of years remaining to fully depreciate the facility to be disposed of, and whose denominator is the total number of years over which the facility would otherwise have been subject to depreciation.

Similar rules apply in the case in which the taxpayer elected credit for progress expenditures and the property thereafter ceases to qualify for such credit.

Effective Date

Amendments made to the Internal Revenue Code apply to property placed in service after the date of enactment of this Act.

Study of Additional Incentives for Voluntary Reduction of Greenhouse Gas Emissions

The Secretary of Energy and the Secretary of Transportation are directed to study, and report upon to Congress along with any recommendations for legislative action, possible additional incentives for and removal of barriers to voluntary non-recoupable expenditures on the reduction of greenhouse gas emissions. An expenditure qualifies if it is voluntary and not recoupable: from revenues generated from the investment; determined under generally accepted accounting standards; under the applicable rate-of-return regulation (in the case of a taxpayer subject to such regulations); from any tax or other financial incentive program established under federal, State, or local law; and pursuant to any credit-trading or other mechanism established under any international agreement or protocol that is in force.

Incentives for Non-profit Institutions

The Secretary of the Treasury and the Secretary of Energy are directed to jointly study possible additional measures that would provide non-profit entities, such as municipal utilities and energy co-operatives, with economic incentives for greenhouse gas emission reductions comparable to the incentives provided to taxpayers under the amendments made to the Internal Revenue Code by this Act. Within six months of the date of enactment, the Secretary of the Treasury and the Secretary of Energy shall jointly report to Congress on the results of the study along with any recommendations for legislative action.

S. 1294

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Climate Change Risk Management Act of 2001''.

SEC. 2. FINDINGS.

Congress finds that—

(1) human activities, namely energy production and use, contribute to increasing concentrations of greenhouse gases in the atmosphere, which may ultimately contribute to global climate change beyond that resulting from natural variability;

(2) although the science of global climate change has been advanced in the past ten years, the timing and magnitude of climate change-related impacts on the United States cannot currently be predicted with any reasonable certainty;

(3) furthermore, a recent National Research Council review of climate change science suggests that without an understanding of the sources and degree of uncertainty regarding climate change and its impacts, decision-makers could fail to define the best ways to manage the risk of climate change;

(4) despite this uncertainty, the potential impacts from human-induced climate change pose a substantial risk that should be managed in a responsible manner;

(5) given that the bulk of greenhouse gas emissions from human activities result from energy production and use, national and international energy policy decisions made now and in the longer-term future will influence the extent and timing of any climate change and resultant impacts from climate change later this century;

(6) the characteristics of greenhouse gases and the physical nature of the climate system require that stabilization of atmospheric greenhouse gas concentrations at any future level must be a long-term effort undertaken on a global basis;

(7) the characteristics of existing energy-related infrastructure and capital suggest that effective greenhouse gas management efforts will depend on the development of long-term, cost-effective technologies and practices that can be demonstrated and deployed commercially in the United States and around the world;

(8) environmental progress, energy security, economic prosperity, and satisfaction of basic human needs are interrelated, particularly in developing countries;

(9) developing countries will constitute the major source of greenhouse gas emissions in the 21st century and the minor source of increases in such emissions;

(10) any program to address the risks of climate change that does not fully include developing nations as integral participants will be ineffective; and

(11) a new long-term, technology-based, cost-effective, flexible, and global strategy to ensure long-term energy security and manage the risk of climate change is needed, and should be promoted by the United States in its domestic and international activities in this regard.

SEC. 3. DEFINITIONS.

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

''SEC. 1600 DEFINITIONS.

''(a) AGRICULTURAL ACTIVITY.—The term 'agricultural activity' means livestock production, cropland cultivation, biogas and other waste material recovery and nutrient management.

''(b) CLIMATE SYSTEM.—The term ''climate system' means the totality of the atmosphere, hydrosphere, biosphere and geosphere and their interactions.

''(c) CLIMATE CHANGE.—The term 'climate change' means a change in the state of the climate system attributed directly or indirectly to human activity which is in addition to natural climate variability observed over comparable time periods.

''(d) EMISSIONS.—The term 'emissions' means the net release of greenhouse gases and/or their precursors into the atmosphere over a specified area and period of time, after taking into account any reductions due to greenhouse gas sequestration.

''(e) GREEHOUSE GASES.—The term 'greenhouse gases' means those gaseous and aerosol constituents of the atmosphere, both natural and anthropogenic, that absorb and re-emit infrared radiation.

''(f) SEQUESTRATION.—The term 'sequestration' means any process, activity or mechanism which removes a greenhouse gas or its precursor from the atmosphere or from emissions streams.

''(g) FOREST PRODUCTS.—The term 'forest products' means all products or goods manufactured from trees.

''(h) FORESTRY ACTIVITY.—

''(1) IN GENERAL.—The term 'forestry activity' means any ownership or management action that has a discernible impact on the use and productivity of forests.

''(2) INCLUSIONS.—Forestry activities include, but are not limited to, the establishment of trees on an area not previously forested, the establishment of trees on an area previously forested if a net carbon benefit can be demonstrated, enhanced forest management (including thinning, stand improvement, fire protection, weed control, nutrient application, pest management, and other silvicultural practices), forest protection or conservation if a net carbon benefit can be demonstrated, and production or use of biomass energy (including the use of wood, grass or other biomass in lieu of fossil fuel).

''(3) EXCLUSIONS.—The term 'forestry activity' does not include a land use change associated with—

''(A) an act of war; or

''(B) an act of nature, including floods, storms, earthquakes, fires, hurricanes, and tornadoes.''.

SEC. 4. NATIONAL CLIMATE CHANGE STRATEGY.

''(a) IN GENERAL.—Section 1601 of the Energy Policy Act of 1992 (42 U.S.C. 13381) is amended to read as follows:

''SEC. 1601. NATIONAL CLIMATE CHANGE STRATEGY.

''(a) IN GENERAL.—The President, in consultation with appropriate Federal agencies and the Congress, shall develop and implement a national strategy to manage the risks posed by potential climate change.

''(b) GOAL.—The strategy shall be consistent with the United Nations Framework Convention on Climate Change, done at New York on May 9, 1992, in a manner that—

''(1) does not result in serious harm to the U.S. economy;

''(2) adequately provides for the energy security of the U.S.;

''(3) establishes and maintains U.S. leadership with respect to climate change-related scientific research, development and deployment of advanced energy technology; and

''(4) will result in a reduction in the ratio that the net U.S. greenhouse gas emissions bears to the U.S. gross domestic production.

''(c) ELEMENTS.—The strategy shall include short-term and long-term strategies, programs and policies that—

''(1) enhance the scientific knowledge base for understanding and evaluation of natural and human-induced climate change, including the role of climate feedbacks and all climate forcing agents;

''(2) improve scientific observation, modeling, analysis and prediction of climate change and its impacts, and the economic, social and environmental risks posed by such impacts;

''(3) assess the economic, social, and environmental costs and benefits of current and potential options to reduce, avoid, or sequester greenhouse gas emissions;

''(4) develop and implement market-directed policies that reduce, avoid or sequester greenhouse gas emissions, including—

''(i) cost-effective Federal, State, tribal, and local policies, programs, standards and incentives;

''(ii) policies and incentives to speed development, deployment and consumer adoption of advanced energy technologies in the U.S. and throughout the world; and

''(iii) removal of regulatory barriers that impede the development, deployment and consumer adoption of advanced energy technologies into the U.S. and throughout the world; and

''(iv) participation in international institutions, or the support of international activities, that are established or conducted to facilitate effective measures to implement the United Nations Framework Convention on Climate Change;

''(5) advance areas where bilateral or multilateral cooperation and investment would lead to adoption of advanced technologies for use within developing countries to reduce, avoid or sequester greenhouse gas emissions;

''(6) identify activities and policies that provide for adaptation to natural and human-induced climate change;

''(7) recommend specific legislative or administrative activities giving preference to cost-effective and technologically feasible measures that will—

''(A) result in a reduction in the ratio that the net U.S. greenhouse gas emissions bears to the U.S. gross domestic product;

''(B) avoid adverse short-term and long-term economic and social impacts on the United States; and

''(C) foster such changes in institutional and technology systems as are necessary to

mitigate or adapt to climate change and its impacts in the short-term and the long-term;

''(8) designate federal, state, tribal or local agencies responsible for carrying out recommended activities and programs, and identify interagency entities or activities that may be needed to coordinate actions carried out consistent with this strategy.

''(d) CONSULTATION.—This strategy shall be developed in a manner that provides for meaningful participation by, and consultation among, Federal, State, tribal, and local government agencies, non-governmental organizations, academia, scientific bodies, industry, the public, and other interested parties.

''(e) BIANNUAL REPORT.—No later than one year after the date of enactment of this section, and at the end of each second year thereafter, the President shall submit to Congress a report that includes—

''(1) a description of the national climate change strategy and its goals and Federal programs and activities intended to carry out this strategy through mitigation, adaption, and scientific research activities;

''(2) an evaluation of Federal programs and activities implemented as part of this strategy against the goals and implementation dates outlined in the strategy;

''(3) a description of changes to Federal programs or activities implemented to carry out this strategy, in light of new knowledge of climate change and its impacts and costs or benefits, or technological capacity to improve mitigation or adaption activities;

''(4) a description of all Federal spending on climate change for the current fiscal year and each of the five years previous, categorized by Federal agency and program function (including scientific research, energy research and development, regulation, education and other activities);

''(5) an estimate of the budgetary impact for the current fiscal year and each of the five years previous of any Federal tax credits, tax deductions or other incentives claimed by taxpayers that are directly or indirectly attributable to greenhouse gas emissions reduction activities; and

''(6) an estimate of the amount, in metric tons, of greenhouse gas emissions reduced, avoided or sequestered directly or indirectly as a result of each spending program or tax credit, deduction, or other incentive for the current fiscal year and each of the five years previous.

''(f) REVIEW BY NATIONAL ACADEMIES.—

''(1) IN GENERAL.—Not later than 90 days after the date of publication of each biannual report as directed by this section, the President shall commission the National Academies to conduct a review of the national climate change strategy and implementation plan required by this section.

''(2) CRITERIA.—The National Academies' review shall evaluate the goals and recommendations contained in the national climate change strategy report in light of—

''(A) new or improved scientific knowledge regarding climate change and its impacts;

''(B) new understanding of human social and economic responses to climate change, and responses of natural ecosystems to climate change;

''(C) advancements in energy technologies that reduce, avoid, or sequester greenhouse gases or otherwise mitigate the risks of climate change;

''(D) new or revised understanding of economic costs and benefits of mitigation or adaption activities; and

''(E) the existence of alternative policy options that could achieve the strategy goals at lower economic, environmental, or social cost.

''(3) REPORT.—The National Academies shall prepare and submit to Congress and the President a report concerning the results of such review, along with any recommendations as appropriate. Such report shall also be made available to the public.

''(4) DEFINITION.—For the purposes of this section, the term 'National Academies' means the National Research Council, the National Academy of Sciences, the National Academy of Engineering, and the Institute of Medicine.''.

(b) CONFORMNG AMENDMENT.—Section 1103(b) of the Global Climate Protection Act of 1987 (15 U.S.C. 2901) is amended by inserting '', the Department of Energy, and other Federal agencies as appropriate'' after ''Environmental Protection Agency''.

SEC. 5. CLIMATE TECHNOLOGY RESEARCH, DEVELOPMENT, DEMONSTRATION AND DEPLOYMENT PROGRAM.

(a) IN GENERAL.—Section 1604 of the Energy Policy Act of 1992 (42 U.S.C. 13384) is amended to read as follows:

''SEC. 1604. CLIMATE TECHNOLOGY RESEARCH, DEVELOPMENT, DEMONSTRATION AND DEPLOYMENT PROGRAM.

''(a) IN GENERAL.—The Secretary, in consultation with the Advisory Board established under section 2302, shall establish a long-term Climate Technology Research, Development, Demonstration, and Deployment Program, in accordance with sections 3001 and 3002.

''(b) PROGRAM OBJECTIVES.—The program shall conduct a long-term research, development, demonstration and deployment program to foster technologies and practices that—

''(1) reduce or avoid anthropogenic emissions of greenhouse gases;

''(2) remove and sequester greenhouse gases from emissions streams; and

''(3) remove and sequester greenhouse gases from the atmosphere.

