(Mr. HAGEL), the Senator from Illinois (Mr. DURBIN), the Senator from Hawaii (Mr. INOUYE), the Senator from Georgia (Mr. MILLER), and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of S. 2051, a bill to remove a condition preventing authority for concurrent receipt of military retired pay and veterans' disability compensation from taking affect, and for other purposes.

S. 2075

At the request of Mr. BAUCUS, the name of the Senator from Georgia (Mr. MILLER) was added as a cosponsor of S. 2075, a bill to facilitate the availability of electromagnetic spectrum for the deployment of wireless based services in rural areas, and for other purposes.

S. 2076

At the request of Mr. DORGAN, the name of the Senator from Minnesota (Mr. DAYTON) was added as a cosponsor of S. 2076, a bill to prohibit the cloning of humans.

S.J. RES. 35

At the request of Mrs. FEINSTEIN, the names of the Senator from Alaska (Mr. MURKOWSKI), the Senator from Connecticut (Mr. LIEBERMAN), the Senator from Texas (Mr. GRAMM), and the Senator from New Hampshire (Mr. SMITH) were added as cosponsors of S.J. Res. 35, a joint resolution proposing an amendment to the Constitution of the United States to protect the rights of crime victims.

S. RES. 185

At the request of Mr. ALLEN, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. Res. 185, a resolution recognizing the historical significance of the 100th anniversary of Korean immigration to the United States.

S. RES. 219

At the request of Mr. GRAHAM, the name of the Senator from Georgia (Mr. MILLER) was added as a cosponsor of S. Res. 219, a resolution expressing support for the democratically elected Government of Columbia and its efforts to counter threats from United States-designated foreign terrorist organizations.

AMENDMENT NO. 3037

At the request of Mr. TORRICELLI, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of amendment No. 3037 intended to be proposed to S. 517, a bill to authorize funding the Department of Energy to enhance its mission areas through technology transfer and partnerships for fiscal years 2002 through 2006, and for other purposes.

AMENDMENT NO. 3103

At the request of Mr. KENNEDY, the names of the Senator from Colorado (Mr. ALLARD), the Senator from Virginia (Mr. ALLEN), the Senator from Utah (Mr. BENNETT), the Senator from Nevada (Mr. ENSIGN), the Senator from Massachusetts (Mr. KERRY), the Senator from New York (Mr. SCHUMER), and the Senator from Virginia (Mr. WARNER) were added as cosponsors of amendment No. 3103 intended to be proposed to S. 517, a bill to authorize funding the Department of Energy to enhance its mission areas through technology transfer and partnerships for fiscal years 2002 through 2006, and for other purposes.

AMENDMENT NO. 3129

At the request of Mr. BREAUX, the name of the Senator from Nevada (Mr. ENSIGN) was added as a cosponsor of amendment No. 3129 intended to be proposed to S. 517, a bill to authorize funding the Department of Energy to enhance its mission areas through technology transfer and partnerships for fiscal years 2002 through 2006, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BINGAMAN:

S. 2139. A bill to amend the Public Health Service Act to provide grants to promote positive health behaviors in women; to the Committee on Health, Education, Labor, and Pensions.

Mr. BINGAMAN. Mr. President, the legislation I am introducing today entitled the ''Community Health Workers Act of 2002'' would improve access to health education and outreach services to women in medically underserved areas in the United States-New Mexico border region.

Lack of access to adequate health care and health education is a significant problem along the United States-New Mexico border. While the access problem is in part due to a lack of insurance, it is also attributable to non-financial barriers to access. These barriers include a shortage of physicians and other health professionals, and hospitals; inadequate transportation; a shortage of bilingual health information and health providers; and culturally insensitive systems of care.

This legislation would help to address the issue of access by providing $6 million in grants to State, local, and tribal organizations, including community health centers and public health departments, for the purpose of hiring community health workers to provide health education, outreach, and referrals to women and families who otherwise would have little or no contact with health care services.

Recognizing factors such as poverty and language and cultural differences that often serve as barriers to health care access in medically underserved populations, community health workers are in a unique position to improve health outcomes and quality of care for groups that have traditionally lacked access to adequate services.

The positive benefits of the community health worker model have been documented. Research has shown that community health workers have been effective in increasing the utilization of health preventive services such as cancer screenings and medical follow up for elevated blood pressure. Preliminary investigation of a community health workers project in New Mexico suggests that community health workers also help to increase enrollment in health insurance programs such as Medicaid and the Children's Health Insurance Program, SCHIP.

According to an Institute of Medicine, IOM, report entitled, ''Unequal Treatment: Confronting Racial and Ethnic Disparities in Healthcare,'' ''community health workers offer promise as a community-based resource to increase racial and ethnic minorities' access to health care and to serve as a liaison between healthcare providers and the communities they serve.''

Although the community health worker model is valued on the United States-Mexico border as well as other parts of the country that encounter challenges of meeting the health care needs of medically underserved populations, these programs often have difficulty securing adequate financial resources to maintain and expand upon their services. As a result, many of these programs are significantly limited in their ability to meet the ongoing and emerging health demands of their communities.

The IOM report also notes that ''programs to support the use of community health workers . . . especially among medically underserved and racial and ethnic minority populations, should be expanded, evaluated, and replicated.''

I am introducing this legislation to increase resources for a model that has shown significant promise for increasing access to quality health care and health education for families in medically underserved communities.

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. 2139

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 Health Workers Act of 2002''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Chronic diseases, defined as any condition that requires regular medical attention or medication, are the leading cause of death and disability for women in the United States across racial and ethnic groups.

(2) According to the National Vital Statistics Report of 2001, the 5 leading causes of death among Hispanic, American Indian, and African-American women are heart disease, cancer, diabetes, cerebrovascular disease, and unintentional injuries.

(3) Unhealthy behaviors alone lead to more than 50 percent of premature deaths in the United States.

(4) Poor diet, physical inactivity, tobacco use, and alcohol and drug abuse are the health risk behaviors that most often lead to disease, premature death, and disability, and are particularly prevalent among many groups of minority women.

(5) Over 60 percent of Hispanic and African-American women are classified as overweight and over 30 percent are classified as

obese. Over 60 percent of American Indian women are classified as obese.

(6) American Indian women have the highest mortality rates related to alcohol and drug use of all women in the United States.

(7) High poverty rates coupled with barriers to health preventive services and medical care contribute to racial and ethnic disparities in health factors, including premature death, life expectancy, risk factors associated with major diseases, and the extent and severity of illnesses.

(8) There is increasing evidence that early life experiences are associated with adult chronic disease and that prevention and intervention services provided within the community and the home may lessen the impact of chronic outcomes, while strengthening families and communities.

(9) Community health workers, who are primarily women, can be a critical component in conducting health promotion and disease prevention efforts in medically underserved populations.

(10) Recognizing the difficult barriers confronting medically underserved communities (poverty, geographic isolation, language and cultural differences, lack of transportation, low literacy, and lack of access to services), community health workers are in a unique position to reduce preventable morbidity and mortality, improve the quality of life, and increase the utilization of available preventive health services for community members.

(11) Research has shown that community health workers have been effective in significantly increasing screening and medical followup visits among residents with limited access or underutilization of health care services.

(12) States on the United States-Mexico border have high percentages of impoverished and ethnic minority populations: border States accommodate 60 percent of the total Hispanic population and 23 percent of the total population below 200 percent poverty in the United States.

SEC. 3. GRANTS TO PROMOTE POSITIVE HEALTH BEHAVIORS IN WOMEN.

Part P of title III of the Public Health Service Act (42 U.S.C. 280g et seq.) is amended by adding at the end the following:

''SEC. 399O. GRANTS TO PROMOTE POSITIVE HEALTH BEHAVIORS IN WOMEN.

''(a) GRANTS AUTHORIZED.—The Secretary, in collaboration with the Director of the Centers for Disease Control and Prevention and other Federal officials determined appropriate by the Secretary, is authorized to award grants to States or local or tribal units, to promote positive health behaviors for women in target populations, especially racial and ethnic minority women in medically underserved communities.

''(b) USE OF FUNDS.—Grants awarded pursuant to subsection (a) may be used to support community health workers—

''(1) to educate, guide, and provide outreach in a community setting regarding health problems prevalent among women and especially among racial and ethnic minority women;

''(2) to educate, guide, and provide experiential learning opportunities that target behavioral risk factors including—

''(A) poor nutrition;

''(B) physical inactivity;

''(C) being overweight or obese;

''(D) tobacco use;

''(E) alcohol and substance use;

''(F) injury and violence;

''(G) risky sexual behavior; and

''(H) mental health problems;

''(3) to educate and guide regarding effective strategies to promote positive health behaviors within the family;

''(4) to educate and provide outreach regarding enrollment in health insurance including the State Children's Health Insurance Program under title XXI of the Social Security Act, medicare under title XVIII of such Act and medicaid under title XIX of such Act;

''(5) to promote community wellness and awareness; and

''(6) to educate and refer target populations to appropriate health care agencies and community-based programs and organizations in order to increase access to quality health care services, including preventive health services.

''(c) APPLICATION.—

''(1) IN GENERAL.—Each State or local or tribal unit (including federally recognized tribes and Alaska native villages) that desires to receive a grant under subsection (a) shall submit an application to the Secretary, at such time, in such manner, and accompanied by such additional information as the Secretary may require.

''(2) CONTENTS.—Each application submitted pursuant to paragraph (1) shall—

''(A) describe the activities for which assistance under this section is sought;

''(B) contain an assurance that with respect to each community health worker program receiving funds under the grant awarded, such program provides training and supervision to community health workers to enable such workers to provide authorized program services;

''(C) contain an assurance that the applicant will evaluate the effectiveness of community health worker programs receiving funds under the grant;

''(D) contain an assurance that each community health worker program receiving funds under the grant will provide services in the cultural context most appropriate for the individuals served by the program;

''(E) contain a plan to document and disseminate project description and results to other States and organizations as identified by the Secretary; and

''(F) describe plans to enhance the capacity of individuals to utilize health services and health-related social services under Federal, State, and local programs by—

''(i) assisting individuals in establishing eligibility under the programs and in receiving the services or other benefits of the programs; and

''(ii) providing other services as the Secretary determines to be appropriate, that may include transportation and translation services.

''(d) PRIORITY.—In awarding grants under subsection (a), the Secretary shall give priority to those applicants—

''(1) who propose to target geographic areas—

''(A) with a high percentage of residents who are eligible for health insurance but are uninsured or underinsured;

''(B) with a high percentage of families for whom English is not their primary language; and

''(C) that encompass the United States-Mexico border region;

''(2) with experience in providing health or health-related social services to individuals who are underserved with respect to such services; and

''(3) with documented community activity and experience with community health workers.

''(e) COLLABORATION WITH ACADEMIC INSTITUTIONS.—The Secretary shall encourage community health worker programs receiving funds under this section to collaborate with academic institutions. Nothing in this section shall be construed to require such collaboration.

''(f) QUALITY ASSURANCE AND COST-EFFECTIVENESS.—The Secretary shall establish guidelines for assuring the quality of the training and supervision of community health workers under the programs funded under this section and for assuring the cost-effectiveness of such programs.

''(g) MONITORING.—The Secretary shall monitor community health worker programs identified in approved applications and shall determine whether such programs are in compliance with the guidelines established under subsection (e).

''(h) TECHNICAL ASSISTANCE.—The Secretary may provide technical assistance to community health worker programs identified in approved applications with respect to planning, developing, and operating programs under the grant.

''(i) REPORT TO CONGRESS.—

''(1) IN GENERAL.—Not later than 4 years after the date on which the Secretary first awards grants under subsection (a), the Secretary shall submit to Congress a report regarding the grant project.

''(2) CONTENTS.—The report required under paragraph (1) shall include the following:

''(A) A description of the programs for which grant funds were used.

''(B) The number of individuals served.

''(C) An evaluation of—

''(i) the effectiveness of these programs;

''(ii) the cost of these programs; and

''(iii) the impact of the project on the health outcomes of the community residents.

''(D) Recommendations for sustaining the community health worker programs developed or assisted under this section.

''(E) Recommendations regarding training to enhance career opportunities for community health workers.

''(j) DEFINITIONS.—In this section:

''(1) COMMUNITY HEALTH WORKER.—The term 'community health worker' means an individual who promotes health or nutrition within the community in which the individual resides—

''(A) by serving as a liaison between communities and health care agencies;

''(B) by providing guidance and social assistance to community residents;

''(C) by enhancing community residents' ability to effectively communicate with health care providers;

''(D) by providing culturally and linguistically appropriate health or nutrition education;

''(E) by advocating for individual and community health or nutrition needs; and

''(F) by providing referral and followup services.

''(2) COMMUNITY SETTING.—The term 'community setting' means a home or a community organization located in the neighborhood in which a participant resides.

''(3) MEDICALLY UNDERSERVED COMMUNITY.—The term 'medically underserved community' means a community identified by a State—

''(A) that has a substantial number of individuals who are members of a medically underserved population, as defined by section 330(b)(3); and

''(B) a significant portion of which is a health professional shortage area as designated under section 332.

''(4) SUPPORT.—The term 'support' means the provision of training, supervision, and materials needed to effectively deliver the services described in subsection (b), reimbursement for services, and other benefits.

''(5) TARGET POPULATION.—The term 'target population' means women of reproductive age, regardless of their current childbearing status.

''(k) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to

carry out this section $5,000,000 for each of fiscal years 2003, 2004, and 2005.''.

● Mr. KYL. Mr. President, I rise today to introduce legislation that would provide for a five-year temporary suspension of the duty on imports of Nylon MXD6, through December 31, 2007.

Nylon MXD6 is polyamide, classified under Chapter 39 of the Harmonized Tariff Schedule of the United States, subheading 3908.10.10, HTSUS. It is a tough, transparent resin that is used by several companies throughout the U.S. to make packaging for food and other products.

Temporary duty suspensions, when properly utilized, are an effective way to confer ''win-win'' benefits on consumers and the economy. Suspending the duty on an imported good encourages increased supply and availability of that good, and such increases benefit U.S. consumers. So long as we first ensure that no domestic businesses will be harmed, and that the impact on Federal revenue is negligible, such temporary duty suspensions clearly make for smart trade policy.

The merits of a temporary duty-suspension bill are typically judged based on whether or not it is ''non-controversial.'' Such a bill is generally considered non-controversial only if there are no domestic producers who would be harmed by increased imports, and the revenue impact would be de minimis, that is, roughly $500,000 per year or less. Based on these criteria, this bill should not be controversial. It is my understanding that there are no domestic producers of Nylon MXD6, and that the duties paid on imports of the resin have historically been at or under $500,000.

In addition to the usual benefits of this kind of legislation, it is my understanding that the importer of Nylon MXD6, Mitsubishi Gas Chemical-America, has plans to establish a domestic production facility in the United States, and hopes to have it on-line before this proposed duty suspension would expire. Temporarily suspending the duty on the compound would help ease the company's transition to domestic production. The planned facility, in turn, would create new U.S. manufacturing jobs and contribute to our overall economic vitality. The facility would purchase domestically one of the two principal raw materials used to make the resin, and the revenue that local, state, and federal governments would collect from a permanently established, domestic production facility are likely to far outweigh the amount that will be collected through the duties imposed under current law.

This is a good bill with no substantial costs involved. I urge my colleagues to support it.●

By Mr. McCAIN:

S. 2181. A bill to review, reform, and terminate unnecessary and inequitable Federal subsidies; to the Committee on Governmental Affairs.

● Mr. McCAIN. Mr. President, today, I am re-introducing legislation to establish a process to evaluate Federal subsidies and tax advantages received by corporations to ensure they are in the national interest, not the special interest. This bill, ''The Corporate Subsidy Reform Commission Act,'' is identical to a bill I introduced in previous years.

Because we face diminishing resources, we must prioritize our level of Federal spending. Therefore, corporate welfare simply must be eliminated.

There are more than 100 such corporate subsidy programs in the Federal budget today, requiring the Federal Government to spend approximately $65 billion a year.

Terminating even some of these programs could save taxpayers tens of billions of dollars each year, money that could be used to cut taxes for lower-income Americans, bolster Social Security, pay down the national debt, and strengthen our military forces.

In years past, Congress has insisted that it would eliminate the existence of this corporate welfare, but virtually no such program has been eliminated. Consequently, taxpayer dollars continue to be wasted as I speak.

The Corporate Subsidy Reform Commission Act aims to remove the special treatment given to politically powerful industries and restore all taxpayers to a level playing field. It defines inequitable subsidies as those provided to corporations without a reasonable expectation that they will return a commensurate benefit to the public.

The Act excludes any subsidies that are primarily for research and development, education, public health, public safety, or the environment. Also excluded are subsidies or tax advantages necessary to comply with international trade or treaty obligations.

The Act would create a nine-member commission nominated by the President and the Congressional leadership. Federal agencies would be required to submit to the Commission, at the time of the Administration's next budget, a list of subsidies and tax advantages that each agency believes are inequitable.

The Commission will provide recommendations to either terminate or reduce the corporate subsidies. The President has the authority under the Act to either terminate consideration of the Commission's recommendations, or submit the Commission's recommendations to the Congress as a legislative initiative.

The Congress would then have four months to review the Commission's recommendations that have been endorsed by the President. At that time, the actions of all involved committees in each respective legislative body would be sent to the floor for debate, under expedited procedures.

Many Federal subsidies and special-interest tax breaks for corporations are unnecessary, and do not provide a fair return to the taxpayers who bear the heavy burden of their cost. If a corporation is receiving taxpayer-funded subsidies or tax breaks that are unsupported by a compelling benefit to the public, the subsidy should be ended.

