

the Social Security Act to increase the floor for treatment as an extremely low DSH State to 3 percent in fiscal year 2002.

S. 917

At the request of Ms. COLLINS, the name of the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of S. 917, a bill to amend the Internal Revenue Code of 1986 to exclude from gross income amounts received on account of claims based on certain unlawful discrimination and to allow income averaging for backpay and frontpay awards received on account of such claims, and for other purposes.

S. 1203

At the request of Mr. SCHUMER, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 1203, a bill to amend title 38, United States Code, to provide housing loan benefits for the purchase of residential cooperative apartment units.

S. 1221

At the request of Mr. SPECTER, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. 1221, a bill to amend title 38, United States Code, to establish an additional basis for establishing the inability of veterans to defray expenses of necessary medical care, and for other purposes.

S. 1375

At the request of Mr. DORGAN, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. 1375, a bill to amend the Internal Revenue Code of 1986 to allow tax-free distributions from individual retirement accounts for charitable purposes.

S. 1506

At the request of Mr. DAYTON, his name was added as a cosponsor of S. 1506, a bill to amend title 10, United States Code, to repeal the requirement for reduction of SBP survivor annuities by dependency and indemnity compensation.

S. 1860

At the request of Mr. DORGAN, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 1860, a bill to reward the hard work and risk of individuals who choose to live in and help preserve America's small, rural towns, and for other purposes.

S. 2562

At the request of Mr. REID, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 2562, a bill to expand research regarding inflammatory bowel disease, and for other purposes.

S. 2933

At the request of Mr. BREAUX, the names of the Senator from Iowa (Mr. HARKIN), the Senator from Georgia (Mr. MILLER), and the Senator from Illinois (Mr. DURBIN) were added as cosponsors of S. 2933, a bill to promote elder justice, and for other purposes.

S. 3004

At the request of Mr. HELMS, the name of the Senator from South Caro-

lina (Mr. THURMOND) was added as a cosponsor of S. 3004, a bill to eliminate the Federal quota and price support programs for certain tobacco, to compensate quota owners and holders for the loss of tobacco quota asset value, to establish a tobacco community reinvestment program, and for other purposes.

S. 3074

At the request of Mr. BIDEN, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 3074, a bill to provide bankruptcy judgeships.

S. 3094

At the request of Mrs. MURRAY, her name was added as a cosponsor of S. 3094, a bill to amend the Farm Security and Rural Investment Act of 2002 to clarify the rates applicable to marketing assistance loans and loan deficiency payments for other oilseeds, dry peas, lentils, and small chickpeas.

S. 3114

At the request of Ms. SNOWE, her name was added as a cosponsor of S. 3114, a bill to ensure that a public safety officer who suffers a fatal heart attack or stroke while on duty shall be presumed to have died in the line of duty for purposes of public safety officer survivor benefits.

S. 3125

At the request of Mr. BROWNBACK, the name of the Senator from Arkansas (Mr. HUTCHINSON) was added as a cosponsor of S. 3125, a bill to designate "God Bless America" as the national song of the United States.

S. 3125

At the request of Mr. NELSON of Florida, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 3125, *supra*.

S. RES. 339

At the request of Mrs. MURRAY, the name of the Senator from Illinois (Mr. FITZGERALD) was added as a cosponsor of S. Res. 339, a resolution designating November 2002, as "National Runaway Prevention Month."

S. CON. RES. 3

At the request of Mr. FEINGOLD, the names of the Senator from Texas (Mrs. HUTCHISON) and the Senator from Utah (Mr. HATCH) were added as cosponsors of S. Con. Res. 3, a concurrent resolution expressing the sense of Congress that a commemorative postage stamp should be issued in honor of the U.S.S. *Wisconsin* and all those who served aboard her.

S. CON. RES. 157

At the request of Mrs. LINCOLN, the name of the Senator from Georgia (Mr. MILLER) was added as a cosponsor of S. Con. Res. 157, a concurrent resolution expressing the sense of Congress that United States Diplomatic missions should provide the full and complete protection of the United States to certain citizens of the United States living abroad.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KYL:

S. 3. A bill to repeal the sunset of the provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001, and for other purposes; to the Committee on Finance.

Mr. KYL. Mr. President, Investors are the backbone of the U.S. economic system. They provide the capital that entrepreneurs use to start and grow businesses. Investors invest in everything from corporations like General Electric to the local Mom and Pop convenience store. These are the businesses that employ our American workers and compete against other businesses throughout the United States and the world. It is investor capital that fuels the most dynamic workings of our economy.

Too often, our Federal Government has taken the American investor for granted. Even worse, our Federal Government has singled him out for adverse treatment by placing significant impediments in his path.

Congress needs to refocus our government's attention on helping our investors as well as making our U.S. businesses more attractive entities in which to invest.

Today, I am introducing legislation, the "Contract with Investors," which incorporates a number of proposals to foster a better investment environment.

