New Mexico (Mr. BINGAMAN) were added as cosponsors of S. 2046, a bill to amend the Public Health Service Act to authorize loan guarantees for rural health facilities to buy new and repair existing infrastructure and technology.

S. 2051

At the request of Mr. REID, the names of the Senator from Idaho (Mr. CRAPO), the Senator from Maryland (Mr. SARBANES), and the Senator from Vermont (Mr. LEAHY) 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. 2078

At the request of Mrs. HUTCHISON, the name of the Senator from Georgia (Mr. CLELAND) was added as a cosponsor of S. 2078, a bill to amend section 527 of the Internal Revenue Code of 1986 to eliminate notification and return requirements for State and local political committees and candidate committees and avoid duplicate reporting by certain State and local political committees of information required to be reported and made publicly available under State law, and for other purposes.

S. 2134

At the request of Mr. HARKIN, the names of the Senator from California (Mrs. FEINSTEIN), the Senator from Maine (Ms. COLLINS), the Senator from Georgia (Mr. CLELAND), the Senator from Montana (Mr. BAUCUS), the Senator from Georgia (Mr. MILLER), and the Senator from Indiana (Mr. BAYH) were added as cosponsors of S. 2134, a bill to allow American victims of state sponsored terrorism to receive compensation from blocked assets of those states.

S. 2179

At the request of Mrs. CARNAHAN, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 2179, a bill to authorize the Attorney General to make grants to States, local governments, and Indian tribes to establish permanent tributes to honor men and women who were killed or disabled while serving as law enforcement or public safety officers.

S. RES. 109

At the request of Mr. REID, the name of the Senator from Idaho (Mr. CRAPO) was added as a cosponsor of S. Res. 109, a resolution designating the second Sunday in the month of December as ''National Children's Memorial Day'' and the last Friday in the month of April as ''Children's Memorial Flag Day.''

AMENDMENT NO. 3103

At the request of Mr. KENNEDY, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor 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. 3136

At the request of Mr. ROCKEFELLER, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor of amendment No. 3136 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. 3141

At the request of Mr. DORGAN, the names of the Senator from Connecticut (Mr. DODD), the Senator from Connecticut (Mr. LIEBERMAN), and the Senator from Nevada (Mr. REID) were added as cosponsors of amendment No. 3141 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. MCCONNELL (for himself, Mrs. FEINSTEIN, Ms. COLLINS, Mr. SMITH of Oregon, and Mr. BENNETT):

S. 2194. A bill to hold accountable the Palestine Liberation Organization and the Palestinian Authority, and for other purposes; to the Committee on Foreign Relations.

Mr. MCCONNELL. Madam President, on behalf of the Senator from California and myself, I offer the Arafat Accountability Act. This act seeks to create conditions more conducive to stopping the senseless violence and flow of innocent blood in the Middle East.

The act takes aim at the weakest link in ongoing efforts to negotiate a political solution to the Israeli-Palestinian conflict—PLO Chairman Yasser Arafat. His leadership has been marked by repeated failures—failure to forcefully denounce and terminate the spree of horrific homicide bombings, failure to serve as a credible and reliable partner in peace, and failure to fulfill the aspirations of the Palestinian people for stability, economic opportunity, and a viable homeland.

Instead, he has acquiesced to terror and violence. Documents seized during recent counterterrorism operations on the West Bank reveal his personal involvement in financing and supporting terrorism against Israeli civilians. The successful interception of a cargo vessel from Iran earlier this year—loaded with offensive weaponry destined for the Palestinian Authority—should have conclusively proven that Chairman Arafat was, at best, a balky partner in peace, or, at worst, a foe of any meaningful reconciliation.

The terrorist attacks against Israel must come to an end. And they must end on terms that safeguard the lives and livelihoods of innocent Israeli and Palestinian civilians. Much like our war against the Taliban and al-Qaida in Afghanistan, Israel is rotting out terrorist cells and destroying their networks.

It is no understatement that the Israeli military is undertaking its operations with precision and professionalism that no other army in the region could exert.

The Arafat Accountability Act will not frustrate or derail the important efforts of the administration to secure a political solution to the ongoing strife. Rather, it places critical incentives to ensure that Chairman Arafat and the Palestinian Authority do not deliver a fatal blow to the prospects for peace.

Specifically, the act denies a visa to Arafat and other senior PLO officials to travel to the United States, downgrades the PLO's representative office here in Washington, restricts the travel of senior PLO officials at the United Nations, and seizes the assets of the PLO and the Palestinian Authority and Arafat in the United States. It also requires the administration to report to Congress on any acts of terrorism committed by the PLO or its constituent elements.

Importantly, the bill provides the President with flexibility in determining the sanctions, but it is my expectation that they would remain in place until a cease-fire is achieved and the Tenet plan implemented. These are the very same short-term goals that Secretary Powell has been trying to achieve over the last few days.

We should not forget that in 1993 Arafat himself committed the PLO to ''a peaceful resolution of the conflict,'' so we are not holding Arafat to any higher standard than he established for himself already.

I would offer that Arafat should have listened more carefully to Secretary Powell when he said to the Nation and the world from the McConnell Center for Political Leadership at the University of Louisville last year that solutions to this conflict ''will not be created by teaching hate and division, nor will they be born amidst violence and war.''

I emphasize that it is not my intent to push this bill to a vote on the Senate floor at this time. We should give the President and his advisers more time to pursue their objectives in the region.

It is my intent, though, and the intent of the Senator from California, to send a powerful signal to Chairman Arafat and the Palestinian Authority that the Senate will not stand idly by while they talk peace in English and practice terror in Arabic.

No progress toward a political solution to this conflict will be made until and unless Yasser Arafat forcefully, clearly, and repeatedly condemns homicide bombings and other acts of terrorism against Israel and takes concrete measures to restrain Palestinian extremists.

The bill we introduce today puts added pressure on Arafat and the PLO to be responsible and responsive partners in peace. There is no room for further failure on Arafat's part. He must either lead his people toward peace or get out of the way.

Let me close by commending President Bush and his administration for their superb conduct in the ongoing war against terrorism. They certainly have my full support in this endeavor—be it in the West Bank or in Gaza or, for that matter, in Iraq.

My colleagues and I are looking forward to hearing from Secretary Powell when he appears before the Foreign Operations Subcommittee next week.

Mrs. FEINSTEIN. Madam President, I thank the Senator from Kentucky for his work and leadership on this issue.

We are here because we believe any hope for peace in the Middle East must begin with the complete renunciation of terrorism by the Palestinian Liberation Organization and a strong, unwavering commitment to bring such terrorism to an end.

We also believe that only with the leadership of the United States can there be a peaceful settlement and resolution of issues in the area.

For the past 18 months, as the violence of the second Intifada has increased, the United States has consistently called upon Yasser Arafat to halt the terrorism he pledged to end in the Oslo accords.

Unfortunately, Arafat has incited the violence and helped financially support the terrorists.

We now know that one of Arafat's top advisers is directly involved in financing the illegal weapons purchases and terror activities of the Al Aqsa Brigade.

We now know, according to documents seized by the Israeli Defense Forces, that Arafat was directly involved in efforts to illegally smuggle more than 50 tons of arms into Israel from Iran a few months ago.

We now know that Arafat has failed to confiscate weapons of terrorist suspects.

We know he has failed to arrest and hold suspected terrorists and is harboring suspects in the assassination of an Israeli Cabinet official in his own headquarters in Ramallah.

In fact, much of the terrorism emanates from the heart of the PLO, carried out by the Al Aqsa Martyrs Brigade, composed of members of Arafat's own Fatah faction.

Since the beginning of the year, 209 people have been murdered and more than 1,500 injured in these suicide bombings. These are children, women, men—innocent civilians.

The Al Aqsa Martyrs Brigade claimed credit for numerous of these attacks, including on March 31, central Jerusalem, killing 3 people; March 3, killing 10 people in west Jerusalem; and January 31, when the first female bomber killed an elderly Israeli.

A document seized by the Israel Defense Forces in Ramallah, signed by Arafat himself, approves funding for the Al Aqsa Brigades.

On February 3, Arafat wrote a New York Times op-ed opposing violence against Israel. Yet he declared a few days later, in Ramallah, that ''we will make the lives of the infidels Hell'' and led a chant of ''A million martyrs marching to Jerusalem!''

And this past week, while Arafat spoke out against terrorism, his wife, in Paris, said she would be proud if she had a son who became a suicide bomber.

I believe, sincerely, that this is not a leader who wants peace for his people. In fact, I believe the suicide bombings have been precisely calculated to destroy any chance for peace.

If these suicide bombers cannot be stopped, the situation is going to continue to deteriorate, Israel will have to continue to exercise its legitimate right of self-defense, and the result will be full-scale military conflagration.

Israel has done no less—and certainly no more—than what any country would do to defend itself. There has been a lamentable loss of life in the West Bank. And I grieve for it because I believe, very deeply, every life—Israeli or Palestinian—has equal value.

But let us not forget that Israel's military operation has been one based on specific intelligence information, with specific military goals—to act directly against terrorists who before the start of the operation were carrying out daily suicide bombings against Israeli civilians—and carried out with considerable restraint.

Certainly, Israel has not gone beyond what the United States and our allies have been doing in Afghanistan, or the United Kingdom in Northern Ireland, or the bloody French campaign in Algeria—let alone, what Egypt, Saudi Arabia, Syria, Iraq, or Iran do on almost a daily basis to quell dissent.

Does anyone doubt that a suicide bombing in Cairo, or Riyadh, or Damascus, or Beirut, or Paris would be met with the strongest of reactions, as was the 9–11 terrorist incident here?

There simply is no excuse for arming a teenage girl with bombs around her waist to blow up women and children. And this kind of terror is happening over and over again.

So the time is now for this Senate to stand up, in a strong, unified voice, to condemn the actions of Chairman Arafat and his PLO and the terrorism that has spawned.

Chairman Arafat has said one thing in English and another in Arabic. Chairman Arafat fans the flames and incites the people.

We offer this bill, after witnessing the failure of efforts by Messrs. Tenet, Mitchell, Zinni, and, at least initially, Secretary Powell to break the deadlock largely because Chairman Arafat has not brought to an end the suicide bombing and other acts of terrorism.

This legislation would require the President to report to Congress every 90 days, detailing the acts of terrorism engaged in by the Palestinian Liberation Organization or any of its constituent elements and, based on that report, to designate the PLO or its constituent elements as terrorist organizations, or explain why not.

The legislation also finds that Chairman Arafat and the PLO have violated his commitment to peace through the recent purchase of 50 tons of offensive weaponry from Iran; that they are responsible for the murder of hundreds of innocent Israelis and the wounding of thousands more since October 2000, and that they have been directly implicated in funding and supporting terrorists who have claimed responsibility for a number of homicide bombings inside Israel.

Because of the failure by the Palestinian Liberation Organization to renounce terrorism, the act would, A, downgrade PLO representation in the United States to before Oslo; B, place travel restrictions on senior PLO representatives at the United Nations; C, confiscate assets of PLO or Palestinian Authority or Chairman Arafat in the United States; D, deny visas to Chairman Arafat or other officials of the PLO or the Palestinian Authority.

It is important to note that the President may, on a case-by-case basis, waive this provision based on national security considerations.

The legislation presents a sense of the Senate outlining the first steps needed to reach peace. First, the United States should urge an immediate and unconditional end to all terrorist activities and commencement of a cease-fire. Two, Arafat and the PLO should turn over to Israel for detention and prosecution those wanted by the Israeli Government for the assassination of Israeli Minister of Tourism, Mr. Zeevi. Third, Arafat and the PLO should take broad and immediate action to condemn all acts of terrorism, including and especially suicide bombing, which has resulted in the murder of over 125 Israeli men, women, and children in the month of March alone and the injury of hundreds more; confiscate and destroy the infrastructure of terrorism, including weapons, bomb factories and materials, as well as end all financial support of terrorist activities; and to take positive steps to urge all Arab nations and individuals to cease funding terrorist operations and the families of terrorists.

Finally, the President of the United States, working with the international community, with Israel and the Arab States, should continue the search for a comprehensive peace in the region.

There is no question that there are serious differences to be reconciled between Israel and the Palestinian people and that only a political settlement can hopefully bring the violence in this region to an end. I believe the 1967 borders, borders which have the imprimatur of the United Nations, hold the key to a settlement. Despite serious differences about the refugee problem, ongoing security, and the status of Jerusalem, I believe peace can be

achieved through negotiation and agreement. But I know it cannot be achieved through violence.

The necessary first step is the end of the violence, the terrorism, and the suicide bombing. Once that is done, we are firmly convinced that if leaders on both sides want peace, the rest can all be worked out.

By Mr. HARKIN (for himself, Mrs. CLINTON, Mrs. CARNAHAN, and Mrs. FEINSTEIN):

S. 2195. A bill to establish State infrastructure banks for education; to the Committees on Health, Education, Labor, and Pensions.

Mr. HARKIN. Madam President, the need to rebuild our Nation's crumbling schools is clear. The National Center for Education Statistics estimates that it would cost $127 billion to repair, modernize, and renovate U.S. schools. Fourteen million U.S. students currently attend schools that report a need for extensive repair. And a study by the American Society of Civil Engineers concludes that public schools are in worse condition than any other sector of our national infrastructure.

And yet the Federal Government is doing far too little to help.

That is why I am introducing the Investing for Tomorrow's Schools Act of 2002. I am pleased to have Senators CLINTON, CARNAHAN, and FEINSTEIN join with me as co-sponsors.

This legislation allows States to create ''infrastructure banks'' for public schools and libraries. Modeled after State revolving funds, which have been used successfully to finance transportation projects, these banks would offer low-interest loans to school districts for building or repairing public schools, and to public libraries for building or repairing libraries. As the loans are repaid, the bank funds would be replenished, and the banks could make new loans to other schools and libraries. Once the banks got rolling, they would sustain themselves, without any need for ongoing Federal appropriations.

After more than a decade of fighting to rebuild our Nation's deteriorating schools, I am well aware that this bill is just one part of the solution. Two years ago, as the ranking member on the Senate Labor, HHS, and Education Appropriations Subcommittee, I led the effort to provide $1.2 billion in grants to schools that urgently need repairs. Last year, the Senate approved another $925 million on a bipartisan vote, but unfortunately that funding was eliminated during conference negotiations with the House.

