

choice record shows that he will use every opening the law permits to further restrict a woman's right to choose.

Unfortunately, Professor McConnell does not stand apart from other Bush nominees for his extreme ideology. I believe he was chosen because of it.

Remaking the Federal courts has been a long-term goal of the right-wing base of the Republican party. They have pursued this goal with dogged determination and persistence for more than two decades, and they are succeeding. More and more restrictions on a woman's right to choose are being upheld as constitutional by the increasingly conservative Federal courts, while portions of anti-discrimination law and Violence Against Women Act—a law that Senator Biden wrote and that I was proud to sponsor when I was in the House—are struck down. This is not the right direction for the federal courts.

Now Bush Administration is poised to tip the scales of justice even further to support an extreme anti-choice agenda, and the right to choose may well disappear for more and more American women—especially for poor women. Don't take my word for it. After last week's elections, former Reagan Administration attorney Bruce Fein said that there will be a philosophical revolution in the courts and that Bush nominees will impose a variety of new restrictions on a women's right to choose. The impact, he said, will be almost as great as if Robert Bork had been confirmed.

Mr. President, during the Clinton Administration, I was repeatedly told by the Republican leadership in the Senate that I should only recommend moderate judges to fill judicial vacancies on the Federal courts in the state of California. Otherwise, I was told, Republicans would not let them be confirmed.

President Bush should be held to the same standard. In fact, President Bush said he wanted to govern from the middle. And he fulfilled that commitment on the district court level in California when he agreed to a bipartisan committee selection process. That process has worked well, producing well-qualified mainstream nominees for eight open district court seats in California.

However, Professor McConnell's nomination does not meet the test. He does not fulfill President Bush's commitment to govern from the middle. He does not meet the requirement established by the Senate Republican leadership during the Clinton Administration that nominees be moderate. No, Mr. President, Professor McConnell is far outside the mainstream.

I again call on President Bush—as have so many in the Senate—to reach out across the aisle and to work with all of us to find and nominate the moderate, consensus judges that Americans deserve.

NOMINATION DISCHARGED

NOMINATION OF MARY CARLIN YATES TO BE AMBASSADOR TO THE REPUBLIC OF GHANA

Mr. REID. I ask unanimous consent that the Foreign Relations Committee be discharged from further consideration of the nomination of Mary Carlin Yates to be the Ambassador to the Republic of Ghana; that the Senate proceed to the immediate consideration of the nomination; that the nomination be confirmed, the motion to reconsider be laid on the table; that any statements be printed in the RECORD; that the President be immediately notified of the Senate's action; and that the Senate return to legislative session.

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

The nomination considered and confirmed is as follows:

Mary Carlin Yates, of Oregon, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Ghana.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

UNANIMOUS CONSENT AGREEMENT—NOMINATION OF DENNIS SHEDD

Mr. REID. Mr. President, as in executive session, I ask unanimous consent that at 12 noon on Monday, November 18, the Senate proceed to executive session to consider Executive Calendar No. 1178, the nomination of Dennis Shedd to be United States Circuit Judge; that there be a time limitation of 6 hours for debate equally divided between Senators Leahy and Hatch or their designees; that at the conclusion or yielding back of the time, but not before 5:15 p.m., the Senate vote on cloture on the nomination; that if cloture is invoked, the Senate then vote immediately on the confirmation of the nomination; that if the nomination is confirmed, the motion to reconsider be laid on the table, the President be immediately notified of the Senate's action, and the Senate return to legislative session; that if cloture is not invoked, the nomination be returned to the calendar and the Senate return to legislative session; and that the preceding all occur with no intervening action or debate; further, that the granting of this consent fulfill the cloture filing requirement under rule XXII.