In order to satisfy an arcane Senate budget rule, the 2001 tax-relief law's provisions will expire in 2011. Making this bipartisan tax relief permanent will eliminate a large source of investor uncertainty that currently exists in the marketplace. Businesses are having a hard time planning with the Tax Code potentially reverting back to old tax laws. Businesses, and the investors who own them, need certainty and a stable environment in which to prosper. Making last year's tax provisions permanent will go a long way towards providing that certainty.

The second thing my bill does is accelerate last year's marginal income tax rate reductions. Instead of reducing the tax brackets in 2004 and 2006, as currently scheduled, my bill will move the 2004 rate reductions up to 2003 and the 2006 rate reductions up to 2004. Marginal tax-rate reductions benefit all income tax-paying Americans. Many investors invest in businesses that are sole proprietorships, i.e. non-incorporated business entities. Owners of these businesses pay the highest individual marginal income tax rate; under my bill the highest rate they would pay in 2004 and beyond would be 35 percent, the same rate as corporations.

The third provision would accelerate the repeal of the estate, or more accurately "death", tax. A December 1998 report by the Joint Economic Committee concluded that the existence of the death tax during the last century has reduced the stock of investors' capital in the economy by nearly half a

trillion dollars. The Joint Committee estimates that, by repealing the death tax and putting those resources to better use, as many as 240,000 jobs could be created over seven years, and Americans would have an additional \$24.4 billion in disposable personal income.

Last year, Dr. Wilbur Steger, President of Consad Research Corporation and a professor at Carnegie Mellon University testified before the Senate Finance Committee that an immediate death-tax repeal would provide a \$40 billion automatic stimulus to the economy. This is based on estimates of the amount of net unrealized capital gains that would be unlocked by such a repeal. Many Americans choose to hold onto their assets until death in order to obtain for their heirs a "step-up" in basis. Eliminating the death tax and a limited step-up in basis will provide an incentive for Americans to sell assets before death, hence the term "unlocking."

Under current law, the death tax will go down to zero in 2010 but reappear thereafter, at potent 2001 levels, thus adding significant complexity to future death-tax planning, increasing costs that are a drag on productivity, and retreating from a principled rejection of a frankly immoral tax. This is unsatisfactory. Until the death tax is repealed, family businesses, farms and ranches must still pay for expensive life-insurance policies, death-tax planners, and tax attorneys. These expenses total more than \$12 billion a year, according to Consad Research Corporation. A more efficient utilization of these resources would result in an immediate stimulus for the economy. More workers will be hired, more capital assets purchased and more productive goods made if we accelerate the elimination of the death tax and make it permanent. In short, Congress should hurry up and bury the death tax for all time to enable family businesses, farms, and ranches to begin investing those billions of wasted resources in the economy, creating jobs and expanding services, providing a powerful stimulus for their long-term survival. My bill would permanently repeal the death tax in 2005, thus allowing all Americans 2 years to plan for a future in which the federal government no longer taxes the death of its citizens.

The fourth provision in my Contract with Investors addresses the taxation of capital gains. My bill would reduce it to 10 percent. The capital-gains tax is a form of double-taxation that penalizes risk-taking and entrepreneurship. As many economists, including Federal Reserve Chairman Alan Greenspan, note, the capital-gains tax should not exist. Short of eliminating this tax, Congress must enact a large, and permanent, reduction in the capital-gains tax rate in order to stimulate new investment and more productive use of resources for both the short-term and the long-term health of our economy.

According to a recent study by the American Council for Capital Forma-

tion, American taxpayers face capital-gain tax rates that are 35 percent higher than those paid by the average investor in other countries. In addition, the United States is one of a small number of countries that requires a holding period for an investment to qualify for a lower capital-gain treatment.

In the last decade, individual capital-gains rate reductions and shortening of the holding period has boosted U.S. economic growth. Reducing the cost of capital will promote the type of productive business investment that fosters growth in output and high-paying jobs. Lowering rates will aid entrepreneurs in their effort to promote technological advances in products and services that people want and need.

And let's not forget about our national savings. Reducing capital-gains taxes means fewer taxes on Americans who choose to save for their future. What our economy needs is to remove impediments for savings and capital formation. When Americans choose to save for their retirement security and other financial goals, they are investing in the United States. We need to make that choice more attractive so that Americans choose to invest more in the United States. Reducing the capital-gains taxes will help achieve this goal.

My bill will also modernize the capital-loss provisions by increasing the amount of capital loss an individual may deduct against ordinary income to \$10,000 from the current-law \$3,000, and indexing it for future inflation. This \$3,000 limit was arbitrarily set over 25 years ago and would have grown to \$10,000 had it been indexed when it was enacted. Due to this lack of indexation, many investors are forced to hold on to unproductive investments. Updating this \$3,000 limit will permit investors to sell these unproductive assets and invest the proceeds in more productive assets.

Next, my bill will provide additional incentives for Americans to increase the amounts and periods of time in which they invest for their retirement security. Increasing the annual, maximum IRA contribution from \$3,000 to \$5,000 and the annual, maximum 401(k) plan contribution from \$11,000 to \$15,000 would enable American workers to save more for their future by investing in businesses. Increasing from 70.5 to 75 the age at which those tax-deferred retirement-savings accounts must begin making minimum required annual withdrawals will allow American seniors who are approaching this arbitrary age to choose whether to maintain their investments. They will not longer be forced to divest.