I also introduced the America's Better Classrooms Act, which would provide tax credits to subsidize $25 billion in new construction. That legislation is still pending, and I am hopeful that it will succeed. The Investing for Tomorrow 's School Act is the final piece of the puzzle.

If the nicest buildings our kids see in their hometowns are shopping malls, sports arenas and movie theaters, and the most rundown place they see is their school, what kind of signal are we sending? We can and must do better for our children. The Investing for Tomorrow's School Act should be a critical part of our strategy to improve education, and I urge my colleagues to support it.

I ask 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. 2195

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 ''Investing for Tomorrow's Schools Act of 2002''.

SEC. 2. FINDINGS.

The Congress finds the following:

(1) According to a 1996 study conducted by the American School & University, $10,420,000,000 was spent to address the Nation's education infrastructure needs in 1995, with the average total cost of a new high school at $15,400,000.

(2) According to the National Center for Education Statistics, an estimated $127,000,000,000 in repairs, renovations, and modernizations is needed to put schools in the United States into good overall condition.

(3) Approximately 14,000,000 American students attend schools that report the need for extensive repair or replacement of 1 or more buildings.

(4) Academic research has proven that there is a direct correlation between the condition of school facilities and student achievement. At Georgetown University, researchers found that students assigned to schools in poor conditions can be expected to fall 10.9 percentage points behind those in buildings in excellent condition. Similar studies have demonstrated improvement of up to 20 percent in test scores when students were moved from a poor facility to a new facility.

(5) The Director of Education and Employment Issues at the Government Accounting Office testified that nearly 52 percent of schools, affecting 21,300,000 students, reported insufficient technology elements for 6 or more areas.

(6) Large numbers of local educational agencies have difficulties securing financing for school facility improvement.

(7) The challenges facing our Nation's public elementary schools and secondary schools and libraries require the concerted efforts of all levels of government and all sectors of the community.

(8) The United States competitive position within the world economy is vulnerable if America's future workforce continues to be educated in schools and libraries not equipped for the 21st century.

(9) The deplorable state of collections in America's public school libraries has increased the demands on public libraries. In many instances, public libraries substitute for school libraries, creating a higher demand for material and physical space to house literature and educational computer equipment.

(10) Research shows that 50 percent of a child's intellectual development takes place before age 4. The Nation's public and school libraries play a critical role in a child's early development because the libraries provide a wealth of books and other resources that can give every child a head start on life and learning.

SEC. 3. STATE INFRASTRUCTURE BANK PILOT PROGRAM.

(a) ESTABLISHMENT.—

(1) COOPERATIVE AGREEMENTS.—The Secretary of Education (hereafter in this Act referred to as the ''Secretary''), in consultation with the Secretary of the Treasury, may enter into cooperative agreements with States under which—

(A) States establish State infrastructure banks and multistate infrastructure banks for the purpose of providing the loans described in subparagraph (B); and

(B) the Secretary awards grants to such States to be used as initial capital for the purpose of making loans—

(i) to local educational agencies to enable the agencies to build or repair elementary schools or secondary schools that provide free public education; and

(ii) to public libraries to enable the libraries to build or repair library facilities.

(2) INTERSTATE COMPACTS.—

(A) CONSENT.—Congress grants consent to any 2 or more States, entering into a cooperative agreement under paragraph (1) with the Secretary for the establishment of a multistate infrastructure bank, to enter into an interstate compact establishing a multistate infrastructure bank in accordance with this section.

(B) RESERVATION OF RIGHTS.—Congress expressly reserves the right to alter, amend, or repeal this section and any interstate compact entered into pursuant to this section.

(b) REPAYMENTS.—Each infrastructure bank established under subsection (a) shall apply repayments of principal and interest on loans funded by the grant received under subsection (a) to the making of additional loans.

(c) INFRASTRUCTURE BANK REQUIREMENTS.—A State establishing an infrastructure bank under this section shall—

(1) contribute in each account of the bank from non-Federal sources an amount equal to not less than 25 percent of the amount of each capitalization grant made to the bank under subsection (a);

(2) identify an operating entity of the State as recipient of the grant if the entity has the capacity to manage loan funds and issue debt instruments of the State for purposes of leveraging the funds;

(3) allow such funds to be used as reserve for debt issued by the State, so long as proceeds are deposited in the fund for loan purposes;

(4) ensure that investment income generated by funds contributed to an account of the bank will be—

(A) credited to the account;

(B) available for use in providing loans to projects eligible for assistance from the account; and

(C) invested in United States Treasury securities, bank deposits, or such other financing instruments as the Secretary may approve to earn interest to enhance the leveraging of projects assisted by the bank;

(5) ensure that any loan from the bank will bear interest at or below the lowest interest rates being offered for bonds, the income from which is exempt from Federal taxation, as determined by the State, to make the project that is the subject of the loan feasible;

(6) ensure that repayment of any loan from the bank will commence not later than 1 year after the project has been completed;

(7) ensure that the term for repaying any loan will not exceed 30 years after the date of the first payment on the loan under paragraph (6); and

(8) require the bank to make an annual report to the Secretary on its status, and make such other reports as the Secretary may require by guidelines.

(d) FORMS OF ASSISTANCE FROM INFRASTRUCTURE BANKS.—

(1) IN GENERAL.—An infrastructure bank established under this section may make a loan to a local educational agency or a public library in an amount equal to all or part of the cost of carrying out a project eligible for assistance under subsection (e).

(2) APPLICATIONS FOR LOANS.—

(A) IN GENERAL.—A local educational agency or public library desiring a loan under this Act shall submit to an infrastructure bank an application that includes—

(i) in the case of a renovation project—

(I) a description of each architectural, civil, structural, mechanical, or electrical deficiency to be corrected with loan funds and the priorities to be applied; and

(II) a description of the criteria used by the applicant to determine the type of corrective action necessary for the renovation of a facility;

(ii) a description of any improvements to be made and a cost estimate for the improvements;

(iii) a description of how work undertaken with the loan will promote energy conservation; and

(iv) such other information as the infrastructure bank may require.

(B) TIMING.—An infrastructure bank shall take final action on a completed application submitted to it in accordance with this subsection not later than 90 days after the date of the submission of the application.

(3) CRITERIA FOR LOANS.—In considering an application for a loan, an infrastructure bank shall consider—

(A) the extent to which the local educational agency or public library desiring a loan would otherwise lack the fiscal capacity, including the ability to raise funds through the full use of such bonding capacity of the agency or library, to undertake the project proposed in the application;

(B) in the case of a local educational agency, the threat that the condition of the physical plant in the proposed project poses to the safety and well-being of students;

(C) the demonstrated need for the construction, reconstruction, or renovation based on the condition of the facility in the proposed project; and

(D) the age of the facility proposed to be reconstructed, renovated, or replaced.

(e) QUALIFYING PROJECTS.—

(1) IN GENERAL.—A project is eligible for a loan from an infrastructure bank if it is a project that consists of—

(A) the construction of a new elementary school or secondary school to meet the needs imposed by enrollment growth;

(B) the repair or upgrading of classrooms or structures related to academic learning, including the repair of leaking roofs, crumbling walls, inadequate plumbing, poor ventilation equipment, and inadequate heating or lighting equipment;

(C) an activity to increase physical safety at the educational facility involved;

(D) an activity to enhance the educational facility involved to provide access for students, teachers, and other individuals with disabilities;

(E) an activity to address environmental hazards at the educational facility involved, such as poor ventilation, indoor air quality, or lighting;

(F) the provision of basic infrastructure that facilitates educational technology, such as communications outlets, electrical systems, power outlets, or a communication closet;

(G) work that will bring an educational facility into conformity with the requirements of—

(i) environmental protection or health and safety programs mandated by Federal, State, or local law, if such requirements were not in effect when the facility was initially constructed; and

(ii) hazardous waste disposal, treatment, and storage requirements mandated by the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.) or similar State laws;

(H) work that will enable efficient use of available energy resources;

(I) work to detect, remove, or otherwise contain asbestos hazards in educational facilities; or

(J) work to construct new public library facilities or repair or upgrade existing public library facilities.

(2) DAVIS-BACON.—The wage requirements of the Act of March 3, 1931 (referred to as the ''Davis-Bacon Act'' (40 U.S.C. 276a et seq.)) shall apply with respect to individuals employed on the projects described in paragraph (1).

(f) SUPPLEMENTATION.—Any loan made by an infrastructure bank shall be used to supplement and not supplant other Federal, State, and local funds available to carry out school or library construction, renovation, or repair.

(g) LIMITATION ON REPAYMENTS.—Notwithstanding any other provision of law, the repayment of a loan from an infrastructure bank under this section may not be credited toward the non-Federal share of the cost of any project.

(h) SECRETARIAL REQUIREMENTS.—In administering this section, the Secretary shall specify procedures and guidelines for establishing, operating, and providing assistance from an infrastructure bank.

(i) UNITED STATES NOT OBLIGATED.—The contribution of Federal funds into an infrastructure bank established under this section shall not be construed as a commitment, guarantee, or obligation on the part of the United States to any third party, nor shall any third party have any right against the United States for payment solely by virtue of the contribution. Any security or debt financing instrument issued by the infrastructure bank shall expressly state that the security or instrument does not constitute a commitment, guarantee, or obligation of the United States.

(j) MANAGEMENT OF FEDERAL FUNDS.—Sections 3335 and 6503 of title 31, United States Code, shall not apply to funds contributed under this section.

(k) PROGRAM ADMINISTRATION.—A State may expend an amount not to exceed 2 percent of the grant funds contributed to an infrastructure bank established by a State or States under this section to pay the reasonable costs of administering the infrastructure bank.

(l) SECRETARIAL REVIEW AND REPORT.—The Secretary shall—

(1) review the financial condition of each infrastructure bank established under this section; and

(2) transmit to Congress a report on the results of such review not later than 90 days after the completion of the review.

SEC. 4. DEFINITIONS.

In this Act:

(1) ELEMENTARY SCHOOL, FREE PUBLIC EDUCATION, LOCAL EDUCATIONAL AGENCY, AND SECONDARY SCHOOL.—The terms ''elementary school'', ''free public education'', ''local educational agency'', and ''secondary school'' have the same meanings as in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801);

(2) OUTLYING AREA.—The term ''outlying area'' means the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau;

(3) PUBLIC LIBRARY.—The term ''public library''—

(A) means a library that serves free of charge all residents of a community, district, or region, and receives its financial support in whole or in part from public funds; and

(B) includes a research library, which, for purposes of this subparagraph, means a library that—

(i) makes its services available to the public free of charge;

(ii) has extensive collections of books, manuscripts, and other materials suitable for scholarly research which are not available to the public through public libraries;

(iii) engages in the dissemination of humanistic knowledge through services to readers, fellowships, educational and cultural programs, publication of significant research, and other activities; and

(iv) is not an integral part of an institution of higher education; and

(4) STATE.—The term ''State'' means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and each of the outlying areas.

By Mr. BENNETT:

S. 2196. A bill to establish the National Mormon Pioneer Heritage Area in the State of Utah, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. BENNETT. Madam President, today it gives me great pleasure to introduce for the Senate's consideration legislation establishing the National Mormon Pioneer Heritage Area.

Spanning 250 miles, from the small town of Fairview, UT southward to our border with Arizona, the area encompassed by the National Mormon Pioneer Heritage Area includes outstanding examples of historical, cultural, and natural resources shaped by the Mormon pioneers. The story of the Mormon pioneers is one of the most compelling and captivating in our Nation's history. After traveling 1,400 miles from Illinois either by wagon or by pulling a handcart the pioneers came to the Great Salt Lake Valley. Along the way, the pioneers experienced many hardships including starvation, dehydration, exposure to the elements, Indian attacks, and religious persecution to name a few. Many people died during their journey. Shortly after arriving in and establishing Salt Lake City, Brigham Young dispatched pioneers to establish communities in present day Idaho, Wyoming, Oregon, and other regions of Utah. The vast colonization effort in no way ended the hardship experienced by the pioneers. Throughout the area included in my proposal are numerous stories of pioneers who perserved through challenging circumstances. Communities such as Panguitch have Quilt Days every year to commemorate the sacrifice and fortitude of its pioneers whose efforts saved the community from starvation in 1864. The Quilt Days celebration is a remembrance of an event known as the Quilt Walk, in which a group of men from Panguitch attempted to cross over the mountains to Parowan, a community to the west, to procure food during the community's first winter. Because of deep

snows the pioneers were unable to trek across the mountains. Using their quilts, the pioneers formed a path which would support their weight and were able to reach Parowan, secure food, and return to Panguitch. There are other remarkable stories in the proposed heritage area that demonstrate the tenacity of the Mormon pioneers. At times in order to survive, the pioneers had to overcome major natural obstacles. One such obstacle was the Hole-in-the-Rock. In 1880 a group of 250 people, 80 wagons, and 1,000 head of cattle came upon the Colorado River Gorge. After looking for sometime to find an acceptable path to the river, the pioneers found a narrow crevice leading to the bottom of the gorge. Because the crevice was too narrow to accommodate their wagons, the pioneers spent six weeks enlarging the crevice by hand, using hammers, chisels, and blasting powder, so wagons could pass. Today the Hole-in-the-Rock stands as a monument to the resourcefulness of the Mormon pioneers.

The National Mormon Pioneer Heritage Area will serve as special recognition to the people and places that have contributed greatly to our Nation's development. Throughout the heritage area are wonderful examples of architecture, such as the community of Spring City, heritage products, and cultural events, such as the Mormon Miracle Pageant, that demonstrate the way-of-life of the pioneers.

This designation will allow for the conservation of historical and cultural resources, the establishment of interpretive exhibits, will increase public awareness, and specifically allows for the preservation of historic buildings. This is a locally based, locally supported undertaking. My legislation has broad support from Sanpete, Sevier, Piute, Garfield, and Kane Counties. Furthermore, nothing in my legislation affects private property, land use planning, or zoning.

I am very proud to introduce this legislation today. I look forward to working with my colleagues in the Committee on Energy and Natural Resources to pass this legislation this year.

By Mr. WYDEN.

S. 2197. A bill to provide for the liquidation or reliquidation of certain entries of roller chain; to the Committee on Finance.