Does it make sense for the Agriculture Department to spend $80 million a year on a program, the Market Access Program, that subsidizes the overseas advertising campaigns of cash-strapped corporations such as Pillsbury, Dole, and Jim Beam?

Why should the Commerce Department spend $211 million a year on the Advanced Technology Program to give research grants to consortiums of some of the largest and richest high-tech companies in this Nation?

Where is the accountability to taxpayers here? They have been shortchanged at the expense of the special interests. This undermines our Nation's fiscal house, and impairs Congress' ability to respond to truly urgent needs such as health care, education, debt reduction, and national security.

Unfortunately, the pervasive system of pork-barreling and special interest legislating is speeding along unabated in Washington. Instead of pursuing our Nation's priorities, both parties continue to spend without accountability. During my service in the Senate, I have worked to eliminate wasteful earmarks in appropriations bills. And yet this year alone, about $15 billion in pork barrel spending was approved by the Senate without going through any merit-based review process.

I would rather eliminate corporate subsidies and inequitable tax subsidies without resorting to a commission. But we know that the influence of the special interests will prevent that effort from succeeding unless forceful action is taken.

We need a credible process to identify corporate pork and eliminate it. This legislation is the first important step in alleviating the public burden of unnecessary corporate subsidies and tax breaks.●

By Mr. WYDEN:

S. 2182. A bill to authorize funding for computer and network security research and development and research fellowship programs, and for other purposes; to the Committee on Commerce, Science, and Transportation.

● Mr. WYDEN. Mr. President, Americans today live in an increasingly networked world. The system of interlinked computer networks known as the Internet, which not so long ago was a platform used only by a relatively narrow group of academic researchers, is today a core medium of communications and commerce for many millions of Americans. According to the Commerce Department, more than half of all Americans were using the Internet by last September, and the numbers are only growing.

The spread of the Internet presents great new opportunities for the American society and economy. But there is a downside to an interconnected,

networked world: security risks. The Internet connects people not just to friends, potential customers, and sources of information, but also to would-be hackers, viruses, and cybercriminals.

Last July, after I became Chairman of the Commerce Committee's Subcommittee on Science, Technology, and Space, I chose cybersecurity as the topic for my first hearing. The message from that hearing was that cybersecurity risks are mounting. The complexity of computer networks and the breadth of functions handled online are growing faster than the country's computer security capabilities. New technologies, for example, ''always on'' Internet connections and wireless networking technologies, often make the problem worse, not better.

The events of September 11 make this matter even more urgent. The fact is, America needs to be prepared for the possibility that future terrorists will try to strike not our buildings, streets, or airplanes, but our critical computer networks.

Government can't provide a silver bullet solution to this problem. Ultimately, progress with respect to cybersecurity is going to require the energy and ingenuity of the entire technology sector.

But one thing government can and should do is support basic cybersecurity research, so that the country's pool of cybersecurity knowledge and expertise keeps pace with the new and constantly evolving risks. This is an area where government involvement is sorely needed.

That is why I am pleased to introduce today the Cyber Security Research and Development Act. Thanks to the leadership of Congressman SHERRY BOEHLERT, this legislation has already passed the House by an overwhelming bipartisan vote. I hope the Senate will be able to follow suit soon.

This legislation, which has the widespread support of the Nation's technology sector, would significantly increase the amount of cybersecurity research in this country by creating important new research programs at the National Science Foundation, NSF, and National Institute of Standards and Technology, NIST. The NSF program would provide funding for innovative research, multidisciplinary academic centers devoted to cybersecurity, and new courses and fellowships to educate the cybersecurity experts of the future. The NIST program likewise would support cutting-edge cybersecurity research, with a special emphasis on promoting cooperative efforts between government, industry, and academia.

I believe the stakes are high. In addition to the damage that cyberattacks could cause directly, the mere threat of security breaches can cripple the ongoing development of e-commerce. If the Internet is to reach its full potential, security must be improved.

I therefore urge my colleagues to join me in making cybersecurity research and development a top priority, and to work with me in moving this bill forward.

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. 2182

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 ''Cyber Security Research and Development Act''.

SEC. 2. FINDINGS.

The Congress finds the following:

(1) Revolutionary advancements in computing and communications technology have interconnected government, commercial, scientific, and educational infrastructures—including critical infrastructures for electric power, natural gas and petroleum production and distribution, telecommunications, transportation, water supply, banking and finance, and emergency and government services—in a vast, interdependent physical and electronic network.

(2) Exponential increases in interconnectivity have facilitated enhanced communications, economic growth, and the delivery of services critical to the public welfare, but have also increased the consequences of temporary or prolonged failure.

(3) A Department of Defense Joint Task Force concluded after a 1997 United States information warfare exercise that the results ''clearly demonstrated our lack of preparation for a coordinated cyber and physical attack on our critical military and civilian infrastructure''.

(4) Computer security technology and systems implementation lack—

(A) sufficient long term research funding;

(B) adequate coordination across Federal and State government agencies and among government, academia, and industry; and

(C) sufficient numbers of outstanding researchers in the field.

(5) Accordingly, Federal investment in computer and network security research and development must be significantly increased to—

(A) improve vulnerability assessment and technological and systems solutions;

(B) expand and improve the pool of information security professionals, including researchers, in the United States workforce; and

(C) better coordinate information sharing and collaboration among industry, government, and academic research projects.

SEC. 3. DEFINITIONS.

For purposes of this Act—

(1) the term ''Director'' means the Director of the National Science Foundation; and

(2) the term ''institution of higher education'' has the meaning given that term in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001).

SEC. 4. NATIONAL SCIENCE FOUNDATION RESEARCH.

(a) COMPUTER AND NETWORK SECURITY RESEARCH GRANTS.—

(1) IN GENERAL.—The Director shall award grants for basic research on innovative approaches to the structure of computer and network hardware and software that are aimed at enhancing computer security. Research areas may include—

(A) authentication and cryptography;

(B) computer forensics and intrusion detection;

(C) reliability of computer and network applications, middleware, operating systems, and communications infrastructure;

(D) privacy and confidentiality;

(E) firewall technology;

(F) emerging threats, including malicious such as viruses and worms;

(G) vulnerability assessments;

(H) operations and control systems management; and

(I) management of interoperable digital certificates or digital watermarking.

(2) MERIT REVIEW; COMPETITION.—Grants shall be awarded under this section on a merit-reviewed competitive basis.

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the National Science Foundation to carry out this subsection—

(A) $35,000,000 for fiscal year 2003;

(B) $40,000,000 for fiscal year 2004;

(C) $46,000,000 for fiscal year 2005;

(D) $52,000,000 for fiscal year 2006; and

(E) $60,000,000 for fiscal year 2007.

(b) COMPUTER AND NETWORK SECURITY RESEARCH CENTERS.—

(1) IN GENERAL.—The Director shall award multiyear grants, subject to the availability of appropriations, to institutions of higher education (or consortia thereof) to establish multidisciplinary Centers for Computer and Network Security Research. Institutions of higher education (or consortia thereof) receiving such grants may partner with one or more government laboratories or for-profit institutions.

(2) MERIT REVIEW; COMPETITION.—Grants shall be awarded under this subsection on a merit-reviewed competitive basis.

(3) PURPOSE.—The purpose of the Centers shall be to generate innovative approaches to computer and network security by conducting cutting-edge, multidisciplinary research in computer and network security, including the research areas described in subsection (a)(1).

(4) APPLICATIONS.—An institution of higher education (or a consortium of such institutions) seeking funding under this subsection shall submit an application to the Director at such time, in such manner, and containing such information as the Director may require. The application shall include, at a minimum, a description of—

(A) the research projects that will be undertaken by the Center and the contributions of each of the participating entities;

(B) how the Center will promote active collaboration among scientists and engineers from different disciplines, such as computer scientists, engineers, mathematicians, and social science researchers;

(C) how the Center will contribute to increasing the number of computer and network security researchers and other professionals; and

(D) how the center will disseminate research results quickly and widely to improve cybersecurity in information technology networks, products, and services.

(5) CRITERIA.—In evaluating the applications submitted under paragraph (4), the Director shall consider, at a minimum—

(A) the ability of the applicant to generate innovative approaches to computer and network security and effectively carry out the research program;

(B) the experience of the applicant in conducting research on computer and network security and the capacity of the applicant to foster new multidisciplinary collaborations;

(C) the capacity of the applicant to attract and provide adequate support for undergraduate and graduate students and postdoctoral fellows to pursue computer and network security research; and

(D) the extent to which the applicant will partner with government laboratories or for-profit entities, and the role the government laboratories or for-profit entities will play in the research undertaken by the Center.

(6) ANNUAL MEETING.—The Director shall convene an annual meeting of the Centers in order to foster collaboration and communication between Center participants.

(7) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the National Science Foundation to carry out this subsection—

(A) $12,000,000 for fiscal year 2003;
(B) $24,000,000 for fiscal year 2004;
(C) $36,000,000 for fiscal year 2005;
(D) $36,000,000 for fiscal year 2006; and
(E) $36,000,000 for fiscal year 2007.

SEC. 5. NATIONAL SCIENCE FOUNDATION COMPUTER AND NETWORK SECURITY PROGRAMS.

(a) COMPUTER AND NETWORK SECURITY CAPACITY BUILDING GRANTS.—

(1) IN GENERAL.—The Director shall establish a program to award grants to institutions of higher education (or consortia thereof) to establish or improve undergraduate and master's degree programs in computer and network security, to increase the number of students who pursue undergraduate or master's degrees in fields related to computer and network security, and to provide students with experience in government or industry related to their computer and network security studies.

(2) MERIT REVIEW.—Grants shall be awarded under this subsection on a merit-reviewed competitive basis.

(3) USE OF FUNDS.—Grants awarded under this subsection shall be used for activities that enhance the ability of an institution of higher education (or consortium thereof) to provide high-quality undergraduate and master's degree programs in computer and network security and to recruit and retain increased numbers of students to such programs. Activities may include—

(A) revising curriculum to better prepare undergraduate and master's degree students for careers in computer and network security;

(B) establishing degree and certificate programs in computer and network security;

(C) creating opportunities for undergraduate students to participate in computer and network security research projects;

(D) acquiring equipment necessary for student instruction in computer and network security, including the installation of testbed networks for student use;

(E) providing opportunities for faculty to work with local or Federal Government agencies, private industry, or other academic institutions to develop new expertise or to formulate new research directions in computer and network security;

(F) establishing collaborations with other academic institutions or departments that seek to establish, expand, or enhance programs in computer and network security;

(G) establishing student internships in computer and network security at government agencies or in private industry;

(H) establishing or enhancing bridge programs in computer and network security between community colleges and universities; and

(I) any other activities the Director determines will accomplish the goals of this subsection.

(4) SELECTION PROCESS.—

(A) APPLICATION.—An institution of higher education (or a consortium thereof) seeking funding under this subsection shall submit an application to the Director at such time, in such manner, and containing such information as the Director may require. The application shall include, at a minimum—

(i) a description of the applicant's computer and network security research and instructional capacity, and in the case of an application from a consortium of institutions of higher education, a description of the role that each member will play in implementing the proposal;

(ii) a comprehensive plan by which the institution or consortium will build instructional capacity in computer and information security;

(iii) a description of relevant collaborations with government agencies or private industry that inform the instructional program in computer and network security;

(iv) a survey of the applicant's historic student enrollment and placement data in fields related to computer and network security and a study of potential enrollment and placement for students enrolled in the proposed computer and network security program; and

(v) a plan to evaluate the success of the proposed computer and network security program, including post-graduation assessment of graduate school and job placement and retention rates as well as the relevance of the instructional program to graduate study and to the workplace.

(B) AWARDS.—(i) The Director shall ensure, to the extent practicable, that grants are awarded under this subsection in a wide range of geographic areas and categories of institutions of higher education.

(ii) The Director shall award grants under this subsection for a period not to exceed 5 years.

(5) ASSESSMENT REQUIRED.—The Director shall evaluate the program established under this subsection no later than 6 years after the establishment of the program. At a minimum, the Director shall evaluate the extent to which the grants achieved their objectives of increasing the quality and quantity of students pursuing undergraduate or master's degrees in computer and network security.

(6) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the National Science Foundation to carry out this subsection—

(A) $15,000,000 for fiscal year 2003;
(B) $20,000,000 for fiscal year 2004;
(C) $20,000,000 for fiscal year 2005;
(D) $20,000,000 for fiscal year 2006; and
(E) $20,000,000 for fiscal year 2007.

(b) SCIENTIFIC AND ADVANCED TECHNOLOGY ACT OF 1992.—

(1) GRANTS.—The Director shall provide grants under the Scientific and Advanced Technology Act of 1992 for the purposes of section 3(a) and (b) of that Act, except that the activities supported pursuant to this subsection shall be limited to improving education in fields related to computer and network security.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the National Science Foundation to carry out this subsection—

(A) $1,000,000 for fiscal year 2003;
(B) $1,250,000 for fiscal year 2004;
(C) $1,250,000 for fiscal year 2005;
(D) $1,250,000 for fiscal year 2006; and
(E) $1,250,000 for fiscal year 2007.

(c) GRADUATE TRAINEESHIPS IN COMPUTER AND NETWORK SECURITY RESEARCH.—

(1) IN GENERAL.—The Director shall establish a program to award grants to institutions of higher education to establish traineeship programs for graduate students who pursue computer and network security research leading to a doctorate degree by providing funding and other assistance, and by providing graduate students with research experience in government or industry related to the students' computer and network security studies.

(2) MERIT REVIEW.—Grants shall be provided under this subsection on a merit-reviewed competitive basis.

(3) USE OF FUNDS.—An institution of higher education shall use grant funds for the purposes of—

(A) providing fellowships to students who are citizens, nationals, or lawfully admitted permanent resident aliens of the United States and are pursuing research in computer or network security leading to a doctorate degree;

(B) paying tuition and fees for students receiving fellowships under subparagraph (A);

(C) establishing scientific internship programs for students receiving fellowships under subparagraph (A) in computer and network security at for-profit institutions or government laboratories; and

(D) other costs associated with the administration of the program.

(4) FELLOWSHIP AMOUNT.—Fellowships provided under paragraph (3)(A) shall be in the amount of $25,000 per year, or the level of the National Science Foundation Graduate Research Fellowships, whichever is greater, for up to 3 years.

(5) SELECTION PROCESS.—An institution of higher education seeking funding under this subsection shall submit an application to the Director at such time, in such manner, and containing such information as the Director may require. The application shall include, at a minimum, a description of—

(A) the instructional program and research opportunities in computer and network security available to graduate students at the applicant's institution; and

(B) the internship program to be established, including the opportunities that will be made available to students for internships at for-profit institutions and government laboratories.

(6) REVIEW OF APPLICATIONS.—In evaluating the applications submitted under paragraph (5), the Director shall consider—

(A) the ability of the applicant to effectively carry out the proposed program;

(B) the quality of the applicant's existing research and education programs;

(C) the likelihood that the program will recruit increased numbers of students to pursue and earn doctorate degrees in computer and network security;

(D) the nature and quality of the internship program established through collaborations with government laboratories and for-profit institutions;

(E) the integration of internship opportunities into graduate students' research; and

(F) the relevance of the proposed program to current and future computer and network security needs.

(7) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the National Science Foundation to carry our this subsection—

(A) $10,000,000 for fiscal year 2003;
(B) $20,000,000 for fiscal year 2004;
(C) $20,000,000 for fiscal year 2005;
(D) $20,000,000 for fiscal year 2006; and
(E) $20,000,000 for fiscal year 2007.

(d) GRADUATE RESEARCH FELLOWSHIPS PROGRAM SUPPORT.—Computer and network security shall be included among the fields of specialization supported by the National Science Foundation's Graduate Research Fellowships program under section 10 of the National Science Foundation Act of 1950 (42 U.S.C. 1869).

SEC. 6. CONSULTATION.

In carrying out sections 4 and 5, the Director shall consult with other Federal agencies.

SEC. 7. FOSTERING RESEARCH AND EDUCATION IN COMPUTER AND NETWORK SECURITY.

Section 3(a) of the National Science Foundation Act of 1950 (42 U.S.C. 1862(a)) is amended—

(1) by striking ''and'' at the end of paragraph (6);

(2) by striking the period at the end of paragraph (7) and inserting ''; and''; and

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

''(8) to take a leading role in fostering and supporting research and education activities to improve the security of networked information systems.''.

SEC. 8. NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY RESEARCH PROGRAM.

The National Institute of Standards and Technology Act is amended—

(1) by moving section 22 to the end of the Act and redesignating it as section 32;

(2) by inserting after section 21 the following new section:

''RESEARCH PROGRAM ON SECURITY OF COMPUTER SYSTEMS

''SEC. 22. (a) ESTABLISHMENT.—The Director shall establish a program of assistance to institutions of higher education that enter into partnerships with for-profit entities to support research to improve the security of computer systems. The partnerships may also include government laboratories. The program shall—

''(1) include multidisciplinary, long-term, high-risk research;

''(2) include research directed toward addressing needs identified through the activities of the Computer System Security and Privacy Advisory Board under section 20(f); and

''(3) promote the development of a robust research community working at the leading edge of knowledge in subject areas relevant to the security of computer systems by providing support for graduate students, post-doctoral researchers, and senior researchers.