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

UNANIMOUS CONSENT AGREEMENT—H.R. 5005

Mr. REID. Mr. President, I ask unanimous consent that no other amend-

ments be in order to H.R. 5005 prior to the disposition of the Thompson amendment; that when the Senate concludes its business today, it next resume consideration of this bill on Monday, November 18, upon disposition of Executive Calendar No. 1178; that the 30 hours under cloture conclude at 10:30 a.m. on Tuesday, November 19; that the 90 minutes prior to that time on Tuesday be divided as follows: 30 minutes for each of the two leaders or their designees, and 30 minutes for Senator BYRD, with the Republican leader controlling the time from 10 to 10:15 a.m. and the Democrat leader controlling the time from 10:15 to 10:30 a.m.; that at 10:30 a.m. the Senate vote on the Daschle-Lieberman-Byrd amendment, No. 4953; that upon disposition of that amendment, the Senate then vote immediately on amendment No. 4911, as amended, if amended; that upon the disposition of that amendment, the Senate vote on or in relation to the Thompson amendment, No. 4901, as amended, if amended; that upon the disposition of Senator THOMPSON's amendment, the Senate then vote on cloture on H.R. 5005, with the preceding all occurring without intervening action or debate, provided further that no points of order be waived by this agreement.

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

Mr. REID. Mr. President, point of clarification: On Monday night after the Shedd matter is disposed of, will Senators be allowed to discuss the homeland security matter?

The PRESIDING OFFICER. That would be the order.

SUBSIDY RATE FOR SMALL BUSINESS LOANS

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. 3172 introduced earlier today by Senator BOND.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 3172) to improve the calculation of the Federal subsidy rate with respect to certain small business loans, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. KERRY. Mr. President, I ask my colleagues to support the small business subsidy rate improvement bill before the Senate today. It is not perfect, but it takes us a step in the right direction. It takes us a step in the right direction by reversing a current 60-percent cut in loan dollars available to small businesses through the Small Business Administration's flagship 7(a) loan program, and it includes a budget change mid-year with OMB's blessing, which is unprecedented. However, it does not go far enough in correcting the way the government calculates the

cost and fees of the SBA's small business loans. Specifically, the Administration would not also support our proposal to correct the errors in the subsidy rate used for the 504 development company loan program—errors that result in severe overcharging of thousands of dollars to 504 borrowers and lenders.

As so many of us in the Senate, House and White House have heard for months, the small business community supported the Senate's plan to enact a recommendation by the General Accounting Office as part of one of the continuing resolutions. However, that provision was blocked time and again by a few Republican Congressmen on behalf of the Administration. We are now faced with leaving small businesses strapped for financing until next year or enacting this bill that would put in place something called an econometric model to calculate the subsidy rate for the 7(a) program immediately, but for one year only.

Our goal—that of Senator BOND, Senator CONRAD, Senator DOMENICI, Senator HOLLINGS, Senator BYRD, and myself—was to right years of wrong in which the government has played budget games with the two largest loan programs at the Small Business Administration. Our goal was to end a double-standard in which the government cooks the books but small businesses get penalized if a comma is missing on their financial statements. Our goal was to put transparency, accuracy, and fairness into a system that has overcharged small business borrowers and private-sector lenders more than \$2 billion fees, fees that are tantamount to a tax on small businesses.

Specifically, our goal, in technical talk, was to put in place budget systems in this fiscal year that would more accurately calculate the cost of providing loans through the SBA's 7(a) and 504 lending programs, thereby maximizing appropriations to leverage an additional \$6 billion in small business loans and assessing fees that are more in line with the true cost of providing the loans. In the end, it would stimulate lending by creating a greater incentive for lenders to loan in these uncertain economic times, it would leave more money in the pockets of small businesses, and it would allow almost 190,000 jobs to be created or retained.

There is a lot of concern among small business trade groups, bankers, and members of Congress about adopting an econometric model at this stage because the administration has not been forthcoming with supporting documentation and the estimated subsidy rates over the testing period have varied greatly. Without that information, it is unreasonable to expect the small business community to trust the government. They have been fighting this problem for too long to settle for mere promises, when promises have been broken time and again. In the coming months I look forward to working with

the Administration to get this information and give all of us confidence that this model is more predictive and accurate.