Mr. WYDEN. Madam President, today I am introducing legislation whose purpose is to correct a gross injustice that has been carried out for more than two decades by bureaucrats at the International Trade Administration, ITA, and the U.S. Customs Service, Customs, against a small Oregon business, GS Associates, Inc., GS. What has been allowed to happen to this company at the hands of the federal government is a shocking and ultimately disturbing example of what can happen to ordinary, hardworking Americans when an overzealous Federal bureaucracy is allowed to run horribly amok.

In 1973, imports of Japanese roller chain, not bicycle chain, potentially became subject to dumping duties, and in 1980, Congress instructed the International Trade Administration, ITA, to conduct complete annual administrative reviews of outstanding dumping findings to determine whether any dumping duties should be assessed. But ITA failed to complete its reviews on a timely basis. In fact, for my small Oregon importer, GS, the ITA wasn't just a day or two late in reporting the findings of its review of the company's Japanese supplier for shipments imported from April 1, 1981 through March 31, 1982, they were nine-and-a-half years late. When ITA finally got around to issuing a notice regarding its administrative review on September 22, 1992, a court challenge was initiated by the Japanese supplier and a court decision was rendered on July 11, 1995. Not surprisingly, ITA failed to publish notice of the court's decision in the Federal Register within ten days, as required by law. That was in 1995. The year is now 2002, and ITA still has not published that notice. And as if all of this ineptitude were not enough, ITA then failed to instruct Customs to begin assessing dumping duties on and to liquidate GS Associates' shipments until the Spring of 2000. When Customs finally began assessing duties, they added on enormous amounts of interest, dating back almost 20 years, in sums that were two to three times greater than the original dumping duty assessments. This outrageous pattern of conduct by the federal government threatens GS with bankruptcy.

The level of ineptitude displayed in this case by bureaucrats at ITA and the Customs Service is egregious bordering on negligence. Legitimate small businesses in this country should have the expectation they will be treated fairly and forthrightly by their federal government. ITA and the Customs Service deserve a very strong rebuke. GS Associates deserves to have its case resolved quickly and fairly, and that is the point of my legislation. It will liquidate once and for all the $1.7 million in duties and interest that have accumulated over the past 20 years on these imports because of federal government negligence.

I intend to work with the Finance Committee to assure that this measure is included in the legislation the committee is preparing on temporary duty suspensions, and hope that the duty suspension bill will enable this Oregon company to be able to put this terrible experience behind it.

By Mr. CRAIG:

S. 2199. A bill to amend title XIX of the Social Security Act to permit additional States to enter into long-term care partnerships under the Medicaid Program in order to promote the use of long-term care insurance; to the Committee on Finance.

Mr. CRAIG. Madam President, I rise today to introduce the Long-Term Care Insurance Partnership Act.

In the early 1990's, with support from a grant by the Robert Wood Johnson Foundation, four States, California, Connecticut, Indiana and New York, initiated programs to create public-private long-term care partnerships to provide citizens with options for long-term care coverage without having to spend down to Medicaid eligibility. However, current law prohibits additional States from including asset protection in any public-private partnerships they may develop. Other States may set up the policies, but the beneficiaries receive no asset protection in the event they exhaust the long-term care insurance policies. They would be forced to spend down to Medicaid levels, thereby removing the key incentive behind the partnership program—asset protection.

Under the partnership program, States authorize the sale of approved long-term care insurance policies that meet certain benefit requirements. Individuals who purchase approved policies, would receive a guarantee from the State that should their policy benefits be exhausted, the State would then cover the cost of their continuing care through Medicaid. The primary incentive for purchasing partnership policies is asset protection.

In other words, the State Medicaid program would become a payer of last resort rather than providing first-dollar coverage, in effect becoming a long-term care ''stop-loss'' program.

The benefits of the program are significant for both seniors and government: Individuals are encouraged to take responsibility for their own long-term care needs rather than relying on a State benefit. It avoids forcing middle-class individuals to spend down to Medicaid levels, but gives these same individuals the knowledge that the government will be there if they need it. This program has been successful in the goal of keeping people from needing to use Medicaid. Under this program in four States, there are nearly 66,000 policies in force and so far only 28 policyholders have exhausted their long-term care insurance benefits and accessed Medicaid assistance. At a cost averaging $50,000 per year for long-term care services, the savings for State Medicaid budgets can be significant.

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. 2199

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 ''Long-Term Care Insurance Partnership Program Act of 2002''.

SEC. 2. PERMITTING ADDITIONAL STATES TO ENTER INTO LONG-TERM CARE PARTNERSHIPS TO PROMOTE USE OF LONG-TERM CARE INSURANCE.

(a) IN GENERAL.—Section 1917(b)(1)(C) of the Social Security Act (42 U.S.C. 1396p(b)(1)(C)) is amended—

(1) in clause (i), by striking ''shall seek adjustment'' and inserting ''may seek adjustment''; and

(2) in clause (ii), by striking ''had a State plan amendment approved as of May 14, 1993, which provided'' and inserting ''has a State plan amendment approved which provides''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) take effect on the date of the enactment of this Act.

By Mr. BAUCUS (for himself and Mr. GRASSLEY):

S. 2200. A bill to amend the Internal Revenue Code of 1986 to clarify that the parsonage allowance exclusion is limited to the fair rental value of the property; to the Committee on Finance.

Mr. BAUCUS. Madam President, today I introduce legislation, along with Senator GRASSLEY, to clarify the tax treatment of the clergy housing allowance. It is a very simple bill that confirms established Internal Revenue Service policy that has lacked the force of law. Without this clarification, we risk losing a long-standing benefit that is terribly important to hundreds of thousands of ministers, priests, rabbis and other clergy all across America.

Since 1921, the Tax Code has allowed clergy to exclude from their taxable income the value of housing provided to them, and since the 1950's they have also been able to exclude a housing allowance provided for the same purpose. This section of the Code is similar to one for employer-provided housing for other taxpayers. The one for clergy is much simpler, in order to minimize the involvement of the Government in the affairs of churches, that is, to keep the separation between Church and State.

The IRS has always interpreted this exclusion to be limited to the fair market rental value of the housing. They clearly stated that position in 1971, but their statement lacked the force of law. Their position has been challenged in Court, and the Court has said that it was not clear that Congress meant to impose this limit. That is why we must act.

The vast majority of clergy across America work very hard for very modest pay. Especially in rural areas like we have in Montana, many congregations are small, pay is low, and ministers are very dependent upon their churches providing or paying for their housing. A dispute over this issue has led to a controversial attempt by a panel of court of appeals judges to call into question the constitutionality of the exclusion. If the exclusion is lost, it will cost America's clergy $500 million each year. That may seem like a small amount of money compared to many of our tax bills that add up to billions, but it is a lot of money to those who are directly affected, and to the millions of Americans in the congregations that they serve.

The House has passed similar legislation by a vote of 408 to 0. Senator GRASSLEY and I will try to expedite passage of the legislation here in the Senate.

It is good tax policy to keep a reasonable limit on the amount of this deduction, as the IRS has done for decades. And it is good policy to make our intent crystal clear so that government involvement with religious affairs is kept to a minimum. This bill will do both.

By Mr. HOLLINGS (for himself, Mr. STEVENS, Mr. BURNS, Mr. INOUYE, Mr. ROCKEFELLER, Mr. KERRY, Mr. BREAUX, Mr. CLELAND, Mr. NELSON of Florida, and Mrs. CARNAHAN):

S. 2201. A bill to protect the online privacy of individuals who use the Internet; to the Committee on Commerce, Science, and Transportation.

Mr. HOLLINGS. Madam President, today I rise to introduce bipartisan legislation that will establish baseline requirements for the protection of personal information collected from individuals over the Internet. This bill, the Online Personal Privacy Act, represents the work of many months and important input from consumer groups, affected individuals, and most importantly, many Senators on the Commerce Committee. The origin of this emerging consensus position began to take shape at a Commerce committee hearing last summer that focused generally on whether there was a need for online privacy legislation. At that time, members of the committee began to articulate the notion that not all personal information is created equal. I agree. Some, highly sensitive personal information, such as personal financial or medical information or a person's religious beliefs are clearly more sensitive than other garden-variety types of information, such as a pair of slacks that an individual may purchase. Since that hearing, and in numerous meetings with members of the Committee, we have worked hard to develop a balanced approach to Internet privacy regulation that recognizes and builds upon best practices in the online community while establishing a federal baseline standard for the protection of individuals' privacy on the Internet.

Let me begin by expressing my gratitude to Senators ROCKEFELLER, INOUYE, BREAUX, and CLELAND, who worked closely with me during the last Congress to advocate the need for strong online privacy protections and who have agreed to be original cosponsors of this legislation. In addition, I would also like to particularly thank Senators KERRY, STEVENS, and BURNS for their invaluable contributions throughout this process and their willingness to join with us in working to craft a workable, bipartisan, consensus position on legislation that will provide individuals with better controls over the use of their personal information while fueling the growth of e-commerce as consumer confidence in the Internet spurs a significant increase in online activity.

Some have argued that Americans' concerns about privacy no loner exist in the aftermath of September 11. But poll after poll consistently demonstrates that the American people want companies they patronize to seek their permission prior to using their personal information for commercial profit. These concerns are heightened with respect to the Internet, which, in a digital age, enables the seamless compilation of highly detailed personal profiles of Internet users. Accordingly, fears about privacy have had palpable effects on the willingness of consumers to embrace the full potential of the Internet and e-commerce.

Distrust of false privacy promises has sparked a rage of online self-defense, especially the providing of false information by individuals. Industry analysts estimate that between one-fifth to one-third of all individuals provide false personal information on the Internet. This response is understandable given that consumers have few tools to discover whether their personal information is being disclosed. sold, or otherwise misused, and they have virtually no recourse.

Privacy fears are stifling the development and expansion of the Internet as an engine of economic growth. Because of consumer distrust, online companies and services are losing potential business and collecting bad data, blocking the Internet and its wide range of services from reaching its full potential. The lack of enforceable privacy protections is a significant barrier to the full embrace by consumers of the Internet marketplace. According to a recent Harris/Business Week poll, almost two-thirds of non-Internet users would be more likely to use the Net if the privacy of their ''personal information and communications were protected.''

Moreover, according to a recent Forrester study, online businesses lost nearly $15 billion, or 27 percent of e-commerce revenues, due to consumer privacy concerns. Those numbers are significant in light of the economic downturn and its disproportionate impact on the high-tech Internet sectors. Good privacy means good business and the Internet economy could use a healthy dose of that right now.

Accordingly, our legislation offers a win-win proposition for consumers and business: it will protect the privacy of individuals online and provide online businesses with a new market of willing customers. While protecting the necessary business certainty of a single Federal standard.

Online companies have long argued that privacy regulations would hamper their ability to efficiently conduct business on-line and give consumers the tailored buying experience they now expect from the Internet. Online

merchants also touted self-regulation as sufficient privacy protection. We know otherwise.

Privacy violations continue to make headlines: a major outcry erupted last year after Eli Lilly disclosed a list of hundreds of customers suffering from depression, bulimia, and obsessive compulsive disorder over the Internet. Moreover, just last week, a New York Times article, ''Seeking Profits, Internet Companies Alter Privacy Policy,'' recounted how Internet companies such as Yahoo had changed their privacy policies in order to require consumers to restate their privacy preferences even if they had previously withheld consent for the use and commercialization of their personal information. Accordingly, these companies expanded their ability to use an individual's personal information for online and offline marketing purposes notwithstanding that individual's prior policy preferences. Still other businesses confound consumers with opaque privacy policies that begin with, ''Your privacy is important to us,'' but in the subsequent legalese, outline a series of exceptions crafted with double-negative verbs that allow virtually any use of a consumer's information. Still other commercial web sites fail to pass any privacy policy at all, safe in the knowledge that they face virtually no legal jeopardy for selling personal information.

To be fair, some companies have taken consumer privacy seriously. Earthink launched a national television advertising campaign touting its policy of not selling customer information. U-Haul's web site simply says: ''We will never sell or share our information with anyone, or send you junk mail, we hate that stuff, too.'' Companies like Hewlett Packard, Intel, and Microsoft, giants of the high tech industry, already provide individuals opt-in protection with respect to their personal information. But, in the final analysis, despite the best of intentions and some successful efforts, reliance on self-regulation alone has not proven to provide sufficient protection. In its May 2000 Report to Congress, the Federal Trade Commission clearly recognized this shortcoming having studied this issue diligently for 5 years: ''Because self-regulatory initiatives to date fall short of broad-based implementation of effective self-regulatory programs, the Commission has concluded that such efforts alone cannot ensure that the online marketplace as a whole will emulate the standards adopted by industry leaders. The Commission recommends that Congress enact legislation that, in conjunction with continuing self-regulatory programs, will ensure adequate protection of consumer privacy online.''

Our legislation aims to do just that.

Fundamentally, our legislation is built upon the five core principles of privacy protection identified by the Federal Trade Commission in its 1995 report to Congress regarding online privacy: 1. Notice, 2. Consent, 3. Access, 4. Security and 5. Enforcement. Those principles are tried and true and formed the framework for the bipartisan Children's Online Privacy Protection Act of 1998. Which was hailed by industry far and wide as a template for protecting children's personal information that is collected on the Internet.

The bill we introduce today takes a singular approach. It divides online personal information into two categories: sensitive information and nonsensitive information. Sensitive information is narrowly tailored to include actual information about specific financial data, health information, ethnicity, religious affiliation, sexual orientation, and political affiliation, or someone's social security number. Nonsensitive information is all other personally identifiable information collected online.

In this respect, the legislation is also similar to the two-tiered approach taken by the European Union in which companies are required to provide baseline protections governing the use of nonsensitive information, and stronger consent protections governing the use of sensitive data. More than 180 American companies, including Staples, Marriott, Microsoft, Intel, Hewlett Packard, DoubleClick Kodak, and Acxiom, doing business in Europe have agreed to provide such protections with respect to the personal data of European citizens. They have signed up for the EU Safe Harbor and their names are listed on the Department of Commerce's web site. Our bill simply asks these and other companies to provide similar protections for U.S. citizens.