''(c) PROGRAM PLAN.—Not later than 1 year after the date of enactment of this Act, the Secretary shall prepare and submit to the Congress a 10-year program plan to guide activities under this section. Thereafter, the Secretary shall biennially update and resubmit the program plan to the Congress. In preparing the program plan, the Secretary shall—

''(1) include quantitative technology performance and carbon emissions reduction goals, schedule milestones, technology approaches, Federal funding requirements, and non-Federal cost sharing requirements;

''(2) consult with appropriate representatives of industry, institutions of higher education, Department of Energy national laboratories, and professional, scientific and technical societies;

''(3) take into consideration how the Federal Government, acting through the Secretary, can be effective in ensuring the availability of such technologies when they are needed and how the Federal Government can most effectively cooperate with the private sector in the accomplishment of the goals set forth in subsection (b); and

''(4) consider how activities funded under the program can be complementary to, and not duplicative of, existing research and development activities within the Department.

''(d) SOLICITATION—Not later than 1 year after the date of submission of the 10-year program plan, the Secretary shall solicit proposals for conducting activities consistent with the 10-year program plan and select one or more proposals not later than 180 days after such solicitations.

''(e) PROPOSALS—Proposals may be submitted by applicants or consortia from industry, institutions of higher education, or Department of Energy national laboratories. At minimum, each proposal shall also include the following;

''(1) a multi-year management plan that outlines how the proposed research, development, demonstration and deployment activities will be carried out;

''(2) quantitative technology goals and greenhouse gas emission reduction targets that can be used to measure performance against program objectives;

''(3) the total cost of the proposal for each year in which funding is requested, and a breakdown of those costs by category;

''(4) evidence that the applicant has in existence or has access to—

''(i) the technical capability to enable it to make use of existing research support and facilities in carrying out the research objectives of the proposal;

''(ii) a multi-disciplinary research staff experienced in technologies or practices able to sequester, avoid, or capture greenhouse gas emissions;

''(iii) access to facilities and equipment to enable the conduct of laboratory-scale testing or demonstration of technologies or related processes undertaken through the program; and

''(iv) commitment for matching funds and other resources from non-Federal sources, including cash, equipment, services, materials, appropriate technology transfer activities, and other assets directly related to the cost of the proposal;

''(5) evidence that the proposed activities are supplemental to, and not duplicative of, existing research and development activities carried out, funded, or otherwise supported by the Department;

''(6) a description of the technology transfer mechanisms and industry partnerships that the applicant will use to make available research results to industry and to other researchers;

''(7) a statement whether the unique capabilities of Department of Energy national laboratories warrant collaboration with those laboratories, and the extent of any such collaboration proposed; and

''(8) demonstrated evidence of the ability of the applicant to undertake and complete the proposed project, including the successful introduction of the technology into commerce.

''(f) SELECTION OF PROPOSALS.—From the proposals submitted, the Secretary shall select for funding one or more proposals that will best accomplish the program objectives outlined in this section.

''(g) ANNUAL REPORT.—The Secretary shall prepare and submit an annual report to Congress that—

''(1) demonstrates that the program objectives are adequately focused, peer-reviewed for merit, and not unnecessarily duplicative of the science and technology research being conducted by other Federal agencies and programs,

''(2) states whether the program as conducted in the prior year addresses an adequate breadth and range of technologies and solutions to address anthropogenic climate change; and

''(3) evaluates the quantitative progress of funded proposals toward the program objectives outlined in this section, and the technology and greenhouse gas emission reduction, avoidance or sequestration goals as described in their respective proposals.

''(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subtitle $200,000,000 for each of fiscal years 2002 through 2011, to remain available until expended.''.

(b) CONFORMING AMENDMENTS.—Section 6 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5905) is amended—

(1) in subsection (a)—

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

(B) in paragraph (3) by striking the period at the end and inserting '', and''; and

(C) by adding at the end the following:

''(4) solutions to the effective management of greenhouse gas emissions in the long term by the development of technologies and practices designed to—

''(A) reduce or avoid anthropogenic emissions of greenhouse gases;

''(B) remove and sequester greenhouse gases from emissions streams; and

''(C) remove and sequester greenhouse gases from the atmosphere.''; and

(2) in subsection (b)—

(A) in paragraph (2), by striking ''subsection (a)(1) through (3)'' and inserting ''paragraphs (1) through (4) of subsection (a)''; and

(B) in paragraph (3)—

(i) in subparagraph (R), by striking ''and'' at the end;

(ii) in subparagraph (S), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(T) to pursue a long-term climate technology strategy designed to demonstrate a variety of technologies by which stabilization of greenhouse gases might be best achieved, including accelerated research, development, demonstration and deployment of—

''(i) renewable energy systems;

''(ii) advanced fossil energy technology;

''(iii) advanced nuclear power plant design;

''(iv) fuel cell technology for residential, industrial and transportation applications;

''(v) carbon sequestration practices and technologies, including agricultural and forestry practices that store and sequester carbon;

''(vi) efficient electrical generation, transmission and distribution technologies; and

''(vii) efficient end use energy technologies.''.

SEC. 6. INTERNATIONAL ENERGY TECHNOLOGY DEPLOYMENT PROGRAM.

Section 1608 of the Energy Policy Act of 1992 (42 U.S.C. 13387) is amended by striking subsection (l) and inserting the following:

''(l) INTERNATIONAL ENERGY TECHNOLOGY DEPLOYMENT PROGRAM.—

''(1) DEFINITIONS—In this subsection:

''(A) INTERNATIONAL ENERGY DEPLOYMENT PROJECT.—The term 'international energy deployment project' means a project to construct an energy production facility outside the United States—

''(i) the output of which will be consumed outside the United States; and

''(ii) the deployment of which will result in a greenhouse gas reduction per unit of energy produced when compared to the technology that would otherwise be implemented of—

''(I) 10 percentage points or more, in the case of a unit placed in service before January 1, 2010;

''(II) 20 percentage points or more, in the case of a unit placed in service after December 31, 2009, and before January 1, 2020; or

''(III) 30 percentage points or more, in the case of a unit placed in service after December 31, 2019, and before January 1, 2030.

''(C) QUALIFYING INTERNATIONAL ENERGY DEPLOYMENT PROJECT.—The term 'qualifying international energy deployment project' means an international energy deployment project that—

''(i) is submitted by a United States firm to the Secretary in accordance with procedures established by the Secretary by regulation;

''(ii) uses technology that has been successfully developed or deployed in the United States, or in another country as a result of a partnership with a company based in the United States;

''(iii) meets the criteria of subsection (k);

''(iv) is approved by the Secretary, with notice of the approval being published in the Federal Register; and

''(v) complies with such terms and conditions as the Secretary establishes by regulation.

''(D) UNITED STATES.—The term 'United States', when used in a geographical sense, means the 50 States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands.

''(2) PILOT PROGRAM FOR FINANCIAL ASSISTANCE.—

''(A) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary shall, by regulation, provide for a pilot program for financial assistance for qualifying international energy deployment projects.

''(B) SELECTION CRITERIA.—After consultation with the Secretary of State, the Secretary of Commerce, and the United States Trade Representative, the Secretary shall select projects for participation in the program based solely on the criteria under this title and without regard to the country in which the project is located.

''(C) FINANCIAL ASSISTANCE.—

''(i) In general.—A United States firm that undertakes a qualifying international energy deployment project that is selected to participate in the pilot program shall be eligible to receive a loan or a loan guarantee from the Secretary.

''(ii) RATE OF INTEREST.—The rate of interest of any loan made under clause (i) shall be equal to the rate for Treasury obligations then issued for periods of comparable maturities.

''(iii) AMOUNT.—The amount of a loan or a loan guarantee under clause (i) shall not exceed 50 percent of the total cost of the qualified international energy deployment project.

''(iv) DEVELOPED COUNTRIES.—Loans or loan guarantees made for projects to be located in a developed country, as listed in Annex I of the United Nations Framework Convention on Climate Change, shall require at least a 50-percent contribution toward the total cost of the loan or loan guarantee by the host country.

''(v) DEVELOPING COUNTIES.—Loans or loan guarantees made for projects to be located in a developing country (those countries not listed in Annex I of the United Nations Framework Convention on Climate Change) shall require at least a 10-percent contribution toward the total cost of the loan or loan guarantee by the host country.

''(vi) CAPACITY BUILDING RESEARCH.—Proposals made for projects to be located in a developing country may include a research component intended to build technological capacity within the host country. Such research must be related to the technologies being deployed and must involve both an institution in the host country and an industry, university or national laboratory participant from the United States. The host institution must contribute at least 50 percent of funds provided for the capacity building research.

''(D) COORDINATION WITH OTHER PROGRAMS.—A qualifying international energy deployment project funded under this section shall not be eligible as a qualifying clean coal technology under section 415 of the Clean Air Act (42 U.S.C. 7651n).

''(E) REPORT.—Not later than 5 years after the date of enactment of this section, the Secretary shall submit to the President and the Congress a report on the results of the pilot projects.

''(F) RECOMMENDATION.—Not later than 60 days after receiving the report under subparagraph (E), the Secretary shall submit to Congress a recommendation concerning whether the financial assistance program under this section should be continued, expanded, reduced, or eliminated.

''(G) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $100,000,000 for each of fiscal years 2002 through 2011, to remain available until expended.''.

SEC. 7. NATIONAL GREENHOUSE GAS EMISSIONS REGISTRY.

Section 1605 of the Energy Policy Act of 1992 (42 U.S.C. 13385) is amended—

(1) by amending the second sentence of subsection (a) to read as follows: ''The Secretary shall annually update and analyze such inventory using available data, including, beginning in calendar year 2001, information collected as a result of voluntary reporting under subsection (b). The inventory shall identify for calendar year 2001 and thereafter the amount of emissions reductions attributed to those reported under subsection (b)'';

(2) by amending subsection (b)(1) (B) and (C) to read as follows—

''(B) annual reductions or avoidance of greenhouse gas emissions and carbon sequestration achieved through any measures, including agricultural activities, co-generation, appliance efficiency, energy efficiency, forestry activities that increase carbon sequestration stocks (including the use of forest products), fuel switching, management of crop lands, grazing lands, grasslands, drylands, manufacture or use of vehicles with reduced greenhouse gas emissions, methane recovery, ocean seeding, use of renewable energy, chlorofluorocarbon capture and replacement, and power plant heat rate improvement; and

''(C) reductions in, or avoidance of, greenhouse gas emissions achieved as a result of voluntary activities domestically, or internationally, plant or facility closings, and State or Federal requirements.''.

(3) by striking in the first sentence of subsection (b)(2) the word ''entities'' and inserting ''persons or entities'' and in the second sentence of such subsection, by inserting after ''Persons'' the words ''or entities'';

(4) by inserting in the second sentence of subsection (b)(4) the words ''persons or'' before ''entity'';

(5) by adding after subsection (b)(4) the following new paragraphs—

''(5) RECOGNITION OF VOLUNTARY GREENHOUSE GAS EMISSIONS REDUCTION, AVOIDANCE, OR SEQUESTRATION.—To encourage new and increased voluntary efforts to reduce, avoid, or sequester emissions of greenhouse gases, the Secretary shall develop and establish a program of giving annual public recognition to all reporting persons and entities demonstrating voluntarily achieved greenhouse gases reduction, avoidance, or sequestration, pursuant to the voluntary collections and reporting guidelines issued under this section. Such recognition shall be based on the information certified, subject to section 1001 of title 18, United States Code, by such persons or entities for accuracy as provided in paragraph 2 of this subsection, and shall include such information reported prior to the enactment of this paragraph. At a minimum such recognition shall annually be published in the Federal Register.

''(6) REVIEW AND REVISION OF GUIDELINES.—

''(A) IN GENERAL.—Not later than 1 year after the date of enactment of this subparagraph, the Secretary of Energy, acting through the Administrator of the Energy Information Administration, shall conduct a review of guidelines established under this section regarding the accuracy and reliability of reports of greenhouse gas reductions and related information.