On the plus side, as I mentioned earlier, passing this legislation would reverse the 60-percent cut in the 7(a) loan program by patching together \$6 billion in lending dollars. That restoration of loan dollars is significant on a micro and macro level. In my home state of Massachusetts, small businesses stand to lose \$121 million in loan dollars and almost 3,700 jobs if this bill isn't passed. Nationwide, a loss of \$6.2 billion in loans would translate into 189,000 jobs either lost or not created. In this economy, we can not afford to lose any more jobs or block job creation.

To my many colleagues who have courageously fought for small businesses on this issue—from Senator BOND and Senator CONRAD to Congressman MANZULLO and Congresswoman VELAZQUEZ—I thank them. To the small business groups—from 7(a)'s NAGGL and 504's NADCO to the small business coalition lead by the U.S. Chamber of Commerce, which included among many others, the National Black Chamber of Commerce, National Small Business United, and the American Bankers Association—I am proud to work with them. Because of your grassroots efforts, probably every member of Congress knows what a subsidy rate is and how it hurts the small business community when it is left uncorrected year after year. Last, I thank the Office of Management and Budget for reaching this agreement with our Committee, the Committee on Small Business & Entrepreneurship, the Committee on Budget, and the Committee on Appropriations. I know they are strongly opposed, in general, to changes to their subsidy rates, and, in particular, to any adjustment to the budget mid-year. But, small businesses do not care about technicalities and budget intricacies; they care about access to capital. This bill accomplishes that.

Mr. President, I ask unanimous consent that the following be printed in the RECORD: a letter from the small business coalition; a letter to OMB from our Committee with the Committee on budget regarding this issue; and a letter from OMB Director Mitch Daniels regarding the FY2003 subsidy rate for the 7(a) loan program.

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

SMALL BUSINESS ACCESS
TO CAPITAL COALITION,
September 18, 2002.

Hon. JOHN KERRY,
Chairman, Committee on Small Business & Entrepreneurship, U.S. Senate, Washington, DC.

DEAR CHAIRMAN KERRY: On behalf of the hundreds of thousands of small businesses represented by the undersigned organizations, we are writing you to ask your support for legislation that would limit the use of outdated default rate data in calculating the

subsidy rate for the Small Business Administration (SBA) 7(a) and 504 programs.

The undersigned associations believe government policies that foster and encourage robust entrepreneurial activity and small business ownership provide the basis for economic prosperity important to the long term vitality and success of our nation. Many of our small business members indicate that one major obstacle to entry or expansion of a small business is the availability and access to capital for small enterprises.

One source of funding, the SBA 7(a) and 504 guaranteed loan programs, play an important role in providing an alternative means of accessing capital for some small business owners where funding has not been available through conventional lending methods. However, in a recent Government Accounting Office (GAO) report, it was determined that the use of overly conservative default rate data by the SBA resulted in overestimated defaults for 1992 through 2000 by over \$2 billion for the 7(a) program alone when compared to actual loan performance.

Indeed, overly conservative default rates used in calculating the subsidy rate, according to the GAO report, has during the same period, resulted in the overestimation of the cost of the 7(a) program by nearly \$1 billion. Furthermore, consistent yearly program re-estimates of this magnitude serve to undermine the intent of Congress during the appropriations process.

Even so, overly conservative default rate assumptions are still being used to calculate FY 2003 subsidy rates, resulting in diminished numbers or sizes the loans capable of being made given current program funding levels. Taken into account historic levels of demand, we can anticipate program shortages that may needlessly shutout some small businesses to sorely needed funds to start or grow their businesses, thus limiting their contribution to the fragile economic recovery.

The consistent use of overly conservative default rate data, resulting in the overestimation of the subsidy rate for the 7(a) and 504 programs by SBA is not only contrary to the spirit and intent of the Credit Reform Act, but an affront on Congresses role in determining program funding levels in the appropriations process. As a result, we encourage Congress to take legislative action to assure the FY 2003's subsidy rate calculation and future calculations will be limited to the use of recent default rate data that reflect the use of revised program credit standards and thus preserve the integrity of the appropriations process.