First, with respect to notice and consent, the bill would require web sites and online services to post clear and conspicuous notice of its information practices. In other words, plainly state to individuals what you plan to do with their personal information. To the extent that a web site collects sensitive information, it would also be required to obtain a consumer's affirmative consent, so-called ''opt-in'' consent, prior to the collection of such data. To the extent that a web site collects only non-sensitive personal data, it would be able to collect such data for other uses as long as it provides individuals with an ability to ''opt out'' of such uses and provides the consumer with actual notice at the point of collection, so-called ''robust notice'', which briefly and succinctly describes how the information may be used or disclosed.

Many Internet companies are doing this already. For example, on the same page where an individual provides his or her personal information, the web site for 1–800 Flowers states: ''You will be receiving promotional offers and materials from our sites and companies we own. Please check the box below if you do not want to receive such materials in the future and do not wish us to provide personal information collected from you to third parties.'' Similarly, NBC's website says the following on the webpage where individuals register their personal information: ''As our customer, you will occasionally receive email from shopnbc.com about new services, features, and special offers we believe would interest you. If you'd rather not receive these updates, please uncheck this box.'' It's as simple as that. And it provides the individual the ability to make an informed choice at the critical point at which he or she is providing a company with personally identifiable information.

Next, our legislation requires companies to provide individuals with the ability to find out what personal information a web site has collected about them. While important, this right of reasonable access is not unqualified. Rather, it considers a variety of factors including the sensitivity of the information sought by the consumer and the burden and expense on the provider in giving consumers access to their personal information. In addition, the bill would permit online companies to charge individuals a reasonable fee to access their personal data, as is similarly provided under the Fair Credit Reporting Act.

In addition, our bill requires that web sites adopt reasonable security procedures to protect the security, confidentiality, and integrity of personally identifiable information, just as Congress required in the Children's privacy legislation.

Moreover, the bill grants consumers important rights of redress. First, the Federal Trade Commission and state attorneys general are empowered to take action. If the FTC collects civil penalties, the bill creates a mechanism whereby those injured can petition to receive up to $200 of the award. For more serious violations involving sensitive information, the bill would additionally permit individuals on their own to pursue redress for damages in federal court.

Finally, in addition to following these fair information principles, the legislation also takes the critical step of establishing a uniform federal standard for online privacy protection by preempting State Internet laws. Inconsistent state regulation of privacy is already causing problems for online businesses. Vermont has adopted ''opt-in laws'' governing financial and medical privacy. In Minnesota, the state Senate has adopted ''opt-in'' online privacy legislation by a vote of 96–0. In California, state privacy legislation is again moving through the state legislature, offering the very real possibility that online businesses will sooner rather than later face the prospect of trying to bring their online operation into compliance with inconsistent state laws.

Because new technologies make privacy protection a constantly evolving issue, the bill requires the FTC not only to implement the requirements of the law, but further, to issue periodic reports about how the law is working;

whether similar privacy protections should apply offline or to pre-existing data; whether standardized online privacy notices should be developed; if a meaningful safe harbor should be constructed; and whether privacy protection technologies in the marketplace such as P3P can help facilitate the administration of the Act.

Consumer participation in cyberspace should not be conditioned on a willingness to relinquish control over one's personal information. Rather, for the medium to truly flourish, we must establish baseline consumer protections that will eliminate the tyranny of convenience in which consumers are forced to choose between disclosing private, personal information, or not using the Internet at all. Congress has a moral obligation to protect American individual liberties, including the right to better control the commercialization of one's own personal, private information.

This bill is an important first step. The privacy protections in this legislation will instill more confidence in people to use the Internet and create a consistent legal framework for online businesses. It will provide better online privacy protections for consumers, better commercial opportunities for businesses who respond to consumer privacy concerns, and a better future for Americans who will embrace the Internet rather than fear it.

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

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

S. 2201

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 ''Online Personal Privacy Act''.

SEC. 2. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

SEC. 3. FINDINGS.

The Congress finds the following:

(1) The right to privacy is a personal and fundamental right worthy of protection through appropriate legislation.

(2) Individuals engaging in and interacting with companies engaged in interstate commerce have a significant interest in their personal information, as well as a right to control how that information is collected, used, or transferred.

(3) Absent the recognition of these rights and the establishment of consequent industry responsibilities to safeguard those rights, the privacy of individuals who use the Internet will soon be more gravely threatened.

(4) To extent that States regulate, their efforts to address Internet privacy will lead to a patchwork of inconsistent standards and protections.

(5) Existing State, local, and Federal laws provide minimal privacy protection for Internet users.

(6) With the exception of Federal Trade Commission enforcement of laws against unfair and deceptive practices, the Federal Government thus far has eschewed general Internet privacy laws in favor of industry self-regulation, which has led to several self-policing schemes, none of which are enforceable in any meaningful way or provide sufficient privacy protection to individuals.

(7) State governments have been reluctant to enter the field of Internet privacy regulation because use of the Internet often crosses State, or even national, boundaries.

(8) States are nonetheless interested in providing greater privacy protection to their citizens as evidenced by recent lawsuits brought against offline and online companies by State attorneys general to protect the privacy of individuals using the Internet.

(9) The ease of gathering and compiling personal information on the Internet, both overtly and surreptitiously, is becoming increasingly efficient and effortless due to advances in digital communications technology which have provided information gatherers the ability to compile seamlessly highly detailed personal histories of Internet users.

(10) Personal information flowing over the Internet requires greater privacy protection than is currently available today. Vast amounts of personal information, including sensitive information, about individual Internet users are collected on the Internet and sold or otherwise transferred to third parties.

(11) Poll after poll consistently demonstrates that individual Internet users are highly troubled over their lack of control over their personal information.

(12) Market research demonstrates that tens of billions of dollars in e-commerce are lost due to individual fears about a lack of privacy protection on the Internet.

(13) Market research demonstrates that as many as one-third of all Internet users give false information about themselves to protect their privacy, due to fears about a lack of privacy protection on the Internet.

(14) Notwithstanding these concerns, the Internet is becoming a major part of the personal and commercial lives of millions of Americans, providing increased access to information, as well as communications and commercial opportunities.

(15) It is important to establish personal privacy rights and industry obligations now so that individuals have confidence that their personal privacy is fully protected on the Internet.

(16) The social and economic costs of establishing baseline privacy standards now will be lower than if Congress waits until the Internet becomes more prevalent in our everyday lives in coming years.

(17) Whatever costs may be borne by industry will be significantly offset by the economic benefits to the commercial Internet created by increased consumer confidence occasioned by greater privacy protection.

(18) Toward the close of the 20th Century, as individuals' personal information was increasingly collected, profiled, and shared for commercial purposes, and as technology advanced to facilitate these practices, the Congress enacted numerous statutes to protect privacy.

(19) Those statutes apply to the government, telephones, cable television, e-mail, video tape rentals, and the Internet (but only with respect to children).

(20) Those statutes all provide significant privacy protections, but neither limit technology nor stifle business.

(21) Those statutes ensure that the collection and commercialization of individuals' personal information is fair, transparent, and subject to law.

SEC. 4. PREEMPTION OF STATE LAW OR REGULATIONS.

This Act supersedes any State statute, regulation, or rule regulating Internet privacy to the extent that it relates to the collection, use, or disclosure of personally identifiable information obtained through the Internet.

TITLE I—ONLINE PRIVACY PROTECTION

SEC. 101. COLLECTION, USE, OR DISCLOSURE OF PERSONALLY IDENTIFIABLE INFORMATION.

(a) IN GENERAL.—An internet service provider, online service provider, or operator of a commercial website on the Internet may not collect personally identifiable information from a user, or use or disclose personally identifiable information about a user, of that service or website except in accordance with the provisions of this Act.

(b) APPLICATION TO CERTAIN THIRD-PARTY OPERATORS.—The provisions of this Act applicable to internet service providers, online service providers, and commercial website operators apply to any third party, including an advertising network, that uses an internet service provider, online service provider, or commercial website operator to collect information about users of that service or website.

SEC. 102. NOTICE AND CONSENT REQUIREMENTS.

(a) NOTICE.—Except as provided in section 104, an internet service provider, online service provider, or operator of a commercial website may not collect personally identifiable information from a user of that service or website online unless that provider or operator provides clear and conspicuous notice to the user in the manner required by this section for the kind of personally identifiable information to be collected. The notice shall disclose—

(1) the specific types of information that will be collected;

(2) the methods of collecting and using the information collected; and

(3) all disclosure practices of that provider or operator for personally identifiable information so collected, including whether it will be disclosed to third parties.

(b) SENSITIVE PERSONALLY IDENTIFIABLE INFORMATION REQUIRES OPT-IN CONSENT.—An internet service provider, online service provider, or operator of a commercial website may not—

(1) collect sensitive personally identifiable information online, or

(2) disclose or otherwise use such information collected online, from a user of that service or website,

unless the provider or operator obtains that user's affirmative consent to the collection and disclosure or use of that information before, or at the time, the information is collected.

(c) NONSENSITIVE PERSONALLY IDENTIFIABLE INFORMATION REQUIRES ROBUST NOTICE AND OPT-OUT CONSENT.—An internet service provider, online service provider, or operator of a commercial website may not—

(1) collect personally identifiable information not described in subsection (b) online, or

(2) disclose or otherwise use such information collected online, from a user of that service or website,

unless the provider or operator provides robust notice to the user, in addition to clear and conspicuous notice, and has given the user an opportunity to decline consent for such collection and use by the provider or operator before, or at the time, the information is collected.

(d) INITIAL NOTICE ONLY FOR ROBUST NOTICE.—An internet service provider, online service provider, or operator of a commercial website shall provide robust notice under subsection (c) of this section to a user only upon its first collection of non-sensitive personally identifiable information from that user, except that a subsequent collection of additional or materially different non-sensitive personally identifiable information from that user shall be treated as a first collection of such information from that user.

(e) PERMANENCE OF CONSENT.—

(1) IN GENERAL.—The consent or denial of consent by a user of permission to an internet service provider, online service provider, or operator of a commercial website to collect, disclose, or otherwise use any information about that user for which consent is required under this Act—

(A) shall remain in effect until changed by the user; and

(B) shall apply to the collection, disclosure, or other use of that information by any entity that is a commercial successor of, or legal successor-in-interest to, that provider or operator, without regard to the legal form in which such succession was accomplished (including any entity that collects, discloses, or uses such information as a result of a proceeding under chapter 7 or chapter 11 of title 11, United States Code, with respect to the provider or operator).

(2) EXCEPTION.—The consent by a user to the collection, disclosure, or other use of information about that user for which consent is required under this Act does not apply to the collection, disclosure, or use of that information by a successor entity under paragraph (1)(B) if—

(A) the kind of information collected by the successor entity about the user is materially different from the kind of information collected by the predecessor entity;

(B) the methods of collecting and using the information employed by the successor entity are materially different from the methods employed by the predecessor entity; or

(C) the disclosure practices of the successor entity are materially different from the practices of the predecessor entity.

SEC. 103. POLICY CHANGES; BREACH OF PRIVACY.

(a) NOTICE OF POLICY CHANGE.—Whenever an internet service provider, online service provider, or operator of a commercial website makes a material change in its policy for the collection, use, or disclosure of sensitive or nonsensitive personally identifiable information, it—

(1) shall notify all users of that service or website of the change in policy; and

(2) may not collect, disclose, or otherwise use any sensitive or nonsensitive personally identifiable information in accordance with the changed policy unless the user has been afforded an opportunity to consent, or withhold consent, to its collection, disclosure, or use in accordance with the requirements of section 102(b) or (c), whichever is applicable.

(b) NOTICE OF BREACH OF PRIVACY.—

(1) IN GENERAL.—If the sensitive or nonsensitive personally identifiable information of a user of an internet service provider, online service provider, or operator of a commercial website—

(A) is collected, disclosed, or otherwise used by the provider or operator in violation of any provision of this Act, or

(B) the security, confidentiality, or integrity of such information is compromised by a hacker or other third party, or by any act or failure to act of the provider or operator,

then the provider or operator shall notify all users whose sensitive or nonsensitive personally identifiable information was affected by the unlawful collection, disclosure, use, or compromise. The notice shall describe the nature of the unlawful collection, disclosure, use, or compromise and the steps taken by the provider or operator to remedy it.

(2) DELAY OF NOTIFICATION.—

(A) ACTION TAKEN BY INDIVIDUALS.—If the compromise of the security, confidentiality, or integrity of the information is caused by a hacker or other external interference with the service or website, or by an employee of the service or website, the provider or operator may postpone issuing the notice required by paragraph (1) for a reasonable period of time in order to—

(i) facilitate the detection and apprehension of the person responsible for the compromise; and

(ii) take such measures as may be necessary to restore the integrity of the service or website and prevent any further compromise of the security, confidentiality, and integrity of such information.

(B) SYSTEM FAILURES AND OTHER FUNCTIONAL CAUSES.—If the unlawful collection, disclosure, use, or compromise of the security, confidentiality, and integrity of the information is the result of a system failure, a problem with the operating system, software, or program used by the internet service provider, online service provider, or operator of the commercial website, or other non-external interference with the service or website, the provider or operator may postpone issuing the notice required by paragraph (1) for a reasonable period of time in order to—

(i) restore the system's functionality or fix the problem; and

(ii) take such measures as may be necessary to restore the integrity of the service or website and prevent any further compromise of the security, confidentiality, and integrity of the information after the failure or problem has been fixed and the integrity of the service or website has been restored.

SEC. 104. EXCEPTIONS.

(a) IN GENERAL.—Section 102 does not apply to the collection, disclosure, or use by an internet service provider, online service provider, or operator of a commercial website of information about a user of that service or website necessary—

(1) to protect the security or integrity of the service or website or to ensure the safety of other people or property;

(2) to conduct a transaction, deliver a product or service, or complete an arrangement for which the user provided the information; or

(3) to provide other products and services integrally related to the transaction, service, product, or arrangement for which the user provided the information.

(b) PROTECTED DISCLOSURES.—An internet service provider, online service provider, or operator of a commercial website may not be held liable under this Act, any other Federal law, or any State law for any disclosure made in good faith and following reasonable procedures in responding to—

(1) a request for disclosure of personal information under section 1302(b)(1)(B)(iii) of the Children's Online Privacy Protection Act of 1998 (15 U.S.C. 6501 et seq.) to the parent of a child; or

(2) a request for access to, or correction or deletion of, personally identifiable information under section 105 of this Act.