''(B) CONTENTS.—The review shall include the consideration of the need for any amendments to such guidelines, including—

''(i) a random or other verification process using the authorities available to the Secretary under other provisions of law;

''(ii) a range of reference cases for reporting of project-based activities in sectors, including the measures specified in subparagraph (1)(B) of this subsection, and the inclusion of benchmark and default methodologies and best practices for use as reference cases for eligible projects;

''(iii) issues, such as comparability, that are associated with the option of reporting on an entity-wide basis or on an activity or project basis; and

''(iv) safeguards to address the possibility of reporting, inadvertently or otherwise, of some or all of the same greenhouse gas emissions reductions by more than one reporting entity or person and to make corrections where necessary;

''(v) provisions that encourage entities or persons to register their certified, by appropriate and credible means, baseline emissions levels on an annual basis, taking into consideration all of their reports made under this section prior to the enactment of this paragraph;

''(vi) procedures and criteria for the review and registration of ownership of all or part of any reported and verified emissions reductions relative to a reported baseline emissions level under this section; and

''(vii) accounting provisions needed to allow for changes in registration of ownership of emissions reductions resulting from a voluntary private transaction between reporting entities or persons.

For the purposes of this paragraph, the term ''reductions'' means any and all activities taken by a reporting entity or person that reduce, avoid or sequester greenhouse gas emissions, or sequester greenhouse gases from the atmosphere.

''(C) ECONOMIC ANALYSIS.—The review should consider the costs and benefits of any such amendments, the effect of such amendments on participation in this program, including by farmers and small businesses, and the need to avoid creating undue economic advantages or disadvantages for persons or entities in the private sector. The review should provide, where appropriate, a range of reasonable options that are consistent with the voluntary nature of this section and that will help further the purposes of this section.

''(D) PUBLIC COMMENT AND SUBMISSION OF REPORT.—The findings of the review shall be made available in draft form for public comment for at least 45 days, and a report containing the findings of the review shall be submitted to Congress and the President no later than one year after date of enactment of this section.

''(E) REVISION OF GUIDELINES.—If the Secretary, after consultation with the Administrator, finds, based on the study results, that changes to the program are likely to be beneficial and cost effective in improving the accuracy and reliability of reported greenhouse gas reductions and related information, are consistent with the voluntary nature of this section, and further the purposes of this section, the Secretary shall propose and promulgate changes to program guidelines based with such findings. In carrying out the provisions of this paragraph, the Secretary shall consult with the Secretary of Agriculture and the Administrator of the Small Business Administration to encourage greater participation by small business and farmers in addressing greenhouse gas emission reductions and reporting such reductions.

''(F) PERIODIC REVIEW AND REVISION OF GUIDELINES.—The Secretary shall thereafter review and revise these guidelines at least once every 5 years, following the provisions for economic analysis, public review, and revision set forth in subsections (C) through (E) of this section.''.

(6) in subsection (c), by inserting ''the Secretary of the Department of Agriculture, the Secretary of the Department of Commerce, the Administrator of the Energy Information Administration, and'' before ''the Administrator''; and

(7) by adding at the end the following:

''(d) PUBLIC AWARENESS PROGRAM.—

''(1) IN GENERAL.—The Secretary shall create and implement a public awareness program to educate all persons in the United States of—

''(A) the direct benefits of engaging in voluntary greenhouse gas emissions reduction measures and having the emissions reductions certified under this section and available for use therein; and

''(B) the ease of use of the forms and procedures for having emissions reductions certified under this section.

''(2) AGRICULTURAL AND SMALL BUSINESS OUTREACH.—The Secretary of Agriculture and the Administrator of the Small Business Administration shall assist the Secretary in creating and implementing a targeted public awareness program to encourage voluntary participation by small businesses and farmers.''.

SEC. 8. REVIEW OF FEDERALLY FUNDED ENERGY TECHNOLOGY RESEARCH AND DEVELOPMENT.

(a) IN GENERAL.—Title XVI of the Energy Policy Act of 1992 (42 U.S.C. 13381 et seq.) is amended by adding the following new section:

''SEC. 1610. REVIEW OF FEDERALLY FUNDED ENERGY TECHNOLOGY RESEARCH AND DEVELOPMENT.

''(a) DEPARTMENT OF ENERGY REVIEW.—

''(1) IN GENERAL.—The Secretary shall review annually all federally funded research and development activities carried out with respect to energy technology; and submit to a report to Congress by October 15 of each year.

''(2) ASSESSMENT OF TECHNOLOGY READINESS AND BARRIERS TO DEPLOYMENT.—As part of this review, the Secretary shall—

''(A) assess the status and readiness (including the potential commercialization) of each energy technology and any regulatory or market barriers to deployment;

''(B) consider—

''(i) the length of time it will take for deployment and use of the energy technology and for the technology to have a meaningful impact on emission reductions;

''(ii) the cost of deploying the energy technology; and

''(iii) the safety of the energy technology;

''(C) assess the available resource base for any energy resources used by the energy technology, and the potential for expanded sustainable use of the resource base; and

''(D) recommend to Congress any changes in law or regulation deemed appropriate by the Secretary to hasten deployment and use of the energy technology.

(b) ENERGY TECHNOLOGY RESEARCH AND DEVELOPMENT CLEARINGHOUSE.—The Secretary shall establish an information clearinghouse to facilitate the transfer and dissemination of the results of federally funded research and development activities being carried out on energy technology subject to any restrictions or safeguards established for national security or the protection of intellectual property rights (including trade secrets and confidential business information protected under section 552(b)(4) of title 5, United States Code).''.

(c) TECHNICAL AMENDMENT.—The table of contents of the Energy Policy Act of 1992 (106 Stat. 2776) is amended by inserting after the item relating to section 1609 the following:

''Sec. 1610. Review of federally funded energy technology research and development.''.

SEC. 9. OFFICE OF APPLIED ENERGY TECHNOLOGY AND GREENHOUSE GAS MANAGEMENT.

Section 1603 of the Energy Policy Act of 1992 (42 U.S.C. 13383) is amended to read as follows:

''SEC. 1603. OFFICE OF APPLIED ENERGY TECHNOLOGY AND GREENHOUSE GAS MANAGEMENT.

''(a) ESTABLISHMENT.—There is established by this section in the Department of Energy an Office of Applied Energy Technology and Greenhouse Gas Management.

''(b) FUNCTION.—The Office shall—

''(1) establish appropriate quantitative performance and deployment goals for energy technologies that reduce, avoid, or sequester emissions of greenhouse gases, provided that such goals are consistent with any national climate change strategy;

''(2) manage domestic and international energy technology demonstration and deployment programs for energy technologies that reduce, avoid or sequester emissions of greenhouse gases, including those authorized under this title; provided that such programs supplement and do not replace existing energy research and development activities within the Department;

''(3) facilitate the development of domestic and international cooperative research and development agreements (as that term is defined in section 12(d)(1) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a(d)(1))), or similar cooperative, cost-shared partnerships with non-Federal organizations to accelerate the rate of domestic and international demonstration and deployment of energy technologies that reduce, avoid or sequester emissions of greenhouse gases;

''(4) conduct necessary programs of monitoring, experimentation, and analysis of the technological, scientific, and economic viability of energy technologies that reduce, avoid, or sequester greenhouse gas emissions; and

''(5) coordinate issues, policies, and activities for the Department regarding climate change and related energy matters pursuant to this title, and coordinate the issuance of such reports as may be required under this title.

''(c) DIRECTOR.—The Secretary shall appoint a director of the Office, who—

''(1) shall report to the Secretary;

''(2) shall be compensated at no less than level IV of the Executive Schedule; and

''(3) at the request of the Committees of the Senate and House of Representatives with appropriation and legislative jurisdiction over programs and activities of the Department of Energy, shall report to Congress on the activities of the Office.

''(d) DUTIES.—The Director shall, in addition to performing all functions necessary to carry out the functions of the Office—

''(1) in the absence of the Secretary's representative for interagency and multilateral policy discussions of global climate change, including the activities of the Committee on Earth and Environmental Sciences as established by the Global Change Research Act of 1990 (15 U.S.C. 2921 et seq.);

''(2) participate, in cooperation with other federal agencies, in the development and monitoring of domestic and international policies for their effects on any kind of climate change globally and domestically and on the generation, reduction, avoidance, and sequestration of greenhouse gases;

''(3) develop and implement a balanced, scientific, non-advocacy educational and informational public awareness program on—

''(A) potential climate change, including any known adverse and beneficial effects on the United States and the economy of the United States and the world economy, taking into consideration whether those effects

are known or expected to be temporary, long-term, or permanent;

''(B) the role of national energy policy in the determination of current and future emissions of greenhouse gases, particularly measures that develop advanced energy technologies, improve energy efficiency, or expand the use of renewable energy or alternative fuels; and

''(C) the development of voluntary means and measures to mitigate or minimize significant adverse effects of climate change and, where appropriate, to adapt, to the greatest extent practicable, to climate change;

''(4) provide, consistent with applicable provisions of law, public access to all information on climate change, effects of climate change, and adaptation to climate change; and

''(5) in accordance with all law administered by the Secretary and other applicable Federal law and contracts, including patent and intellectual property laws, and in furtherance of the United Nations Framework Convention on Climate Change—

''(i) identify for, and transfer, deploy, diffuse, and apply to, Parties to such Convention, including the United States, any technologies, practices, or processes which reduce, avoid, or sequester emissions of greenhouse gases if such technologies, practices or processes have been developed with funding from the Department of Energy or any of its facilities or laboratories; and

''(ii) support reasonable efforts by the Parties to such convention, including the United States, to identify and remove legal, trade, financial, and other barriers to the use and application of any technologies, practices, or processes which reduce, avoid, or sequester emissions of greenhouse gases.''.

SEC. 10. COORDINATION OF GLOBAL CHANGE RESEARCH.

(a) DEFINITIONS.—As used in this section, the term—

(1) ''Committee'' means the Committee on Earth and Environmental Sciences established under Section 102 of the Global Change Research Act of 1990 (15 U.S.C. 2933).

(2) ''Program'' means the United States Global Change Research Program established under Section 103 of the Global Change Research Act of 1990 (15 U.S.C. 2933).

(b) COORDINATION OF CLIMATE OBSERVATION ACTIVITIES.—At the direction of the Committee, the Director of the Program shall develop and implement activities within the Program that—

(1) coordinate system design and implementation and operation of a multi-user, multi-purpose long-term climate observing system for the measurement and monitoring of relevant climatic variables;

(2) carry out basic research, development and deployment of innovative scientific techniques and instruments (both in-situ and space-based) for measurement and monitoring of relevant climatic variables;

(3) coordinate Program activities to ensure the integrity and continuity of data records; including—

(i) calibration and inter-comparison of multiple instruments that measure the same climatic variable or set of variables;

(ii) backup instruments to ensure data record continuity; and

(iii) documentation of changes in instruments, observing practices, observing locations, sampling rates, processing algorithms and other changes;

(4) establish ongoing activities for the development, implementation, operation and management of climate-specific observational programs, with special emphasis on activities that seek the most efficient and reliable means of observing the climate system;

(5) coordinate activities of the Program that contribute to the design, implementation, operation, and data management activities of international climate system observation networks; and

(6) establish and maintain a free and openly accessible national data management system for the storage, maintenance, and archival of climate observation data, with an emphasis on facilitating access to, use of and interpretation of such data by the scientific research community and the public.

(c) COORDINATION OF CLIMATE MODELING ACTIVITIES.—At the direction of the Committee, the Director of the Program shall develop and implement activities within the Program that—

(1) establish and periodically revise a national climate system modeling strategy designed to position the United States as a world leader in all aspects of climate system modeling;

(2) coordinate Program activities designed to carry out such a national climate system modeling strategy;

(3) carry out basic research, development and deployment of innovative computational techniques for climate system modeling;

(4) develop the intellectual and computational capacity to carry out climate system modeling activities to assess the potential consequences of climate change on the United States;

(5) carry out the continued development and inter-comparison of United States climate models with special emphasis on activities that—

(i) establish the ability of United States climate models so successfully reproduce the historical climate observational record;

(ii) incorporate new climate system processes or improve spatial or temporal resolution of climate model simulations;

(iii) develop standardized tools and structures for climate model output, evaluation and programming design;

(iv) improve the accuracy and completeness of supporting data sets used to drive climate models; and

(v) reduce uncertainty in assessments of climate change and its impacts on the United States;

(6) coordinate activities of the Program that contribute to the design, implementation, operation, and data analysis activities of international climate system modeling inter-comparisons and assessments; and

(7) establish and maintain a free and openly accessible national data management system for the storage, maintenance, and archival of climate model code, auxiliary data, and results, with an emphasis on facilitating access to, use of and interpretation of such data by the scientific research community and the public.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $50,000,000 for each of fiscal years 2002 through 2004, to remain available until expended, and thereafter such sums as are necessary.