The next provision in my bill would eliminate the double taxation of corporate profits. Currently, businesses pay income taxes on their profits. Their investors are forced to pay a second income tax on the amounts that corporations distribute to them in the form of dividends. The national Center

for Policy Analysis has calculated that the combined tax rate on corporate profits is approximately 60 percent.

My bill would remedy this problem by exempting from income tax the dividends received by individuals from publicly traded C corporations. Eliminating this taxation will produce higher returns on dividend-yielding equity investments. Companies will have an incentive to make money and give it to the investor/shareholders in order to increase the value of the stock. Investors and businesses will benefit from this proposal.

Finally, I have included five provisions under Sense of the Senate language. I believe that the Senate must act on these issues and I stand ready and willing to assist my fellow Senators in solving these problems.

First, Congress should pass legislation to safeguard American workers' pension and retirement accounts. This year, the Finance Committee unanimously passed out of committee such a bill. The Senate and the House of Representatives should act quickly to pass similar legislation as soon as possible.

Second, Congress should modernize this country's international tax provisions in order to permit U.S. companies to better compete internationally. Our Tax Code's provisions, particularly the international tax, are placing our U.S. companies and the investors who own them at a distinct competitive disadvantage. Congress must modernize these provisions and move towards ending the current practice of taxing profits earned outside our country's boundaries.

Third, Congress must take the trouble to purge redundant, outdated, and unscientific regulatory burdens on investors and U.S. companies. Congress is quick to pass onerous new laws but slow to repeal them. This is an abdication of our responsibilities as legislators. Before placing new burdens on investors and businesses, Congress should be required to perform a cost-benefit analysis as well as instituting performance criteria to monitor and evaluate these new burdens on U.S. businesses and investors.

Fourth, Congress should enact meaningful tort reform as soon as possible.

Finally, Congress should enact meaningful tax reform that simplifies the Federal Tax Code and reduces the cost-recovery periods that businesses are forced to use to recover the costs of capital.

Now is the time for bold action. A "Contract with Investors" is long overdue. I have laid out my principles. I look forward to future hearings and discussions with my colleagues. It's time to get working.

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

S. 5. A bill to strengthen and permanently preserve social security through the power of investment and compound interest without benefit reductions or tax increases, and for other purposes; to the Committee on Finance.

Mr. HAGEL. Mr. President, I rise today to join the senior Senator from Texas in introducing the Social Security Preservation Act. He has worked a decade on this proposal, and I want to ensure that, as he leaves this distinguished body in a few short weeks, his time and effort will not have been wasted, for the stakes are far too high.

Everyone knows that America's demographics are rapidly changing. In just nine short years, in 2011, the first of my generation of baby boomers will retire. In the 20 years thereafter, the number of Americans aged 65 and older will grow four times as fast as the number of working Americans. Under the current system, where no real investments are ever made and current benefits are paid entirely by taxing current workers, how do we expect to pay for this shift in demographics? In 2015, Social Security will be distributing more in benefits than it collects in payroll taxes, and by 2038, the system will be completely bankrupt. Congress will be forced to either raise taxes on the next generation of workers by nearly 40 percent or cut the benefits of retirees by nearly 30 percent. If we continue to defer the difficult decisions on how we fix the system, that will be the position we will find ourselves in. If we begin now, however, we can stabilize and enhance the system before it is scheduled to go broke. But we must start now.

In his message to Congress on Social Security in 1935, Franklin Delano Roosevelt called for a Social Security system of "voluntary contributory annuities by which individual initiative can increase the annual amounts received in old age." This bill embraces that vision, and will strengthen and permanently preserve Social Security by actually making investments. All workers will have the option of investing a portion of their wages into accounts that earn a higher rate of return. Upon retirement, these investing workers would use the money in their accounts to purchase an annuity to pay benefits promised under the current system plus a bonus for participating in the new system. They could keep any excess. All workers, both those who invest and those who choose to remain in the current system, would be guaranteed every dollar of their currently promised benefit. No worker would ever experience a cut in benefits or a hike in taxes at any time. And when fully implemented, these changes to Social Security will yield benefits over two times those currently provided to an average worker. And the system's coming insolvency in 2038 would be reversed.

It is time for our Nation to confront Social Security's impending financial crisis. For too long, we have ignored our nation's changing demographics which will result in a crushing burden being placed on our Social Security and Medicare systems if we don't deal with this challenge now. It will demand either higher taxes or reduced benefits

later if we continue to defer our responsibilities. For too long, we have feared open and informative debate about reforming the Social Security system, believing that the American people are unwilling to consider the realities that we face. Politicians have been afraid of the political risks in honestly dealing with Social Security. The Congress and the President must face up to their responsibilities in dealing with this challenge. I will reintroduce this legislation to reform the Social Security system at the beginning of the next Congress and look forward to working with my colleagues and President Bush in this effort.

By Mr. DURBIN:

S. 3173. A bill to amend title 5, United States Code, to establish a national health program administered by the Office of Personnel Management to offer Federal employee health benefits plans to individuals who are not Federal employees, and for other purposes; to the Committee on Governmental Affairs.