(c) DISCLOSURE TO LAW ENFORCEMENT AGENCY OR UNDER COURT ORDER.—

(1) IN GENERAL.—Notwithstanding any other provision of this Act, an internet service provider, online service provider, operator of a commercial website, or third party that uses such a service or website to collect information about users of that service or website may disclose personally identifiable information about a user of that service or website—

(A) to a law enforcement, investigatory, national security, or regulatory agency or department of the United States in response to a request or demand made under authority granted to that agency or department, including a warrant issued under the Federal Rules of Criminal Procedure, an equivalent State warrant, a court order, or a properly executed administrative compulsory process; and

(B) in response to a court order in a civil proceeding granted upon a showing of compelling need for the information that cannot be accommodated by any other means if—

(i) the user to whom the information relates is given reasonable notice by the person seeking the information of the court proceeding at which the order is requested; and

(ii) that user is afforded a reasonable opportunity to appear and contest the issuance of requested order or to narrow its scope.

(2) SAFEGUARDS AGAINST FURTHER DISCLOSURE.—A court that issues an order described in paragraph (1) shall impose appropriate safeguards on the use of the information to protect against its unauthorized disclosure.

SEC. 105. ACCESS.

(a) IN GENERAL.—An internet service provider, online service provider, or operator of a commercial website shall—

(1) upon request provide reasonable access to a user to personally identifiable information that the provider or operator has collected from the user online, or that the provider or operator has combined with personally identifiable information collected from the user online after the effective date of this Act;

(2) provide a reasonable opportunity for a user to suggest a correction or deletion of any such information maintained by that provider or operator to which the user was granted access; and

(3) make the correction a part of that user's sensitive personally identifiable information or nonsensitive personally identifiable information (whichever is appropriate), or make the deletion, for all future disclosure and other use purposes.

(b) EXCEPTION.—An internet service provider, online service provider, or operator of a commercial website may decline to make a suggested correction a part of that user's sensitive personally identifiable information or nonsensitive personally identifiable information (whichever is appropriate), or to make a suggested deletion if the provider or operator—

(1) reasonably believes that the suggested correction or deletion is inaccurate or otherwise inappropriate;

(2) notifies the user in writing, or in digital or other electronic form, of the reasons the provider or operator believes the suggested correction or deletion is inaccurate or otherwise inappropriate; and

(3) provides a reasonable opportunity for the user to refute the reasons given by the provider or operator for declining to make the suggested correction or deletion.

(c) REASONABLENESS TEST.—The reasonableness of the access or opportunity provided under subsection (a) or (b) by an internet service provider, online service provider, or operator of a commercial website shall be determined by taking into account such factors as the sensitivity of the information requested and the burden or expense on the provider or operator of complying with the request, correction, or deletion.

(d) REASONABLE ACCESS FEE.—

(1) IN GENERAL.—An internet service provider, online service provider, or operator of a commercial website may impose a reasonable charge for access under subsection (a).

(2) AMOUNT.—The amount of the fee shall not exceed $3, except that upon request of a user, a provider or operator shall provide such access without charge to that user if the user certifies in writing that the user—

(A) is unemployed and intends to apply for employment in the 60-day period beginning on the date on which the certification is made;

(B) is a recipient of public welfare assistance; or

(C) has reason to believe that the incorrect information is due to fraud.

SEC. 106. SECURITY.

An internet service provider, online service provider, or operator of a commercial website shall establish and maintain reasonable procedures necessary to protect the security, confidentiality, and integrity of personally identifiable information maintained by that provider or operator.

TITLE II—ENFORCEMENT

SEC. 201. ENFORCEMENT BY FEDERAL TRADE COMMISSION.

Except as provided in section 202(b) of this Act and section 2710(d) of title 18, United States Code, this Act shall be enforced by the Commission.

SEC. 202. VIOLATION IS UNFAIR OR DECEPTIVE ACT OR PRACTICE.

(a) IN GENERAL.—The violation of any provision of title I is an unfair or deceptive act or practice proscribed under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(b) ENFORCEMENT BY CERTAIN OTHER AGENCIES.—Compliance with title I of this Act shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), in the case of—

(A) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25A of the Federal Reserve Act (12 U.S.C. 601 and 611), by the Board; and

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation;

(2) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), by the Director of the Office of Thrift Supervision, in the case of a savings association the deposits of which are insured by the Federal Deposit Insurance Corporation;

(3) the Federal Credit Union Act (12 U.S.C. 1751 et seq.) by the National Credit Union Administration Board with respect to any Federal credit union;

(4) part A of subtitle VII of title 49, United States Code, by the Secretary of Transportation with respect to any air carrier or foreign air carrier subject to that part;

(5) the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et seq.) (except as provided in section 406 of that Act (7 U.S.C. 226, 227)), by the Secretary of Agriculture with respect to any activities subject to that Act; and

(6) the Farm Credit Act of 1971 (12 U.S.C. 2001 et seq.) by the Farm Credit Administration with respect to any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association.

(c) EXERCISE OF CERTAIN POWERS.—For the purpose of the exercise by any agency referred to in subsection (b) of its powers under any Act referred to in that subsection, a violation of title I is deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (b), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under title I, any other authority conferred on it by law.

(d) ACTIONS BY THE COMMISSION.—The Commission shall prevent any person from violating title I in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this Act. Any entity that violates any provision of that subtitle is subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act in the same manner, by the same means, and with the same jurisdiction, power, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of that subtitle.

(e) DISPOSITION OF CIVIL PENALTIES OBTAINED BY FTC ENFORCEMENT ACTION INVOLVING NONSENSITIVE PERSONALLY IDENTIFIABLE INFORMATION.—

(1) IN GENERAL.—If a civil penalty is imposed on an internet service provider, online service provider, or commercial website operator in an enforcement action brought by the Commission for a violation of title I with respect to nonsensitive personally identifiable information of users of the service or website, the penalty shall be—

(A) paid to the Commission;

(B) held by the Commission in trust for distribution under paragraph (2); and

(C) distributed in accordance with paragraph (2).

(2) DISTRIBUTION TO USERS.—Under procedures to be established by the Commission, the Commission shall hold any amount received as a civil penalty for violation of title I for a period of not less than 180 days for distribution under those procedures to users—

(A) whose nonsensitive personally identifiable information was the subject of the violation; and

(B) who file claims with the Commission for compensation for loss or damage from the violation at such time, in such manner, and containing such information as the Commission may require.

(3) AMOUNT OF PAYMENT.—The amount a user may receive under paragraph (2)—

(i) shall not exceed $200; and

(ii) may be limited by the Commission as necessary to afford each such user a reasonable opportunity to secure that user's appropriate portion of the amount available for distribution.

(4) REMAINDER.—If the amount of any such penalty held by the Commission exceeds the sum of the amounts distributed under paragraph (2) attributable to that penalty, the excess shall be covered into the Treasury of the United States as miscellaneous receipts no later than 12 months after it was paid to the Commission.

(f) EFFECT ON OTHER LAWS.—

(1) PRESERVATION OF COMMISSION AUTHORITY.—Nothing contained in this subtitle shall be construed to limit the authority of the Commission under any other provision of law.

(2) RELATION TO TITLE II OF COMMUNICATIONS ACT.—Nothing in title I requires an operator of a website or online service to take any action that is inconsistent with the requirements of section 222 of the Communications Act of 1934 (47 U.S.C. 222).

(3) RELATION TO TITLE VI OF COMMUNICATIONS ACT.—Section 631 of the Communications Act of 1934 (47 U.S.C. 551) is amended by adding at the end the following:

''(i) To the extent that the application of any provision of this title to a cable operator as an internet service provider, online service provider, or operator of a commercial website (as those terms are defined in section 401 of the Online Personal Privacy Act) with respect to the provision of Internet service or online service, or the operation of a commercial website, conflicts with the application of any provision of that Act to such provision or operation, the Act shall be applied in lieu of the conflicting provision of this title.''.

SEC. 203. ACTIONS BY USERS.

(a) PRIVATE RIGHT OF ACTION FOR SENSITIVE PERSONALLY IDENTIFIABLE INFORMATION.—If an internet service provider, online service provider, or commercial website operator collects, discloses, or uses the sensitive personally identifiable information of any person or fails to provide reasonable access to or reasonable security for such sensitive personally identifiable information in violation of any provision of title I then that person may bring an action in a district court of the United States of appropriate jurisdiction—

(1) to enjoin or restrain a violation of title I or to obtain other appropriate relief; and

(2) upon a showing of actual harm to that person caused by the violation, to recover the greater of—

(A) the actual monetary loss from the violation; or

(B) $5,000.

(b) REPEATED VIOLATIONS.—If the court finds, in an action brought under subsection (a) to recover damages, that the defendant repeatedly and knowingly violated title I, the court may, in its discretion, increase the amount of the award available under subsection (a)(2)(B) to an amount not in excess of $100,000.

(c) EXCEPTION.—Neither an action to enjoin or restrain a violation, nor an action to recover for loss or damage, may be brought under this section for the accidental disclosure of information if the disclosure was caused by an Act of God, unforeseeable network or systems failure, or other event beyond the control of the Internet service provider, online service provider, or operator of a commercial website.

SEC. 204. ACTIONS BY STATES.

(a) IN GENERAL.—

(1) CIVIL ACTIONS.—In any case in which the attorney general of a State has reason to believe that an interest of the residents of that State has been or is threatened or adversely affected by the engagement of any person in a practice that violates title I, the State, as

parens patriae, may bring a civil action on behalf of the residents of the State in a district court of the United States of appropriate jurisdiction—

(A) to enjoin that practice;

(B) to enforce compliance with the rule;

(C) to obtain damage, restitution, or other compensation on behalf of residents of the State; or

(D) to obtain such other relief as the court may consider to be appropriate.

(2) NOTICE.—

(A) IN GENERAL.—Before filing an action under paragraph (1), the attorney general of the State involved shall provide to the Commission—

(i) written notice of that action; and

(ii) a copy of the complaint for that action.

(B) EXEMPTION.—

(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to the filing of an action by an attorney general of a State under this subsection, if the attorney general determines that it is not feasible to provide the notice described in that subparagraph before the filing of the action.

(ii) NOTIFICATION.—In an action described in clause (i), the attorney general of a State shall provide notice and a copy of the complaint to the Commission at the same time as the attorney general files the action.

(b) INTERVENTION.—

(1) IN GENERAL.—On receiving notice under subsection (a)(2), the Commission shall have the right to intervene in the action that is the subject of the notice.

(2) EFFECT OF INTERVENTION.—If the Commission intervenes in an action under subsection (a), it shall have the right—

(A) to be heard with respect to any matter that arises in that action; and

(B) to file a petition for appeal.

(c) CONSTRUCTION.—For purposes of bringing any civil action under subsection (a), nothing in this subtitle shall be construed to prevent an attorney general of a State from exercising the powers conferred on the attorney general by the laws of that State to—

(1) conduct investigations;

(2) administer oaths or affirmations; or

(3) compel the attendance of witnesses or the production of documentary and other evidence.

(d) ACTIONS BY THE COMMISSION.—In any case in which an action is instituted by or on behalf of the Commission for violation of title I, no State may, during the pendency of that action, institute an action under subsection (a) against any defendant named in the complaint in that action for violation of that rule.

(e) VENUE; SERVICE OF PROCESS.—

(1) VENUE.—Any action brought under subsection (a) may be brought in the district court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code.

(2) SERVICE OF PROCESS.—In an action brought under subsection (a), process may be served in any district in which the defendant—

(A) is an inhabitant; or

(B) may be found.

SEC. 205. WHISTLEBLOWER PROTECTION.

(a) IN GENERAL.—No internet service provider, online service provider, or commercial website operator may discharge or otherwise discriminate against any employee with respect to compensation, terms, conditions, or privileges of employment because the employee (or any person acting pursuant to the request of the employee) provided information to any Federal or State agency or to the Attorney General of the United States or of any State regarding a violation of any provision of title I.

(b) ENFORCEMENT.—Any employee or former employee who believes he has been discharged or discriminated against in violation of subsection (a) may file a civil action in the appropriate United States district court before the close of the 2-year period beginning on the date of such discharge or discrimination. The complainant shall also file a copy of the complaint initiating such action with the appropriate Federal agency.

(c) REMEDIES.—If the district court determines that a violation of subsection (a) has occurred, it may order the Internet service provider, online service provider, or commercial website operator that committed the violation—

(1) to reinstate the employee to his former position;

(2) to pay compensatory damages; or

(3) to take other appropriate actions to remedy any past discrimination.

(d) LIMITATION.—The protections of this section shall not apply to any employee who—

(1) deliberately causes or participates in the alleged violation; or

(2) knowingly or recklessly provides substantially false information to such an agency or the Attorney General.

(e) BURDENS OF PROOF.—The legal burdens of proof that prevail under subchapter III of chapter 12 of title 5, United States Code (5 U.S.C. 1221 et seq.) shall govern adjudication of protected activities under this section.

SEC. 206. NO EFFECT ON OTHER REMEDIES.

The remedies provided by sections 203 and 204 are in addition to any other remedy available under any provision of law.

TITLE III—APPLICATION TO CONGRESS AND FEDERAL AGENCIES

SEC. 301. SENATE.

The Sergeant at Arms of the United States Senate shall develop regulations setting forth an information security and electronic privacy policy governing use of the Internet by officers and employees of the Senate that meets the requirements of title I.

SEC. 302. APPLICATION TO FEDERAL AGENCIES.

(a) IN GENERAL.—Except as provided in subsection (b), this Act applies to each Federal agency that is an internet service provider or an online service provider, or that operates a website, to the extent provided by section 2674 of title 28, United States Code.

(b) EXCEPTIONS.—This Act does not apply to any Federal agency to the extent that the application of this Act would compromise law enforcement activities or the administration of any investigative, security, or safety operation conducted in accordance with Federal law.

TITLE IV—MISCELLANEOUS

SEC. 401. DEFINITIONS.

In this Act:

(1) COLLECT.—The term ''collect'' means the gathering of personally identifiable information about a user of an Internal service, online service, or commercial website by or on behalf of the provider or operator of that service or website by any means, direct or indirect, active or passive, including—

(A) an online request for such information by the provider or operator, regardless of how the information is transmitted to the provider or operator;

(B) the use of a chat room, message board, or other online service to gather the information; or

(C) tracking or use of any identifying code linked to a user of such a service or website, including the use of cookies or other tracking technology.