''(b) FELLOWSHIPS.—(1) The Director is authorized to establish a program to award post-doctoral research fellowships to individuals who are citizens, nationals, or lawfully admitted permanent resident aliens of the United States and are seeking research positions at institutions, including the Institute, engaged in research activities related to the security of computer systems, including the research areas described in section 4(a)(1) of the Cyber Security Research and Development Act.

''(2) The Director is authorized to establish a program to award senior research fellowships to individuals seeking research positions at institutions, including the Institute, engaged in research activities related to the security of computer systems, including the research areas described in section 4(a)(1) of the Cyber Security Research and Development Act. Senior research fellowships shall be made available for established researchers at institutions of higher education who seek to change research fields and pursue studies related to the security of computer systems.

''(3)(A) To be eligible for an award under this subsection, an individual shall submit an application to the Director at such time, in such manner, and containing such information as the Director may require.

''(B) Under this subsection, the Director is authorized to provide stipends for post-doctoral research fellowships at the level of the Institute's Post Doctoral Research Fellowship Program and senior research fellowships at levels consistent with support for a faculty member in a sabbatical position.

''(c) AWARDS; APPLICATIONS.—The Director is authorized to award grants or cooperative agreements to institutions of higher education to carry out the program established under subsection (a). To be eligible for an award under this section, an institution of higher education shall submit an application to the Director at such time, in such manner, and containing such information as the Director may require. The application shall include, at a minimum, a description of—

''(1) the number of graduate students anticipated to participate in the research project and the level of support to be provided to each;

''(2) the number of post-doctoral research positions included under the research project and the level of support to be provided to each;

''(3) the number of individuals, if any, intending to change research fields and pursue studies related to the security of computer systems to be included under the research project and the level of support to be provided to each; and

''(4) how the for-profit entities and any other partners will participate in developing and carrying out the research and education agenda of the partnership.

''(d) PROGRAM OPERATION.—(1) The program established under subsection (a) shall be managed by individuals who shall have both expertise in research related to the security of computer systems and knowledge of the vulnerabilities of existing computer systems. The Director shall designate such individuals as program managers.

''(2) Program managers designated under paragraph (1) may be new or existing employees of the Institute or individuals on assignment at the Institute under the Intergovernmental Personnel Act of 1970.

''(3) Program managers designated under paragraph (1) shall be responsible for—

''(A) establishing and publicizing the broad research goals for the program;

''(B) soliciting applications for specific research projects to address the goals developed under subparagraph (A);

''(C) selecting research projects for support under the program from among applications submitted to the Institute, following consideration of—

''(i) the novelty and scientific and technical merit of the proposed projects;

''(ii) the demonstrated capabilities of the individual or individuals submitting the applications to successfully carry out the proposed research;

''(iii) the impact the proposed projects will have on increasing the number of computer security researchers;

''(iv) the nature of the participation by for-profit entities and the extent to which the proposed projects address the concerns of industry; and

''(v) other criteria determined by the Director, based on information specified for inclusion in applications under subsection (c); and

''(D) monitoring the progress of research projects supported under the program.

''(e) REVIEW OF PROGRAM.—(1) The Director shall periodically review the portfolio of research awards monitored by each program manager designated in accordance with subsection (d). In conducting those reviews, the Director shall seek the advice of the Computer System Security and Privacy Advisory Board, established under section 21, on the appropriateness of the research goals and on the quality and utility of research projects managed by program managers in accordance with subsection (d).

''(2) The Director shall also contract with the National Research Council for a comprehensive review of the program established under subsection (a) during the 5th year of the program. Such review shall include an assessment of the scientific quality of the research conducted, the relevance of the research results obtained to the goals of the program established under subsection (d)(3)(A), and the progress of the program in promoting the development of a substantial academic research community working at the leading edge of knowledge in the field. The Director shall submit to Congress a report on the results of the review under this paragraph no later than six years after the initiation of the program.

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

''(1) the term 'computer system' has the meaning given that term in section 20(d)(1); and

''(2) the term 'institution of higher education' has the meaning given that term in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001).''; and

(3) in section 20(d)(1)(B)(i) (15 U.S.C. 278g–3(d)(1)(B)(i)), by inserting ''and computer networks'' after ''computers''.

SEC. 9. COMPUTER SECURITY REVIEW, PUBLIC MEETINGS, AND INFORMATION.

Section 20 of the National Institute of Standards and Technology Act (15 U.S.C. 278g–3) is amended by adding at the end the following new subsection:

''(f) There are authorized to be appropriated to the Secretary $1,060,000 for fiscal year 2003 and $1,090,000 for fiscal year 2004 to enable the Computer System Security and Privacy Advisory Board, established by section 21, to identify emerging issues, including research needs, related to computer security, privacy, and cryptography and, as appropriate, to convene public meetings on those subjects, receive presentations, and publish reports, digests, and summaries for public distribution on those subjects.''.

SEC. 10. INTRAMUTAL SECURITY RESEARCH.

Section 20 of the National Institute of Standards and Technology Act (15 U.S.C. 278g–3) is further amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following new subsection:

''(d) As part of the research activities conducted in accordance with subsection (b)(4), the Institute shall—

''(1) conduct a research program to address emerging technologies associated with assembling a networked computer system from components while ensuring it maintains desired security properties;

''(2) carry out research associated with improving the security of real-time computing and communications systems for use in process control; and

''(3) carry out multidisciplinary, long-term, high-risk research on ways to improve the security of computer systems.''.

SEC. 11. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Secretary of Commerce for the National Institute of Standards and Technology—

(1) for activities under section 22 of the National Institute of Standards and Technology Act, as added by section 8 of this Act—

(A) $25,000,000 for fiscal year 2003;

(B) $40,000,000 for fiscal year 2004;

(C) $55,000,000 for fiscal year 2005;

(D) $70,000,000 for fiscal year 2006;

(E) $85,000,000 for fiscal year 2007; and

(F) such sums as may be necessary for fiscal years 2008 through 2012; and

(2) for activities under section 20(d) of the National Institute of Standards and Technology Act, as added by section 10 of this Act—

(A) $6,000,000 for fiscal year 2003;

(B) $6,200,000 for fiscal year 2004;

(C) $6,400,000 for fiscal year 2005;

(D) $6,600,000 for fiscal year 2006; and

(E) $6,800,000 for fiscal year 2007.

SEC. 12. NATIONAL ACADEMY OF SCIENCES STUDY ON COMPUTER AND NETWORK SECURITY IN CRITICAL INFRASTRUCTURES.

(a) STUDY.—Not later than 3 months after the date of the enactment of this Act, the Director of the National Institute of Standards and Technology shall enter into an arrangement with the National Research Council of the National Academy of Sciences to conduct a study of the vulnerabilities of the

Nation's network infrastructure and make recommendations for appropriate improvements. The National Research Council shall—

(1) review existing studies and associated data on the architectural, hardware, and software vulnerabilities and interdependencies in United States critical infrastructure networks;

(2) identify and assess gaps in technical capability for robust critical infrastructure network security, and make recommendations for research priorities and resource requirements; and

(3) review any and all other essential elements of computer and network security, including security of industrial process controls, to be determined in the conduct of the study.

(b) REPORT.—The Director of the National Institute of Standards and Technology shall transmit a report containing the results of the study and recommendations required by subsection (a) to the Congress not later than 21 months after the date of enactment of this Act.

(c) SECURITY.—The Director of the National Institute of Standards and Technology shall ensure that no information that is classified is included in any publicly released version of the report required by this section.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Commerce for the National Institute of Standards and Technology for the purposes of carrying out this section, $700,000.●

By Mr. HUTCHINSON:

S. 2183. A bill to provide emergency agricultural assistance to producers of the 2002 crop; to the Committee on Agriculture, Nutrition, and Forestry.

● Mr. HUTCHINSON. Mr. President, I ask unanimous consent that a copy of the ''Emergency Agricultural Assistance Act of 2002'', which I am introducing today be printed in the RECORD.

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

S. 2183

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Emergency Agricultural Assistance Act of 2002''.

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

TITLE I—MARKET LOSS ASSISTANCE

SEC. 101. MARKET LOSS ASSISTANCE.

(a) IN GENERAL.—The Secretary of Agriculture (referred to in this Act as the ''Secretary'') shall, to the maximum extent practicable, use $5,603,000,000 of funds of the Commodity Credit Corporation to make a market loss assistance payment to owners and producers on a farm that are eligible for a final payment for fiscal year 2002 under a production flexibility contract for the farm under the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.).

(b) AMOUNT.—The amount of assistance made available to owners and producers on a farm under this section shall be proportionate to the amount of the total contract payments received by the owners and producers for fiscal year 2002 under a production flexibility contract for the farm under the Agricultural Market Transition Act.

SEC. 102. OILSEEDS.

(a) IN GENERAL.—The Secretary shall use $466,000,000 of funds of the Commodity Credit Corporation to make payments to producers that planted a 2002 crop of oilseeds (as defined in section 102 of the Agricultural Market Transition Act (7 U.S.C. 7202)).

(b) COMPUTATION.—A payment to producers on a farm under this section for an oilseed shall be equal to the product obtained by multiplying—

(1) a payment rate determined by the Secretary;

(2) the acreage determined under subsection (c); and

(3) the yield determined under subsection (d).

(c) ACREAGE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the acreage of the producers on the farm for an oilseed under subsection (b)(2) shall be equal to the number of acres planted to the oilseed by the producers on the farm during the 1999, 2000, or 2001 crop year, whichever is greatest, as determined by the Secretary.

(2) NEW PRODUCERS.—In the case of producers on a farm that planted acreage to a type of oilseed during the 2002 crop year but not the 1999, 2000, or 2001 crop year, the acreage of the producers for the type of oilseed under subsection (b)(2) shall be equal to the number of acres planted to the type of oilseed by the producers on the farm during the 2002 crop year, as determined by the Secretary.

(d) YIELD.—

(1) SOYBEANS.—Except as provided in paragraph (3), in the case of soybeans, the yield of the producers on a farm under subsection (b)(3) shall be equal to the greater of—

(A) the average county yield per harvested acre for each of the 1997 through 2001 crop years, excluding the crop year with the greatest yield per harvested acre and the crop year with the lowest yield per harvested acre; or

(B) the actual yield of the producers on the farm for the 1999, 2000, or 2001 crop year, as determined by the Secretary.

(2) OTHER OILSEEDS.—Except as provided in paragraph (3), in the case of oilseeds other than soybeans, the yield of the producers on a farm under subsection (b)(3) shall be equal to the greater of—

(A) the average national yield per harvested acre for each of the 1997 through 2001 crop years, excluding the crop year with the greatest yield per harvested acre and the crop year with the lowest yield per harvested acre; or

(B) the actual yield of the producers on the farm for the 1999, 2000, or 2001 crop year, as determined by the Secretary.

(3) NEW PRODUCERS.—In the case of producers on a farm that planted acreage to a type of an oilseed during the 2002 crop year but not the 1999, 2000, or 2001 crop year, the yield of the producers on a farm under subsection (b)(3) shall be equal to the greater of—

(A) the average county yield per harvested acre for each of the 1997 through 2001 crop years, excluding the crop year with the greatest yield per harvested acre and the crop year with the lowest yield per harvested acre; or

(B) the actual yield of the producers on the farm for the 2002 crop.

(4) DATA SOURCE.—To the maximum extent available, the Secretary shall use data provided by the National Agricultural Statistics Service to carry out this subsection.

SEC. 103. PEANUTS.

(a) IN GENERAL.—The Secretary shall use not more than $55,000,000 of funds of the Commodity Credit Corporation to provide payments to producers of quota peanuts or additional peanuts to partially compensate the producers for continuing low commodity prices, and increasing costs of production, for the 2002 crop year.

(b) AMOUNT.—The amount of a payment made to producers on a farm of quota peanuts or additional peanuts under subsection (a) shall be equal to the product obtained by multiplying—

(1) the quantity of quota peanuts or additional peanuts produced or considered produced on the farm during the 2002 crop year; and

(2) a payment rate equal to—

(A) in the case of quota peanuts, $30.50 per ton; and

(B) in the case of additional peanuts, $16.00 per ton.

(c) LOSSES.—The Secretary shall use such sums of the Commodity Credit Corporation as are necessary to offset losses for the 2001 crop of peanuts described in section 155(d) of the Agricultural Market Transition Act (7 U.S.C. 7271(d)).

SEC. 104. HONEY.

(a) IN GENERAL.—The Secretary shall use $93,000,000 of funds of the Commodity Credit Corporation to make available recourse loans to producers of the 2002 crop of honey on fair and reasonable terms and conditions, as determined by the Secretary.

(b) LOAN RATE.—The loan rate for a loan under subsection (a) shall be equal to 85 percent of the average price of honey during the 5-crop year period preceding the 2002 crop year, excluding the crop year in which the average price of honey was the highest and the crop year in which the average price of honey was the lowest in the period.

(c) TERM OF LOAN.—A loan under this section shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made.

SEC. 105. WOOL AND MOHAIR.

(a) IN GENERAL.—The Secretary shall use $10,000,000 of funds of the Commodity Credit Corporation to provide a supplemental payment under section 814 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (114 Stat. 1549, 1549A–55), to producers of wool, and producers of mohair, for the 2002 marketing year that received a payment under that section.

(b) PAYMENT RATE.—The Secretary shall adjust the payment rate specified in that section to reflect the amount made available for payments under this section.

SEC. 106. COTTONSEED.

The Secretary shall use $100,000,000 of funds of the Commodity Credit Corporation to provide assistance to producers and first-handlers of the 2002 crop of cottonseed.

SEC. 107. SPECIALTY CROPS.

(a) DEFINITION OF SPECIALTY CROP.—In this section, the term ''specialty crop'' means any agricultural commodity, other than wheat, feed grains, oilseeds, cotton, rice, peanuts, or tobacco.

(b) GRANTS.—The Secretary shall use $150,000,000 of funds of the Commodity Credit Corporation to make a grant to each State in an amount that represents the proportion that—

(1) the value of specialty crop production in the State; bears to

(2) the value of specialty crop production in all States.

(c) USE.—As a condition of the receipt of a grant under this section, a State shall agree to use the grant to support specialty crops.

(d) PURCHASES FOR SCHOOL NUTRITION PROGRAMS.—The Secretary shall use not less than $55,000,000 of the funds made available under subsection (a) to purchase agricultural commodities of the type distributed under section 6(a) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1755(a)) for distribution to schools and service institutions in accordance with section 6(a) of that Act.

SEC. 108. LOAN DEFICIENCY PAYMENTS.

Section 135 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235) is amended—

(1) in subsection (a)(2), by striking ''the 2000 crop year'' and inserting ''each of the 2000 through 2002 crop years''; and

(2) by striking subsections (e) and (f) and inserting the following:

''(e) BENEFICIAL INTEREST.—

''(1) IN GENERAL.—A producer shall be eligible for a payment for a loan commodity under this section only if the producer has a beneficial interest in the loan commodity, as determined by the Secretary.

''(2) APPLICATION.—The Secretary shall make a payment under this section to the producers on a farm with respect to a quantity of a loan commodity as of the earlier of—

''(A) the date on which the producers on the farm marketed or otherwise lost beneficial interest in the loan commodity, as determined by the Secretary; or

''(B) the date the producers on the farm request the payment.''.

SEC. 109. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAYMENTS FOR GRAZED ACREAGE.

(a) IN GENERAL.—Subtitle C of title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7231 et seq.) is amended by adding at the end the following:

''SEC. 138. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAYMENTS FOR GRAZED ACREAGE.

''(a) IN GENERAL.—For the 2002 crop of wheat, grain sorghum, barley, and oats, in the case of the producers on a farm that would be eligible for a loan deficiency payment under section 135 for wheat, grain sorghum, barley, or oats, but that elects to use acreage planted to the wheat, grain sorghum, barley, or oats for the grazing of livestock, the Secretary shall make a payment to the producers on the farm under this section if the producers on the farm enter into an agreement with the Secretary to forgo any other harvesting of the wheat, grain sorghum, barley, or oats on the acreage.

''(b) PAYMENT AMOUNT.—The amount of a payment made to the producers on a farm under this section shall be equal to the amount obtained by multiplying—

''(1) the loan deficiency payment rate determined under section 135(c) in effect, as of the date of the agreement, for the county in which the farm is located; by

''(2) the payment quantity obtained by multiplying—

''(A) the quantity of the grazed acreage on the farm with respect to which the producers on the farm elect to forgo harvesting of wheat, grain sorghum, barley, or oats; and

''(B) the payment yield for that contract commodity on the farm.

''(c) TIME, MANNER, AND AVAILABILITY OF PAYMENT.—

''(1) TIME AND MANNER.—A payment under this section shall be made at the same time and in the same manner as loan deficiency payments are made under section 135.

''(2) AVAILABILITY.—The Secretary shall establish an availability period for the payment authorized by this section that is consistent with the availability period for wheat, grain sorghum, barley, and oats established by the Secretary for marketing assistance loans authorized by this subtitle.

''(d) PROHIBITION ON CROP INSURANCE OR NONINSURED CROP ASSISTANCE.—The producers on a farm shall not be eligible for insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) or noninsured crop assistance under section 196 with respect to a crop of wheat, grain sorghum, barley, or oats planted on acreage that the producers on the farm elect, in the agreement required by subsection (a), to use for the grazing of livestock in lieu of any other harvesting of the crop.''.

SEC. 110. MILK.

Section 141 of the Agricultural Market Transition Act (7 U.S.C. 7251) is amended by striking ''May 31, 2002'' each place it appears and inserting ''December 31, 2002''.

SEC. 111. PULSE CROPS.