Mr. DURBIN. Mr. President, today I am introducing legislation to make available to all Americans the same range of private health insurance plans available to Members of Congress and other Federal employees through the Federal Employees Health Benefits Program, FEHBP.

Too many Americans do not have real insurance options. Many individuals lack insurance because no insurer is willing to cover them at a reasonable price. Others work for employers who do not provide health insurance or offer only one insurance provider. This legislation addresses these issues by giving individuals and businesses access to the group purchasing power of FEHBP and the wide range of health plans in that program.

The OPTION Act, Offering People True Insurance Options Nationwide, would expand insurance options by allowing individuals to enroll in private health insurance plans nearly identical to the plans available to federal employees. Though the OPTION program would be separate from the Federal employees program, it would be modeled after FEHBP and would draw from FEHBP's strengths: plan choice, group purchasing savings, comprehensive benefits, and open enrollment periods.

Under this legislation, all FEHBP health plans would be required to offer an OPTION health plan to non-Federal employees with the same range of benefits they offer Federal employees through FEHBP.

OPTION enrollees would be placed in a separate risk pool to prevent any adverse effect on current FEHBP employees, annuitants, and their families. The OPTION Act would not result in any changes to the premiums or benefits of today's FEHBP health plans.

OPTION health plans would not be allowed to impose any preexisting condition exclusions on new OPTION enrollees who have at least one year of

health insurance coverage immediately prior to enrollment in an OPTION plan. To prevent people from waiting until they are sick to enroll, health plans would be allowed to exclude coverage for preexisting conditions for up to one year for people without coverage immediately prior to enrollment.

One of the few differences from FEHBP is that OPTION plans would be allowed to vary premiums by age so that younger enrollees would be more likely to enroll. OPTION plans also would be required to offer rebates or lower premiums to encourage and reward longevity of health coverage. These provisions would act as an incentive for people to sign up when they are young and to maintain continuous coverage.

Along with making FEHBP available in the individual market, the OPTION program will allow businesses to tap into the type of group buying power in the federal employees program if they voluntarily choose to participate. To be eligible, a business would have to be willing to pay at least a minimum percentage of premiums, varying from 40 percent to 60 percent depending on the size of the business. Employers would also be offered an incentive to begin enrolling their employees by allowing them to pay as little as 20 percent of the premium for the first year. This innovative employer option would encourage employer health coverage rather than shifting coverage away from the private sector. I want to emphasize that employer participation would be entirely voluntary.

Under the OPTION Act, premiums would not be government-subsidized. Instead, enrollees and those employers who choose to participate would be responsible for the cost of the premiums.

The OPTION program would be administered by the Office of Personnel Management, OPM, which administers the FEHBP program, and would generally follow the rules for FEHBP. OPM has developed considerable expertise in negotiating and working with health plans and has shown that it can run a health program well at a minimal cost. We can build on OPM's expertise to extend the same health insurance options to all Americans.

Finally, once it is up and running, this program would pay for itself. Administrative costs would be covered from a portion of the OPTION premiums. Those who benefit from the program would pay for its overhead costs.

This legislation could open the door for many Americans to obtain good health insurance coverage. Health insurance premiums in today's market can be especially high, both for individuals and for small businesses buying insurance on their own. This legislation will reduce the cost of insurance, and as a result will help to reduce the number of uninsured Americans. It will also expand insurance options. I encourage my colleagues to support this very important legislation.

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

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

S. 3173

*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 "Offering People True Insurance Options Nationwide Act of 2002".

## SEC. 2. OPTION HEALTH INSURANCE.

Subpart G of part III of title 5, United States Code, is amended by adding at the end the following:

### "CHAPTER 90A—HEALTH INSURANCE FOR NON-FEDERAL EMPLOYEES

"Sec.

"9051. Definitions.

"9052. Health insurance for non-Federal employees.

"9053. Contract requirement.

"9054. Eligibility.

"9055. Alternative conditions to Federal employee plans.

"9056. Coordination with social security benefits.

"9057. Non-Federal employer participation.

#### "§ 9051. Definitions

"In this chapter—

"(1) the terms defined under section 8901 shall have the meanings given such terms under that section; and

"(2) the term 'Office' means the Office of Personnel Management.

#### "§ 9052. Health insurance for non-Federal employees

"(a) The Office of Personnel Management shall administer a health insurance program for non-Federal employees in accordance with this chapter.

"(b) Except as provided under this chapter, the Office shall prescribe regulations to apply the provisions of chapter 89 to the greatest extent practicable to eligible individuals covered under this chapter.

"(c) In no event shall the enactment of this chapter result in—

"(1) any increase in the level of individual or Government contributions required under chapter 89, including copayments or deductibles;

"(2) any decrease in the types of benefits offered under chapter 89; or

"(3) any other change that would adversely affect the coverage afforded under chapter 89 to employees and annuitants and members of family under that chapter.

"(d) The Office shall develop methods to facilitate enrollment under this chapter, including the use of the Internet.

"(e) The Office may enter into contracts for the performance of appropriate administrative functions under this chapter.