(2) COMMISSION.—The term ''Commission'' means the Federal Trade Commission.

(3) COOKIE.—The term ''cookie'' means any program, function, or device, commonly known as a ''cookie'', that makes a record on the user's computer (or other electronic device) of that user's access to an internet service, online service, or commercial website.

(4) DISCLOSE.—The term ''disclose'' means the release of personally identifiable information about a user of an Internet service, online service, or commercial website by an internet service provider, online service provider, or operator of a commercial website for any purpose, except where such information is provided to a person who provides support for the internal operations of the service or website and who does not disclose or use that information for any other purpose.

(5) FEDERAL AGENCY.—The term ''Federal agency'' means an agency, as that term is defined in section 551(1) of title 5, United States Code.

(6) INTERNAL OPERATIONS SUPPORT.—The term ''support for the internal operations of a service or website'' means any activity necessary to maintain the technical functionality of that service or website.

(7) INTERNET.—The term ''Internet'' means collectively the myriad of computer and telecommunications facilities, including equipment and operating software, which comprise the interconnected world-wide network of networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocols to such protocol, to communicate information of all kinds by wire or radio.

(8) INTERNET SERVICE PROVIDER; ONLINE SERVICE PROVIDER; WEBSITE.—The Commission shall by rule define the terms ''internet service provider'', ''online service provider'', and ''website'', and shall revise or amend such rule to take into account changes in technology, practice, or procedure with respect to the collection of personal information over the Internet.

(9) ONLINE.—The term ''online'' refers to any activity regulated by this Act or by section 2710 of title 18, United States Code, that is effected by active or passive use of an Internet connection, regardless of the medium by or through which that connection is established.

(10) OPERATOR OF A COMMERCIAL WEBSITE.—The term ''operator of a commercial website''—

(A) means any person who operates a website located on the Internet or an online service and who collects or maintains personal information from or about the users of or visitors to such website or online service, or on whose behalf such information is collected or maintained, where such website or online service is operated for commercial purposes, including any person offering products or services for sale through that website or online service, involving commerce—

(i) among the several States or with 1 or more foreign nations;

(ii) in any territory of the United States or in the District of Columbia, or between any such territory and—

(I) another such territory; or

(II) any State or foreign nation; or

(iii) between the District of Columbia and any State, territory, or foreign nation; but

(B) does not include any nonprofit entity that would otherwise be exempt from coverage under section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

(11) PERSONALLY IDENTIFIABLE INFORMATION.—

(A) IN GENERAL.—The term ''personally identifiable information'' means individually identifiable information about an individual collected online, including—

(i) a first and last name, whether given at birth or adoption, assumed, or legally changed;

(ii) a home or other physical address including street name and name of a city or town;

(iii) an e-mail address;

(iv) a telephone number;

(v) a birth certificate number;

(vi) any other identifier for which the Commission finds there is a substantial likelihood that the identifier would permit the physical or online contacting of a specific individual; or

(vii) information that an Internet service provider, online service provider, or operator of a commercial website collects and combines with an identifier described in clauses (i) through (vi) of this subparagraph.

(B) INFERENTIAL INFORMATION EXCLUDED.—Information about an individual derived or inferred from data collected online but not actually collected online is not personally identifiable information.

(12) RELEASE.—The term ''release of personally identifiable information'' means the direct or indirect, sharing, selling, renting, or other provision of personally identifiable information of a user of an internet service, online service, or commercial website to any other person other than the user.

(13) ROBUST NOTICE.—The term ''robust notice'' means actual notice at the point of collection of the personally identifiable information describing briefly and succinctly the intent of the Internet service provider, online service provider, or operator of a commercial website to use or disclose that information for marketing or other purposes.

(14) SENSITIVE FINANCIAL INFORMATION.—The term ''sensitive financial information'' means—

(A) the amount of income earned or losses suffered by an individual;

(B) an individual's account number or balance information for a savings, checking, money market, credit card, brokerage, or other financial services account;

(C) the access code, security password, or similar mechanism that permits access to an individual's financial services account;

(D) an individual's insurance policy information, including the existence, premium, face amount, or coverage limits of an insurance policy held by or for the benefit of an individual; or

(E) an individual's outstanding credit card, debt, or loan obligations.

(15) SENSITIVE PERSONALLY IDENTIFIABLE INFORMATION.—The term ''sensitive personally identifiable information'' means personally identifiable information about an individual's—

(A) individually identifiable health information (as defined in section 164.501 of title 45, Code of Federal Regulations);

(B) race or ethnicity;

(C) political party affiliation;

(D) religious beliefs;

(E) sexual orientation;

(F) a Social Security number; or

(G) sensitive financial information.

SEC. 402. EFFECTIVE DATE OF TITLE I.

Title I of this Act takes effect on the day after the date on which the Commission publishes a final rule under section 403.

SEC. 403. FTC RULEMAKING.

The Commission shall—

(1) initiate a rulemaking within 90 days after the date of enactment of this Act for regulations to implement the provisions of title I; and

(2) complete that rulemaking within 270 days after initiating it.

SEC. 404. FTC REPORT.

(a) REPORT.—The Commission shall submit a report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Commerce 18 months after the effective date of title I, and annually thereafter, on—

(1) whether this Act is accomplishing the purposes for which it was enacted;

(2) whether technology that protects privacy is being utilized in the marketplace in such a manner as to facilitate administration of and compliance with title I;

(3) whether additional legislation is required to accomplish those purposes or improve the administrability or effectiveness of this Act;

(4) whether legislation is appropriate or necessary to regulate the collection, use, and distribution of personally identifiable information collected other than via the Internet;

(5) whether and how the government might assist industry in developing standard online privacy notices that substantially comply with the requirements of section 102(a);

(6) whether and how the creation of a set of self-regulatory guidelines established by independent safe harbor organizations and approved by the Commission would facilitate administration of and compliance with title I; and

(7) whether additional legislation is necessary or appropriate to regulate the collection, use, and disclosure of personally identifiable information collected online before the effective date of title I.

(b) FTC NOTICE OF INQUIRY.—The Commission shall initiate a notice of inquiry within 90 days after the date of enactment of this Act to request comment on the matter described in paragraphs (1) through (7) of subsection (a).

SEC. 405. DEVELOPMENT OF AUTOMATED PRIVACY CONTROLS.

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

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

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

''(d) DEVELOPMENT OF INTERNET PRIVACY PROGRAM.—The Institute shall encourage and support the development of one or more computer programs, protocols, or other software, such as the World Wide Web Consortium's P3P program, capable of being installed on computers, or computer networks, with Internet access that would reflect the user's preferences for protecting personally-identifiable or other sensitive, privacy-related information, and automatically execute the program, once activated, without requiring user intervention.''.

Mr. CLELAND. Madam President, just last week I read an article that described the practice of online companies placing prices on people's personal information in order to raise revenue. When the Internet revolution began, I do not believe anyone thought the buying and selling of our personal information would be where these companies would turn when they began to experience difficulties in the financial markets. My constituents have expressed to me their concerns over such practices, and I have responded by co-sponsoring Senator HOLLINGS' bi-partisan legislation to enact reasonable privacy standards on personal information gathered on-line.

In May 2000, the Federal Trade Commission, FTC, issued its third report to Congress on the state of online privacy. Due to the fact that there remained a great deal of concern by consumers over how their information is used by online companies, so much so that some consumers provided false information or did not utilize the commercial aspects of the Internet altogether, the FTC recommended legislation to establish online privacy guidelines. Introduction of this legislation is a step in the right direction, and a step closer to the FTC's recommendation.

This bill calls for sensitive, personally identifiable information, such as health information, race, religion, and social security number, to be protected by requiring consumers to provide affirmative consent for this information to be shared; in other words, they must ''opt in.'' Under our proposal, the treatment of non-sensitive, personally identifiable information must be described through strict, robust notice in plain English. After some consumers received their privacy policies required by the Gramm-Leach-Bliley Act, they thought it would be easier to understand the tax code.

An important provision in the Hollings measure modeled on allowing consumers to access their credit report information would allow online consumers to access and correct any incorrect information companies may be listing. Additionally, to monitor the effectiveness of this legislation, the bill calls for the FTC to report to Congress on this matter and to recommend any needed changes in its provisions.

I am pleased to be an original cosponsor of this legislation which I believe moves us in the right direction to actually grow the Internet and its capability for commerce by easing people's fears over how their names, addresses, social security numbers and other important information will be secured. The Internet's possibilities are only beginning to be realized. In the business world, it creates an easy way to share information and conduct transactions. However, if the information is personal in nature, I, along with many of my colleagues, believe people deserve and are indeed entitled to expect the opportunity to elect whether to have that information shared or not, and in all cases for it to be securely monitored. I am proud to lend my support to this important bill.

By Mr. ROCKEFELLER:

S. 2205. A bill to amend title 38, United States Code, to clarify the entitlement to disability compensation of women veterans who have service-connected mastectomies, to provide permanent authority for counseling and treatment for sexual trauma, and for other purposes; to the Committee on Veterans' Affairs.

Mr. ROCKEFELLER. Madam President, I introduce legislation today that would help VA continue to meet the needs of veterans who experienced sexual trauma while serving in the military. This legislation would also extend special compensation to women veterans whose service led to the loss of all or part of a breast, and would help us understand better how well VA is meeting the health care needs of women veterans.

Almost a decade ago, the Committee on Veterans Affairs took a hard look at

the growing needs of women veterans in a hearing that helped VA improve its women's health care and services. Many studies grew from this hearing, including investigations that showed that women veterans are eight times more likely to report having experienced sexual assault during military service than women civilians of the same age.

In 1992, Congress authorized VA to provide counseling to women who experienced sexual trauma during active military service. Two years later, recognizing that sexual trauma is not limited to women, Congress expanded VA's mandate to offer counseling and treatment to victims of sexual harassment or sexual assault without regard to gender. The Veterans Millennium Health Care and Benefits Act of 1999 broadened VA's responsibilities toward victims of sexual trauma even farther, strengthening outreach efforts and extending the programs through December 2004.

VA has worked, internally and with the Department of Defense, to educate health care professionals about the physical and emotional legacies of military sexual trauma. Those who have endured such trauma need counseling and appropriate treatment, both during and following service. Although we must hope that education will eliminate sexual violence from our forces, the sad reality is that the programs that VA has established will continue to be needed. The legislation I introduce today would authorize VA to continue its counseling and treatment programs for veterans who have experienced military sexual trauma beyond 2004, so that veterans and health care professionals can depend upon these critical services.

The Committee on Veterans Affairs continues to await VA's report on rates of military sexual trauma among National Guard and Reservists, mandated in the Millennium Act and due in March 2001, to make a sound decision on the need for counseling services among these forces who might have experienced sexual trauma while on active duty for training.

Last year, Congress authorized VA to offer special monthly compensation to women who had lost one or both breasts, including through surgical treatment, as a result of their military service. VA recently issued regulations addressing this, which would require complete loss of a breast through simple or radical mastectomy in order to make a woman eligible for benefits. The intent of Congress in passing this legislation was to acknowledge that women who undergo such procedures face physical, emotional, and financial challenges in returning to health. The need for increased medical attention, and concomitant impairment in daily activities, remains consistent, whether the loss of a breast is complete or partial. Therefore, the legislation that I offer here would extend benefits to women veterans who have lost half or more of a breast's tissue as a result of military service, rather than drawing an arbitrary clinical line for compensation.

According to the Veterans Health Administration, women veterans now make up about 5 percent of enrolled veterans, a percentage that is expected to double over the next two decades. We must ensure that women veterans enjoy access to the best possible health care, including for gender-specific medical conditions, in the most appropriate setting. One of the challenges that Congress and VA face in assessing how well the needs of women veterans are being met is understanding exactly what services women veterans require, and whether these are being offered by VA's medical facilities.

Many of the advances VA has made in improving women's care and services has resulted from the hard work of the Women Veterans Coordinators who work within VA's medical centers. These coordinators assist women veterans who seek VA medical care, and help VA understand which needs still go unmet, frequently as a collateral portion of their jobs, while facing many competing demands on their time. As VA health care evolves from a primarily hospital-based system to a network of outpatient clinics, women veterans coordinators face an even more complex set of tasks and a shifting geography of care.

Women veterans increasingly receive care within general outpatient clinics rather than in women's clinics, an issue of special concern as women may comprise only a tiny part of the caseload for VA's general practitioners, unlike the private sector where women make up half or more of a doctor's patients, resulting in less expertise in women's health. The legislation I offer here would request a report on how many clinics and health care teams remain dedicated specifically to the needs of women veterans, and how many hours per week Women Veterans Coordinators can allocate to serving women veterans.

In 1983, Congress responded to the needs of the growing number of women veterans by establishing the Advisory Committee on Women Veterans. This committee advises the Secretary of VA on the adequacy of programs for women veterans, and helps ensure that women veterans have the same access to services and benefits as their male counterparts. Early this year, the Secretary renewed the charter for the Advisory Committee on Women Veterans. I hope my colleagues will join me in acknowledging both the Secretary's decision to foster this essential voice, and the service of the men and women who share their time and experience with VA on behalf of all women veterans. Together, VA and the advisory committee have worked to be sure that VA can offer women veterans the services they need and the respect they have earned.

I ask that the text of the bill and a list of the membership of the Advisory Committee on Women Veterans be printed in the RECORD.

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

S. 2205

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

SECTION 1. CLARIFICATION OF ENTITLEMENT TO WARTIME DISABILITY COMPENSATION FOR WOMEN VETERANS WHO HAVE SERVICE-CONNECTED MASTECTOMIES.

(a) IN GENERAL.—Section 1114(k) of title 38, United States Code, is amended by inserting ''of half or more of the tissue'' after ''anatomical loss'' the second place it appears.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act, and shall apply with respect to months that begin on or after that date.

SEC. 2. PERMANENT AUTHORITY FOR COUNSELING AND TREATMENT FOR SEXUAL TRAUMA.

Section 1720D of title 38, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking ''During the period through December 31, 2004, the Secretary'' and inserting ''The Secretary''; and

(B) in paragraph (2), by striking '', during the period through December 31, 2004,''; and

(2) in subsection (b)—

(A) in paragraph (1), by striking ''establishment and''; and

(B) in paragraph (2), by striking ''establishing a program'' and inserting ''operating a program''.