(a) IN GENERAL.—The Secretary shall use $20,000,000 of funds of the Commodity Credit Corporation to provide assistance in the form of a market loss assistance payment to owners and producers on a farm that grow a 2002 crop of dry peas, lentils, or chickpeas (collectively referred to in this section as a ''pulse crop'').

(b) COMPUTATION.—A payment to owners and producers on a farm under this section for a pulse crop shall be equal to the product obtained by multiplying—

(1) a payment rate determined by the Secretary; by

(2) the acreage of the producers on the farm for the pulse crop determined under subsection (c).

(c) ACREAGE.—

(1) IN GENERAL.—The acreage of the producers on the farm for a pulse crop under subsection (b)(2) shall be equal to the number of acres planted to the pulse crop by the owners and producers on the farm during the 1999, 2000, or 2001 crop year, whichever is greatest.

(2) BASIS.—For the purpose of paragraph (1), the number of acres planted to a pulse crop by the owners and producers on the farm for a crop year shall be based on (as determined by the Secretary)—

(A) the number of acres planted to the pulse crop for the crop year by the owners and producers on the farm, including any acreage that is included in reports that are filed late; or

(B) the number of acres planted to the pulse crop for the crop year for the purpose of the Federal crop insurance program established under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.).

SEC. 112. TOBACCO.

(a) PAYMENTS.—The Secretary shall use $100,000,000 of funds of the Commodity Credit Corporation to provide supplemental payments to owners, controllers, and growers of tobacco for which a basic quota or allotment is established for the 2002 crop year under part I of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1311 et seq.), as determined by the Secretary.

(b) LOAN FORFEITURES.—Notwithstanding sections 106 through 106B of the Agricultural Act of 1949 (7 U.S.C. 1445 through 1445–2)—

(1) a producer-owned cooperative marketing association may fully settle (without further cost to the Association) a loan made for each of the 2000 and 2001 crops of types 21, 22, 23, 35, 36, and 37 of an agricultural commodity under sections 106 through 106B of that Act by forfeiting to the Commodity Credit Corporation the agricultural commodity covered by the loan regardless of the condition of the commodity;

(2) any losses to the Commodity Credit Corporation as a result of paragraph (1)—

(A) shall not be charged to the Account (as defined in section 106B(a) of that Act); and

(B) shall not affect the amount of any assessment imposed against the commodity under sections 106 through 106B of that Act; and

(3) the commodity forfeited pursuant to this subsection—

(A) shall not be counted for the purposes of any determination for any year pursuant to section 319 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e); and

(B) may be disposed of in a manner determined by the Secretary of Agriculture, except that the commodity may not be sold for use in the United States for human consumption.

SEC. 113. LIVESTOCK FEED ASSISTANCE PROGRAM.

The Secretary shall use $500,000,000 of funds of the Commodity Credit Corporation to provide livestock feed assistance to livestock producers affected by disasters during calendar year 2001 or 2002.

SEC. 114. INCREASE IN PAYMENT LIMITATIONS REGARDING LOAN DEFICIENCY PAYMENTS AND MARKETING LOAN GAINS.

Notwithstanding section 1001(2) of the Food Security Act of 1985 (7 U.S.C. 1308(1)), the total amount of the payments specified in section 1001(3) of that Act (7 U.S.C. 1308(3)) that a person shall be entitled to receive for 1 or more contract commodities and oilseeds under the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.) during the 2002 crop year may not exceed $150,000.

TITLE II—ADMINISTRATION

SEC. 201. OBLIGATION PERIOD.

The Secretary and the Commodity Credit Corporation shall obligate funds only during fiscal year 2002 to carry out this Act and the amendments made by this Act (other than sections 106, 107, and 110).

SEC. 202. COMMODITY CREDIT CORPORATION.

Except as otherwise provided in this Act, the Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this Act.

SEC. 203. REGULATIONS.

(a) IN GENERAL.—The Secretary may promulgate such regulations as are necessary to implement this Act and the amendments made by this Act.

(b) PROCEDURE.—The promulgation of the regulations and administration of the amendments made by this Act shall be made without regard to—

(1) the notice and comment provisions of section 553 of title 5, United States Code;

(2) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and

(3) chapter 35 of title 44, United States Code (commonly known as the ''Paperwork Reduction Act'').

(c) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In carrying out this section, the Secretary shall use the authority provided under section 808 of title 5, United States Code.●

By Mr. BREAUX (for himself, Mr. SPECTER, Mrs. LINCOLN, Ms. LANDRIEU, Mr. CLELAND, Mr. JOHNSON, Mr. BAUCUS, Mr. BAYH, Mrs. CLINTON, Mr. DODD, Mr. EDWARDS, Mr. FEINGOLD, Mrs. FEINSTEIN, Mr. KENNEDY, Mr. LIEBERMAN, Mrs. MURRAY, Ms. STABENOW, Mr. WELLSTONE, Mr. LEVIN, Mr. BINGAMAN, Mr. REED, Mr. HARKIN, Ms. MIKULSKI, Mr. DURBIN, Mr. JEFFORDS, Mr. DAYTON, and Ms. CANTWELL):

S. 2184. A bill to provide for the reissuance of a rule relating to ergonomics; to the Committee on Health, Education, Labor, and Pensions.

Mr. SPECTER. Mr. President, I have sought recognition today to join my colleague Senator BREAUX in introducing legislation which would require the Secretary of Labor to issue a new ergonomics standard within two years of the bill's enactment. The measure is similar to legislation I cosponsored last year, S. 598, but includes additional provisions to ensure that a truly protective standard is issued.

Following the overturning of the Clinton Administration's proposed ergonomics regulation by Congress in 2001, I expected the Department of Labor to issue a new rule to protect our Nation's workers. Rather than implement a new standard, however, the Department unveiled an ergonomics plan on April 5, 2002, that calls for voluntary industry guidelines, enforcement measures, and workplace outreach. I have concern that such an approach adequately addresses the safety of our Nation's workforce.

I voted in favor of the Joint Resolution of Disapproval of the proposed ergonomics standard because I had concerns over its potential cost and complexity. Last year, as Chairman of the Labor, Health and Human Services and Education Appropriations Subcommittee, I held two hearings on this contentious matter where I heard from witnesses on both sides of the debate. They testified that the potential costs of the rule ranged from $4.5 billion to as much as $1 trillion. There was also considerable disagreement over whether the regulation needed to be as complex as it was. I came away from these hearings with the conclusion that there was a need for promoting worker safety. But I was also concerned as to whether the entire matter ought to be substantially simpler.

I firmly believe that the best way to protect our Nation's workers from work-related musculoskeletal disorders and workplace hazards is for the Department of Labor to issue a new ergonomics standard, but one that is substantially simpler than the rule overturned last year. I had hoped that the Department would take action on its own to issue a new rule, and Secretary of Labor Elaine L. Chao left open this possibility in response to an inquiry I made prior to the ergonomics vote. She stated in a March 6, 2001, letter to me:

> Let me assure you that in the event a Joint Resolution of Disapproval becomes law, I intend to pursue a comprehensive approach to ergonomics which may include new rulemaking that addresses the concerns levied against the current standard.

The key word in her response was ''may,'' and I remain disappointed that the plan put forward by the Department of Labor does not include such a new rulemaking. For that reason, I believe it is important to press ahead with today's legislation.

● Mr. WELLSTONE. Mr. President, I am pleased to join as an original cosponsor of S. 2184, which provides for reissuance by the Department of Labor of a rule to prevent repetitive stress injuries. Too much time has passed with too little action on what is acknowledged to be the most critical workplace safety issue we face. After a year of inaction and delay, it is clear that this Administration is not serious about protecting workers from repetitive stress injury hazards in the workplace. Congress must now step in and require the Department to act.

This is a problem that affects countless numbers of workers. Each year, roughly 1.8 million workers suffer repetitive stress injuries on the job. That translates to 5000 injured workers a day, one worker injured every 18 seconds. Women suffer disproportionately from repetitive stress injuries. In particular, 67 percent of reported carpal tunnel cases and 61 percent of tendonitis cases are women, even though women comprise only 46 percent of the work force and account for only 33 percent of total workplace injuries.

Notwithstanding the gravity of the problem, this Administration and its Republican allies in Congress saw fit to overturn the ten years of effort that went into developing an OSHA standard for protecting workers from repetitive stress injury hazards in the workplace. In its place, Secretary of Labor Chao and President Bush promised a ''comprehensive plan'' to combat this serious workplace safety issue.

Yet after months of delays and inaction, what the Department of Labor has now produced is a sham. It's emphasis on voluntariness, toothless enforcement, and unnecessary and duplicative research in my view turns the clock back to before the first Bush Administration when Secretary of Labor Lynn Martin initiated the repetitive stress injury rulemaking proceeding.

Voluntary approaches alone have not protected workers from repetitive stress injuries. OSHA itself reports that only 16 percent of employers in general industry have put in place ergonomic programs to reduce hazards. Each year 1.8 million workers suffer repetitive stress injuries and recent Bureau of Labor Statistics reports show that injury numbers and rates are increasing, particularly in high risk industries and occupations.

We have been as patient as possible with this Administration, but it is clear that they have no intention of addressing this problem in a serious manner. Time is running out for the millions of workers at risk of repetitive stress injury. Congress must act now. And we must act decisively.

The bill we introduce today is a balanced approach to fashioning a repetitive stress injury standard that will benefit all workers. In particular it requires the Department of Labor to issue, within two years, a standard for addressing work-related repetitive stress injuries and workplace ergonomic hazards. The bill requires the new standard to describe in clear terms when an employer is required to take action, what actions the employer must take, and when an employer is in compliance with the standard. Under the bill's terms the new standard must emphasize prevention and cover workers at risk only where measures exist to control the hazards that are both economically and technologically feasible. The standard must be based on the best available evidence and employer experience with effective practices. Finally, the bill clarifies that the new rule cannot expand the application of state workers' compensation laws, it requires the Department of Labor to issue information and training materials, and provides the Department with authority and flexibility to issue an appropriate standard.

In sum, this bill represents a balanced and comprehensive approach to dealing with the most serious workplace safety issue we face. I urge my colleagues to join me in supporting this measure. Action on the issue of repetitive stress injury is long overdue.●

By Mr. CLELAND:

S. 2185. A bill to amend the Employee Retirement Income Security Act of 1974 to provide workers with individual account plans with information on how the assets in their accounts are invested and of the need to diversify the investment of the assets; to the Committee on Health, Education, Labor, and Pensions.

● Mr. CLELAND. Mr. President, today I am introducing a bill designed to promote investor education. The collapse of Enron has left Congress searching for answers as to how such a disaster could have happened and how it can be prevented from happening in the future. I serve on both the Commerce and Governmental Affairs Committees which are investigating Enron and a central concept I have taken away from these investigations is the importance of ensuring that investors have adequate and current information regarding their retirement plans. Employees need to be armed with knowledge in order to protect themselves and their hard earned retirement savings.

My bill would require that employee investors in company 401(k) plans receive quarterly reports detailing the contents of their 401(k) plans. Under

current law, employers are only required to provide annual reports with a statement of benefits accrued under the plan. Enron certainly illustrates what a difference a year makes. Employees should have timely access to information about their 401(k) plan, enabling them to make choices in their investments. My bill would require that employees receive quarterly reports with a specific listing of: 1. the fair market value of the assets of each investment option; 2. the percentage of plan investment in each asset; and 3. the percentage of investments in employer securities and how much of that investment came from employee contributions.

My bill would also require that quarterly reports contain a ''warning label'' informing employees of the potential danger of investing too heavily in employer stock. I believe that employees should have the ability to choose how to invest and diversify their own 401(k) plan. However, I also believe employees should be able to make informed choices. Providing employees with the basic information that investing too heavily in any one security, including their own company stock, violates commonly accepted investing principles is simple common sense. Thus, my bill requires that a warning label be provided to employees upon enrollment in a plan and included in quarterly reports that reads: Under commonly accepted principles of good investment advice, a retirement account should be invested in a broadly diversified portfolio of stocks and bonds. It is unwise for employees to hold significant concentrations of employer stock in an account that is meant for retirement savings.

We may not be able to prevent company executives from lying, cheating and stealing like the executives of Enron, though we should ensure a climate of strict enforcement to deter such behavior. However, we can arm employees with the information and tools to protect themselves and their retirement savings. 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. 2185

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

SECTION 1. INDIVIDUAL ACCOUNT PLANS REQUIRED TO GIVE PARTICIPANTS ADEQUATE INFORMATION TO ASSIST THEM IN DIVERSIFYING PENSION ASSETS.

(a) IN GENERAL.—Section 104 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1024) is amended—

(1) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively, and

(2) by inserting after subsection (b) the following new subsection:

''(c)(1) The plan administrator of an applicable individual account plan shall, within a reasonable period of time following the close of each calendar quarter, provide to each participant or beneficiary a statement with respect to his or her individual account which includes—

''(A) the fair market value as of the close of such quarter of the assets in the account in each investment option,

''(B) the percentage as of such calendar quarter of assets which each investment option is of the total assets in the account,

''(C) the percentage of the investment in employer securities which came from employer contributions other than elective deferrals (and earnings thereon) and which came from employee contributions and elective deferrals (and earnings thereon), and

''(D) such other information as the Secretary may prescribe.

''(2)(A) Each statement shall also include a separate statement which is prominently displayed and which reads as follows:

'Under commonly accepted principles of good investment advice, a retirement account should be invested in a broadly diversified portfolio of stocks and bonds. It is unwise for employees to hold significant concentrations of employer stock in an account that is meant for retirement savings'.

''(B) The plan administrator of an applicable individual account plan shall provide the separate statement described in subparagraph (A) to an individual at the time the individual first becomes a participant in the plan.

''(3) Any statement or notice under this subsection shall be written in a manner calculated to be understood by the average plan participant.

''(4) For purposes of this subsection—

''(A) The term 'applicable individual account plan' means an individual account plan to which section 404(c)(1) applies.

''(B) The term 'elective deferrals' has the meaning given such term by section 402(g)(3) of such Code.

''(C) The term 'employer securities' has the meaning given such term by section 407(d)(1).''

(b) ENFORCEMENT.—Section 502(c)(1) of such Act (29 U.S.C. 1132(c)(1)) is amended by striking ''or section 101(e)(1)'' and inserting '', section 101(e)(1), or section 104(c)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar quarters beginning on and after January 1, 2003.●

By Mr. ROCKEFELLER (by request):

S. 2186. A bill to amend title 38, United States Code, to establish a new Assistant Secretary to perform operations, preparedness, security and law enforcement functions, and for other purposes; to the Committee on Veterans' Affairs.

● Mr. ROCKEFELLER. Mr. President, today I introduce legislation requested by the Secretary of Veterans Affairs, as a courtesy to the Secretary and the Department of Veterans Affairs, VA. Except in unusual circumstances, it is my practice to introduce legislation requested by the Administration so that such measures will be available for review and consideration.

This ''by-request'' bill would allow VA to create an office, directed by an Assistant Secretary, to address operations, preparedness, security, and law enforcement functions. With the increased focus on homeland security has come increased emphasis on the role that VA is expected to play in providing medical care to veterans, active duty military personnel, and civilians during disasters. In order to improve emergency preparedness without sacrificing its primary mission, caring for the Nation's veterans, the Secretary has proposed creating an Office of Operations, Security, and Preparedness to help coordinate preparedness strategies, both within VA and with other Federal, State, and local agencies.

I ask unanimous consent that the text of the bill and Secretary Principi's transmittal letter that accompanied the draft legislation be printed in the RECORD.

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

S. 2186

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

SECTION 1. SHORT TITLE.

SHORT TITLE.—This Act may be cited as the ''Department of Veterans Affairs Reorganization Act of 2002''.

SEC. 2. REFERENCES TO TITLE 38, UNITED STATES CODE.

Except as otherwise expressly provided, whenever in this Act an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

SEC. 3. INCREASE THE NUMBER OF AUTHORIZED ASSISTANT SECRETARIES; REVISION OF FUNCTIONS.

Section 308 is amended:

(a) in subsection (a) by substituting ''seven'' for ''six'' in the first sentence.

(b) by adding to the end of subsection (b) the following new paragraph (11):

''(11) Operations, preparedness, security and law enforcement functions.''

SEC. 4. CONFORMING AMENDMENT TO TITLE 5, UNITED STATES CODE.

Section 5315 of title 5, United States Code, is amended by changing ''Assistant Secretaries, Department of Veterans Affairs (6)'' to ''Assistant Secretaries, Department of Veterans Affairs (7)''.

THE SECRETARY OF VETERANS AFFAIRS,
Washington, April 12, 2002.

Hon. RICHARD B. CHENEY,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: There is transmitted herein a draft bill ''To amend title 38, United States Code, to increase the number of certain Officers to perform operations, preparedness, security and law enforcement functions, and for other purposes.'' We request that it be referred to the appropriate committee for prompt consideration and enactment.

America has entered into an extended war against terrorism in which the front lines include the home front as well as the foreign battlefield. The tragic events of September 11, 2001, served as a reminder that terrorists are willing and able to attack our civilian population, our centers for military command and control, and our economic system. The anthrax attacks that surfaced during October underscored our nation's vulnerability to asymmetric attacks.

National Defense and Homeland Security Offices project that terrorist attacks on the United States will continue. Terrorists may use any lethal means against domestic targets, including chemical, biological, radiological, or kinetic devices. Moreover, we can assume that terrorists and other entities supporting terrorists may use chemical or

biological weapons against U.S. military members engaged in combat operations. VA must anticipate military casualties in numbers or of a type that could tax the Department of Defense (DOD) medical system. Additionally, the United States can expect terrorists to attempt to degrade our national infrastructure by any means available to them, including sabotage and cyber warfare.