AeA, Air Conditioning Contractors of America, American Bankers Association, American Hotel & Lodging Association, American Nursey & Landscape Association, Association of Small Business Development Centers, Asian American Hotel Owners Association, Hotel Brokers International, Independent Community Bankers Association, International Franchise Association.

National Association of Development Companies, National Association of Government Guaranteed Lenders, National Association of Small Disadvantaged Businesses, National Association of Women Business Owners, National Black Chamber of Commerce, National Restaurant Association, National Small Business United, National Tooling & Machining Association, Tire Industry Association, U.S. Chamber of Commerce, United Motorcoach Association, Women Impacting Public Policy, Yellow Pages Integrated Media Association.

U.S. SENATE,

Washington, DC, April 22, 2002.

Hon. MITCHELL DANIELS,
 Director, Office of Management and Budget, Eisenhower Executive Office Building,
 17th and Pennsylvania Ave., NW, Washington,
 DC.

DEAR MR. DANIELS: We are writing to express our concern about what appears to be the continued and routine over-estimation by OMB of the cost of the Small Business Administration's 504 and 7(a) loan programs to the government under the requirements of the Federal Credit Reform Act (Credit Reform). The Senate has repeatedly raised this issue with the OMB, most recently in the FY 2002 appropriations cycle, at a Roundtable held by the Senate Committee on Small Business and Entrepreneurship last fall, and in meetings between Senate Budget Committee staff and OMB staff.

Last fall, the SBA Administrator publicly stated, and your senior OMB staff indicated to our staff, that the subsidy rate for the 7(a) program would be cut at least in half, all else being equal. Unfortunately, the 2003 budget request reflects that only half of that goal has been accomplished. Given the systematic mis-estimates in these programs, this progress, while in the right direction, has been too slow and does not do much to engender confidence in the Administration's approach in light of SBA or OMB mistakes in budget documents over the years.

In our view, failure to solve the problem will continue the unfair practice of forcing small business borrowers and lenders, year after year, to pay fees that are substantially higher than necessary to participate in and cover the government's cost of these programs.

The nexus of the problem appears to be the use of overly conservative loan default rates as part of each program's cost calculation under Credit Reform and the failure to adequately weight historical data to reflect more accurately the program changes, both statutory and regulatory, that have resulted in reduced default rates and improved program performance.

The FY 2003 credit subsidy rate for the 504 program assumes an 8.3 percent loan default rate. But program statistics from the Bank of New York suggest the rate is in the 4 percent range instead. Use of the higher default rate results in the average 504 borrower unnecessarily paying approximately \$10,000 in excess fees to participate in this program. We should emphasize that this program receives no federal appropriations and is totally funded through fees. Yet, since 1997 the program has paid nearly \$400 million in excess fees to the U.S. Treasury as a result of OMB reestimates. Since 1995, the use of overly conservative default rate assumptions in the 7(a) program has resulted in total downward re-estimates of \$1.429 billion, including interest.

The SBA testified earlier this year that it is developing an econometric model to estimate more accurately the default rate for each program. But, although we have already been told for at least a year how "econometric" modeling promises to be the solution, there is little to show for this new approach—at least, we have not seen anything yet. Because of the slow progress in the past and the experience of unfulfilled expectations, we remain skeptical that the emerging modeling approach will offer a significant improvement over previous approaches or that it will be ready with satisfactory results in time for the 2004 budget. Therefore, we request that OMB keep all of us up to date of the progress of the modeling through periodic briefings with our staff so we have an opportunity to ask questions.