SEC. 3. REPORT ON FURNISHING OF HEALTH CARE TO WOMEN VETERANS BY VETERANS HEALTH ADMINISTRATION.

(a) REPORT REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on the furnishing by the Veterans Health Administration of health care for women veterans.

(b) REPORT ELEMENTS.—The report under subsection (a) shall set forth the following:

(1) A list of each Women Veterans' Comprehensive Health Center within the Veterans Health Administration, including whether such Center is located in a Department of Veterans Affairs medical center or outpatient clinic.

(2) For each Center listed under paragraph (1)—

(A) the staffing level of such Center, expressed in terms of number of full-time equivalent employees (FTEEs);

(B) the health care services furnished by such Center to women veterans, including the health care services (including breast cancer screening and cervical cancer screening) that are furnished only for women; and

(C) the number of women veterans furnished health care services by such Center during the last fiscal year ending before the date of the report.

(3) A list of each facility without a Women Veterans' Comprehensive Health Center that furnishes health care services to women veterans through a full-service womens' primary care team, including whether such facility is located in a Department medical center or outpatient clinic.

(4) For each facility listed under paragraph (3)—

(A) the staffing level of such facility for the furnishing of health care services to women veterans, expressed in terms of number of full-time equivalent employees (FTEEs);

(B) the health care services furnished by such facility to women veterans, including the health care services (including breast cancer screening and cervical cancer screening) that are furnished only for women; and

(C) the number of women veterans furnished health care services by such facility during the last fiscal year ending before the date of the report.

(5) For each Veterans Integrated Service Network and Department medical center, the number of hours per week that the Women Veterans' Coordinator of such network or medical center, as the case may be, is authorized to perform duties relating to the furnishing of health care services to women veterans.

CURRENT MEMBERSHIP OF THE VA ADVISORY COMMITTEE ON WOMEN VETERANS (AS OF JANUARY 2002)

Karen L. Ray, RN, MSN, Chair 2000–2002, Colonel, USA (Retired).

Constance G. Evans, RN, ARNP, Co-Chair 2000–2002, Commander, USPHS (Retired).

Marsha Tansey Four, USA.

Bertha Cruz Hall, USAF.

Marcelite J. Harris, Major General, USAF (Retired).

Edward E. Hartman, USA.

Consuelo C. Kickbusch, Lieutenant Colonel, USA (Retired).

Kathy LaSauce, Lieutenant Colonel, USAF (Retired).

M Joy Mann, Captain, US Air Force Reserve.

Lory Manning, Captain, USN (Retired).

Michele (Mitzi) Manning, Colonel, USMC (Retired).

Kahleen A. Morrissey, RN, BSN, Colonel, NJ. Army National Guard.

Joan O'Connor, Commander, Naval Reserve (Retired).

Sheryl Schmidt, USAF.

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

S. 2207. A bill to permit an individual to be treated by a health care practitioner with any method of medical treatment such individual requests, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. DASCHLE. Madam President, last year I introduced S. 1378, the Access to Medical Treatment Act of 2001. This bill would allow patients to use certain alternative and complementary therapies not approved by the FDA.

Alternative therapies constitute an increasingly accepted part of medicine. At the National Institutes of Health's Office of Alternative Medicine, scientists are working to expand our knowledge of alternative therapies and their safe and effective use. Additionally, more Americans are turning to alternative therapies in those frustrating instances in which conventional treatments seem to be ineffective in combating illness and disease.

The Access to Medical Treatment Act support patient choice while maintaining important patient safeguards. It allows individuals, especially those who face life-threatening afflictions for which conventional treatments have proven ineffective, to try an alternative treatment. This is a choice rightly made by patients.

Treatments covered under the Access to Medical Treatment Act must be prescribed by an authorized health care practitioner. The practitioner must fully disclose all available information about the safety and effectiveness of any medical treatment, including questions that remain unanswered because the necessary research has not been conducted. The bill includes detailed informed consent requirements.

The bill carefully restricts the ability of practitioners to advertise or market unapproved drugs or devices or to profit financially from prescribing alternative treatments. This provision was included to ensure that practitioners keep the best interests of patients in mind and to retain incentives for seeking FDA approval.

The bill also protects patients by requiring practitioners to report any adverse reaction that could potentially have been caused by an unapproved drug or medical device. If an adverse reaction is reported, manufacture and distribution of the drug must cease pending an investigation. If it is determined that the adverse reaction was caused by the drug or medical device, as part of a total recall, the Secretary of the Department of Health and Human Services and the manufacturer have the duty to inform all health care practitioners to whom the drug or medical device has been provided.

While I believe that S. 1378 would give patients important new choices in health care while maintaining strong consumer protections, there has been little discussion or attention given to the issue. Meanwhile, some advocates of greater access to alternative therapies have urged me to reintroduce a version of the Access to Medical Treatment Act similar to the one I and 13 other senators introduced during the 105th Congress in an effort to stimulate further discussion of this important policy issue. This measure includes less detail than S. 1378 but embodies the same goal of making alternative treatments more available to patients who want them.

I continue to believe that S. 1378, with its detailed informed consent and practitioner reporting requirements, is the version of the Access to Medical Treatment Act that provides the appropriate vehicle for legislative debate, and I am hopeful that the bill Senators HARKIN, GRASSLEY, and I are introducing today will generate momentum to get that debate started.

By Mr. ROCKEFELLER:

S. 2209. A bill to amend title 38, United States Code, to provide an additional program of service disabled veterans' insurance for veterans, and for other purposes; to the Committee on Veterans' Affairs.

Mr. ROCKEFELLER. Madam President, I am tremendously pleased to introduce legislation that would establish a new service-disabled veterans life insurance program. Named in honor of Robert Carey, former Director of the Philadelphia Regional Office and Insurance Center until his untimely death in 1990, this bill will improve enormously the life insurance options available to those veterans who are unable to purchase commercial policies because they became disabled in service to our Nation. I look forward to its swift passage.

Since 1919, the Department of Veterans Affairs has provided life insurance for servicemembers and veterans in various amounts and with varying degrees of success, but with the overarching purpose of providing them with an insurance benefit comparable to the commercial coverage that they are unable to purchase due to their service in the Armed Forces. Unfortunately, as described in the Department of Veterans Affairs' Program Evaluation of Benefits for Survivors of Veterans with Service-connected Disabilities, which was released last May, the current Service-Disabled Veterans Insurance, or SDVI, program does not sufficiently fulfill this purpose. .

The SDVI program insures service-disabled veterans who, but for their service-connected disability, would be eligible for commercial life insurance. The basic policy currently provides up to $10,000 in coverage. Veterans who are deemed totally disabled are eligible for an additional $20,000 in supplemental coverage and may apply to have the premium on their initial $10,000 policy waived.

However, according to VA's report, the current SDVI program uses mortality tables from 1941 to determine the premiums paid by its policyholders. This has led to premiums nearly four times greater than those paid by non-veterans. While SDVI policyholders would generally expect to pay somewhat higher premiums, many veterans still cited this extremely high cost as a major reason for not purchasing an SDVI policy. In light of this fact, it is not difficult to understand why only 3.5 percent of those eligible actually take advantage of the current SDVI program.

Also cited as a reason for non-participation was the limited benefit available under the current SDVI program. According to VA's report, the typical private sector employee possesses a life insurance policy two to three times his or her annual income, and most financial planners recommend even more coverage than that. However, half of all SDVI beneficiaries report receiving less than $15,000 in total insurance benefits from the loss of a loved one. On average, only $9,000 of this comes from their SDVI policy. Forty percent of all SDVI beneficiaries sole source of income are the benefits provided by VA. Their lack of other coverage, combined with the very limited benefit currently available through the current SDVI program, leaves disabled veterans woefully under-insured. We simply cannot accept this situation.

This bill would create a new life insurance program for service-disabled veterans offering as much as $50,000 in coverage at a price comparable to that

of commercial coverage. It would also bring the premiums charged under the current SDVI program more in line with commercial policies by updating the mortality tables VA uses to set its rates.

The motto of the Department of Veterans Affairs is ''To care for him that has borne the battle and for his widow and orphan.'' By introducing the ''Robert Carey Service-Disabled Veterans Insurance Act of 2002,'' I propose that we take yet another step toward fulfilling the obligation embodied in those words, and I encourage my colleagues to join with me in supporting this very important 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. 2209

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 ''Robert Carey Service Disabled Veterans' Insurance Act of 2002''.

SEC. 2. ADDITIONAL PROGRAM OF SERVICE DISABLED VETERANS' INSURANCE FOR VETERANS.

(a) IN GENERAL.—(1) Subchapter I of chapter 19 of title 38, United States Code, is amended by inserting after section 1922A the following new section:

''§ 1922B. Service disabled veterans' insurance: level premium term insurance

''(a) Subject to the provisions of this section, any person described in subsection (b) shall, upon payment of premiums as provided in subsection (f), be granted insurance by the United States against the death of such person occurring while such insurance is in force.

''(b) A person described in this subsection is any person as follows:

''(1) A person insured under section 1922(a) of this title if such person applies for insurance under this section within the times provided for under paragraphs (2) and (3) of subsection (e).

''(2) A person (other than a person described in paragraph (1)) who—

''(A) is released from active military, naval, or air service, under other than dishonorable conditions;

''(B) is found by the Secretary to be suffering from a disability or disabilities for which compensation would be payable if 10 per cent or more in degree;

''(C) except for the disability or disabilities referred to in subparagraph (B), would be insurable according to standards of good health established by the Secretary; and

''(D) has not attained the age of 65 years as of the date of application for insurance under this section.

''(c)(1) Insurance under this section for a person described in subsection (b)(1) is in addition to the insurance of such person under section 1922(a) of this title and the insurance, if any, of such person under section 1922A of this title.

''(2) A person deemed insured under section 1922(b) of this title is not eligible for or entitled to insurance under this section.

''(d)(1)(A) Subject to subparagraph (B) and except as provided in paragraph (3), the amount for which a person described by subsection (b)(1) is insured under this section shall, at the election of the person, be—

''(i) $45,000; or

''(ii) an amount less than $45,000, but more than $5,000, that is evenly divisible by $5,000.

''(B) The amount of insurance elected under this paragraph by a person described by subsection (b)(1) may not cause the aggregate amount of insurance of the person under this section and sections 1922(a) and 1922A of this title to exceed $50,000.

''(2) Except as provided in paragraph (3), the amount for which a person described by subsection (b)(2) is insured under this section shall, at the election of the person, be—

''(A) $50,000; or

''(B) an amount less than $50,000, but more than $5,000, that is evenly divisible by $5,000.

''(3) Upon attaining the age of 70 years, the amount for which a person is insured under this section shall be the amount equal to 20 percent of the amount otherwise elected by the person under paragraph (1) or (2), as applicable.

''(e)(1) A person seeking insurance under this section shall submit to the Secretary an application in writing for such insurance.

''(2) The application of a person under paragraph (1) shall be submitted not later than 10 years after the date of the release of the person from active military, naval, or air service.

''(3)(A) Except as provided in subparagraph (B), the application of a person under paragraph (1) shall be submitted not later than two years after the date on which the Secretary finds the service-connection for the disability or disabilities of the person on which the application is based.

''(B) In the case of a person shown by evidence satisfactory to the Secretary to have been mentally incompetent during any part of the two-year period otherwise applicable to the person under subparagraph (A), an application for insurance under this section shall be filed not later than the earlier of—

''(i) two years after a guardian for the person is appointed; or

''(ii) two years after the removal of such disability or disabilities, as determined by the Secretary.

''(f)(1) Except as provided in paragraphs (2) and (3), a person insured under this section shall pay premiums for such insurance as determined under paragraph (4).

''(2) The provisions of section 1912 of this title shall apply with respect to payment of premiums for insurance under this section.

''(3) A person shall not be required to pay premiums for insurance under this section after attaining the age of 70 years.

''(4) The premium rates for insurance under this section shall be level, and shall be based on the Commissioners 1980 Standard Ordinary Basic Table of Mortality and interest at the rate of 5 per cent per annum.

''(5) All premiums and other collections for insurance under this section shall be credited directly to a revolving fund in the Treasury established for purposes of this section, and any payments on such insurance shall be made directly from such fund.

''(g)(1) Except as otherwise provided in this section, insurance under this section shall be issued on the same terms and conditions as are contained in standard policies of National Service Life Insurance, except that insurance issued under this section shall have no loan value or extended values.

''(2) All settlements on insurance under this section shall be paid in a lump sum.

''(h) Insurance under this section may be referred to as 'Robert Carey Service Disabled Veterans' Insurance'.''.

(2) The table of sections at the beginning of chapter 19 of that title is amended by inserting after the item relating to section 1922A the following new item:

''1922B. Service disabled veterans' insurance: level premium term insurance.''.

(b) COORDINATION WITH CURRENT SERVICE DISABLED VETERANS' INSURANCE PROGRAM.—Section 1922 of title 38, United States Code, is amended—

(1) in subsection (b), by adding at the end the following new paragraph:

''(5) A person deemed insured under this subsection is not eligible for or entitled to insurance under section 1922B of this title.''; and

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

''(d) A person insured under subsection (a) may also be eligible for insurance under section 1922B of this title in accordance with the provisions of that section.''.

(c) OTHER AMENDMENTS TO CURRENT SERVICE DISABLED VETERANS' INSURANCE PROGRAM.—Subsection (a) of such section 1922 is amended by striking ''Commissioners 1941 Standard Ordinary Table of Mortality and interest at the rate of 2¼ per centum per annum'' each place it appears in paragraphs (1) and (2) and inserting ''Commissioners 1980 Standard Ordinary Basic Table of Mortality and interest at the rate of 5 per cent per annum''.

(d) REVIEW OF APPLICABILITY OF MORTALITY TABLES.—(1) The Secretary of Veterans Affairs shall, from time to time, evaluate the standard ordinary table of mortality being used for purposes of service disabled veterans' insurance under sections 1922 and 1922B of title 38, United States Code, in order to determine whether such table of mortality continues to be suitable for such purposes.

(2) If as the result of an evaluation under paragraph (1) the Secretary determines that the standard ordinary table of mortality being used for purposes of insurance referred to in that paragraph is no longer suitable for such purposes, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report setting forth that determination and including a recommendation for an alternative standard ordinary table of mortality to be used for such purposes.