#### "§ 9053. Contract requirement

"(a) Each contract entered into under section 8902 shall require a carrier to offer to eligible individuals under this chapter, throughout each term for which the contract remains effective, the same benefits (subject to the same maximums, limitations, exclusions, and other similar terms or conditions) as would be offered under such contract or applicable health benefits plan to employees, annuitants, and members of family.

"(b)(1) The Office may waive the requirements of this section, if the Office determines, based on a petition submitted by a carrier that—

"(A) the carrier is unable to offer the applicable health benefits plan because of a

limitation in the capacity of the plan to deliver services or assure financial solvency;

"(B) the applicable health benefits plan is not sponsored by a carrier licensed under applicable State law; or

"(C) bona fide enrollment restrictions make the application of this chapter inappropriate, including restrictions common to plans which are limited to individuals having a past or current employment relationship with a particular agency or other authority of the Government.

"(2) The Office may require a petition under this subsection to include—

"(A) a description of the efforts the carrier proposes to take in order to offer the applicable health benefits plan under this chapter; and

"(B) the proposed date for offering such a health benefits plan.

"(3) A waiver under this subsection may be for any period determined by the Office. The Office may grant subsequent waivers under this section.

#### "§ 9054. Eligibility

"An individual shall be eligible to enroll in a plan under this chapter, unless the individual is enrolled or eligible to enroll in a plan under chapter 89.

#### "§ 9055. Alternative conditions to Federal employee plans

"(a) For purposes of enrollment in a health benefits plan under this chapter, an individual who had coverage under a health insurance plan and is not a qualified beneficiary as defined under section 4980B(g)(1) of the Internal Revenue Code of 1986 shall be treated in a similar manner as an individual who begins employment as an employee under chapter 89.

"(b) In the administration of this chapter, covered individuals under this chapter shall be in a risk pool separate from covered individuals under chapter 89.

"(c)(1) Each contract under this chapter may include a preexisting condition exclusion as defined under section 9801(b)(1) of the Internal Revenue Code of 1986.

"(2)(A) The preexisting condition exclusion under this subsection shall provide for coverage of a preexisting condition to begin not more than 1 year after the date of coverage of an individual under a health benefits plan, reduced by 1 month for each month that individual was covered under a health insurance plan immediately preceding the date the individual submitted an application for coverage under this chapter.

"(B) For purposes of this paragraph, a lapse in coverage of not more than 63 days immediately preceding the date of the submission of an application for coverage shall not be considered a lapse in continuous coverage.

"(d)(1) Rates charged and premiums paid for a health benefits plan under this chapter—

"(A) may be adjusted and differ from such rates charged and premiums paid for the same health benefits plan offered under chapter 89;

"(B) shall be negotiated in the same manner as negotiated under chapter 89; and

"(C) shall be adjusted to cover the administrative costs of this chapter.

"(2) In determining rates and premiums under this chapter—

"(A) the age of covered individuals may be considered; and

"(B) rebates or lower rates and premiums shall be set to encourage longevity of coverage.

"(e) No Government contribution shall be made for any covered individual under this chapter.

"(f) If an individual who is enrolled in a health benefits plan under this chapter ter-

minates the enrollment, the individual shall not be eligible for reenrollment until the first open enrollment period following 6 months after the date of such termination.

#### "§ 9056. Coordination with social security benefits

"Benefits under this chapter shall, with respect to an individual who is entitled to benefits under part A of title XVIII of the Social Security Act, be offered (for use in coordination with those social security benefits) to the same extent and in the same manner as if coverage were under chapter 89.

#### "§ 9057. Non-Federal employer participation

"(a) In this section the term—

"(1) 'employee', notwithstanding section 9051, means an employee of a non-Federal employer;

"(2) 'non-Federal employer' means an employer that is not the Federal Government; and

"(3) 'total premium amount' means the total premiums for individual coverage for the health benefits plan under which the employee is enrolled, regardless of whether the employee is enrolled as an individual or for self and family.

"(b)(1) The Office shall prescribe regulations under which non-Federal employers may participate under this chapter, including—

"(A) the offering of health benefits plans under this chapter to employees through participating non-Federal employers; and

"(B) a requirement for participating non-Federal employer contributions to the payment of premiums for employees who enroll in a health benefits plan under this chapter.

"(2) A participating non-Federal employer shall pay an employer contribution for the premiums of an employee or other applicable covered individual as follows:

"(A) A non-Federal employer that employs not more than 2 employees shall not be required to pay an employer contribution.

"(B) A non-Federal employer that employs more than 2 and not more than 25 employees shall pay not less than 40 percent of the total premium amount.

"(C) A non-Federal employer that employs more than 25 and not more than 50 employees shall pay not less than 50 percent of the total premium amount.

"(D) A non-Federal employer that employs more than 50 employees shall pay not less than 60 percent of the total premium amount.

"(3) Notwithstanding paragraph (2) (B), (C), or (D), a non-Federal employer that employs more than 2 employees shall pay not less than 20 percent of the total premium amount with respect to the first year in which that employer participates under this chapter.