(e) USE OF EXISTING INFRASTRUCTURE.—In carrying out new activities under subsections (b) and (c) of this section, the Program shall, where possible, use and incorporate existing Program activities and resources, such as Program Working Groups.

CLIMATE CHANGE RISK MANAGEMENT ACT OF 2001 SECTION-BY-SECTION ANALYSIS

Section 1—Short Title
Section 2—Findings
Section 3—Definitions
Section 4—National Climate Change Strategy

Amends Section 1601 of the Energy Policy Act of 1992 to require the President, in consultation with Federal agencies and the Congress, to develop a national strategy to manage the risks posed by potential climate change. The goal of such strategy would be to implement the UN Framework Convention on Climate Change in a manner that 1. does not cause serious harm to the U.S. economy; 2. establishes and maintains U.S. leadership in scientific research and technology development; and 3. results in annual net reductions of U.S. greenhouse gas emissions as measured against the U.S. gross domestic production. Requires a biannual report to Congress on the strategy and programs to implement the strategy, following review and evaluation of the strategy by the National Academies in light of new information on the science, technology, or economics of climate change.

Section 5—Climate Technology Research, Development, and Demonstration Program

Amends Section 1604 of the Energy Policy Act of 1992 to establish a new energy technology program within the Department of Energy to further development and deployment of technologies to reduce, avoid or sequester greenhouse gas emissions. Authorizes $2 billion over ten years for competitive multi-year grant awards that foster development and deployment of existing and new energy efficient, fossil, nuclear, renewable and sequestration technologies.

Section 6—International Energy Technology Deployment Program

Establishes a new international energy technology deployment pilot program under Section 1608 of the Energy Policy Act of 1992 to assist developing countries in meeting development goals with fewer greenhouse gas emissions. Authorizes $1 billion over ten years for loans or loan guarantees to be made to firms or consortia that construct energy production facilities outside the United States, provided such facilities result in gains in energy efficiency and reductions in greenhouse gas emissions relative to existing technologies.

Section 7—National Greenhouse Gas Emissions Registry

Amends Section 1605 of the Energy Policy Act of 1992 to provide for development of national registry of greenhouse gas emissions baselines and actions to voluntarily reduce emissions. Modeled after several state initiatives already under way, this section provides for the Secretary of Energy to initiate a stakeholder-led process to develop new guidelines for the existing voluntary emissions reduction reporting system (''1605(b)'') that improve the accuracy and reliability of voluntary reports made to this program, establish consistent reporting procedures and independent verification, and allow for registration of emissions baselines and emissions reductions made against such baselines. Includes provisions to encourage participation by small businesses and farmers. Upon completion of review of guidelines, provides for public comment and revision of guidelines if cost-effective.

Section 8—Review of Federally Funded Energy Technology Research and Development

Adds a new Section 1610 to the Energy Policy Act of 1992 to provide for a regular review of federally funded energy technology research and development, including the programs authorized in this bill. The review will consider cost, safety, resource availability, technology readiness, including potential for commercial application, and barriers to deployment in widespread use. Also establishes an ''Energy Technology R&D Clearinghouse'' to disseminate to the private sector and the public information on energy technology research and development activities within the Department of Energy, as well as technologies available for deployment through public-private partnerships.

Section 9—Office of Applied Energy Technology and Greenhouse Gas Management

Amends Section 1603 of the Energy Policy Act of 1992 to create a new office within the Department of Energy to manage applied energy technology activities, public-private partnerships, and activities to reduce, avoid, or sequester greenhouse gases. In addition to administering the programs authorized by this bill, the Office will supplement existing activities of the Department by working to increase the rate at which new energy technologies are applied, developed and deployed for widespread use. The Office will also function to coordinate domestic and international cooperative energy research, development, demonstration and deployment activities within the Department and participate in interagency activities with respect to climate change research and technology programs.

Section 10—Coordination of Global Change Research

Provides the Director of the U.S. Global Change Research Program (USGCRP) with new authority for the purposes of coordinating and strengthening scientific research with respect to climate observation systems and climate modeling, as suggested by recent National Academy reports on the state of U.S. climate change research. Authorizes $50 million in new funding for each of fiscal years 2002 through 2004, and such sums as are necessary thereafter. Requires that the Program utilize where possible existing Working Groups and other resources in laboratory activities.

Mr. HAGEL. Mr. President, I am proud to join my colleagues Senators FRANK MURKOWSKI and LARRY CRAIG today I introducing legislation that takes a comprehensive approach to domestic efforts on climate change.

This legislation provides a forward-looking, balanced approach to address the challenge of climate change. There's a lot we can do, and this legislation lays out a comprehensive approach that will reduce greenhouse gas emissions without damaging the U.S. economy. It provides an incentive-based, market oriented framework that will produce results. It focuses on developing advanced technologies to reduce, sequester or avoid greenhouse gas emissions. These technologies are the long term answer to this challenge. And it focuses our scientific research in this area.

Specifically, the Climate Change Risk Management Act of 2001 provides for: a national climate change strategy; new funding to advance the research, development and deployment of new technologies to reduce, avoid or sequester greenhouse gas emissions $2 billion over 10 years; the creation of a national registry of voluntary actions that have been taken to reduce, avoid or sequester greenhouse gas emissions; a pilot program to assist in the exports of advanced technology to developing countries, $1 billion over 10 years for a loan program; better coordination of federal scientific research; an office in the Department of Energy to coordinate the R&D efforts for new technologies, that is accountable to the Secretary, the President and the Congress.

This legislation is very consistent with the approach presented by President Bush and builds on the efforts that Senators MURKOWSKI, CRAIG, and I—along with Senator BYRD and others—have pursued for some time to advance our efforts in the area of climate change. I am pleased that Senators PETE DOMENICI, PAT ROBERTS, and CHRISTOPHER BOND are also original cosponsors of this legislation.

By Mr. LEVIN (for himself and Mr. THOMAS):

S. 1295. A bill to amend title 18, United States Code, to revise the requirements for procurement of products of Federal Prison Industries to meet needs for Federal agencies, and for other purposes; to the Committee on the Judiciary.

Mr. LEVIN. Madam President, I am pleased to be joined by Senator CRAIG THOMAS in introducing the Federal Prison Industries Competition in Contracting Act. Our bill is based on a straightforward premise: it is unfair for Federal Prison Industries to deny citizens in the private sector an opportunity to compete for sales to their own government.

I repeat: the bill that we are introducing today, if enacted, would do nothing more than permit private sector companies to compete for Federal contracts that are paid for with their tax dollars. It may seem incredible that they are denied this opportunity today, but that is the law, because if Federal Prison Industries says that it wants a contract, it gets that contract, regardless whether a company in the private sector may offer to provide the product better, cheaper, and faster.

This bill would not limit the ability of Federal Prison Industries to sell its products to Federal agencies. It would simply say that these sales should be made on a competitive, rather than a sole-source basis.

FPI also has a significant advantage in any competition with the private sector, since FPI pays inmates less than two dollars an hour, far below the minimum wage and a small fraction of the wage paid to most private sector workers in competing industries. And of course, the taxpayers provide a direct subsidy to Federal Prison Industries products by picking up the cost of feeding, clothing, and housing the inmates who provide the labor. Given those advantages, there is no reason why we should still require Federal agencies to purchase products from FPI even when they are more expensive and of a lower quality than competing commercial items. I can think of no reason why private industry should be prohibited from competing for these Federal agency contracts.

We have made several changes to this bill since it was introduced in the 106th Congress. The three new sections are intended to address new abuses by FPI that have arisen in the last few years: section 3 of the bill would prohibit FPI from granting prison workers access to classified information or information that is protected under the Privacy Act; section 4 of the bill would clarify that private sector businesses and their employees must be permitted to compete for federal subcontracts as well as prime contracts; and section 5 of the bill would clarify that the general prohibition on sales of prison-made goods into private commerce is also intended to apply to sales of services.

These changes should strengthen the bill and reinforce its underlying intent.

Federal Prison Industries has repeatedly claimed that it provides a quality product at a price that is competitive with current market prices. Indeed, the Federal Prison Industries statute requires them to do so. That statute states that FPI may provide to Federal agencies products that ''meet their requirements'' at price that do not ''exceed current market prices''.

Yet, FPI remains unwilling to compete with private sector businesses and their employees, or even to permit Federal agencies to compare their products and prices with those available in the private sector. Indeed, FPI has tried to prohibit Federal agencies from conducting market research, as they would ordinarily do, to determine whether the price and quality or FPI products is comparable to what is available in the commercial marketplace. Instead, Federal agencies are directed to contact FPI, which acts as the sole arbiter of whether the product meets the agency's requirements.

The reason for FPI's position is obvious: it is much easier to gain market share by fiat than it is to compete for business. Under FPI's current interpretation of the law, it need not offer the best product at the best price; it is sufficient for it to offer an adequate product at an adequate price, and insist upon its right to make the sale. Indeed, FPI currently advertises that it offers Federal agencies ''ease in purchasing'' through ''a procurement with no bidding necessary.''

The result of the FPI's status as a mandatory source is not unlike the result of other sole-source contracting: the taxpayers frequently pay too much and receive an inferior product for their money. When FPI sets its prices, it does not even attempt to match the best price available in the commercial sector; instead, it claims to have charged a ''market price'' whenever it can show that at least some vendors in the private sector charges as high a price. As GAO reported in August 1998, ''The only limit the law imposes on FPI's price is that it may not exceed the upper end of the current market price range.''

The result is frustrating to private sector businesses and their employees who are denied an opportunity to complete for Federal business, as well as to the Federal agencies who are forced to buy FPI products. One letter that I received from a frustrated vendor stated with regard to UNICOR—the trade name used by Federal Prison Industries:

If the Air Force would purchase a completed unit as described in UNICOR's solicitation directly from a . . . manufacturer we estimate the cost will be approximately $6,500. UNICOR is going to purchase a kit for $9,259 and add their assembly and administrative costs to the unit. If UNICOR only adds $1,500 to the total cost of the unit, it will cost the Air Force $10,759. This is 66 percent higher than the current market price. If the Air Force purchases 8,000 units over the next five years it will cost the taxpayers an additional $34,072,000 over what it would cost if they dealt directly with a manufacturer.

A letter from a second frustrated vendor stated, also with regard to UNICOR:

UNICOR bid on this item and simply because UNICOR did bid, I was told that the award had to be given to UNICOR. UNICOR won the bid at $45 per unit. My company bid $22 per unit. The way I see it, the government just overspend my tax dollars to the tune of $1,978. The total amount of my bid was less than that. Do you seriously believe that this type or procurement is cost-effective?

I lost business, and my tax dollars were misused because of unfair procurement practices mandated by federal regulations. This is a prime example, and I am certain not the only one, of how the procurement system is being misused and small businesses in this country are being excluded from competition, with the full support of federal regulations and the seeming approval of Congress. It is far past the time to curtail this 'company' known as Federal Prison Industries and require them to be competitive for the benefit of all taxpayers.

I am a strong supporter of the idea of putting federal inmates to work. I understand that a strong prison work program not only reduces inmate idleness and prison disruption, but can also help build a work ethic, provide job skills, and enable prisoners to return to product society upon their release.

However, I believe that a prison work program must be conducted in a manner that is sensitive to the need not to unfairly eliminate the jobs of hard-working citizens who have not committed crimes. FPI will be able to achieve this result only if it diversifies its product lines and avoids the temptation to build its workforce by continuing to displace private sector jobs in its traditional lines of work. For this reason, I have been working since 1990 to try to help Federal Prison Industries to identify new markets that it can expand into without displacing private sector jobs, with a particular emphasis on markets for products that are currently imported.

Avoiding competition is the easy way out, but it isn't the right way for FPI, it isn't the right way for the private sector workers whose jobs FPI is taking, and it isn't the right way for the taxpayer, who will continue to pay more and get less as a result of the mandatory preference for FPI goods. We need to have jobs for prisoners, but can no longer afford to allow FPI to designate whose jobs it will take, and when it will take them. Competition will be better for FPI, better for the taxpayer, and better for working men and women around the country.