Congress has assigned to the Department of Veterans Affairs statutory functions for response to terrorist attacks and other emergencies and disasters, that are especially challenging, particularly when compared with those of some other executive branch agencies. The statutory functions include the duty to provide medical services to military personnel referred in time of war by the Department of Defense; responsibilities in four emergency support functions, as tasked under the Federal Response Plan by the Federal Emergency Management Agency under the Stafford Act; and the role of providing care to members of the community during emergencies on a humanitarian basis.

We can properly perform these responsibilities, however, only in a way that ensures the effective continuity of VA's primary mission of serving veterans.

The Department of Veterans Affairs (VA or the Department) has emerged from the events of the past few months with a heightened commitment to our statutory roles as a key support agency for disaster response and mitigation, including response to the use of nuclear, chemical, or biological weapons of mass destruction (WMD), as well as its traditional Federal Response Plan roles. Since September 11, VA has joined with other Federal agencies in greatly expanded inter-agency work. The necessary time commitment will expand further as the Homeland Security Council (HSC), Federal Emergency Management Agency (FEMA), Department of Health and Human Services (HHS), and Department of Defense (DoD) programs become fully operational and expand, and VA is asked to provide additional support.

In response, VA is reorganizing certain of its elements in order to best meet its responsibility to protect veterans, employees, and visitors to its facilities, to assure the continuity of veterans' services, while at the same time providing enhanced emergency preparedness and planning. These responsibilities, which in recent months have become even more imperative, belong to VA as a whole. They thus transcend the Administrations and the staff offices. To help ensure the Department as a whole meets these broad responsibilities, VA needs a separate, and a separately accountable, coordinating and policymaking entity. This reorganization creates a new Office of Operations, Security & Preparedness (OSP) to carry out Operations, Preparedness, Security and Law Enforcement functions. VA's experiences during the last several months of increased emergency management activities demonstrate that OSP requirements are full-time activities for an Assistant Secretary. In order to provide appropriate leadership and accountability, the reorganization places OSP under a new Assistant Secretary. Executive Branch requirements, as well as the strategic and day-to-day requirements of OSP are significant and require a full-time Assistant Secretary to provide the necessary level of executive representation and leadership and to meet time demands.

To support the establishment of this new organization, this draft bill would amend section 308 of title 38, United States Code, to increase the number of Assistant Secretaries from six to seven and would add Operations, Preparedness, Security and Law Enforcement functions to the functions and duties to be assigned to the Assistant Secretaries.

The proposed OSP will enable the Department and its three administrations—Veterans Health Administration (VHA), Veterans Benefits Administration (VBA), and National Cemetery Administration (NCA)—to operate more cohesively in this new, uncertain environment, and will help assure continuity of operations in the event of an emergency situation. OSP will:

(a) Ensure that operational readiness and emergency preparedness activities enhance VA's ability to continue its ongoing services (Continuity of Operations);

(b) Coordinate and execute emergency preparedness and crisis response activities both VA-wide and with other Federal, State, local and relief agencies;

(c) Develop and maintain an effective working relationship with the newly established US Office of Homeland Security and reinforce existing relationships with the Department of Defense (DOD), Federal Emergency Management Agency, Department of Health and Human Services, Centers for Disease Control and Prevention, Department of Justice, and other agencies actively involved in continuity of government, counter-terrorism and homeland defense;

(d) Ensure enforcement of the law and oversee the protection of employees and veterans using VA facilities while ensuring the physical security of VA's infrastructure;

(e) Evaluate preparedness programs and develop Department-wide training programs that enhance VA's readiness and exercises.

The creation of this new organization will shift responsibility for emergency preparedness, continuity of operations, continuity of government, law enforcement, physical security, and personnel security programs from the Office of the Assistant Secretary for Human Resources and Administration (HR&A) to OSP. The Office of Security & Law Enforcement (S&LE) will be transferred from HR&A to OSP. In addition, all or part of the following functions and offices will transfer from VHA's Emergency Management Strategic Healthcare Group (EMSHG) to OSP: DOD contingency support, National Disaster Medical System, and Federal Response Plan.

The reorganization establishing OSP would create a standing, around-the-clock readiness operations capability to monitor potential and ongoing situations of concern to the Department and its administrators. It would create a more resourced and focused approach to coordinating and executing the Department's missions to respond as a key support agency in national emergencies and to provide contingency support to DOD in time of war.

This proposed organization would have the capability to meet both ongoing and projected operations center requirements, while providing sufficient personnel to address Departmental planning and policy development needs, and to conduct ongoing training and evaluation at the Departmental level. In addition, OSP would help the Department address growing inter-agency cooperation responsibilities, much of which is required to support the Homeland Security Council.

The Office of Management and Budget has advised that there is no objection from the standpoint of the Administration's program to the submission of this proposed legislation to the Congress.

Sincerely yours,

ANTHONY J. PRINCIPI.●

By Mr. ROCKEFELLER (for himself and Mr. AKAKA):

S. 2187. A bill to amend title 38, United States Code to authorize the Secretary of Veterans Affairs to furnish health care during a major disaster or medical emergency, and for other purposes; to the Committee on Veterans' Affairs.

● Mr. ROCKEFELLER. Mr. President, I introduce legislation today to highlight, and acknowledge in law, a mission that already exists in fact: VA's role in offering health care and support to individuals affected by disasters. I am pleased to be joined in offering this legislation by my colleague on the Veterans' Affairs Committee, Senator DANIEL AKAKA.

VA's first, and most familiar, three missions include caring for our Nation's veterans, training future health care personnel, and fostering scientific and clinical research to improve future medical care. In 1982, Congress assigned to VA a fourth mission: serving as the primary medical back-up system to the Department of Defense during times of war or domestic emergencies. If necessary, VA estimates that it could make about 3200 beds available immediately, and about 5500 beds within 72 hours, to care for injured troops.

VA has expanded this Fourth Mission to encompass a much greater share of the Federal responsibility for public health during crises beyond caring for active duty military casualties. VA also serves as a supporting agency in the Federal Response Plan for domestic disasters, as a cornerstone of the National Medical Disaster System, and by managing the National Pharmaceutical Stockpile. Through these programs, VA provides personnel, supplies and medications, facilities, and, if necessary, direct patient care to communities whose resources have been overwhelmed by medical crises.

VA conducts large-scale disaster training exercises with its military partners, cooperates with other agencies to staff emergency medical teams during high-profile public events, and can deploy its group of experts in radiological medicine anywhere in the United States within a day. VA's mental health care professionals offer expertise in post-traumatic stress disorder counseling that is unparalleled anywhere in the world.

VA has responded to every major domestic disaster of the last two decades, including the Oklahoma City attack, and Hurricanes Andrew and Floyd, by sharing skilled medical staff and supplies with community caregivers. Following catastrophic flooding in Houston last year, the local VA medical center remained the only area hospital with power, and its staff extended care to rescue workers and the public. On September 11, VA physicians cared for at least 68 injured individuals in New York, and VA coordinators identified more than half of the 20,000 beds that would have been available for the care of victims in New York and Virginia through VA's community hospital partnerships. In the weeks following the terrorist attacks, VA continued to provide skilled medical specialists, including mental health professionals, to care for rescue workers and

servicemembers in New York and at the Pentagon.

The legislation that we introduce today would confer no new responsibilities or missions upon VA, but would recognize VA's already enormous contribution to public safety and emergency preparedness. As Congress continues to prepare for the threat of terrorism, it becomes increasingly important to focus not only the public health community, but those capable of providing medical care during mass casualty events.

As the largest health care system in the nation, VA medical centers can and will offer invaluable services during a public health care emergency, whether that emergency is terrorism or a natural disaster. When VA health care providers are called upon to care for disaster victims, they serve not only as part of the Federal response to emergencies, but as part of the communities in which they live. This legislation would extend the Congressional mandate calling upon VA to provide care for active duty military personnel during a disaster to recognize VA's contribution to general public safety during crises. I urge my colleagues in the Senate to join Senator AKAKA and me in supporting this legislation.

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

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

S. 2187

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 ''Department of Veterans Affairs Emergency Medical Care Act of 2002''.

SEC. 2. AUTHORITY TO FURNISH HEALTH CARE DURING MAJOR DISASTERS AND MEDICAL EMERGENCIES.

(a) IN GENERAL.—(1) Subchapter II of chapter 17 of title 38, United States Code, is amended by inserting after section 1711 the following new section:

''§ 1711A. Care and services during major disasters and medical emergencies

''(a) During and immediately following a disaster or emergency referred to in subsection (b), the Secretary may furnish hospital care and medical services to individuals responding to, involved in, or otherwise affected by such disaster or emergency, as the case may be.

''(b) A disaster or emergency referred to in this subsection is any disaster or emergency as follows:

''(1) A major disaster or emergency declared by the President under the Robert B. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

''(2) A disaster or emergency in which the National Disaster Medical System is activated.

''(c) The Secretary may furnish care and services under this section to veterans without regard to their enrollment in the system of annual patient enrollment under section 1705 of this title.

''(d) The Secretary may give a higher priority to the furnishing of care and services under this section than to the furnishing of care and services to any other group of persons eligible for care and services in medical facilities of the Department with the exception of—

''(1) veterans with service-connected disabilities; and

''(2) members of the Armed Forces on active duty who are furnished health-care services under section 8111A of this title.

''(e)(1) The cost of any care or services furnished under this section to an officer or employee of a department or agency of the Federal Government other than the Department shall be reimbursed at such rates as may be agreed upon by the Secretary and the head of such department or agency based on the cost of the care or service furnished.

''(2) Amounts received by the Department under this subsection shall be credited to the funds allotted to the Department facility that furnished the care or services concerned.

''(f) Within 60 days of the commencement of a disaster or emergency referred to in subsection (b) in which the Secretary furnishes care and services under this section (or as soon thereafter as is practicable), the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on the Secretary's allocation of facilities and personnel in order to furnish such care and services.

''(g) The Secretary shall prescribe regulations governing the exercise of the authority of the Secretary under this section.''.

(2) The table of sections at the beginning of that chapter is amended by inserting after the item relating to section 1711 the following new item:

''1711A. Care and services during major disasters and medical emergencies.''.

(b) EXCEPTION FROM REQUIREMENT FOR CHARGES FOR EMERGENCY CARE.—Section 1711(b) of that title is amended by striking ''The Secretary'' and inserting ''Except as provided in section 1711A of this title with respect to a disaster or emergency covered by that section, the Secretary''.

(c) MEMBERS OF THE ARMED FORCES.—Subsection (a) of section 8111A of that title is amended to read as follows:

''(a)(1) During and immediately following a period of war, or a period of national emergency declared by the President or Congress that involves the use of the Armed Forces in armed conflict, the Secretary may furnish hospital care, nursing home care, and medical services to members of the Armed Forces on active duty.

''(2)(A) During and immediately following a disaster or emergency referred to in subparagraph (B), the Secretary may furnish hospital care and medical services to members of the Armed Forces on active duty responding to or involved in such disaster or emergency, as the case may be.

''(B) A disaster or emergency referred to in this subparagraph is any disaster or emergency follows:

''(i) A major disaster or emergency declared by the President under the Robert B. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

''(ii) A disaster or emergency in which the National Disaster Medical System is activated.

''(3) The Secretary may give a higher priority to the furnishing of care and services under this section than to the furnishing of care and services to any other group of persons eligible for care and services in medical facilities of the Department with the exception of veterans with service-connected disabilities.

''(4) In this section, the terms 'hospital care', 'nursing home care', and 'medical services' have the meanings given such terms by sections 1701(5), 101(28), and 1701(6) of this title, respectively.''.●

● Mr. AKAKA. Mr. President, I am pleased to cosponsor the legislation offered by the Senator from West Virginia, Mr. ROCKEFELLER, to authorize the Department of Veterans Affairs, VA, existing emergency preparedness activities.

Currently, VA participates in the National Disaster Medical System, NDMS, and the Federal Response Plan through VA's Fourth Mission, mandated by Congress in 1982 to establish VA's role as the medical back-up to the military during conflicts. When VA has offered medical care to the general public during every major U.S. disaster since Hurricane Andrew, it has done so without the statutory authority to care for non-veterans and non-active-duty military personnel. The VA Emergency Medical Care Act of 2002 would give this authority.

Already an active participant in disaster response and preparedness, VA partners with the Departments of Defense and Health and Human Services and the Federal Emergency Management Agency, FEMA, to form the National Disaster Medical System, NDMS. The Act would codify and authorize VA's existing efforts to provide health care to the general public following activation of the NDMS.

VA is an emergency responder through the Federal Response Plan, a signed agreement between 27 Federal agencies and the Red Cross that coordinates Federal assistance when State and local resources are overwhelmed by a major disaster. VA serves as a support agency for four of the Emergency Support Functions outlined in the Federal Response Plan, including Mass Care and Health and Medical Services. VA is also the principle provider of mental health services to disaster survivors.

I commend the work done by VA employees in responding to national emergencies. Because of their dedication and initiative, this legislation does not create new VA programs nor authorize any additional funds. I urge my colleagues to support the Department of Veterans Affairs Emergency Medical Care Act of 2002. This legislation is a first step in acknowledging the work that VA performs now to help all Americans respond to major disasters and medical crises.●

By Mr. BREAUX (for himself and Mr. BURNS):

S. 2188. A bill to require the Consumer Product Safety Commission to amend its flammability standards for children's sleepwear under the Flammable Fabrics Act; to the Committee on Commerce, Science, and Transportation.

● Mr. BREAUX. Mr. President, today, along with Senator BURNS, I am introducing the Children's Safe Sleepwear and Burn Prevention Act of 2002. This legislation is designed to prevent sleepwear-related burn injuries and reverse the 1997 decision of the Consumer

Product Safety Commission on children's sleepwear safety regulations.

In 1996, the CPSC made two principle changes to the sleepwear safety regulations. First, the Commission determined that because children age 0–9 months were not mobile, they were not at risk from fire. Consequently, the revised regulations totally exempted sleepwear for young infants from any safety regulations. Second, the CPSC decided that so-called ''tight-fitting'' sleepwear did not have to meet any fire safety requirements on the mistaken assumption that tight-fitting garments do not burn.

As a result of the Commission's action, I heard from the Shriners Hospital in Shreveport, Louisiana. The Shirners Hospitals for children operate four burn centers in the United States and treat over 20 percent of all serious pediatric burns in the country. The Shriners Hospitals conducted a study comparing the incidence of sleepwear-related burn injuries during the period 1995–1996, before the regulations were changed, to the period 1998–1999 after the changes had been put in place.

The results of the Shriners study are sobering indeed. From 1995–1996, Shriners Hospitals treated 14 children for sleepwear-related burn injuries. For the period 1998–1999, the number of children suffering from these sleepwear-related burns increased to 36, a 157 percent increase!

The Shriners Hospitals also examined pediatric burn injuries where it was impossible to determine the exact type of clothing involved or where the children was not technically wearing sleepwear but may have been using this clothing to sleep in. Over the relevant time period, the number of children suffering clothing-related burn injuries increased from 70 to 147, a 110 percent increase! Similarly, the number of pediatric burn injuries where it was impossible to determine anything about the clothing being worn because the clothing had been totally burned away increased from 218 to 311, a 43 percent increase! All told, the number of burned children treated at Shriners Hospitals increased from 302 in 1995–1996 to 494 in 1998–1999, a 64 percent increase!

The data regarding infants age 0–9 months is also revealing. In 1995–1996 Shriners Hospitals treated just five children for sleepwear-related burn injuries under nine months of age. For 1998–1999, the total number of infants suffering such injuries rose to nineteen, a 280 percent increase!

As a practical matter, almost all pediatric burn injuries involve ignition of the clothing and some other materials. While the safety regulations cannot save a child trapped in a raging inferno, a 1972 HEW study concluded that children in fires whose clothing ignited had a four to six-fold increase in mortality and morbidity compared to those who clothing did not ignite. Take, for example, a situation where the house is on fire and a parent picks up her infants and flees the burning house. Sparks are flying, but the infants garments do not ignite because they are flame resistent. If the sleepwear is not flame resistant, the sparks catch the clothing.

The Children's Safe Sleepwear and Burn Prevention Act directs the Commission to restore the safety protections that it removed in 1997. Henceforth, young infants will not have to face the dangers of using sleepwear that provides no protection whatsoever against fire. Tight-fitting or snug sleepwear will also have to meet these fire safety requirements. There is, however, more that must be done to ensure a fire safety environment for our children.

Another problem regarding the children's sleepwear regulations must be addressed. Under the CPSC's regulations, even the pre-1997 version, clothing that the manufacturer did not intend to be used as sleepwear were not required to meet the flammability safety requirements. Consequently, a manufacturer could simply label an item as day wear as sleepwear and completely avoid the safety requirements.

This legislation eliminates this ''labeling loophole'' by creating a functional definition of sleepwear for children up to seven years of age. If, as a practical matter, clothing is used for sleepwear, then should meet the safety requirements. The legislation provides some guidance as to what types of garments are used for sleepwear with some regularity such as togs, bunny suits and garments with cartoon characters that are particularly attractive to young children.

One might ask what alternatives are there to untreated cotton. Advances in technology now provide such alternatives. Cotton can be treated with a flame retardant that does not wash out because it is bonded to the cotton through a chemical process at the atomic level. The treatment adds little to the cost of children's sleepwear.