Continued use of overly conservative assumptions in the credit reform model for

both of these programs and the resulting continuation of downward re-estimates could undermine support for Credit Reform, which we do not want to see happen. The bias in the estimates for these two programs is simply unacceptable. We do not expect perfect subsidy rate estimates year-in and year-out, yet we do expect that over time the re-estimate will be randomly distributed around zero. One year the estimates may be high and the next year they may be low, but over time they should balance out. Unfortunately, that is not true today, and we are not optimistic that change will occur, absent your active intervention, any time soon.

Repeated opportunities to address this problem have not been realized. We believe the problem has dragged on too long. At a minimum, we expect the Administration to submit and support a budget amendment for 2003 for sufficient subsidy appropriations that will make possible \$11 billion of 7(a) loan volume given the too-high subsidy rate OMB is currently using. Alternatively, if you expect that a review of the 2003 submission will reveal mistakes in the subsidy rates that would allow OMB to execute the 2003 budget using rates other than those published in the submission, as has occurred in other years, please submit that review. We would appreciate receiving your response to our letter, including the requests for an amendment and periodic meetings, by June 1, 2002. If legislative changes are necessary, we welcome your suggestions.

Sincerely,

PETE V. DOMENICI,
 KENT CONRAD,
 JOHN F. KERRY,
 CHRISTOPHER S. BOND.

EXECUTIVE OFFICE OF THE

PRESIDENT,

OFFICE OF MANAGEMENT AND BUDGET,

Washington, DC, November 14, 2002.

Hon. DONALD A. MANZULLO,

Chairman, Committee on Small Business, U.S.

House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter of November 12, regarding the subsidy rate for small business loans.

As you know, the Administration is committed to improving the Small Business Administration's (SBA) ability to more accurately estimate the cost of subsidizing small business loans. This will enable the agency to allocate its resources more effectively, determine program risk more precisely, and increase its ability to target loan programs to the most deserving recipients.

In accordance with the commitment that the Administration made one year ago, the Office of Management and Budget has just approved SBA's 7(a) econometric subsidy model to calculate its fiscal year 2004 resource requirements. Further, in light of the fact that this improved subsidy calculation procedure is now available, the Administration would support legislation that allows us to implement the econometric model for fiscal year 2003 as well. Applying the econometric model would produce a subsidy rate of 1.04 percent rather than the 1.76 percent submitted in the FY 2003 budget.

Please let us know if you need any more information.

Sincerely,

MITCHELL E. DANIELS, JR.,

Director.

Mr. KERRY. Last, I want to remember Senator Wellstone, a true advocate for small business who faithfully attended our committee hearings and markups and worked hard to help the 7(a) and 504 programs not just on this issue, but every single time. His contributions were great, and I wish he were here to see this agreement pass.

Mr. BOND. Mr. President, I rise today in support of legislation that has just been introduced to permit the Office of Management and Budget (OMB) to use a recently-completed econometric model to calculate the credit subsidy rate for the 7(a) small business loan guarantee program, the flagship loan program at the Small Business Administration. This bill, once signed into law by President Bush, will allow the 7(a) loan program to meet the borrowing demands of our Nation's small businesses, which is approximately \$10 billion for Fiscal Year 2003. Without this bill, the program would limit 7(a) loans to less than \$5 billion for FY 2003. In addition, the bill will permit unobligated, no-year funds previously appropriated for the STAR terrorist disaster recovery loans to be used for the 7(a) loan program.

The "econometric model" is a significant reform in the way the SBA and OMB calculates the credit subsidy rate for the 7(a) loan program. The bill provides that the OMB and SBA will adopt the new econometric model effective retroactively to October 1, 2002. Developed by the SBA and OMB, the econometric model will use far more comprehensive data about individual borrowers and loans when forecasting anticipated defaults and establishing loan reserves to cover them.

Under the Credit Reform Act of 1990, the annual appropriation for the SBA must, in advance, provide sufficient funds to cover the cost of a Federal loan guarantee, after taking into consideration the fees paid by small business borrowers and lenders under the 7(a) program. This amount, referred to as the credit subsidy rate, is determined by the OMB prior to the submission of the President's annual Budget Request to the Congress.