The fight to allow private industry to compete against Federal Prison Industries is far from over, but I am optimistic that it can be won in this Congress.

Mr. THOMAS. Madam President, today I am pleased to join Senator LEVIN in introducing a bill that will further my efforts to limit government competition with the private sector. Senator LEVIN and I propose to eliminate the mandatory contracting requirement that Federal agencies are subject to when it comes to products made by the Federal Prison Industries, FPI. Under law, all Federal agencies are required to purchase products made by the FPI. Simply put, this bill will require the FPI to compete with the private sector for Federal contracts.

Currently, the FPI employs approximately 22,000 Federal prisoners or roughly 20 percent of all Federal prisoners. These prisoners are responsible for producing a diverse range of products for the FPI, ranging from office furniture to clothing. The remaining 80 percent of Federal prisoners, who work, do so in and around Federal prisons.

While Senator LEVIN and I believe that it is important to keep prisoners working, we do not believe that this effort should unduly harm or conflict with law-abiding businesses. This bill seeks to minimize the unfair competition that private sector companies face with the FPI.

The FPI's mandatory source requirement not only undercuts private business throughout America, but its mandatory source preference oftentimes costs American tax payers more money. I believe American taxpayers would be alarmed to learn of the preferential treatment that the FPI enjoys when it comes to Federal contracts.

As I said before, Senator LEVIN and I support the goal of keeping prisoners busy while serving their time in prison. However, if we allow competition in Federal contracts, the FPI will be required to focus its efforts in product areas that don't unfairly compete with the private sector. Clearly, competitive bidding is a reasonable process that will ensure taxpayer's dollars are being spent justly.

Of particular note, our bill allows contracting officers, within each Federal agency, the ability to select the FPI for contracts if he/she believes that the FPI can meet that particular agency's requirements and the product is offered at a fair and reasonable price. Currently, the FPI prohibits Federal agencies from conducting market research to determine whether the price and quality of its products is comparable to those available in the private sector. The above outlined provision in our bill seeks to place the control of government procurement in the hands of contracting officers, rather than in the hands of the FPI.

In addition to establishing a competitive procedure for the procurement of products, we include a provision that allows the Attorney General to grant a waiver to this process if a particular contract is deemed essential to the safety and effective administration of a particular prison.

I am confident that by allowing competition for government contracts our bill will save tax dollars. As Congress looks for additional cost saving practices, the elimination of the FPI's mandatory source preference will bring about numerous improvements, not just in cost savings, but also a streamlining of the FPI's products.

By Mr. DODD:

S. 1296. A bill to provide for the protection of the due process rights of United States citizens (including United States servicemembers) before foreign tribunals, including the International Criminal Court, for the prosecution of war criminals, and for other purposes; to the Committee on Foreign Relations.

Mr. DODD. Madam President, the Nuremberg Trial of the leading Nazi war criminals following World War II was a landmark in the struggle to deter and punish crimes of war and genocide, setting the stage for the Geneva and Genocide Conventions. It was also largely an American initiative. Justice Robert Jackson's team drove the process of drafting the indictments, gathering the evidence and conducting this extraordinary case.

My father, Thomas J. Dodd, served as Executive Trial Counsel at Nuremberg, it was among his proudest accomplishments. But it was also part of a common theme that ran through a lifetime of public service. He believed that America had a special role to help make the rule of law relevant in every corner of the globe. I believe that he would have endorsed President Clinton's decision to sign the Rome Statute last December on behalf of the United States. President Clinton did so knowing full well that much work remains to be done before the United States can become a party to the U.N. convention establishing an International Criminal Court, ICC.

The Bush administration is currently reviewing its options with respect to the Rome Statute and with respect to the ongoing preparatory work that is necessary to make the court operational once sixty parties have ratified. The so called American Servicemembers' Protection Act of 2001 sponsored by Senators HELMS and Congressman DELAY in the Senate and House, respectively, if enacted into law, will severely limit the Bush administration's options for interacting with our friends and allies about issues directly related to the ICC, as well as have a major impact on possible United States participation in the ICC at some date in the future. Among other things, their legislation would prevent the U.S. from helping to prosecute war criminals before the ICC even on a case-by-case basis. Elie Wiesel has written that this legislation would erase America's Nuremberg legacy ''by

ensuring that the U.S. will never again join the community of nations to hold accountable those who commit war crimes and genocide. A vote for this legislation would signal U.S. acceptance of impunity for the world's worst atrocities.''

That is why I am introducing ''The American Citizens Protection and War Criminal Prosecution Act of 2001.'' The American Citizens Protection Act, today in the Senate to both protect America's Nuremberg legacy while at the same time safeguarding the rights of American citizens brought before foreign tribunals. My friend and House colleague, WILLIAM DELAHUNT of Massachusetts is also introducing a companion bill in the House today. Our bill calls for active U.S. diplomatic efforts to ensure that the ICC functions properly, mandates the assertion of U.S. jurisdiction over American citizens and bars the surrender of U.S. citizens to the ICC once the United States has acted. Unlike the American Servicemembers' Protection Act, however, The American Citizens Protection Act allows the United States to help prosecute war criminals and it does not effectively end U.S. participation in U.N. peacekeeping or authorize going to war to obtain the release of certain persons detained by the ICC.

I believe that the bill that has been introduced today in the House and Senate strikes the right balance between protecting our citizens and our men and women in the armed forces who may be traveling or deployed abroad, and preserving United States leadership and advocacy of universal adherence to principles of international justice and the rule of law. I hope that the Bush administration will review carefully provisions of this bill, because I believe taken together they address the administration's concerns about the Rome Statute without doing damage to our national interest or future foreign policy objectives. I look forward to working with Administration officials and with my colleagues on this important issue in the coming weeks.

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

S. 1297. A bill to require comprehensive health insurance coverage for childhood immunization; to the Committee on Health, Education, Labor, and Pensions.

Mr. DURBIN. Madam President, I rise today to kick off National Immunization Awareness Month by introducing legislation to expand access to affordable childhood and adolescent immunizations. I am pleased that my colleague, Senator REED, joins me in this initiative.

Immunization against vaccine-preventable disease is perhaps the most powerful health care and public health achievement of the 20th Century. Remarkable advances in the science of vaccine development and widespread immunization efforts have led to a substantial reduction in the incidence of infectious disease. Today, vaccination coverage is at record high levels. Smallpox has been eradicated; polio has been eliminated from the Western Hemisphere; and measles, pertussis and Hib invasive disease have been reduced to record lows.

The bill I introduce today builds on these successes. ''The Comprehensive Insurance Coverage of Childhood Immunization Act of 2001,'' ensures that all health plans cover the recommended childhood and adolescent immunizations. This improvement is simple, it is cost effective, and it is long overdue.

More than 3.6 million children currently insured in the private sector are not covered for the recommended immunizations. Millions more have partial insurance for some of the recommended vaccines, but not all. Even if private coverage is complete, cost-sharing may be a significant barrier for many families.

A number of reputable studies confirm these statistics. The Institute of Medicine found in its report of last year that ''While most private health plans provide some form of immunization coverage, this coverage varies by type of plan, as well as by vaccine. Enrollment in a private plan does not guarantee that immunizations will be provided as a plan benefit.'' Results from a 1999 William M. Mercer/Partnership for Prevention survey of employer sponsored health plans found that about one of five employer-sponsored plans does not cover childhood immunizations, and out of four does not cover adolescent immunizations. And researchers at the George Washington University recently collected data on the immunization coverage policies of five health care companies, four national and one regional, that suggest significant variation by type of plan, as well as by vaccine.

The States have enacted some requirements to address these gaps in coverage, albeit limited. Only about 28 states have laws requiring that insurers cover childhood immunizations to some degree. Coverage standards vary considerably from state to state. And, as we know, employers that self-insure are generally exempt from state insurance regulation under the federal Employee Retirement Income Security Act. Approximately 50 million private-insured individuals are covered by self-insured plans.

These gaps are not insignificant. The private sector is a critical partner in vaccine delivery. Almost half, 45 percent, of all vaccine is delivered in the private sector. Certainly most health plans do provide some immunization coverage, but there is a just no reason why every child who has private insurance should not have access to such a basic, essential benefit. This is not only a flaw in our health system, it is simply illogical and irresponsible.

This is the 21st Century. We have long since learned how important immunizations are to the health of children and adolescents and to entire communities. At the beginning of the 20th century, infectious diseases were widely prevalent in the United States and exacted an enormous toll on the population. For example, in 1900, 21,064 smallpox cases were reported, and 894 patients died. In 1920, 469,924 measles cases were reported, and 7,575 patients died; 147,991 diphtheria cases were reported, and 13,170 patients died. In 1922, 107,473 pertussis cases were reported, and 5,099 patients died. Today these numbers are unheard of, and overall U.S. vaccination coverage is at record high levels.

But despite the dramatic declines in vaccine-preventable diseases, such diseases persist, particularly in developing countries but also in our own.

Just this past June, the Chicago Sun Times reported that a new study found ''distressingly low'' vaccination rates in a South Side Chicago neighborhood of Englewood. Twenty-six percent of children under the age of three have not been vaccinated for measles in this community. In 1999, the measles preschool vaccination rate for all of Chicago was 86 percent, down from 90 percent in 1996. In many pockets of the city, such as Englewood, rates are much lower than average. It was just a little over a decade ago that such low vaccination rates led to an epidemic of the highly contagious disease. In 1990 there were more than 4,200 cases of measles and 15 deaths in the Chicago area.

It is also important to keep in mind that an estimated 11,000 children are born each day in the United States. Every year, approximately 170,000 of these babies are born into families with private health insurance that does not cover immunizations. Each one of these children needs up to 20 doses of vaccine by age two to be protected against childhood diseases.

We must remain vigilant. Insuring universal age-appropriate vaccine coverage requires a strong and consistent partnership among State, local and Federal Governments, vaccine industry leaders, private and public health insurers and policymakers. From the beginning, immunization financing was explicitly structured to be a Federal/State/private-sector partnership. In 1955, under President Eisenhower, the Federal Government began Federal funding for immunization when he signed the Poliomyelitis Vaccination Assistance Act. This support was expanded in the 1960's under Kennedy when the Vaccination Assistance Act created the National Immunization Program at CDC. Over the years, Federal support for vaccine purchase and assistance to states for immunization activities has grown.

Today, Federal and State grants, the State Children's Health Insurance Program, the Vaccines for Children's Program and private-sector health plans and providers together provide a comprehensive approach to get our Nation's children immunized. This system

is the result of a concerted effort to fill in the gaps in coverage. But the system must adapt to new science and new social conditions. Shifting finance patterns require all partners to adapt to minimize system instability. For example, last year, after the Institute of Medicine reported that Federal funding has waned and that the public system was becoming increasingly unstable, Congress increased the appropriation for immunization infrastructure and vaccine purchase grants.

The public system cannot do it alone. Maintaining high immunization rates is a public health responsibility that must be shared by both the public and private sector. Most Americans rely on a system of insurance for their care. Most children today receive their immunization services from private-sector providers.

The National Vaccine Advisory Committee, the Institute of Medicine and the American Academy of Pediatrics have recommended that all health plans should offer first-dollar coverage for recommended childhood vaccines. The provisions of this bill have been supported by a broad coalition of groups for many years, including Every Child by Two, the Children's Defense Fund, the American Public Health Association and Partnership for Prevention. Yet still today, many health plans and insurers do not cover all immunizations fully as a covered benefit.

The Comprehensive Insurance Coverage of Childhood Immunization Act implements these long-standing recommendations by requiring all health plans—including groups, individual, and ERISA—cover all vaccines for children and adolescents that are recommended by the Advisory Committee on Immunization Practices. The Advisory Committee on Immunization Practices' recommendations are the standard of care. It is the Committee's Congressionally-mandated job to provide advice and guidance to the Secretary, the Assistant Secretary for Health, and the Centers for Disease Control and Prevention, CDC, on the most effective means to prevent vaccine-preventable diseases.