The defense of our innocent children from the dangers of sleepwear related burn injuries should be a priority. If you have ever seen a child severely burned by flaming sleepwear, you have some sense of the suffering and horror that these injuries entail. We can make these horrible burn injuries less frequent by enacting this important piece of legislation.

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

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

S. 2188

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 ''Children's Safe Sleepwear and Burn Prevention Act of 2002''.

SEC. 2. AMENDMENTS TO CHILDREN'S SLEEPWEAR FLAMMABILITY REGULATIONS.

(a) IN GENERAL.—The Consumer Product Safety Commission (in this Act referred to as the ''Commission'') shall, with respect to the Commission's flammability standards for children's sleepwear sizes 0 through 14, promulgated pursuant to the Flammable Fabrics Act (15 U.S.C. 1191 et seq.; parts 1615 and 1616 of title 16, Code of Federal Regulations)—

(1) not enforce or enact a standard with respect to children's sleepwear that—

(A) exempts—

(i) diapers and underwear (including disposable diapers and underwear);

(ii) infant garments sizes 0 through 6X, infant garments sizes 9 months or smaller, or other garments described in part 1615.1(c) of title 16, Code of Federal Regulations; or

(iii) tight-fitting garments; or

(B) includes as a part of any definition of children's sleepwear (or of any item of such sleepwear) a standard based on the intent of the manufacturer or retailer; and

(2) provide a functional definition of children's sleepwear for ages 0 through 7 years (encompassing, at a minimum, infant and children's garment sizes 2 through 6X, as such sizes are defined by the Department of Commerce Voluntary Product Standard (previously identified as Commercial Standard CS151–50 ''Body Measurements for the Sizing of Apparel for Infants, Babies, Toddlers, and Children''), including children's clothing used with some regularity as sleepwear, such as—

(A) ''togs'';

(B) ''onesies'';

(C) body suits with snaps at the bottom for easy access to a diaper;

(D) all-in-one ''bunny'' suits with enclosed feet; and

(E) any garments sized for children ages 0 through 7 years with cartoon characters or symbols that the Commission finds are particularly attractive to young children.

(b) RULEMAKING.—Notwithstanding any other provision of law, not later than 180 days after the date of enactment of this Act, the Commission shall promulgate regulations with respect to the flammability of children's sleepwear consistent with the provisions of this Act.

(c) EFFECTIVE DATE.—Sleepwear manufactured or imported on or before the effective date of the regulations promulgated by the Commission under subsection (b) shall not be treated as being in violation of the Flammable Fabrics Act or such regulations if the sleepwear complied with the rules of the Commission in effect at the time the sleepwear was manufactured or imported.●

By Mr. ROCKEFELLER (for himself, Mr. SPECTER, Mr. DASCHLE, Mr. WELLSTONE, Mr. DURBIN, Ms. MIKULSKI, Mr. SARBANES, Mr. DAYTON, and Mrs. CLINTON):

S. 2189. A bill to amend the Trade Act of 1974 to remedy certain effects of injurious steel imports by protecting benefits of steel industry retirees and encouraging the strengthening of the American steel industry; to the Committee on Finance.

● Mr. ROCKEFELLER. Mr. President, the American steel industry will not consolidate and will not survive without relief from their unique burden of substantial retiree health care costs. Failing to assist the American steel industry with its retiree health care costs puts our industry at a tremendous disadvantage as it competes in

the world markets. If we are to have a competitive, viable industry, we must not shirk our responsibility. In the case of steel in America, that means three things: tariffs under Section 201, as is provided for under our trade laws; legacy, retiree health, relief; and effective consolidation of the steel industry.

Earlier this year, the President imposed limited and temporary steel tariffs under Section 201. Today, I introduce the Steel Industry Consolidation and Retiree Benefits Protection Act of 2002, the Steel Legacy bill. This bill provides strong incentives for consolidation in the United States steel industry by supporting companies' retiree health care costs. This bill provides desperately needed medical care to retirees whose companies have been forced out of business by imports. This bill is critical to the preservation of the American steel industry, and it is humane to those individuals who have paid a very high price for our nation's free trade policies.

The American steel industry has been facing an unprecedented crisis since 1997, when the Asian financial crisis disrupted global steel trade and diverted much of the world's excess steel capacity to the U.S. market. Thirty-three U.S. steel companies, representing over 40 percent of domestic steelmaking capacity, have gone into bankruptcy since 1999, including such venerable names as Bethlehem Steel and LTV. Wheeling Pittsburgh Steel in my state is in the process of reorganizing. Many more steel companies have been forced into liquidation. Almost 50,000 steelmaking jobs have been lost in this country since the steel crisis began in 1998—losses that come on top of hundreds of thousands of steel job losses in the two preceding decades.

The cause of this crisis in the industry is not that demand for steel has suddenly collapsed or that the competitiveness of the American steel industry has suddenly collapsed, but because foreign steelmakers have enjoyed decades of government subsidies and protection. Those foreign subsidies have created massive global steel overcapacity, and that foreign protection has ensured that most of the world's overcapacity has been directed at the U.S. market, which has been the most open major market in the world.

The crisis our steel industry currently faces could well mean the end of steelmaking in the United States. This would have grave consequences for steel companies and steel workers, for the steel communities that depend on them, and for our nation's industrial base and our national defense. In recognition that this could not be allowed to happen, the President announced last month that he would impose temporary Section 201 tariff measures on some steel imports. These measures will help give the U.S. steel industry some breathing room to recover. I commend the President for recognizing the importance of maintaining a domestic steel manufacturing base and for taking these steps.

Still, I think it's essential to realize that the Section 201 measures are limited in their scope and duration: first, the tariffs range from 8 percent to 30 percent, far less than the level recommended by two of the ITC Commissioners and the level that I and many others in the steel industry had argued for. And these tariffs are lowered dramatically each year, and stop after only three years. The tariffs do not apply to all steel products. Because of this, foreign steel companies will be able to engage in circumvention measures to get around the tariffs, as they have with antidumping measures. Under the 201 relief, tariffs were imposed on some grades of steel, others were exempted altogether, numerous exemptions for specific steel products have been issued, and for the critical category of slab, a tariff rate quota has been imposed that is unlikely to have any positive effect whatsoever. The tariffs are not being applied across the board to all foreign steel producers; the relief exempts all steel from developing countries and from NAFTA members, who between them represent a significant portion, over a third, of overall U.S. steel imports.

We knew from the beginning of the 201 process that even in the best of circumstances, it was clear that Section 201 tariffs were going to provide only part of the solution to help the domestic steel industry respond to this crisis. But the Section 201 remedy imposed, with its exclusions and exemptions and declining tariffs, makes the need for additional measures even more compelling.

Section 201 will slow the tide of imports. But it will not resolve the other critical issues that will determine whether America's integrated steelmaking capacity survives. America's integrated steelmakers face massive ''legacy costs'' for retiree health and pension benefits, stemming from the dramatic reduction in the American steel industry's active workforce over the past two decades, which in turn results from successive Administrations' inability to negotiate an agreement for foreign governments to stop subsidizing their steelmakers. These legacy costs both hurt American steel's international competitiveness and serve as a liability that has prevented the consolidation of the fragmented domestic steel industry. Industry consolidation is another issue that must be addressed: with foreign steelmakers merging to create a new level of top tier steelmakers, American steelmakers risk being permanently consigned to the second rank, with subscale facilities and insufficient revenues to fund the necessary investment in research and technology. Finally, we must take measures to mitigate the human cost of this steel crisis, particularly the cost to retirees who worked long, hard years to earn health and pension benefits for themselves and their families, but now risk seeing all that taken away because the company that pays those benefits is threatened by unfair foreign trade practices.

The bill I am introducing today, the Steel Industry Retiree Benefits Protection Act of 2002, addresses the toughest of these problems. It guarantees the health care coverage and a very limited life insurance benefit for steel industry retirees whose employer is acquired by another steelmaker or whose employer is forced to shut down because no other steelmaker will acquire it. This will ensure that in steel communities throughout the nation, no retirees will lose their critical health benefits simply because of a crisis in the global steel industry that our government failed to avert. Equally important, this bill will address retiree legacy costs in a way that will enhance our steel industry's competitiveness, by clearing the way for the industry consolidation that is necessary and inevitable if the American steel industry is to survive.

The mechanics of the bill are fairly simple. A Federal trust fund will be established that will assume the retirees' health care and life insurance costs for steel, iron ore, and coke producers, and those who transport steel mill products for steelmaking operations, that are acquired by another company; that are in bankruptcy and attempted unsuccessfully to be acquired by another company, and thus have been closed, or are in imminent danger of closing, or have been unable to be acquired for at least two years; that are in bankruptcy and sell a significant steelmaking operation to another company; or, finally, in order to ensure that the assumption of legacy costs does not distort competition within the domestic steel industry, if a significant portion of the entire industry's legacy costs have been assumed by the Federal trust fund, all steel industry retirees and beneficiaries would be eligible to be covered by the program.

The money for the Fund to pay for these legacy costs will come from the following: steel tariff revenues; an acquired steelmaker's retiree health care trust fund assets; payments for 10 years by the qualified steel company of $5 per ton of steelmaking capacity, subject to the bill's provisions; retiree premiums; and, and appropriated funds if necessary.

In order to simplify the management of the program, retiree health benefits assumed by the Fund will be limited to Federal Blue Cross/Blue Shield health benefits, a fair and reasonable standard of health coverage. Life insurance will be limited to a one-time payment of $5,000 dollars. The program will be administered by the Secretary of Commerce and by Trustees who are designated by both management and labor.

This bill is supported by both the integrated steelmakers and by the steel unions, who understand what it will take to save the American steel industry. They know that legacy costs have been the major barrier to consolidation

of the American steel market and that it is critical that we resolve that problem if we are to preserve retiree health benefits and an integrated domestic steel industry. I am introducing this legislation with my partner as Co-Chair of the Senate Steel Caucus, Senator SPECTER. We have a history of working together on issues that are vital to the core industries in our states and the workers who have helped fuel and build this nation. I am pleased that Senators WELLSTONE, DURBIN, MIKULSKI, SARBANES, and DAYTON, and the distinguished Senate Majority Leader, who have long been champions of retirees and workers health care issues, join me today as cosponsors. We have also worked in close consultation with our colleagues on the House side, especially members of the House Steel Caucus, who share our concern that these critical legacy cost issues be addressed.

But, make no mistake, this steel legacy legislation will not happen without the active involvement of the President. This bill is fair, it is pro-competition, and there is a broad consensus that legacy cost legislation like this is absolutely necessary if we are to preserve integrated steelmaking in the United States, as well as the communities and businesses that depend on those facilities. But realistically, a program like this is only going to be enacted with the strong support and active engagement of the President.

The President's announcement of his decision on Section 201 tariffs last month was an encouraging sign that the President was committed to the preservation of the American steel industry, and his recognition that, if equipped with the right tools and competing in a fair market, the domestic steel industry can regain its former role as the world's leader. I surely hope so. But I know that without President Bush's support for a legacy cost bill, the Section 201 tariffs he announced last month will not be enough, and we will witness the erosion of a vital national asset, the American steel industry.

I appeal to the President to maintain his personal interest in the well-being of our steel industry. It is vital to our nation's economy and to our defense capability. I encourage the President to lead on this issue because surely, in these times, without his support and quick involvement, we will not be able to get a bill through this Congress. I hope the Administration will work with us here in the Senate to pass a legacy cost bill that will ensure fairness for America's retired steelworkers and a competitive future for America's integrated steel industry. We need legacy cost legislation like that outlined in the bill I am submitting today, if we are to preserve the U.S. steel industry. I urge my colleagues to join me in supporting this bill.

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. 2189

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

SECTION 1. SHORT TITLE; CONGRESSIONAL FINDINGS AND PURPOSE.

(a) SHORT TITLE.—This Act may be cited as the ''Steel Industry Consolidation and Retiree Benefits Protection Act of 2002''.

(b) CONGRESSIONAL FINDINGS AND PURPOSE.—

(1) FINDINGS.—Congress finds the following:

(A) The United States Department of Commerce has documented that American steelworkers and their employers have been forced over the last 30 years to compete in a global steel market in which foreign governments have engaged in market distorting practices that to this day sustain enormous overcapacity in world steel supplies.

(B) The United States International Trade Commission, in its recent investigation of steel imports to the United States under section 201 of the Trade Act of 1974, has concluded that surges of imported steel since the Asian crisis of 1997 have caused serious injury to American producers of most steel products.

(C) Since 1997, 32 American steel companies have been forced to seek bankruptcy protection, over 45,000 steelworkers have lost their jobs, and over 100,000 steel retirees have suffered a complete cutoff of vital medical and life insurance benefits.

(D) Many steel industry retirees were forced into retirement as a result of the restructurings of the 1980's and 1990's, and then, as a second blow, recently lost their retiree medical insurance.

(E) Recent steel imports have pushed steel prices to such record lows that surviving American steelmakers face imminent financial collapse, and these firms employ over 185,000 workers in family-supporting jobs and provide crucial medical coverage to hundreds of thousands of retirees and beneficiaries.

(F) As American steel companies continue to weaken or fail, a very different trend is underway in other countries where governments shoulder a substantial portion of retirement costs and foreign steelmakers are now merging into companies of unprecedented size and market influence.

(G) If the American steel industry is to survive and compete, it must transform itself from a group of relatively small producers into a consolidated market force.

(H) For many American steel companies, the ability to consolidate is undermined by the burden of retiree health and life insurance obligations.

(2) PURPOSE.—It is the purpose of this Act to ensure that—

(A) retired steelworkers receive medical and life insurance coverage, and

(B) the American steel industry can continue to provide livelihoods to tens of thousands of American workers, their families, and communities through the receipt of assistance in consolidating its position in world steel markets.

SEC. 2. ESTABLISHMENT OF STEEL INDUSTRY RETIREE BENEFITS PROTECTION PROGRAM.

The Trade Act of 1974 is amended by adding at the end the following new title:

''TITLE IX—PROTECTION FOR STEEL INDUSTRY RETIREMENT BENEFITS

''Subtitle A—Definitions

''SEC. 901. DEFINITIONS.

''(a) TERMS RELATING TO BENEFITS PROGRAM.—For purposes of this title—

''(1) RETIREE BENEFITS PROGRAM.—The term 'retiree benefits program' means the Steel Industry Retiree Benefits Protection Program established under this title to provide medical and death benefits to eligible retirees and beneficiaries.

''(2) STEEL RETIREE BENEFITS.—

''(A) IN GENERAL.—The term 'steel retiree benefits' means medical, surgical, or hospital benefits, and death benefits, whether furnished through insurance or otherwise, which are provided to retirees and eligible beneficiaries in accordance with an employee benefit plan (within the meaning of section 3(3) of the Employee Retirement Income Security Act of 1974) which—

''(i) is established or maintained by a qualified steel company or an applicable acquiring company, and

''(ii) is in effect on or after January 1, 2000.

Such term includes benefits provided under a plan without regard to whether the plan is established or maintained pursuant to a collective bargaining agreement.

''(B) RETIREE.—

''(i) IN GENERAL.—The term 'retiree' means an individual who has met any years of service or disability requirements under an employee benefit plan described in subparagraph (A) which are necessary to receive steel retiree benefits under the plan.

''(ii) CERTAIN RETIREES INCLUDED.—An individual shall not fail to be treated as a retiree because the individual—

''(I) retired before January 1, 2000, or

''(II) was not employed at the steelmaking assets of a qualified steel company.

''(b) TERMS RELATING TO STEEL COMPANIES.—For purposes of this title—

''(1) QUALIFIED STEEL COMPANY.—

''(A) IN GENERAL.—The term 'qualified steel company' means any person which on January 1, 2000, was engaged in—

''(i) the production or manufacture of a steel mill product,

''(ii) the mining or processing of iron ore or beneficiated iron ore products, or

''(iii) the production of coke for use in a steel mill product.

''(B) TRANSPORTATION.—The term 'qualified steel company' includes any person which on January 1, 2000, was engaged in the transportation of any steel mill product solely or principally for another person described in subparagraph (A), but only if such person and such other person are related persons.

''(C) SUCCESSORS IN INTEREST.—The term 'qualified steel company' includes any successor in interest of a person described in subparagraph (A) or (B).

''(2) STEELMAKING ASSETS AND STEEL MILL PRODUCTS.—

''(A) STEELMAKING ASSETS.—The term 'steelmaking assets' means any land, building, machinery, equipment, or other fixed assets located in the United States which, at any time on or after January 1, 2000, have been used in the activities described in subparagraph (A) or (B) of paragraph (1).

''(B) STEEL MILL PRODUCT.—The term 'steel mill product' means any product defined by the American Iron and Steel Institute as a steel mill product.

''(3) ACQUIRING COMPANY.—The term 'acquiring company' means any person which acquired on or after January 1, 2000, steelmaking assets of a qualified steel company with respect to which a qualifying event has occurred.

''(c) OTHER DEFINITIONS.—For purposes of this title—

''(1) RELATED PERSON.—The term 'related person' means, with respect to any person, a person who—

''(A) is a member of the same controlled group of corporations (within the meaning of section 52(a) of the Internal Revenue Code of 1986) as such person, or

''(B) is under common control (within the meaning of section 52(b) of such Code) with such person.

''(2) SECRETARY.—The term 'Secretary' means the Secretary of Commerce.

''(3) TRUST FUND.—The term 'Trust Fund' means the Steel Industry Legacy Relief Trust Fund established under subtitle C.