Critics of the credit subsidy rate for the 7(a) program have cited the use of historical loan-performance data that pre-dates the enactment of the Federal Credit Reform Act as a major cause of a credit subsidy rate that greatly exceeds actual loan performance. The consequence is the use of the most conservative loan-default rates, year-in and year-out, and the failure by the OMB and the SBA to adjust historical loan performance data to reflect 7(a) program changes, both statutory and regulatory, that have led to real reductions in the default rates and improved program performance. According to an in-depth analysis undertaken by the General Accounting Office (GAO), the excessively high credit subsidy rates have resulted in nearly \$1 billion in unnecessary fees being paid by small business borrowers and lenders to the U.S. Treasury.

It is very unrealistic to believe that a 100% accurate credit subsidy rate estimate can be derived for the 7(a) loan program, or for any other Federal credit program. The econometric model, designed to calculate the 7(a) credit subsidy rate, is a major improvement over the "old" model. Originally, the

Administration stated that the econometric model would not be available until FY 2004. After exhaustive negotiations with the senior White House staff, I was able to secure an agreement to accelerate their use of the model retroactive to October 1, 2002, the beginning of FY 2003. The bill before us today is designed to waive a key provision of the Federal Credit Reform Act that prohibits the Congress from changing a credit subsidy rate estimate once it has been transmitted to the Congress as part of the President's annual budget submission. This may be the first time this provision has been waived since implementation of the Act in FY 1992.

We would not be where we are today resolving this important matter without the tireless efforts of my colleagues in the Senate and the House of Representatives. Mr. MANZULLO, Chairman of the House Committee on Small Business, fought for this change every step of the way. The Ranking Member, Ms. VELAZQUEZ, was especially vigilant in her efforts. In the Senate, my colleague from Massachusetts and Chairman of the Committee on Small Business and Entrepreneurship, JOHN KERRY, has kept the Committee focused on resolving this issue for the past year and has insisted that we resolve the credit subsidy rate controversy for FY 2003.

Resolving the 7(a) credit subsidy rate issue is good for small businesses. It will mean more jobs and economic fuel to grow start-up and growing small businesses. I urge each of my colleagues to vote a resounding "Aye" for this important bill.

Mr. REID. Mr. President, I ask unanimous consent that the bill be read three times, passed, and the motion to reconsider be laid on the table with no intervening action or debate, and that any statements related to the bill be printed in the RECORD.

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

The bill (S. 3172) was read three times and passed, as follows:

S. 3172

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

SECTION 1. SUBSIDY RATE FOR SMALL BUSINESS LOANS.

Notwithstanding section 502(5)(F) of the Federal Credit Reform Act of 1990 and section 254(j) of the Balanced Budget and Emergency Deficit Control Act of 1985, the Director of the Office of Management and Budget, in calculating the Federal cost for guaranteeing loans during fiscal year 2003 under section 7(a) of the Small Business Act (15 U.S.C. 636(a)) may use the most recently approved subsidy cost model and methodology in conjunction with the program and economic assumptions, and historical data which were included in the fiscal year 2003 budget. After written notification to Congress, the Small Business Administration shall implement the validated, OMB-approved subsidy rate for fiscal year 2003, using this model and methodology. Such rate shall be deemed to have been effective on October 1, 2002.

SEC. 2. USE OF EMERGENCY FUNDS FOR SMALL BUSINESS LOANS.

Chapter 2 of division B of the Department of Defense and Emergency Supplemental Appropriations for Recovery from and Response to Terrorist Attacks on the United States Act, 2002 is amended by striking "For emergency expenses" after "BUSINESS LOANS PROGRAM ACCOUNT" and inserting the following: "For loan guarantee subsidies under section 7(a) of the Small Business Act (15 U.S.C. 636(a)) or for emergency expenses".