The Act also directs that health plans cover immunizations without a copayment or deductible. Out-of-pocket costs have been identified as a barrier to proper immunization. In 2001, the cost of fully immunizing one child is approximately $627, with almost half of that cost resulting from the newly-recommended pneumococcal conjugate vaccine series. New vaccines and new combination vaccines currently under development will significantly increase this cost in the future. The U.S. Task Force on Community Preventive Services found that reducing out-of-pocket costs can result in increases in vaccination coverage by improving availability of vaccines and increasing demand for vaccinations. More than a dozen studies have documented the effectiveness of reducing out-of-pocket costs and the resulting improvement in vaccination outcomes.

Another obvious barrier to appropriate immunization is the lack of private coverage itself. Studies have shown that providers are more likely to refer children with less private insurance coverage to other sites for vaccination, and referral practices are known to have an adverse effect on both the timing and the rate of immunization. Service utilization studies within public health clinics indicate that some low-income parents use public clinics because of the reduced cost, even though they might prefer to receive immunizations from regular private providers. This certainly places an unfair burden on parents who have to take their children to different sites for care. It makes it even harder for families to keep track of their children's complicated immunization schedule. And it may result in missed opportunities to immunize children who are lacking needed shots. Studies of the implementation of the Vaccines for Children Program have indicated that referrals to health departments decrease when free vaccines are provided to private providers, suggesting that both parents and providers take advantage of the free vaccines. The Comprehensive Insurance Coverage of Childhood Immunization Act will help parents avoid unnecessary referrals due to lack of coverage or financial barriers and retain their child's medical home.

This practice of referral to public clinics also shifts the cost of vaccinating children from the private sector to taxpayers. Through the Federal Vaccines for Children Program, children with health insurance that does not cover immunization may receive vaccines at a Federally Qualified Health Center or a Rural Health Clinic. Vaccines at these clinics are also supported by federal grants to states for vaccine purchase through the Federal discretionary National Immunization program. States also fund the purchase and distribution of vaccines. When the private sector fails—the public sector picks up the tab.

For this reason, the Congressional Budget Office found that this legislation will increase the budget surplus by $70 million dollars over five years and $150 million dollars over 10 years. This savings is somewhat offset by the reduction in Federal tax receipts, but still saves $20 million over five years and costs less than $35 million over 10 years. There is no doubt that the States would see similar savings. Many States contribute up to 30 percent of the public sector vaccine purchase bill. This means that State funds, like Federal funds, are picking up the tab for kids with private insurance. And the CBO found that the new requirement would have a negligible effect on health insurance premiums, increasing premium costs, if at all, by no more than 0.1 percent.

Private providers should find comprehensive childhood vaccination cost-effective as well. Immunizations are one of the rare health services that have been proven to save money. The Measles-Mumps Rubella, MMR, vaccine saves $10.30 in direct medical costs for every $1 dollar invested. The diphtheria and tetanus toxoids and pertussis DTP vaccine saves $8.50 for every $1 dollar spent. The Haemophilus influenzae type b (Hib) vaccine saves $1.40 per dollar. The Inactivated Polio Vaccine, IPV, saves $3.03 for every $1 dollar investment. These figure are all direct medical savings.

It is rare that we have policy decisions that are this easy to make. The Comprehensive Insurance Coverage of Childhood Immunization Act will help millions of working families afford the immunization they need to protect their children. It represents a shared responsibility that we all have to our communities. Like safe food and clean water, high immunization rates safeguard all of us. I urge my colleagues to support this legislation and to act promptly to pass it on behalf of American families.

By Mr. HARKIN (for himself, Mr. SPECTER, Mr. KENNEDY, Mr. BIDEN and Mrs. CLINTON):

S. 1298. A bill to amend title XIX of the Social Security Act to provide individuals with disabilities and older Americans with equal access to community-based attendant services and supports, and for other purposes; to the Committee on Finance.

Mr. HARKIN. Madam President, just a few days ago, the Nation celebrated the 11th anniversary of the Americans with Disabilities Act, ADA. When we passed the ADA, we told Americans with disabilities that the door to equal opportunity was finally open.

And the ADA has opened doors of opportunity, plenty of them. Americans with disabilities now expect to be treated as full citizens, with all the rights and responsibilities that entails. And they are participating in American life like never before in our Nation's history.

Indeed, eleven years after the passing of the ADA we have a lot to celebrate.

But we also have a lot of work to do. We need to make sure our Federal policies further the principle of independence for all that we agreed on eleven ago. For example, a few years ago Congress recognized that in order for people with disabilities to join the workforce, we would need to remove the disincentives to work embedded in our Medicaid and Social Security statutes. After passage of the Ticket to Work and Work Incentives bill, people with disabilities should no longer have to choose between going to work and receiving necessary health care services.

Today, Senator SPECTER and I introduce a bill that reflects another policy I am sure we can all agree on. In order to go work or live in their own homes, Americans with disabilities and older Americans need access to community-based services and supports. Unfortunately, under current Federal Medicaid

policy, the deck is stacked against community living. The purpose of our bill is to level the playing field and give eligible individuals equal access to community-based services and supports.

The Medicaid Community-Based Attendant Services and Supports Act does three things. First, the bill amends Title XIX of the Social Security Act to provide a new Medicaid plan benefit that would give individuals who are eligible for nursing home and ICF-MR services equal access to community-based attendant services and supports.

Second, for a limited time, States would have the opportunity to receive an enhanced match rate for community attendant services and supports and for certain administrative activities to help them reform their long term care systems.

Third, the bill provides State with financial assistance to support ''real choice systems change initiatives'' that include specific action steps for the provision of community-based long term community services and supports.

Finally, the bill establishes a demonstration project to evaluate service coordination and cost sharing approaches with respect to the provision of services and supports to daily eligible individuals with disabilities under the age of 65.

States are already out ahead of us here in Washington on this issue. Spending under the Medicaid home and community based waiver program has grown tenfold in the past ten years. Every State offers certain services under home and community based waivers. Almost 30 States are now providing the personal care optional benefit through their Medicaid programs. More than 2½ times more people are served in home and community-based settings than in institutional settings.

The States have realized that community based care is both popular and cost effective, and community-based attendant services and supports are a key component of a successful program.

However, despite this marked progress, home and community based services are unevenly distributed within and across States and only reach a small percentage of eligible individuals.

The numbers speak volumes. Only about 27 percent of long term care funds expended under Medicaid, and only about 9 percent of all funds expended under the program, pay for services and supports in home and community-based settings. That means that right low a large majority of Medicaid long term care funding is not being used to further independence. In fiscal year 2000, only 3 States spent 50 percent or more of their long term care funds under the Medicaid program on home and community-based care. And that means that individuals do not have equal access to community based care.

Of course, numbers only tell a part of the story. This bill is about real people in real communities. Take the example of a friend of mine in Iowa. Dan Piper works at a hardware store. He has his own apartment and just bought a VCR. He also has Down's syndrome and diabetes. For years Dan has received services through a community waiver program. But, last year, his community-based supports were threatened because he wasn't sure he'd be able to find a provider to deliver the optional waiver service. The result? He almost had to sacrifice his independence just to get services. Today, Dan works and contributes to the economy as both a wage earner and a consumer. But, tomorrow, he could be forced into a nursing home, far from his roommate, his job and his family. That's why our Federal policy must foster comprehensive and consistent access to community-based services and supports in the most integrated setting appropriate.

Federal Medicaid policy should reflect the consensus that Americans with disabilities should have the equal opportunity to contribute to our communities and participate in our society as full citizens. That means people should have access to certain types of services in the community so that they don't have to sacrifice their full participation in society simply because they need a catheter or help getting out of the house in the morning or assistance with medication, or some other basic service.

So, where do we begin? To start, States need time and money to reform their long term care systems. Last year, Senator SPECTER and I worked hard to fund the systems change grants included in Title II of MiCASSA through the Labor-HHS appropriations bill. We included $70 million in grant money to help States reform their long term care programs through systems change initiatives and nursing home transition.

I am very pleased that Secretary Thompson has supported the development and implementation of these grants and included them as part of the President's New Freedom Initiative for people with disabilities. As I understand it, all but two of the eligible States and territories have submitted application to HCFA. This is a great start. And it shows the need for a Federal commitment to this issue. Senator SPECTER and I will work with the Administration and others to ensure that another round of these grants will be available in FY 2002.

Over the past several months, we have also spent some time revising the bill we introduced last Congress. The new version of MiCASSA allows States to phase in the new Medicaid plan benefit over a period of 5 years and provides enhanced math dollars to encourage States to start their reforms as soon as possible. As anyone in the private business world well knows, in order to deliver a better service in a more efficient manner there has to be a strong initial investment. Our bill does just that. We also include a new program to help States pay for people with severe disabilities who are more expensive to serve in the community than the average eligible individual. And, we require a demonstration project to look at cost-sharing between dually Medicaid and Medicare recipients.

The rest of the bill looks a lot like last year. Community-based services and supports help people do tasks that they would do themselves, if they did not have a disability. Our bill would allow any person eligible for nursing home services to use the money for community attendant services and supports. Those services and supports include help with things like eating, bathing, grooming, toileting, and transferring in and out of a wheelchair.

Community-based services and supports are the lowest-cost and most consumer friendly services in the long-term care spectrum. They can be provided by a variety of people, including friends and neighbors of the recipient. In many instances, with supervision, the consumer can direct his or her own care and manage his or her own attendants. This cuts down on expensive administrative overhead and the current practice of relying on medical personnel such as nurses to coordinate a person's care. States can save money and redirect medically-oriented care to those who need it most.

Not only is home and community-based care what people want, it can also be far less expensive. There is a wide variation in the cost of supporting people with disabilities in the community because individuals have different levels of need. But, for the average person, the annual cost of home and community based services is less than one-half the average cost of institutional care.

And, I would be remiss not to mention the importance of quality services and supports. Wherever a person receives Medicaid services and supports, health and safety should be guaranteed. We should build a system that has strong quality controls. The bill includes the same quality protections as last year, but also emphasizes the importance of developing a strong and able workforce in the grants section.

As I said, States have made a great deal of progress in this area. But there is much more to do. The enthusiastic response to the systems change grants shows just how much States need help to reform their long term care systems to implement the principles of independence, community living, and economic opportunity. The Supreme Court found that, to the extent Medicaid dollars are used to pay for a person's long term care, that person has a right to receive those services in the most integrated setting appropriate. We in Congress have a responsibility to help States meet their obligations under Olmstead. It's up to the Federal Government to provide national leadership and adequate resources.

Community-based attendant services and supports allow people with disabilities to lead independent lives, have jobs, and participate in the community. Some will become taxpayers, some will do volunteer work, some will get an education, some will participate in recreational and other community activities. All will experience a better quality of life, and a better chance to take part in the American dream.

I urge my colleagues and their staff to study our proposal over the break. I hope there will be hearings and action on this bill in the next year.

This bill will open the door to full participation by people with disabilities in our workplaces, our economy, and our American Dream, and I urge all my colleagues to support us on this issue. I thank the cosponsors of this bill. Senator KENNEDY and Senator SPECTER have been leaders on disability issues for a long time. And I also thank Senator CLINTON and Senator BIDEN for joining me on this very important issue.

By Mr. DOMENICI (for himself, Mrs. CLINTON, Mr. REID, Mrs. BOXER, Ms. MIKULSKI, Mr. BINGAMAN, and Mrs. HUTCHISON):

S. 1299. A bill to amend the Safe Drinking Water Act to establish a program to provide assistance to small communities for use in carrying out projects and activities necessary to achieve or maintain compliance with drinking water standards; to the Committee on Environment and Public Works.

Mr. DOMENICI. Madam President, I stand before you today to introduce a piece of legislation that will help move many States forward toward compliance with the arsenic drinking water standards the EPA Administrator intends to finalize in February. It has been said that ''a government must not waiver once it has chosen its course. It must not look to the left or to the right, but instead must go forward.'' This is the situation we find ourselves in today, our government has chosen a course and now we have no choice but to move forward.

My bill, the Community Drinking Water Assistance Act, authorizes $1.9 billion dollars to be made directly available to local communities and Tribes through the EPA. EPA would award grants to communities and Tribes needing assistance for projects, activities, technical assistance, or for training and certifying system operators. The criteria for awarding grants would be directly based on financial need and per capita costs of complying with the drinking water standards.