"Subtitle B—Steel Industry Retiree Benefits Protection Program

"PART I—ESTABLISHMENT

"SEC. 902. ESTABLISHMENT.

''There is established a Steel Industry Retiree Benefits Protection program to be administered by the Secretary and the Board of Trustees of the Trust Fund in accordance with the provisions of this title for the purpose of providing medical and death benefits to eligible retirees and eligible beneficiaries certified as participants in the program under part II.

"PART II—RELIEF AND ASSUMPTION OF LIABILITY, ELIGIBILITY, AND CERTIFICATION

"SEC. 911. RELIEF AND ASSUMPTION OF LIABILITY.

''(a) IN GENERAL.—If—

''(1) the Secretary certifies under section 912 that there was a qualifying event with respect to a qualified steel company,

''(2) the asset transfer requirements of subsection (b) are met with respect to the qualifying event, and

''(3) the qualified steel company and any acquiring company assumes their respective liability to make any contributions required under subsection (c),

then the United States shall assume liability for the provision of steel retiree benefits for each eligible retiree and eligible beneficiary certified for participation in the retiree benefits program under section 913 (and the qualified steel company, any predecessor or successor, and any related person to such company, predecessor, or successor shall be relieved of any liability for the provision of such benefits). The United States shall be treated as satisfying any liability assumed under this subsection if benefits are provided to eligible retirees and eligible beneficiaries under the retiree benefits program provided in part III.

''(b) REQUIRED ASSET TRANSFERS.—

''(1) IN GENERAL.—The requirements of this subsection are met if the qualified steel company and any applicable acquiring company transfer to the Trust Fund all assets, as determined in accordance with rules prescribed by the Secretary, which, under the terms of an applicable collective bargaining agreement, were required to be set aside under an employee benefit plan or otherwise for the provision of the steel retiree benefits the liability for which (determined without regard to this subsection) is relieved by operation of subsection (a). The assets required to be transferred shall not include voluntary contributions, including voluntary contributions made pursuant to a voluntary employees beneficiary association trust, which are in excess of the contributions described in the preceding sentence.

''(2) DETERMINATION.—The amount of the assets to be transferred under paragraph (1) shall be determined at the time of the certification under section 912 and shall include interest from the time of the determination to the time of transfer. Such amount shall be reduced by any payments from such assets which are made after the determination by the qualified steel company or applicable acquiring company for the provision of steel retiree benefits for which such assets were set aside and the liability for which (determined without regard to this subsection) is relieved by operation of subsection (a).

''(c) CONTRIBUTION REQUIREMENTS.—

''(1) CONTRIBUTIONS BASED ON OWNERSHIP OF STEELMAKING ASSETS.—

''(A) IN GENERAL.—If there is a qualifying event certified under section 912 with respect to a qualified steel company—

''(i) the qualified steel company shall assume the obligation to pay, and

''(ii) if the qualified steel company transferred on or after January 1, 2000, any of its steelmaking assets, the qualified steel company and any acquiring company acquiring such assets as part of (or after) a qualifying event shall assume the obligation to pay,

to the Trust Fund for each of the years in the 10-year period beginning on the date of the qualifying event its ratable share of the amount determined under subparagraph (B) with respect to the steelmaking assets owned by such company or person.

''(B) AMOUNT OF LIABILITY.—

''(i) IN GENERAL.—The amount required to be paid under subparagraph (A) for any year shall be equal to $5 per ton of products described in section 901(b)(1)(A) attributable to the steelmaking assets which are the subject of the qualifying event and shipped to a person other than a related person. If 2 or more persons own steelmaking capacity or assets, the liability under this clause shall be allocated ratably on the basis of their respective ownership interests. The determination under this clause for any year shall be made on the basis of shipments during the calendar year preceding the calendar year in which such year begins.

''(ii) REDUCTIONS IN LIABILITY.—The amount of any liability under clause (i) for any year shall be reduced by the amount of any assets transferred to the Trust Fund under subsection (b), reduced by any portion of such amount applied to a liability for any preceding year. If 2 or more persons are liable under subparagraph (A) with respect to any qualifying event, any reduction with respect to assets transferred to the Trust Fund under subsection (b) shall be allocated ratably among such persons on the basis of their respective liabilities or in such other manner as such persons may agree.

''(2) FASB LIABILITY IN CASE OF CERTAIN QUALIFYING EVENTS.—

''(A) IN GENERAL.—If there is a qualifying event (other than a qualified acquisition) with respect to a qualified steel company, then, subject to the provisions of subparagraphs (C) and (D), the qualified steel company shall be liable for payment to the Trust Fund of the amount determined under subparagraph (B). If a qualified acquisition occurs after another qualifying event, such other qualifying event shall be disregarded for purposes of this paragraph.

''(B) AMOUNT OF LIABILITY.—The amount determined under this subparagraph shall be equal to the excess (if any) of—

''(i) the amount determined under the Financial Accounting Standards Board Rule 106 as being equal to the present value of the steel retiree benefits of eligible retirees and beneficiaries of the qualified steel company the liability for which (determined without regard to any modification pursuant to section 1114 of title 11, United States Code) is relieved under subsection (a), over

''(ii) the sum of—

''(I) the value of the assets transferred under subsection (b) with respect to the retirees and beneficiaries, and

''(II) the present value of any payments (other than payments determined under this subparagraph) to be made under this subsection with respect to steelmaking assets of the qualified steel company.

''(C) DISCHARGES IN BANKRUPTCY.—The amount of any liability under subparagraph (B) shall be reduced by the portion of such liability which, in accordance with the provisions of title 11, United States Code, is discharged in any bankruptcy proceeding.

''(D) NO LIABILITY IF INDUSTRY-WIDE ELECTION MADE.—If a qualifying event occurs by reason of a qualified election under section 912(d)(2)(B), then—

''(i) any liability that arose under this paragraph for any qualifying event occurring before such election is extinguished (and any payment of such liability shall be refunded from the Trust Fund with interest), and

''(ii) no liability shall arise under this paragraph with respect to the qualifying event occurring by reason of such election or any subsequent qualifying event.

''(3) JOINT AND SEVERAL LIABILITY.—Any related person of any person liable for any payment under this subsection shall be jointly and severally liable for the payment.

''(4) TIME AND MANNER OF PAYMENT.—The Secretary shall establish the time and manner of any payment required to be made under this subsection, including the payment of interest.

"SEC. 912. QUALIFYING EVENTS.

''(a) IN GENERAL.—For purposes of this title, the term 'qualifying event' means any—

''(1) qualified acquisition,

''(2) qualified closing,

''(3) qualified election, and

''(4) qualified bankruptcy transfer.

''(b) QUALIFIED ACQUISITION.—For purposes of this title, the term 'qualified acquisition' means any arms'-length transaction or series of related transactions—

''(1) under which a person (whether or not a qualified steel company) acquires by purchase, merger, stock acquisition, or otherwise all or substantially all of the steelmaking assets held by the qualified steel company as of January 1, 2000, and

''(2) which occur on and after January 1, 2000, and before the date which is 2 years after the date of the enactment of this title.

Such term shall not include any acquisition by a related person.

''(c) QUALIFIED CLOSING.—For purposes of this title—

''(1) IN GENERAL.—The term 'qualified closing' means—

''(A) the permanent cessation on or after January 1, 2000, and before January 1, 2004, by a qualified steel company operating under the protection of chapter 11 or 7 of title 11, United States Code, of all activities described in subparagraph (A) or (B) of paragraph (1) of section 901(b), or

''(B) the transfer on or after January 1, 2000, and before January 1, 2004, by a qualified steel company operating under the protection of chapter 11 or 7 of title 11, United States Code, of all or substantially all of its steelmaking assets to 1 or more persons other than related persons in an arms'-length transaction or series of related transactions which do not constitute a qualified acquisition.

''(2) COMPANIES IN IMMINENT DANGER OF CLOSURE.—A qualified closing of a qualified steel

company operating under the protection of chapter 11 or 7 of title 11, United States Code, shall be treated as having occurred if the company—

''(A) meets the acquisition effort requirements of paragraph (3),

''(B) establishes to the satisfaction of the Secretary that—

''(i) it is in imminent danger of becoming a closed company, or

''(ii) in the case of a company operating under protection of chapter 11 of title 11, United States Code, it is unable to reorganize without the relief provided under this title, and

''(C) elects, in such manner as the Secretary prescribes, at any time after the date of the enactment of this title and before the date which is 2 years after the date of the enactment of this title, to avail itself of the relief provided under this title.

''(3) ACQUISITION EFFORT REQUIREMENTS.—

''(A) IN GENERAL.—The requirements of this paragraph are met by a qualified steel company if—

''(i) the company files with the Secretary within 10 days of the date of the enactment of this title—

''(I) a notice of intent to be acquired, and

''(II) a description of the actions the company will undertake to have its steelmaking assets acquired in a qualified acquisition, and

''(ii) the company at all times after the filing under clause (i) and the date which is 2 years after the date of the enactment of this title (or, if earlier, the date on which the requirement of paragraph (2)(B) is satisfied) makes a continuing, good faith effort to have its steelmaking assets acquired in a qualified acquisition.

''(B) GOOD FAITH EFFORT.—A continuing, good faith effort under subparagraph (A)(ii) shall include—

''(i) the active marketing of a company's steelmaking assets through the retention of an investment banker, the preparation and distribution of offering materials to prospective purchasers, allowing due diligence and investigatory activities by prospective purchasers, the active and good faith consideration of all expressions of interest by prospective purchasers, and any other affirmative action designed to result in a qualified acquisition of a company's steelmaking assets, and

''(ii) a demonstration to the Secretary by the company that no bona fide and fair offer which would have resulted in a qualified acquisition of the company's steelmaking assets has been unreasonably refused.

''(d) QUALIFIED ELECTION.—For purposes of this title—

''(1) IN GENERAL.—The term 'qualified election' means an election by a qualified steel company operating under the protection of chapter 11 or 7 of title 11, United States Code, meeting the acquisition effort requirements of subsection (c)(3) to transfer its obligations for steel retiree benefits to the retiree benefit program. Such an election shall be made not earlier than the date which is 2 years after the date of the enactment of this title, and in such manner as the Secretary may prescribe.

''(2) INDUSTRY-WIDE ELECTION.—Notwithstanding paragraph (1), a qualified election shall be treated as having occurred with respect to a qualified steel company (whether or not operating under the protection of chapter 11 or 7 of title 11, United States Code) if—

''(A) the Secretary determines that at least 200,000 eligible retirees and beneficiaries have been certified under section 913 for participation in the retiree benefits program, and

''(B) the qualified steel company elects to avail itself of the relief provided under this title on or after the date of the determination under subparagraph (A).

''(e) QUALIFIED BANKRUPTCY TRANSFER.—For purposes of this title, the term 'qualified bankruptcy transfer' means any transaction or series of transactions—

''(1) under which the qualified steel company, operating under the protection of chapter 11 or 7 of title 11, United States Code, transfers by any means (including but not limited to a plan of reorganization) its control over at least 30 percent of the production capacity of its steelmaking assets to 1 or more persons which are not related persons of such company,

''(2) which are not part of a qualified acquisition or qualified closing of a qualified steel company, and

''(3) which occur on and after January 1, 2000, and before January 1, 2004.

''(f) CERTIFICATION.—

''(1) IN GENERAL.—The Secretary shall certify a qualifying event with respect to a qualified steel company if the Secretary determines that the requirements of this title are met with respect to such event and that the asset transfer and contribution requirements of section 911 will be met.

''(2) TIME FOR DECISION.—The Secretary shall make any determination under this subsection as soon as possible after a request is filed (and in the case of a request for certification as a qualified acquisition filed at least 60 days before the proposed date of the acquisition, before such proposed date).

''(3) ELIGIBILITY TO FILE REQUEST.—A request for certification under this subsection may be made by the qualified steel company or any labor organization acting on behalf of retirees of such company.

''SEC. 913. ELIGIBILITY AND CERTIFICATION.

''(a) RETIREES.—

''(1) IN GENERAL.—Any individual who is a retiree of a qualified steel company with respect to which the Secretary has certified under section 912 that a qualifying event has occurred shall be treated as an eligible retiree for purposes of this title if—

''(A) the individual was receiving steel retiree benefits under an employee benefit plan described in section 901(a)(2)(A) as of the date of the qualifying event, or

''(B) the individual was eligible to receive such benefits on such date but was not receiving such benefits because the plan ceased to provide such benefits.

''(2) CERTAIN INDIVIDUALS INCLUDED.—An individual shall be treated as an eligible retiree under paragraph (1) if the individual—

''(A) was an employee of the qualified steel company before a qualified acquisition,

''(B) became an employee of the acquiring company as a result of the acquisition, and

''(C) voluntarily retires within 3 years of the acquisition.

''(b) BENEFICIARIES.—An individual shall be treated as an eligible beneficiary for purposes of this title if the individual is the spouse, surviving spouse, or dependent of an eligible retiree (or an individual who would have been an eligible retiree but for the individual's death before the date of the qualifying event).

''(c) CERTIFICATION OF ELIGIBLE RETIREES AND BENEFICIARIES.—

''(1) IN GENERAL.—The Board of Trustees of the Trust Fund shall certify an individual as an eligible retiree or eligible beneficiary if the individual meets the requirements of this section.

''(2) ELIGIBILITY TO FILE REQUEST.—A request for certification under this subsection may be filed by any individual seeking to be certified under this subsection, the qualified steel company, an acquiring company, a labor organization acting on behalf of retirees of such company, or a committee appointed under section 1114 of title 11, United States Code.

''(d) RECORDS.—A qualified steel company, an acquiring company, and any successor in interest shall on and after the date of the enactment of this title maintain and make available to the Secretary and the Board of Trustees of the Trust Fund, all records, documents, and materials (including computer programs) necessary to make the certifications under this section.

''PART III—PROGRAM BENEFITS

''Sec. 921. Program benefits.

''SEC. 921. PROGRAM BENEFITS.

''(a) GENERAL RULE.—Each eligible retiree and eligible beneficiary who is certified for participation in the retiree benefits program shall be entitled—

''(1) to receive health care benefits coverage described in subsection (b), and

''(2) in the case of an eligible retiree, payment of $5,000 death benefits coverage to the beneficiary of the retiree upon the retiree's death.

''(b) HEALTH CARE BENEFITS COVERAGE.—

''(1) IN GENERAL.—The Board of Trustees of the Trust Fund shall establish health care benefits coverage under which eligible retirees and beneficiaries are provided benefits for health care items and services that are substantially the same as the benefits offered as of January 1, 2002, under the Blue Cross/Blue Shield Standard Plan provided under the Federal Employees Health Benefit Program under chapter 89 of title 5, United States Code, to Federal employees and annuitants. In providing the benefits under such program, the secondary payer provisions and the provisions relating to benefits provided when an individual is eligible for benefits under the medicare program under title XVIII of the Social Security Act that are applicable under such Plan shall apply in the same manner as such provisions apply to Federal employees and annuitants under such Plan.

''(2) CONTRACTING AUTHORITY.—The Board of Trustees of the Trust Fund shall have the authority to enter into such contracts as are necessary to carry out the provisions of this subsection, including contracts necessary to ensure adequate geographic coverage and cost control. The Board of Trustees may use the authority under this subsection to establish preferred provider organizations or other alternative delivery systems.

''(3) PREMIUMS, DEDUCTIBLES, AND COST SHARING.—The Board of Trustees of the Trust Fund shall establish premiums, deductibles, and cost sharing for eligible retirees and beneficiaries provided health care benefits coverage under paragraph (1) which are substantially the same as those required under the Blue Cross/Blue Shield Standard Plan described in paragraph (1).

''Subtitle C—Steel Industry Legacy Relief Trust Fund

''SEC. 931. STEEL INDUSTRY LEGACY RELIEF TRUST FUND.

''(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the Steel Industry Legacy Relief Trust Fund, consisting of such amounts as may be appropriated to the Trust Fund as provided in this section.

''(b) TRANSFERS TO TRUST FUND.—

''(1) IN GENERAL.—There are appropriated to the Trust Fund amounts equivalent to—

''(A) tariffs on steel mill products received in the Treasury under title II of this Act,

''(B) amounts received in the Treasury from asset transfers and contributions under section 911,

''(C) amounts credited to the Trust Fund under section 9602(b) of the Internal Revenue Code of 1986, and

''(D) the premiums paid by retirees under the program.

''(2) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Trust Fund each fiscal year an amount equal to the excess (if any) of—

''(A) expenditures from the Trust Fund for the fiscal year, over

''(B) the assets of the Trust Fund for the fiscal year without regard to this paragraph.

''(c) EXPENDITURES.—Amounts in the Trust Fund shall be available only for purposes of making expenditures—

''(1) to meet the obligations of the United States with respect to liability for steel retiree benefits transferred to the United States under this title, and

''(2) incurred by the Secretary and the Board of Trustees in the administration of this title.

''(d) BOARD OF TRUSTEES.—

''(1) IN GENERAL.—The Trust Fund and the retiree benefits program shall be administered by a Board of Trustees, consisting of—

''(A) 2 individuals designated by agreement of the 5 qualified steel companies which, as of the date of the enactment of this title—

''(i) are conducting activities described in subparagraph (A) or (B) of section 901(b)(1), and

''(ii) have the largest number of retirees, and

''(B) 2 individuals designated by the United Steelworkers of America in consultation with the Independent Steelworkers Union, and

''(C) 3 individuals designated by individuals designated under subparagraphs (A) and (B).