"(c)(1) A participating non-Federal employer shall ensure that each eligible full-time employee may enroll in a plan under this chapter.

"(2)(A) A participating non-Federal employer may not offer a health insurance plan to employees (other than a health benefits plan under this chapter) unless such health insurance plan is offered continuously on and after the date of enactment of this chapter.

"(B) If a participating non-Federal employer offers coverage under this chapter and under another plan as provided under subparagraph (A), the non-Federal employer—

"(i) shall treat all employees in the same manner with respect to such offerings; and

"(ii) may not use financial incentives or disincentives to encourage an employee or class of employees to enroll in the health insurance plan not offered under this chapter."

**SEC. 3. TECHNICAL AND CONFORMING AMENDMENTS.**

(a) **CONTRACT REQUIREMENT UNDER CHAPTER 89.**—Section 8902 of title 5, United States Code, is amended by adding after subsection (o) the following:

“(p) Each contract under this chapter shall include a provision that the carrier shall offer any health benefits plan as required under chapter 90A.”.

(b) **TABLE OF CHAPTERS.**—The table of chapters for part III of title 5, United States Code, is amended by inserting after the item relating to chapter 90 the following:

“**90A. Health Insurance for Non-Federal Employees** ..... **9051”.**

**SEC. 4. EFFECTIVE DATE.**

This Act and the amendments made by this Act shall take effect on the date of enactment of this Act and shall apply to contracts that take effect with respect to calendar year 2003 and each calendar year thereafter.

By Ms. LANDRIEU (for herself and Mr. BREAUX):

S. 3176. A bill to amend the Internal Revenue Code of 1986 to allow employers in renewal communities to qualify for the renewal community employment credit by employing residents of certain other renewal communities; to the Committee on Finance.

Ms. LANDRIEU. Mr. President, today I am introducing a modification of legislation I introduced earlier in the 107th Congress relating to the Renewal Community program. The Renewal Community program has been tremendously valuable in promoting job growth and economic development in the poorest areas of the country.

There are 40 urban and rural renewal community areas designated under the Community Renewal Tax Relief Act of 2000. The poverty rate in renewal communities is at least 20 percent, and the unemployment rate is one-and-a-half times the national level. The households in the renewal communities have incomes that are 80 percent below the median income of households in their local jurisdictions. Four areas of Louisiana received renewal community designations.

Businesses in a renewal community can receive a variety of tax benefits for hiring residents of the same renewal community. These tax benefits include A \$1,500 Federal credit for hiring workers from the renewal community, as well as a \$2,400 work opportunity credit for hiring employees from groups with traditionally high unemployment rates. There is one important qualification in the program that poses a peculiar problem in Louisiana, as well as a few other parts of the country: a business can only take advantage of these credits if it hires residents from the same renewal community that the business is in.

Why is this a problem for Louisiana? Because, some of our renewal communities border each other. Under the rules of the program, the business cannot receive the credit for hiring a resident of a different renewal community. In Louisiana, the closest available job for someone might be at a business two

or three miles away, but if that business is not in the same renewal community as the worker, the business cannot get the tax credit.

A good example of what I am talking about is in the northern part of Louisiana, home of the North Louisiana Renewal Community and the Ouachita Renewal Community. The city of Monroe is located at the heart of the Ouachita Renewal Community and it serves as the economic hub for Northeast Louisiana. All around Monroe and the Ouachita Renewal Community there are parishes which fall in the North Louisiana Renewal Community, Morehouse Parish to the north, Richland Parish to the east, Caldwell Parish to the south, and Lincoln Parish to the west. People from these parishes will naturally look in Monroe for jobs. But under the rule, businesses in Monroe cannot take advantage of the tax credits even if they hire workers from only a short distance away.

My legislation, the Renewal Community Tax Benefit Improvement Act of 2002, will allow the employers in one renewal community to hire employees from an adjacent or nearby renewal community area and still receive the tax benefits granted through the act. The bill I am introducing today is a slightly more narrow version of my earlier bill to bring needed flexibility to the renewal community program. I am pleased that my colleague from Louisiana, Senator BREAUX, is an original cosponsor of this bill.

This legislation is a small change that will make a big difference to the people of Louisiana. I urge my colleagues to support this bill.

By Mr. HOLLINGS:

S. 3177. A bill to authorize appropriations for the programs of the Department of Commerce's National Institute of Standards and Technology, to amend the National Institute of Standards and Technology Act, and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mr. HOLLINGS. Mr. President, today I am pleased to introduce the National Institutes of Standards and Technology, NIST, Authorization Act. The bill is a routine authorization of appropriations for NIST. It includes some provisions to change the Institute's Advanced Technology Program that were the subject of hearings in the Commerce Committee earlier this year. In addition, the bill includes several technical changes to the NIST Act which the agency has requested.

NIST is really a hidden treasure. Twice in the past five years, NIST Scientists have shared in the Physics Nobel Prize. Whether they are investigating the collapse of the World Trade Center, making small manufacturers better, sponsoring innovative research, or improving timekeeping, the people of this little-noticed agency continue to do amazing work, and I commend them.