A new arsenic standard was promulgated in the waning hours of the Clinton Administration. While I do not fault the Bush administration for what they inherited, I must admit that I was disappointed when Administrator Whitman set a maximum standard without further scientific basis. It seemed illogical for Ms. Whitman to announce that the National Academy of Sciences would further review the health effects associated with arsenic, while simultaneously placing herself in a box that would set the maximum standard at 20 parts per billion. It would have been more logical to have waited for the studies to be completed before announcing what the standard would or would not be.

The course has been set and I would just like to take a moment to highlight what this course will mean for New Mexicans. First and foremost, Arsenic is naturally occurring in New Mexico. In fact, New Mexico has some of the highest levels of arsenic in the Nation, yet has a lower than average incidence of the diseases associated with arsenic. Nonetheless, for all systems in New Mexico to be in compliance with a standard of 20 parts per billion, we are looking at a minimum price tag of $127 million. What this means to small community water users is more staggering. The average cost to water users, in small systems serving less than 1,000 people, is $57.46, and this is for a standard of 20 parts per billion! The numbers are even more staggering for a 10 part per billion standard.

The New Mexico Environment Department estimates that if the standard is set at 10 parts per billion, approximately 25 percent of New Mexico's water systems will be affected. The price tag for compliance could fall between $400 million and $500 million in initial capital expenditures. Annual operating costs will easily fall anywhere between $16 and $21 million. Additionally, large water system users will see an average monthly water bill increase between $38 and $42 and small system users will see an average water bill increase of $91.

The costs of complying with either of these standards could well put small rural systems out of business, which is the exact opposite of what we should be trying to accomplish, providing a safe and reliable supply of drinking water to rural America. Many New Mexicans cannot afford a minimum $57.46 rate increase in their monthly water bill.

We live in a society that is dedicated to the removal of risk. Generally, when we get unintended consequences associated with risk averse decisions, the government stands ready with band-aids in every size. We still do not have a sound scientific basis suggesting what the actual arsenic standard should be. Therefore, to be ''on the safe side'' and remove risk, the government has chosen to set an arbitrary standard that will increase costs to water users, particularly in the West, by extreme proportions. Therefore, I do not assume that it is unfair to also ask that the government put itself in a position to offer financial assistance to these communities so that they can make the necessary repairs in their water systems to comply with this law. This is the only way to move forward on the course that has been set.

Mrs. CLINTON. Will the Senator yield? I would be honored to be an original cosponsor of that legislation.

Mr. DOMENICI. I ask unanimous consent Senator CLINTON and Senator REID be added as cosponsors.

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

Mrs. BOXER. And Senator BOXER.

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

Mrs. BOXER. See all this great bipartisanship.

Mr. DOMENICI. 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. 1299

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Community Drinking Water Assistance Act''.

SEC. 2. FINDINGS.

Congress finds that—

(1) drinking water standards proposed and in effect as of the date of enactment of this Act will place a large financial burden on many public water systems, especially those public water systems in rural communities serving small populations;

(2) the limited scientific, technical, and professional resources available in small communities complicate the implementation of regulatory requirements;

(3) small communities often cannot afford to meet water quality standards because of the expenses associated with upgrading public water systems and training personnel to operate and maintain the public water systems;

(4) small communities do not have a tax base for dealing with the costs of upgrading their public water systems;

(5) small communities face high per capita costs in improving drinking water quality;

(6) small communities would greatly benefit from a grant program designed to provide funding for water quality projects;

(7) as of the date of enactment of this Act, there is no Federal program in effect that adequately meets the needs of small, primarily rural communities with respect to public water systems; and

(8) since new, more protective arsenic drinking water standards proposed by the Clinton and Bush administrations, respectively, are expected to be implemented in 2006, the grant program established by the amendment made by this Act should be implemented in a manner that ensures that the implementation of those new standards is not delayed.

SEC. 3. ASSISTANCE FOR SMALL PUBLIC WATER SYSTEMS.

(a) DEFINITION OF INDIAN TRIBE.—Section 1401(14) of the Safe Drinking Water Act (42 U.S.C. 300f(14)) is amended in the second sentence by striking ''1452,'' and inserting ''1452 and part G,''.

(b) ESTABLISHMENT OF PROGRAM.—The Safe Drinking Water Act (42 U.S.C. 300f et seq.) is amended by adding at the end the following:

''PART G—ASSISTANCE FOR SMALL PUBLIC WATER SYSTEMS

''SEC. 1471. DEFINITIONS.

''In this part:

''(1) ELIGIBLE ACTIVITY.—

''(A) IN GENERAL.—The term 'eligible activity' means a project or activity concerning a small public water system that is carried out

by an eligible entity to comply with drinking water standards.

''(B) INCLUSIONS.—The term 'eligible activity' includes—

''(i) obtaining technical assistance; and

''(ii) training and certifying operators of small public water systems.

''(C) EXCLUSION.—The term 'eligible activity' does not include any project or activity to increase the population served by a small public water system, except to the extent that the Administrator determines such a project or activity to be necessary to—

''(i) achieve compliance with a national primary drinking water regulation; and

''(ii) provide a water supply to a population that, as of the date of enactment of this part, is not served by a safe public water system.

''(2) ELIGIBLE ENTITY.—The term 'eligible entity' means a small public water system that—

''(A) is located in a State or an area governed by an Indian Tribe; and

''(B)(i) if located in a State, serves a community that, under affordability criteria established by the State under section 1452(d)(3), is determined by the State to be—

''(I) a disadvantaged community; or

''(II) a community that may become a disadvantaged community as a result of carrying out an eligible activity; or

''(ii) if located in an area governed by an Indian Tribe, serves a community that is determined by the Administrator, under affordability criteria published by the Administrator under section 1452(d)(3) and in consultation with the Secretary, to be—

''(I) a disadvantaged community; or

''(II) a community that the Administrator expects to become a disadvantaged community as a result of carrying out an eligible activity.

''(3) PROGRAM.—The term 'Program' means the small public water assistance program established under section 1472(a).

''(4) SECRETARY.—The term 'Secretary' means the Secretary of Health and Human Services, acting through the Director of the Indian Health Service.

''(5) SMALL PUBLIC WATER SYSTEM.—The term 'small public water system' means a public water system (including a community water system and a noncommunity water system) that serves—

''(A) a community having a population of not more than 200,000; or

''(B) the city of Albuquerque, New Mexico.

''SEC. 1472. SMALL PUBLIC WATER SYSTEM ASSISTANCE PROGRAM.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—Not later than 1 year after the date of enactment of this part, the Administrator shall establish a program to provide grants to eligible entities for use in carrying out projects and activities to comply with drinking water standards.

''(2) PRIORITY.—The Administrator shall award grants under the Program to eligible entities based on—

''(A) first, the financial need of the community for the grant assistance, as determined by the Administrator; and

''(B) second, with respect to the community in which the eligible entity is located, the per capita cost of complying with drinking water standards, as determined by the Administrator.

''(b) APPLICATION PROCESS.—

''(1) IN GENERAL.—An eligible entity that seeks to receive a grant under the Program shall submit to the Administrator, on such form as the Administrator shall prescribe (not to exceed 3 pages in length), an application to receive the grant.

''(2) COMPONENTS.—The application shall include—

''(A) a description of the eligible activities for which the grant is needed;

''(B) a description of the efforts made by the eligible entity, as of the date of submission of the application, to comply with drinking water standards; and

''(C) any other information required to be included by the Administrator.

''(3) REVIEW AND APPROVAL OF APPLICATIONS.—

''(A) IN GENERAL.—On receipt of an application under paragraph (1), the Administrator shall forward the application to the Council.

''(B) APPROVAL OR DISAPPROVAL.—Not later than 90 days after receiving the recommendations of the Council under subsection (e) concerning an application, after taking into consideration the recommendations, the Administrator shall—

''(i) approve the application and award a grant to the applicant; or

''(ii) disapprove the application.

''(C) RESUBMISSION.—If the Administrator disapproves an application under subparagraph (B)(ii), the Administrator shall—

''(i) inform the applicant in writing of the disapproval (including the reasons for the disapproval); and

''(ii) provide to the applicant a deadline by which the applicant may revise and resubmit the application.

''(c) COST SHARING.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Federal share of the cost of carrying out an eligible activity using funds from a grant provided under the Program shall not exceed 90 percent.

''(2) WAIVER.—The Administrator may waive the requirement to pay the non-Federal share of the cost of carrying out an eligible activity using funds from a grant provided under the Program if the Administrator determines that an eligible entity is unable to pay, or would experience significant financial hardship if required to pay, the non-Federal share.

(d) ENFORCEMENT AND IMPLEMENTATION OF STANDARDS.—

(1) IN GENERAL.—Subject to paragraph (2), the Administrator shall not enforce any standard for drinking water under this Act (including a regulation promulgated under this Act) against an eligible entity during the period beginning on the date on which the eligible entity submits an application for a grant under the Program and ending, as applicable, on——

(A) the deadline specified in subsection (b)(3)(C)(ii), if the application is disapproved and not resubmitted; or

(B) the date that is 3 years after the date on which the eligible entity receives a grant under this part, if the application is approved.

(2) ARSENIC STANDARDS.—No standard for arsenic in drinking water promulgated under this Act (including a standard in any regulation promulgated before the date of enactment of this part) shall be implemented or enforced by the Administrator in any State until the earlier of January 1, 2006 or such date as the Administrator certifies to Congress that——

(A) the Program has been implemented in the state; and

(B) the State has made substantial progress, as determined by the Administrator in consultation with the Governor of the State, in complying with drinking water standards under this Act.

(e) ROLE OF COUNCIL.—The Council shall——

(1) review applications for grants from eligible entities received by the Administrator under subsection (b); and

(2) for each application, recommend to the Administrator whether the application should be approved or disapproved.

SEC. 1473. AUTHORIZATION OF APPROPRIATIONS.

''There is authorized to be appropriated to carry out this part $1,900,000,000 for the period of fiscal years 2001 through 2006.''

By Mr. BOND:

S. 1301. A bill to amend the Federal Food, Drug, and Cosmetic Act to improve the safety and efficacy of pharmaceuticals for children; to the Committee on Health, Education, Labor, and Pensions.

Mr. BOND. Madam President, I rise today to introduce a bill I call the ''Better Medicine for Children Act.''

This legislation deals with a problem that pediatricians have been confronted with for years, while doctors have a huge variety and choice of medicines to prescribe for different medical conditions, they don't always have enough specific information on how well these drugs work in children.

The Food and Drug Administration tells us that for about 70 to 80 percent of all drugs on the market, we do not have sufficient pediatric information. The FDA has identified more than 400 drugs which are used in children for whom we need more data.

Without pediatric testing for a specific drug, we may now know the proper dose to give to children of different ages or sizes. Without testing, we may not know if the drug is as effective as it is in adults, or even if it works in children at all. Almost all health care practitioners have faced difficult issues because of this scarcity of pediatric drug information.

I want to share a story I have been told that points out exactly how important this pediatric information can be. This real story involves an 18-month-old little boy who was in an intensive care unit following some serious surgery. He was under sedation from a drug known as propofol. At that time, we did not have much specific information on how this drug affected children, but some doctors prescribed the drug for children anyway because they honestly thought it was the best option. For this infant, it clearly was not, because of an adverse reaction to the drug, that baby developed acidosis and had a heart rhythm disturbance, causing a truly life-threatening incident. Fortunately, this little boy did recover. But this was by no means a sure thing.

Back in 1997, Congress decided to deal with this problem. We passed a law that gave pharmaceutical companies a strong incentive to do more pediatric testing so we can get this crucial information. If the company agreed to perform needed pediatric studies on a drug, and did the study exactly as requested by the Food and Drug Administration, the company would get a six-month extension on that drug's patent.

The results have been amazing. Hundreds of pediatric drug studies are underway and are producing huge amounts of new drug information for kids.

One example of new information is the drug propofol, the very drug I mentioned earlier that caused a serious

problem for the 18-month-old boy in the ICU. What they found in extensive pediatric studies done on propofol as a result of the new incentive is that the drug is more dangerous than other alternatives that could be used to sedate pediatric ICU patients.

So because of this testing, propofol would not be used in the same situation today. And that little boy wouldn't have had a life-threatening incident.

So if this incentive exists, and all of this new pediatric testing is being done, what's the problem?

Well, there are actually at least three problems. My legislation will deal with each of them.