''(2) DUTIES.—Except for those duties and responsibilities designated to the Secretary, the Board of Trustees shall have the responsibility to administer the Trust Fund and the retiree benefits program, including—

''(A) enrolling eligible retirees and beneficiaries under the program,

''(B) procuring the medical services to be provided under the program,

''(C) entering into contracts, leases, or other arrangements necessary for the implementation of the program,

''(D) implementing cost-containment measures under the program,

''(E) collecting revenues and enforcing claims and rights of the program and the Trust Fund,

''(F) making disbursements as necessary under the program, and

''(G) acquiring and maintaining such records as may be necessary for the administration and implementation of the program.

''(3) REPORT.—The Board of Trustees report to Congress each year on the financial condition and the results of the operations of the Trust Fund during the preceding fiscal year and on its expected condition and operations during the next 2 fiscal years. Such report shall be printed as a House document of the session of Congress to which the report is made.

''(e) TRANSFER INVESTMENT OF ASSETS.—Sections 9601 and 9602(b) of the Internal Revenue Code of 1986 shall apply to the Trust Fund.''●

● Mr. SPECTER. Mr President, I have sought recognition at this time to comment briefly on legislation that I am pleased to cosponsor with my colleague, Senator ROCKEFELLER. That legislation, the ''Steel Industry Retiree Benefits Protection Act of 2002,'' would set the Nation on a path of assuring the retirement health care benefits of the Nation's retired steelworkers and their dependants, and the survival of a domestic integrated steel industry. I crafted this bill jointly with Senator ROCKEFELLER with extensive consultation by the integrated steel industry and representatives of the United Steelworkers of America. I am pleased to note that labor and management have joined in a common effort to resolve the near-intractable problems that face the industry today, and I thank them for that spirit of cooperation and compromise.

The reasons for this legislation are succinctly stated in the findings set forth in the preamble of the bill. The domestic steel industry has been forced to compete over the last 30 years in an international marketplace in which foreign governments have subsidized both domestic production and employee healthcare costs and, simultaneously, stimulated the creation and maintenance of excess world steelmaking capacity. During the 1980's and 1990's, the steel industry adapted, but literally hundreds of thousands of steel workers were forced into early retirement as the industry streamlined productions methods. Since 1997, the situation has worsened, due to the unfair practices of overseas producers and governments and a resultant glut of foreign imports, to the point that 32 American steel companies have had to resort to bankruptcy protection, causing 45,000 steelworkers to lose their jobs and over 100,000 steel industry retirees to lose vital medical insurance benefits. Record-low steel prices place remaining steel producers, and their workers and retirees, in an increasingly untenable position.

A clear consensus now exists that the only way a domestic integrated steel industry can survive is through consolidation. It is true that the ranks of U.S. integrated producers have been decimated; one need only drive through Pennsylvania to see ample evidence of that. But a domestic industry does indeed survive. It will continue to survive only if there is further consolidation and the emergence of a relatively few domestic companies with the muscle to compete in a global marketplace with subsidized foreign behemoths. But there is a significant impediment to such consolidation: the so-called ''legacy costs'' of domestic producers which might otherwise be acquired and consolidated into larger, more efficient U.S. operations.

To summarize, a relatively healthy domestic steel producer might find the acquisition, and the continued operation, of a weaker steel company's manufacturing operations to be quite attractive but for one major problem: such operations typically are owned by companies which are weighed down by the health care costs of prior generations of retirees, retirees who are relatively young due to the premature withdrawal of workers from the rolls due to downsizing in the 1980's and 1990's. Potential acquirers of such assets have ''legacy costs'' of their own to deal with; they cannot afford to assume those of their former competitors, a result that would be unavoidable were they to simply purchase and consolidate the assets of former competitors. If we want consolidation to happen, and it is unquestionably in the Nation's self-interest that it happen; few would dispute that the common defense requires a viable domestic steel industry, potential acquirers of these assets must gain relief from the ''legacy cost'' obligations that would otherwise run with the acquired assets.

My colleagues might ask: if an acquiring steel company is relieved of these obligations, who would take them on? The answer is this: a Federally-sponsored trust fund, financed with steel tariff receipts; funds previously placed in trust by acquired companies for retiree health and life insurance benefits; fees to be paid by acquiring companies; and, yes, as necessary to cover shortfalls, appropriations. To those who say the public cannot take on these obligations, I offer the following logic: when steel producers go under, as they will if we do not act, the public may very much face exposure to these obligations via the Medicare and Medicaid programs; taking them on before the companies go under will at least assure that the defense-critical steel industry survives. It is an unpleasant choice we face, but it is one which we must face: we may either assume ''legacy cost'' obligations now and save a vital industry; or we can wait and watch a vital industry die and face up to ''legacy costs'' later.

I strongly appeal to my colleagues in the Senate to seriously consider this Hobson's choice. If they do, I trust they will come to the same conclusion that I have: we must save this industry by clearing the way for the consolidation that will be necessary to compete in the international market of the future. And we must protect those who have lost, or may yet lose, their health care benefits due to unfair competition from abroad. The steelworkers of America, many from the ''Greatest Generation'' and from my home, Pennsylvania, built the Nation in the 20th Century. They made the United States the world's only superpower. We need to assure that their post-retirement years are secure.●

By Mr. KERRY (for himself, Ms. SNOWE, Mrs. FEINSTEIN, and Mr. CHAFEE):

S. 2190. A bill to amend the Internal Revenue Code of 1986 and the Employee Retirement Income Security Act of 1974 to provide employees with greater control over assets in their pension accounts by providing them with better information about investment of the assets, new diversification rights, and new limitations on pension pla blackouts, and for other purposes; to the Committee on Finance.

● Mr. KERRY. Mr. President, I rise today with a great deal of pride to introduce the Senate's first bipartisan

pension reform bill since Enron's downfall ruined the lives of thousands of workers and their families. I am introducing this bill with Senator OLYMPIA SNOWE of Maine, who has worked closely with me to develop a much-needed proposal that will greatly help our nation's workers to achieve greater pension security and receive better investment information and advice. Our bill is called the ''Worker Investment and Retirement Education Act of 2002,'' or the WIRE Act. Senator SNOWE and I are pleased that Senator FEINSTEIN and CHAFEE have joined with us as original cosponsors.

As you know, Enron's bankruptcy, which caused thousands to lose their retirement savings, since their pensions were invested heavily in Enron stock, has prompted many members of Congress in both parties to introduce pension-related legislation. President Bush has also suggested several reforms. Many of these proposals share some common elements, while others contain measures that are objectionable to one side or the other. Senator SNOWE and I share the view that worker retirement protection is much too important to become another partisan issue, where the upcoming elections cloud our judgment and prevent us from passing much-needed legislation. We can, and should, pass critical pension reform this year that helps American workers fee secure about their retirement savings. In my view, the playing field has been tilted against workers for far too long, and it is unfortunate that it takes a travesty like Enron to make those of us in Congress act in their interests.

Of course, the pension issue is one that falls in the jurisdiction of two Senate committees. I strongly support Senator KENNEDY'S bill, which recently passed out of the HELP committee here in the Senate. Soon, however, the Senate Finance Committee will also consider pension reform. Given that the history of that Committee is one in which the best bills are often bipartisan, I wanted to work with Senator SNOWE to develop a pro-worker bill for the Finance Committee that can be combined with Senator KENNEDY'S bill later on.

The House of Representatives has also followed such a two-committee approach, although I have some significant reservations that the final bill that passed last week does not do enough for workers. I hope to work within the Finance Committee and with Senator KENNEDY to develop a better bill here in the Senate, so we can pass legislation this year that the President will sign. Our goal should be to pass a bill that receives a two-thirds vote in both chambers not because we think President Bush will veto it, but because we want to signal to the country that partisan politics can be pushed aside when the true interests of hard-working Americans are at stake.

Despite all of the news in recent months about corporate greed and excess, recent polls show that nearly two-thirds of the public believes that the most important issue with Enron's collapse is the loss of jobs and savings. With 38 million people controlling nearly $1.7 trillion in 401(k) plan assets, and with nearly 40 percent of large-plan assets tied up in company stock, much of which cannot be sold until workers reach a certain age, it is clear that the playing field needs to be tilted back towards workers. Our bill does just that, and because it is a complete approach, including all types of so-called ''defined contribution'' plans, as opposed to just some plans, it does so without opening any major new loopholes that would allow workers to be further exploited.

The first thing workers need out of a pension reform bill is better information, because for millions of Americans, their retirement savings is their only true asset other than their homes. Under our bill, all covered workers would be given basic, unbiased information on the basics of investing, as well as personalized information from their employers to help them know if they are adequately preparing for their retirement years. This additional information will make a huge difference to millions of workers who currently have no knowledge about the basics of investing, or if they are saving enough to live comfortably in retirement.

Next, since current law prevents most workers from receiving any sound guidance about financial planning, our bill includes the text of S. 1677, the Bingaman-Collins investment advice bill. Under this bill, millions more workers will benefit from professional, independent investment advice paid for by their employers. Workers will be able to select appropriate investments and better plan for their retirements without the creation of new conflicts of interest.

Like other bills, our bill addresses the issue of blackout periods, those times when plan participants are prevented from making changes to their asset allocations. Senator SNOWE and I believe that companies should provide adequate notice before any blackout period, our bill requires 30 days' notice, and inform workers of its expected length. In addition, blackouts should generally be limited to 30 days for plans that are heavily invested in company stock. Exemptions could be granted to small businesses or companies in unusual circumstances, such as a merger. This latter rule is one that distinguishes our bill from many of the others. But it seems common-sense to use that plans with more volatile assets, such as plans heavily invested in company stock, should be forced to end blackout periods as quickly as possible in order to minimize market risk for the workers.

Moreover, during blackout periods, management should be prohibited from selling large blocks of stock on the open market. We command President Bush for suggesting this additional protection for rank-and-file employees, and we will work with him to help it become law.

But most important, workers want and deserve a greater say in where their money is invested. Diversification is a key principle in any balanced investment strategy. Workers should be empowered with the ability to direct where their retirement savings are invested.

While the shift to more broad-based stock ownership is generally a positive trend in our society, employees should no longer be forced to buy company stock with their own contributions. In addition, if workers choose to buy company stock with their own funds, they should be able to diversify these contributions whenever they wish. It's their money, after all, and they should never be forced to relinquish control of it.

For employer contributions to retirement plans, workers should be allowed to begin diversifying these contributions once they are vested in the plan. Our bill accomplishes that goal while avoiding new loopholes by applying different diversification rules based on the type of contribution, worker payroll deduction, employer matching contribution, or employer nonmatching contribution, rather than the type of plan. We want to make sure that the situation with Enron never happens again, and the protections in our bill will accomplish that goal.

In our view, Congress should also provide special diversification rights for older workers, because the closer you are to retirement, the more you have to lose should stock prices fall. Therefore, under our bill, once a worker turns 55, he or she would be permitted to completely diversify their retirement assets, with no restrictions. This will be the case regardless of tenure with the firm, and regardless of the type of plan. Companies must notify workers of this right to diversify when the worker has reached 55 years of age, thereby giving older workers the additional layer of protection they deserve after a lifetime of work and saving.

I want to say a word about ESOPs. Employee stock ownership plans are important in that they give rank-and-file employees an ownership stake in their firms, which is largely a good thing. We should continue to encourage firms, both public and private, to include their workers in their success. Many public companies are converting parts of their 401(k)s to ESOPs to take advantage of a feature in the tax code that allows them to deduct dividends paid on the shares in the plan. However, these conversions to so-called KSOPs have downsides, in that these plans are generally more restrictive than 401(k)s when employee diversification right are concerned.

As a result, Congress must include both KSOPs and ESOPs in any new diversification rules, to the extent that the plans are at public companies. If we fail to include them, or include one but

not the other, we would open a new loophole while limiting workers rights. But again, since broader employee ownership is a generally positive development, we need to help workers without killing publicly-traded ESOPs. Our bill does so. Plus, another unique feature of the Kerry-Snowe bill is that for all workers under age 55 who choose to diversify some of their KSOP or ESOP shares, the firm will still be allowed to deduct for tax purposes the dividends that would have been paid on those shares, for the year of the sale and the following two years. This provision will smooth the transition to a more worker-friendly system.

Finally, the government should create an Office of Pension Participant Advocacy, similar to the Taxpayer Advocate Service, where both unionized and non-unionized workers can turn to voice their concerns about pension policy. The Pension Participant Advocate would issue an annual report to Congress recommending changes to the pension laws. This idea is one that appears in several bills before Congress, and it is long overdue.

All of these proposals will protect our workers, and more importantly, they will do so without prompting reductions in benefits. Businesses could still contribute stock to retirement plans. Workers will be empowered to diversify their assets, but they would not face any new rules that limit their own choices, such as a hard cap on the amount of a single stock they could own. Our bipartisan approach will ensure that workers are better off in the long run, and that's the outcome we all want.●

● Ms. SNOWE. Mr. President, I rise today to join Senator KERRY in introducing the Worker Investment and Retirement Education, or WIRE, Act of 2002. The WIRE Act seeks to empower workers by giving them control over all of the assets in their retirement accounts and ensures that, in addition to having the ability to take command of assets, they have the information they need to make sound and informed choices.

While the need for pension reform was highlighted by the recent collapse and bankruptcy of Enron, a review of pension regulations is critical for all of the approximate 48 million workers nationwide who participate in a defined contribution retirement plan.

And, as Congress sets out to review existing pension laws, we must recognize that there has been a significant shift in Americans' retirement savings vehicles over the past several years. In fact, use of what we think of as the typical ''pension'', or defined benefit plan, has fallen from one-third of all plans to one-tenth in 20 years. And, the actual number of defined benefit plans has fallen each year since 1986. Although they still account for almost 45 percent of all employer-sponsored retirement plan participants, that figure was much higher, at 74 percent, just 20 years ago.

This shift away from defined benefit plans has resulted in the explosion of participation in defined contribution plans, giving individuals the opportunity to make investment decisions according to their own needs and plans for the future. However, with this ability comes added responsibility and, depending on the investment choice, greater risk. And it is this risk that was so clearly personified by the experience of Enron employees.

On Enron's 40,000 employees, almost 21,000 were participating in the Enron Savings Plan, the 401(k) plan. These loyal employees heavily invested in Enron, only to be hit by the one-two punch of losing their jobs and losing their life savings, with the retirement savings losses amounting to over $1 billion. It is their experience that has led us to write the legislation we are introducing today.

While it is critical that the Congress ensure that such a massive loss of retirement savings never reoccurs, it is also vital that we consider reforms that empower employees, and do not discourage employers from contributing to their employees' retirement plans. As we set out to draft the WIRE Act we sought first and foremost to do no harm to the private pension system.

The WIRE Act, in seeking to increase employees' access to information and ensure that employees have the knowledge necessary to make sound investment decisions, requires that individual workers receive annual statements regarding the assets in their accounts. In addition, our legislation directs the Departments of Labor and the Treasury to produce annually a document for all employees giving them basic guidelines for retirement investing. This assures that employees receive fundamental investment information from an independent authority.

Additionally, the WIRE Act incorporates the language of the Independent Investment Advice Act of 2001, clarifying the fiduciary rules for plan sponsors who offer access to investment advice by providing companies with a safe harbor from liability if they provide qualified, independent investment advice for their workers.

Just as it is critical that we provide access to the information necessary to make informed decisions, it is essential that we increase employees' diversification rights without inhibiting an employee's ability to invest in their company.

And, certainly a review of the investment decisions of employees across the country tells us that the decision of Enron employees to invest their retirements heavily in Enron stock is not unique. In fact, the employees of many of America's leading companies, our top brand names, have chosen similarly to invest more than half of their retirement plan assets in company stock, Procter and Gamble, 94.7 percent, Sherwin-Williams, 91.6 percent, Pfizer, 88.5 percent, McDonald's, 74.3 percent, the list goes on and on.

And so where does that leave us? How does Congress balance an individual's right to make their own investment decisions, with trying to make sure that no other class of employees suffer as significant a loss as that experienced by Enron employees?

The WIRE Act proposes that the answer to these questions lies in the ability of employees to access and diversify company stock. Therefore, we create specialized diversification rights that are dependent upon the manner in which the stock was added to the employee's account.

For instance, for voluntary purchases of company stock by employees, workers should be able to diversify those shares at any time, after all, it is their own money. For employer-matching contributions made in the form of company stock, half of those shares can be diversified after three years of service, and one hundred percent can be diversified after five years of service.

Importantly, as our intent is to first do no harm to the current employer-sponsored pension system, the WIRE Act attempts to mitigate any potential loss of tax incentives enjoyed by employers for making contributions in the form of company stock when that stock is diversified. We do this by allowing employers to continue to deduct the dividends that would have been paid on employee held company stock for the remainder of that calendar year and for two additional years. This provision, which is unique to the WIRE Act, would ensure that the diversification rights given to employees does not have the unfortunate effect of reducing employer contributions to pension plans—which would be harmful to both the employees and the employers.

The bill we introduce today aims to do nothing to limit personal choice, which is the cornerstone of American beliefs, but instead empower investors with the knowledge and ability to make some of the most fundamental financial decision a person can make. However, as we begin to consider how best to empower and educate employees, it is just as essential that we do not create any disincentives for employers to stop participating in their employees' retirement security. Employers play a critical role in the retirement planning of their employees and it is critical that we encourage this role to continue.

Retirement is part of the American dream, and to that end we must do whatever we can to ensure that this dream is achievable for everyone. I look forward to working with the other members of the Finance Committee, and the Senate, to consider addressing the need for pension reform.●