Nonetheless, we continue to be embroiled in an annual tug-of-war on

funding for the Advanced Technology Program, known as ATP. I am encouraged that Secretary Evans and Deputy Secretary Bodman want to stabilize this program. I am introducing this bill to help them in that cause by including several of the Department's suggestions to improve the ATP.

The benefits of the ATP are well-documented. The program has been studied thoroughly from individual case studies, to comprehensive examinations like the 2001 study by the National Academy of Sciences' National Research Council. The results are clear. ATP is stimulating collaboration, accelerating the development of high-risk technologies, and paying off for the nation.

The Commerce Department has proposed several changes to the ATP. The bill includes provisions to allow universities to lead ATP projects and to have interest in the intellectual property developed under those projects, as well as provisions to further clarify that projects are to remove scientific and technical barriers and to evaluate ATP's review process.

In addition, the bill would clarify that the program should operate free of political influence by ensuring that final project decisions are made by career NIST officials, as they have been since the program's inception.

However, the Administration's proposal for recoupment of up to 5 times the original amount of funding is not acceptable and is not included. The record on recoupment was made at our hearing in April of this year. It is an approach which the program has tried and failed. More importantly, recoupment discourages companies from participating in the program, imposing overwhelming accounting burdens that companies may be unable to fulfill.

In the end, the bill hopes to build on ATP's tremendous successes. Since its inception in 1989 this industry-led, competitive, and cost-shared program has helped the U.S. develop the next generation of breakthrough technologies in advance of its foreign competitors.

The Commerce Committee heard testimony from Scott Donnelly of GE. His company, with ATP funding, developed a new method to produce the X-ray panels that are the heart of a new digital mammography system. This system is giving women and their doctors access to better, cheaper digital mammograms.

A March 1999 study found that future returns from just three of the completed ATP projects, improving automobile manufacturing processes, reducing the cost of blood and immune cell production, and using a new material for prosthesis devices, would pay for all projects funded to date by the ATP.

The bill also provides full funding for the Manufacturing Extension Partnership, MEP, Centers which the Administration has proposed to cut. Ironically,

these MEP Centers help fulfill one of the top priorities stated in the Administration's budget: "revitalize the economy and create jobs." MEP helps small manufacturers stay competitive and, in 2000, helped these businesses attain \$2.3 billion in increased or retained sales, save costs of \$480 million, and create or retain more than 25,000 jobs.

While the time remaining in this session is short, I want to introduce this NIST Authorization bill to stimulate the productive dialog that we have had with interested members and the Administration on the programs of NIST. I look forward to continuing this work during the 108th Congress.

#### SUBMITTED RESOLUTIONS

##### SENATE RESOLUTION 359—RECOGNIZING THE IMPORTANCE AND ACCOMPLISHMENTS OF THE THURGOOD MARSHALL SCHOLARSHIP FUND

Mr. HOLLINGS (for himself, Mr. SCHUMER, and Mrs. CLINTON) submitted the following resolution; which was referred to the Committee on Health, Education, Labor, and Pensions:

S. RES. 359

Whereas in 1987, the Thurgood Marshall Scholarship Fund was founded, under the leadership of Dr. N. Joyce Payne, in conjunction with its founding corporate sponsors, Miller Brewing Corporation and the National Basketball Association;

Whereas since its inception, the Thurgood Marshall Scholarship Fund has provided more than \$20,000,000 in scholarships and programmatic support to students attending the 45 historically Black public colleges and universities (including 5 historically Black law schools) that make up the fund's membership;

Whereas the Thurgood Marshall Scholarship Fund is the only national organization to provide merit scholarships and programmatic and capacity-building support to 45 historically Black public colleges and universities;

Whereas the Thurgood Marshall Scholarship Fund was created to bridge the technological, financial, and programmatic gaps between historically Black public and private colleges and universities;

Whereas the 45 member institutions of the Thurgood Marshall Scholarship Fund are a critical source of public higher education for African Americans, with more than 215,000 students at the institutions;

Whereas more than 77 percent of all students enrolled in historically Black colleges and universities attend member institutions of the Thurgood Marshall Scholarship Fund;

Whereas the legacy and commitment to education of the Thurgood Marshall Scholarship Fund centers on a foundation of preparing a new generation of leaders;

Whereas the Thurgood Marshall Scholarship Fund continues to provide students quality academic instruction in a positive learning environment while promoting equal opportunity in higher education; and

Whereas October 2002 marks the 15th anniversary of the Thurgood Marshall Scholarship Fund: Now, therefore, be it

*Resolved*, That the Senate—

(1) fully supports the goals and ideals of the Thurgood Marshall Scholarship Fund; and

(2) salutes and acknowledges the Thurgood Marshall Scholarship Fund and its vigorous and persistent efforts in support of equal opportunity in higher education.