First, the incentives expire at the end of this year. My ''Better Medicine for Children Act'' will extend this important and successful program for five more years.

Second, because the incentive used to encourage pediatric testing is an extended patent life, there's actually no incentive to do pediatric studies in drugs whose patent or patents have already expired. My legislation will authorize $200 million in funding so that tests can be performed on these off-patent drugs. The need here is great, of the 400-plus drugs the FDA has singled out for further pediatric study, more than one-third are off-patent.

With regard to these first two pieces of my bill, I should note my debt to legislation introduced by Senators DODD and DEWINE, from which I have based some of my bill. Senators DODD and DEWINE were the original authors of this critical legislation back in 1997. They had a good idea and a good bill then, and they have a good idea and good legislation now. In fact, as a cosponsor of their bill I am pleased to report that the Dodd-DeWine bill was approved earlier today by the Senate HELP Committee.

But my legislation goes beyond other approaches and has a new and unique provision which is not in the Dodd-DeWine bill, and which addresses a third critical problem. This problem is that the new wave of pediatric testing has actually given us relatively little information about how pharmaceuticals affect the youngest children, particularly neonates. This is true because neonates aren't usually included in initial pediatric drug studies for medical or ethical reasons.

You would think that as we are talking about legislation to help ''children'' or ''kids,'' that would be helping all children. This certainly should be our expectation, but it is not the case. Unfortunately, the huge success this legislation has had in a broad sense masks the fact that the law doesn't help neonates, those babies less than one month old, and other younger children nearly as much.

An excerpt from testimony the American Academy of Pediatrics provided in a HELP Committee hearing last March puts it simply: ''. . . this population'', and here they are talking about neonates, ''has not benefitted significantly from the pediatric studies provision . . .''

Why is this the case? At times, I believe the FDA actually may not have asked for enough information in neonates or younger age groups—in other words, the agency may have just gotten lazy. That problem should be correctable, and in fact it is addressed by the Dodd-DeWine bill. The Dodd-DeWine legislation tries to make sure the FDA always asks for studies in neonates when it is appropriate to do so.

But as important as that step is, I don't believe it is enough. Because there are other reasons, beyond simply FDA not asking, why neonates cannot, at times, be included in initial pediatric studies.

There may be scientific reasons why the FDA may not always be able to ask for neonate studies. For example, as part of a drug test you may need to take regular blood samples from a test subject.

But a neonate only has so much blood, and at some point, too many blood tests could actually create a health problem. However, at some time in the future, the technology may well be developed enough to enable us to do this testing with smaller amounts of blood.

At other times, the FDA may not request studies that include the youngest children because of ethical concerns. If we are lacking information that gives us some clue how a neonate might react to a particular drug, perhaps drug information in a nearby age-group, for example, it may actually be dangerous to test a drug in young children. In a report released January that evaluated the entire pediatric incentive provision, the FDA uses the example of neurotropic drugs as ones we may not want to test in the youngest children without more information. But once this other information is developed, these studies may be possible.

The end result of all this is that we simply do not perform drug tests in the youngest kids as much. And because of that, we simply don't get as much useful information for younger children that can be put on a drug's label.

The drug I discussed earlier today, propofol, is a great example. I spoke about an 18-month-old little boy who, several years ago, had a serious problem when given the drug propofol. Today, a similar 18-month-old boy would not be given propofol under the same circumstances because of what we have learned from the pediatric studies performed in the interim. But propofol is a example of a drug that has now been tested in some children, about which we have learned some very important things, but has not yet been fully tested in the youngest children. Propofol is nonetheless used in younger children, even in neonates, but it has only been labeled far enough to include 2-month-olds.

Now, will these companies go back and actually do the studies in the younger kids? Almost certainly not.

Under current law, you only get one incentive period, one bite at the apple. That's it. If the last few decades have taught us anything, it is that pediatric studies just do not get done unless there is an economic incentive. Yet with the pediatric incentive already used for these drugs, the younger kids are out of luck.

What makes it worse for these younger kids is that there is almost no commercial incentive to study drugs in these age-groups. The raw size of this young population is so small, obviously even smaller than the population of children as a whole, that there is hardly ever sufficient market incentive for a drug company to perform the studies needed to help the youngest children.

Again, the FDA reports says it well: ''Once pediatric exclusivity is granted for studies in older pediatric age groups, section 505A does not provide an adequate incentive to conduct later studies in the younger age groups . . . This has left some age groups, especially neonates, unstudied, even where the need for the drug in those age groups is great.''

Children this young are almost certainly facing less-than-optimal health care outcomes—and perhaps even health risks—because they are still being prescribed propofol and similar drugs that haven't been tested in their age group. Of course, we may never know for sure what's happening with some of these drugs. Because, unless we find a way to produce a study in this age group, we will never know for sure how this drug works for the youngest children.

My legislation contains a provision that—in limited circumstances—would provide drug companies with a second patent extension to serve as an incentive to study drugs in the youngest groups of children. I believe this could serve as the incentive to make sure these younger children share fully in the positive results of this legislation.

However, understanding the various concerns about possible abuse of a second incentive, increased prices, and high profits, my second incentive is carefully limited.

First, the patent extension that serves as the incentive to perform studies in neonates and other young children is three months rather than six. While neonates and infants are extremely important age groups, it is an inescapable fact that there simply aren't as many of these young children running around as there are kids in general. Given this, and the legitimate concerns about marginally raising drug prices by keeping generic drugs off the market longer, I believe that limiting the neonatal incentive to three months is reasonable.

Second, unlike the existing pediatric incentives, my proposed second incentive period would not be available to drugs going through the FDA approval

process. If a drug company is doing pediatric studies prior to a drug's approval, it should be able to plan a sequential set of studies as part of the first set of pediatric tests.

Finally, the possibility of a second incentive period is restricted to drugs that fit one of two categories. First, drugs which cannot initially be studied in neonates or other young children because it is necessary to pursue sequential studies for scientific, medical, or ethical reasons. Second, drugs for which new uses have been discovered and for which drug studies in young children were not originally expected to be useful could qualify for a second incentive period.

Given these limits, my expectation is that the majority of drugs would not qualify for a second patent extension if my legislation were to pass. A significant enough amount to make a difference in young children's lives, yes. Enough to produce a tidal wave of additional patent extensions, no.

The FDA, from their January report, actually recommended that Congress consider the general idea I am talking about: ''When there is a need to proceed in a sequential manner for the development of pediatric information, FDA should have the option of issuing a second Written Request for the conduct of studies in the relevant younger age group(s). For this option to be meaningful, the second Written Request, after receiving the studies to an initial Written Request and pediatric exclusivity awarded, would be linked with a meaningful incentive to sponsors.''

Before 1997, we had a serious lack of information for children generally, so we provided an incentive to study drugs in children. We now have a lack of information for the youngest children, why not approve a second patent extension period to provide a new incentive for this age group? To me, this simply makes sense.

Separately, my bill also contains some provisions to improve the government, institutional, and human infrastructure needed to support pediatric drug testing. This includes a Dodd-DeWine provision to create a new Office of Pediatric Therapeutics within the Food and Drug Administration to monitor and facilitate the new pediatric drug testing. Furthermore, my bill will direct the National Institutes of Health to use programs that support young pediatric researchers to ensure there is an adequate supply of pediatric pharmacology experts to support the revolution in pediatric drug research.

Finally, this bill modifies some specific language in the Dodd-DeWine legislation to ensure that the $200 million fund designed to study drugs that have lost all patent life, and thus are not helped by the patent extension incentives—truly focuses on the highest-priority drugs.

Even with limited information, we have good medicine for children right now. But with more studies and information, we can, and must, produce better medicine for children.

STATEMENTS ON SUBMITTED RESOLUTIONS

SENATE RESOLUTION 145—RECOGNIZING THE 4,500,000 IMMIGRANTS HELPED BY THE HEBREW IMMIGRANT AID SOCIETY

Mr. KENNEDY (for himself and Mr. BROWNBACK) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 145

Whereas the United States has always been a country of immigrants and was built on the hard work and dedication of generations of those immigrants who have gathered on our shores;

Whereas, over the past 120 years, more than 4,500,000 migrants of all faiths have immigrated to the United States, Israel, and other safe havens around the world through the aid of the Hebrew Immigrant Aid Society (referred to in this resolution as 'HIAS'), the oldest international migration and refugee resettlement agency in the United States;

Whereas, since the 1970s, more than 400,000 refugees from more than 50 countries who have fled areas of conflict and instability, danger and persecution, have resettled in the United States with the high quality assistance of HIAS;

Whereas outstanding individuals such as former Secretary of State Henry Kissinger, artist Marc Chagall, Olympic gold-medalist Lenny Krayzelberg, poet and Nobel Laureate Joseph Brodsky, and author and restaurateur George Lang have been assisted by HIAS;

Whereas these immigrants and refugees have been provided with information, counseling, legal assistance, and other services, including outreach programs for the Russian-speaking immigrant community, with the assistance of HIAS; and

Whereas on September 9, 2001, HIAS will celebrate the 120th anniversary of its founding: Now, therefore, be it

Resolved, That the Senate—

(1) recognizes the contributions of the 4,500,000 immigrants and refugees served by HIAS to the United States and democracies throughout the world in the arts, sciences, government, and in other areas; and

(2) requests that the President issue a proclamation—

(A) recognizing September 9, 2001, as the 120th anniversary of the founding of the Hebrew Immigrant Aid Society; and

(B) calling on the people of the United States to conduct appropriate ceremonies, activities, and programs to demonstrate appreciation for the contributions made by the millions of immigrants and refugees served by HIAS.

SENATE RESOLUTION 146—DESIGNATING AUGUST 4, 2001, AS ''LOUIS ARMSTRONG DAY''

Mr. HATCH (for himself, Mr. SCHUMER, Mr. LIEBERMAN, and Mr. BREAUX) submitted the following resolution; which was referred to the Committee on the Judiciary.

Mr. HATCH. Mr. President, as we prepare to go into our August recess, I suggest we go out on a good note: I am today introducing a resolution designating this Saturday, August 4, 2001 as ''Louis Armstrong Day.''

Louis Armstrong always said he was born on the Fourth of July, 1900. Friends and fans alike accepted this without question. It was, after all, a perfect birthday for an American musical legend; it was a perfect day for a man who created a music that was, in my opinion, thoroughly American.

But then, years after that great jazzman's death in New York City in 1971, a researcher discovered Louis Armstrong's baptismal certificate, the standard notice of birth in New Orleans, that showed that Louis Armstrong actually was born on August 4, 1901. That means, that this Saturday is the centennial of the birth of one of America's greatest artistic icons.

All across the country this week and this summer there have been Louis Armstrong celebrations. Generations of Americans, of all races and backgrounds and from all walks of life, have loved and continue to love the music of Louis Armstrong, and I am happy to consider myself one of his millions of fans. Louis Armstrong's art is deep from the roots of America's musical traditions, at the same time as being one of the most innovative styles in the history of music. In my opinion, his music is transcendent, brilliant and, above all, joyful.

Music encompasses many mysteries, and, like art in general, one of those mysteries is how joy can be created in circumstances that are less than joyful. Louis Armstrong was born very poor, in New Orleans in 1901. The man who would be honored by presidents and kings around the world scrounged in garbage cans for food when he was a youth. He was an African-American whose life spanned the 20th century, with all of its degradations, discriminations and poverty that so many African-Americans suffered. It is always inexcusable that such circumstances could exist and do still exist in American society. It is nothing short of inspirational when human dignity survives these circumstances and transcends them. That was the life of Louis Armstrong.

It was an American life. I would like to quote the social and music critic Stanley Crouch, who wrote earlier this month in the New York Daily News:

As an improviser who worked in the collective context of the jazz band, Armstrong represented the freedom of the individual to make decisions that enhance the collective effort, which is the democratic ideal.

Our country is built on the belief that we can be free and empathetic enough for both the individual and the mass to make decisions that improve our circumstances. Just as the improvising jazz musician can dramatically reinterpret a song he or she once recorded another way, we Americans revisit issues and remake our policies when we think we can improve on our previous interpretations.

So when Armstrong revolutionized American music in the 1920s, he was giving our political system a sound that transcended politics, color, sex, region, religion and class. Instrumentalists, singers, composers and dancers all understood that there was something