CONGRATULATING THE PEOPLE OF MOZAMBIQUE

Mr. REID. Mr. President, I ask unanimous consent the Senate proceed to the consideration of S. Res. 358 submitted earlier today by Senator BIDEN. The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 358) congratulating the people of Mozambique on their successful efforts to establish, build, and maintain peace in their country for the past ten years, and for other purposes.

There being no objection, the Senate proceeded to consider the resolution.

Mr. REID. Mr. President, I ask unanimous consent that the resolution and preamble be agreed to en bloc, the motion to reconsider be laid upon the table, and that any statements in relation to this matter be printed in the RECORD.

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

The resolution (S. Res. 358) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 358

Whereas, on October 4, 1992, having overcome the hardships of a colonial struggle, decolonization, and armed regional and national conflict, the people of Mozambique, the parties to the civil war in Mozambique, and the leadership of Mozambique reached a peaceful settlement to the devastating 16-year civil war;

Whereas this peace was facilitated by the good offices of the Comunidade di Sant' Egidio in Rome and supported by regional friends and the international community;

Whereas in 1994 and 1999 Mozambique held multi-party elections deemed free and fair by the international community;

Whereas this peace has been consolidated and strengthened by Mozambique civil society, helping to keep the Government of Mozambique on a course of political and economic reforms despite the challenges currently presented by HIV/AIDS, floods, droughts, and regional instability;

Whereas the Government of Mozambique has initiated sound economic reforms, including the privatization of state-run enterprises, the reduction and simplification of import tariffs, and the liberalization of agricultural markets, resulting in extraordinary economic growth;

Whereas the resources that have become available by Mozambique's participation in the Highly Indebted Poor Countries Initiative have been responsibly channeled by the Government of Mozambique into anti-poverty programs;

Whereas, despite the progress that Mozambique has made, more than one-half of the

people of Mozambique over 15 years of age are illiterate, twenty-eight percent of the children under five are malnourished, infant mortality stands at more than 12 percent, and life expectancy is only 42 years;

Whereas the United States values democratic principles, the rule of law, peace, and stability in all nations that comprise the community of states; and

Whereas Mozambique has been transformed from a war-torn country to one where political disputes are settled through peaceful means: Now, therefore, be it

Resolved, That the Senate—

(1) congratulates the people of Mozambique on ten years of continued peace and growing democracy and commends the Government of Mozambique for continued economic and political reforms;

(2) salutes the Comunidade di Sant' Egidio for using its good offices to facilitate and mediate the peace process that led to the October 4, 1992, agreement;

(3) recognizes the indispensable role that civil society in Mozambique has played in both achieving peace and deepening democratic reforms; and

(4) stands ready to assist the Government of Mozambique on a variety of programs, including humanitarian and development assistance, HIV/AIDS prevention, and technical assistance to fight corruption.

MENTAL HEALTH EQUITABLE TREATMENT ACT

Mr. REID. Mr. President, I ask unanimous consent the Senate proceed to H.R. 5716, which is now at the desk.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 5716) to amend the Employee Retirement Income Security Act of 1974 and the Public Health Service Act to extend the mental health benefits parity provisions for an additional year, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. REID. Mr. President, I ask unanimous consent that the bill be read three times, passed, the motion to reconsider be laid upon the table, and that any statements in relation thereto be printed in the RECORD.

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

The bill (H.R. 5716) was read the third time and passed.

(At the request of Mr. DASCHLE, the following statement was ordered to be printed in the RECORD.)

● Mr. KENNEDY. Mr. President, we have passed tonight a bill to extend for one year the current provisions of the 1986 Mental Health Equitable Treatment Act which provides limited parity for insurance coverage of mental illness.

But today is not a day to celebrate. Instead, it is a call to arms—a call to pass the full and meaningful mental health parity bill that Paul Wellstone and PETE DOMENICI have fought for so tirelessly. It is a day to sound the battle cry for finally ensuring that no American is discriminated against because they suffer from a mental illness.

Mental illness is a pervasive problem in our society, and too often it is a problem that is swept under the rug