##### SENATE RESOLUTION 360—CONGRATULATING FORMER PRESIDENT JIMMY CARTER FOR BEING AWARDED THE 2002 NOBEL PEACE PRIZE, AND COMMENDING HIM FOR HIS LIFETIME OF DEDICATION TO PEACE

Mr. DODD (for himself, Mrs. FEINSTEIN, Mr. MILLER, Mr. CLELAND, Mr. DASCHLE, Mr. REID, Mrs. CLINTON, and Mr. AKAKA) submitted the following resolution; which was considered and agreed to:

S. RES. 360

Whereas in 1978, President Carter personally negotiated with Egyptian President Anwar Sadat and Israeli Prime Minister Menachem Begin to reach the Camp David Accords, the cornerstone of all subsequent peace efforts in the Middle East;

Whereas President Carter completed negotiations on the Strategic Arms Limitation Talks II (SALT II) and continued to make strategic arms control a focus of United States security policy;

Whereas President Carter emphasized the importance of human rights as a key element of United States foreign policy;

Whereas former President Carter and his wife Rosalynn established the Carter Center in 1982;

Whereas the Carter Center has taken an active and vital role in world affairs, always seeking to improve human rights, promote democracy, resolve conflicts, and enhance the lives of the people of the world;

Whereas former President Carter has made countless trips abroad to promote peace, democracy, and human rights, including visits to East Timor, North Korea, Cuba, Haiti, Nicaragua, and Mexico, among many others; and

Whereas former President Carter has made the promotion of peace, democracy, and human rights his life's work: Now, therefore be it

*Resolved*, That the Senate recognizes and congratulates former President Jimmy Carter for being awarded the 2002 Nobel Peace Prize and commends him for his tireless work for and dedication to peace.

##### SENATE CONCURRENT RESOLUTION 159—TO CORRECT THE ENROLLMENT OF S. 1843

Mr. BINGAMAN (for himself and Mr. MURKOWSKI) submitted the following concurrent resolution, which was considered and agreed to:

S. CON. RES. 159

*Resolved by the Senate (the House of Representatives concurring)*, That in the enrollment of the bill (S. 1843) To extend certain hydro-electric licenses in the State of Alaska the Secretary of the Senate is hereby authorized and directed, in the enrollment of the said bill, to make the following corrections, namely:

In subsection (c), delete "3 consecutive 2-year time periods." and insert "one 2-year time period."

#### AMENDMENTS SUBMITTED & PROPOSED

SA 4970. Mr. REID (for Mr. BINGAMAN) proposed an amendment to the bill H.R. 695, to

establish the Oil Region National Heritage Area.

SA 4971. Mr. REID (for Mr. BINGAMAN) proposed an amendment to the bill S. 941, to revise the boundaries of the Golden Gate National Recreation Area in the State of California, to extend the term of the advisory commission for the recreation area, and for other purposes.

SA 4972. Mr. REID (for Mr. BINGAMAN) proposed an amendment to the bill S. 1894, to direct the Secretary of the Interior to conduct a special resource study to determine the national significance of the Miami Circle site in the State of Florida as well as the suitability and feasibility of its inclusion in the National Park System as part of Biscayne National Park, and for other purposes.

SA 4973. Mr. REID (for Mr. BINGAMAN) proposed an amendment to the bill H.R. 980, an act to establish the Moccasin Bend National Archeological District in the State of Tennessee as a unit of Chickamauga and Chattanooga National Military Park.

SA 4974. Mr. REID (for Mr. BINGAMAN) proposed an amendment to the bill H.R. 37, to amend the National Trails System Act to update the feasibility and suitability studies of 4 national historic trails and provide for possible additions to such trails.

SA 4975. Mr. REID (for Mr. BINGAMAN) proposed an amendment to the bill S. 198, to require the Secretary of the Interior to establish a program to provide assistance through States to eligible weed management entities to control or eradicate harmful, nonnative weeds on public and private land.

SA 4976. Mr. REID (for Mr. BINGAMAN) proposed an amendment to the bill S. 2670, to establish Institutes to conduct research on the prevention of, and restoration from, wildfires in forest and woodland ecosystems.

SA 4977. Mr. REID (for Mr. BINGAMAN) proposed an amendment to the bill S. 2222, to resolve certain conveyances and provide for alternative land selections under the Alaska Native Claims Settlement Act related to Cape Fox Corporation and Sealaska Corporation, and for other purposes.

SA 4978. Mr. REID (for Mr. BINGAMAN) proposed an amendment to the bill S. 2556, to authorize the Secretary of the Interior to convey certain facilities to the Fremont-Madison Irrigation District in the State of Idaho.

#### TEXT OF AMENDMENTS

**SA 4970.** Mr. REID (for Mr. BINGAMAN) proposed an amendment to the bill H.R. 695, to establish the Oil Region National Heritage Area; as follows:

1. On page 44, line 22, strike "Act" and insert "title".
2. On page 45, line 11, strike "Act:" and insert "title:"
3. Beginning on page 99, line 13, insert the following:

TITLE IX—CROSSROADS OF THE AMERICAN REVOLUTION NATIONAL HERITAGE AREA

##### SEC. 901. SHORT TITLE.

This title may be cited as the "Crossroads of the American Revolution National Heritage Area Act of 2002".

##### SEC. 902. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the State of New Jersey was critically important during the American Revolution because of the strategic location of the State between the British armies headquartered in New York City, New York, and the Continental Congress in the city of Philadelphia, Pennsylvania;