(e) REGULATIONS.—The Secretary of Veterans Affairs shall prescribe regulations for purposes of administering section 1922B of title 38, United States Code (as added by subsection (a)), and for purposes of administering the amendments to section 1922 of that title made by subsections (b) and (c). Such regulations shall take effect on October 1, 2003.

(f) AUTHORIZATION OF APPROPRIATIONS FOR REVOLVING FUND.—There is hereby authorized to be appropriated for the Department of Veterans Affairs for the revolving fund established pursuant to subsection (f)(5) of section 1922B of title 38, United States Code (as added by subsection (a) of this section), such sums as may be necessary for purposes of that section.

(g) EFFECTIVE DATE.—The amendments made by subsections (a) through (c) shall take effect on October 1, 2003.

By Mr. BIDEN (for himself, Mr. SANTORUM, Mr. KERRY, Mr. FRIST, Mr. SARBANES, Mr. CHAFFEE, and Mr. DEWINE):

S. 2210. A bill to amend the International Financial Institutions Act to provide for modification of the Enhanced Heavily Indebted Poor Countries (HIPC) Initiative; to the Committee on Foreign Relations.

Mr. BIDEN. Madam President, I rise today, along with my colleague, Senator SANTORUM, to introduce legislation to reform the way we provide debt relief for the poorest nations of the

world. We are joined in this effort by Senators KERRY, FRIST, SARBANES, CHAFEE, and DEWINE.

Earlier today, our friends from the House, CHRIS SMITH, JOHN LAFALCE, SPENCER BAUCUS, MAXINE WATERS, BARNEY FRANK met with us to announce the introduction of companion legislation on their side of the Hill.

Looking around at that group of people, it would be fair to wonder what we all have in common. Some days, not much. Today, however, what we have in common is a shared concern about the fate of the men, women, and children in the poorest countries of the world.

It is true that the war on terrorism has brought home to us more clearly than before that conditions of grinding poverty in the rest of the world are ignored at our peril. Common sense tells us that our national security is at risk in a world where millions of people have little to live for, and are ripe for the seductions of radical, even violent action against the desperate conditions they face every day.

As Tom Friedman has said in another context, if you don't visit the bad neighborhoods, they will visit you.

But that cannot be the only reason that we all share a concern about poverty in the underdeveloped countries of the world. All of the world's great religions charge us to look after each other, and show special concern for those who need it most.

Common decency recoils at the conditions of disease and deprivation faced by others while we are so blessed with abundance here.

Common sense, and common decency. That is what brought us all together today.

Few things offend both common sense and common decency more than the situations faced by the poor countries of the world who lack the resources to provide the most basic public health care and the most basic education, but yet still send money to the international financial institutions established by the wealthiest nations of the world.

They send two billion dollars a year here to Washington, home of the World Bank and the International Monetary Fund, and to the regional development banks around the world, to pay interest on loans they have taken out over the years, money that they desperately need for basic human services.

We set up those institutions to promote conditions for global economic growth and stability, and to promote economic development. And they do many good things. But the blessings that came when those loans went out to poor countries in many cases have turned into a curse. Now many of those countries are stuck in a debt trap, where payments to simply service the interest on those loans weaken their ability to provide the kind of essential public services needed for basic human existence, much less sustainable economic growth.

Tragically, most of the countries with the greatest debt burdens are among the worst victims of the HIV/AIDS epidemic. The resources needed in African countries in the fight against HIV/AIDS are already beyond their reach. The burden of debt makes that fight even harder.

Two years ago, the United States joined with the other members of the IMF and the World Bank to reduce the debt burdens of the Heavily Indebted Poor Countries. The world's churches led that fight, the Jubilee 2000 fight, to undo some of the harm done by this cycle of debt. I was proud to be part of that effort.

The result was a real improvement in the debt situation of many countries. Our experience with that program shows that the money we free up with debt relief really does go for the important services the poor citizens of these countries really need.

As a matter of fact, about 40 percent of the debt savings in those countries is going for education, and 25 percent for health care.

But realistically, these countries will still be stuck in a debt trap far into the future.

In fact, just this week the Bank and the Fund honestly admitted that under the current formula, many countries will simply not reach a sustainable level of debt. James Wolfenson, President of the World Bank, has said that he is considering deeper debt relief to achieve the goals of the existing HIPC program. The legislation I am introducing today with Senator SANTORUM will make success under that HIPC program more likely.

Specifically, for the many countries facing a public health crisis, such as the HIV/AIDS epidemic, we say that no more than five percent of their budgets should go to service their debt to the international financial institutions. For those who do not face such a crisis, debt service should exceed no more than ten percent of their budget.

While the existing HIPC program sets a sustainable level of debt at 150 percent of a country's income from exports, our bill says that it is also important to measure the debt burden against a country's budget, as well. That's the best way to see the real impact on a country's ability to meet its own pressing domestic needs.

In fact, given the deep problems the eligible nations have with trade—most of them export basic commodities whose prices have been declining—using export income should not be the sole basis for determining their ability to pay. The HIPC program currently assumes that the eligible countries will enjoy much higher growth in that export income than they have ever been able to achieve. That is a formula for disappointment.

Deeper debt relief, more sustainable debt levels, measured by a country's actual ability to pay as a share of its budget, that is what our legislation would establish as the U.S. negotiating position at the Bank and the Fund. If those reforms are adopted, an additional billion dollars a year of debt service will be lifted from the poorest nations.

This weekend, the Bank and the Fund will be meeting here in Washington, and I expect those very issues will be under discussion. The legislation we are introducing today offers a way to achieve the original goals of debt relief, and the goals of our own foreign policy in the developing world.

Common sense, and common decency, should help us find some common ground to achieve those goals. The broad coalition of support this legislation already enjoys tells me that we can succeed.

By Mr. HUTCHINSON (for himself and Mr. CLELAND):

S. 2211. A bill to amend title 10, United States Code, to apply the additional retired pay percentage for extraordinary heroism to the computation of the retired pay of enlisted members of the Armed Forces who are retired for any reason, and for other purposes; to the Committee on Armed Services.

Mr. HUTCHINSON. Madam President, I rise today to introduce the Heroism Pay Equality Act. This legislation will restore fairness and equality to our country's retired military reservists who have been cited for extraordinary heroism, by affording them the same entitlements offered to their active component counterparts. Current law awards members with between 20 and 30 years of service who have been cited for extraordinary heroism in the line of duty an additional 10 percent to their retirement pay for their heroic acts. Typically, this equates to a service member who has received the Medal of Honor, the Distinguished Service Cross, or the Navy Cross. Yet a service member who has been awarded one of these medals, and whose retirement eligibility was achieved in the Reserves, is not recognized with the same benefit.

This bill erases this injustice, and is offered in the spirit of fairness to the total force. The United States is increasingly reliant on the Reserve component of the armed service to meet the challenges that face our military. Reserve and National Guard units have served with distinction in Bosnia, Kosovo, the Middle East, and are doing so today in Afghanistan and countless locations across the United States as part of our global war on terrorism. The additional pay for heroic acts is awarded for the act itself and has nothing to do with the component in which retirement eligibility was achieved. Thus, to honor our Nation's military reservists, I urge my colleagues on both sides of the aisle to support this legislation.

I ask unanimous consent that the text of the legislation, which Senator CLELAND and I are introducing today, be printed in the RECORD.

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

S. 2211

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

SECTION 1. EXPANDED APPLICABILITY OF ADDITIONAL RETIRED PAY FOR EXTRAORDINARY HEROISM.

(a) ARMY.—Section 3991(a)(2) of title 10, United States Code, is amended—

(1) by striking ''If a member who is retired under section 3914 of this title'' and inserting ''If an enlisted member entitled to monthly retired pay under this subtitle''; and

(2) by inserting after the first sentence the following new sentence: ''The first sentence does not apply with respect to retired pay computed under section 12733 of this title.''.

(b) NAVY AND MARINE CORPS.—(1) Chapter 571 of such title is amended by inserting after section 6334 the following new section:

''§ 6334a. Computation of retired pay: additional 10 percent for enlisted members credited with extraordinary heroism

''If an enlisted member entitled to monthly retired pay under this subtitle has been credited by the Secretary of the Navy with extraordinary heroism in the line of duty, the member's retired pay shall be increased by 10 percent of the amount determined under section 6333 or 6334 of this title, as the case may be, but to not more than 75 percent of the retired pay base upon which the computation of such retired pay is based. The first sentence does not apply with respect to retired pay computed under section 12733 of this title. The Secretary's determination as to extraordinary heroism is conclusive for all purposes.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''6334a. Computation of retired pay: additional 10 percent for enlisted members credited with extraordinary heroism.''.

(c) AIR FORCE.—Section 8991(a)(2) of title 10, United States Code, is amended—

(1) by striking ''If a member who is retired under section 8914 of this title'' and inserting ''If an enlisted member entitled to monthly retired pay under this subtitle''; and

(2) by inserting after the first sentence the following new sentence: ''The first sentence does not apply with respect to retired pay computed under section 12733 of this title.''.

(d) DISABILITY RETIREMENT.—(1) Section 1201 of such title is amended—

(A) in subsection (a), by striking '', with retired pay computed under section 1401 of this title,''; and

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

''(d) COMPUTATION OF RETIRED PAY.—(1) The retired pay to which a member is entitled under this section shall be computed under section 1401 of this title.

''(2) If an enlisted member entitled to monthly retired pay under this section has been credited by the Secretary concerned with extraordinary heroism in the line of duty, the member's retired pay shall be increased by 10 percent of the amount determined under section 1401 of this title (but to not more than 75 percent of the retired pay base upon which the computation of such retired pay is based).''.

(2) Section 1202 of such title is amended—

(A) by inserting ''(a) RETIREMENT.—'' before the text of such section;

(B) by striking ''with retired pay computed under section 1401 of this title'' and inserting ''and pay retired pay to the member.''; and

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

''(b) COMPUTATION OF RETIRED PAY.—(1) The retired pay to which a member is entitled under this section shall be computed under section 1401 of this title.

''(2) If an enlisted member entitled to monthly retired pay under this section has been credited by the Secretary concerned with extraordinary heroism in the line of duty, the member's retired pay shall be increased by 10 percent of the amount determined under section 1401 of this title (but to not more than 75 percent of the retired pay base upon which the computation of such retired pay is based).''.

(e) APPLICABILITY.—The amendments made by this section shall not apply with respect to months beginning on or before the date of the enactment of this Act.

By Mr. MCCAIN (for himself, Mr. DASCHLE, and Mr. JOHNSON):

S. 2212. A bill to establish a direct line of authority for the Office of Trust Reform Implementations and Oversight to oversee the management and reform of Indian trust funds and assets under the jurisdiction of the Department of the Interior and to advance tribal management of such funds and assets, pursuant to the Indian Self-Determinations Act and for other purposes; to the Committee on Indian Affairs.

Mr. MCCAIN. Madam President, today I am introducing a discussion bill intended to provide the basis for further reform of the administration and management of the assets and funds held by the United States in trust for federally recognized Indian tribes and individual Indians. I'm pleased to be joined by my two distinguished colleagues from South Dakota, Senators DASCHLE and JOHNSON.

As a result of over 300 treaties and an extensive course of dealings between the United States and Indian tribes, the Federal Government holds the legal title to lands held in trust for Indian tribes and individual tribal members. The revenues derived from the use of these lands and the resources found on trust lands, along with the proceeds from claims that have arisen from the wrongful taking or the loss of use of the assets, comprise the funds that are held in trust by the United States for the benefit of individual Indians and Indian tribes.

Today, the United States maintains approximately 1,400 trust fund accounts for 315 Indian tribes with funds in excess of $2.6 billion, and over 260,000 individual Indian money, IIM, accounts with about $400 million in funds. Approximately 45 million acres of land are held in trust by the United States for the benefit of Indian tribes and about 11 million acres are held in trust for individual Indians. These lands contain vast amounts of minerals, coal, oil and gas, water, forest resources, and agricultural resources.

These funds, lands, and resources comprise the trust estate held by the United States for the benefit of tribes and individual Indians. The Interior Department distributes leasing and sales revenues of $300 million per year to more than 225,000 individual Indian money accounts and about $800 million a year to the 1,400 tribal accounts. It manages income from more than 100,000 active leases for tribes and individual Indians.

Indian tribes depend on the revenues from these trust assets to provide basic governmental services. IIM account holders are often living at, or near, the poverty level, and they rely on these revenues for basic essentials such as housing, food, and transportation. The manner in which trust assets and trust funds are managed by the Department has very real impacts on the lives of hundreds of thousands of Indian people every day. All too often, those impacts are not positive.

The administration and management of individual Indian trust assets and funds are extremely difficult due to the problem of fractionated heirship of lands that are a continuing legacy of the misguided and discredited allotment policies of the late nineteenth and early twentieth centuries. Today, the Department and individual Indians are left with the nightmare of 1.4 million fractional interests of two percent or less involving 58,000 tracts of individually owned trust and restricted lands, each of which requires administration and often provides nothing but frustration in return for all involved. For some of these accounts, it may cost more to print and mail statements annually than the assets themselves are worth. A lasting solution needs to be found that reconsolidates these assets under Indian ownership.

Many of my colleagues are familiar with the never-ending stream of GAO reports, news accounts, and hearings detailing the deplorable history of the Federal effort to manage these trust funds. Far less is known about the condition of trust assets and the history of their management. However, it doesn't take very long to recognize that the problem of mismanagement extends far beyond trust funds to the lands and resources that generate most of the funds. The Interior Department cannot provide accurate information on the number of leases on Indian lands for any purpose or the amount of revenues that should be attributed to any parcel of trust land despite repeated attempts to develop the necessary database and record keeping systems. In addition, the records for some lands and trust accounts have been lost or destroyed for entire time periods.

In 1994, the Congress enacted the American Indian Trust Fund Management Reform Act. This law was intended to bring about a series of major reforms in the management of Indian trust funds and assets under the auspices of a Special Trustee in the Interior Department. Some positive changes have occurred. Most trust account holders now receive regular statements on their accounts. Most of the revenues derived from Indian trust assets are now posted to the correct account in a reasonable period of time.

However, the major structural reforms that were called for in the 1994

Act have not been achieved. It is still not possible to tell with complete certainty what tribal lands and resources are leased and what revenues are generated from all tribal lands and resources. The original intent of the 1994 Act was for the Special Trustee to go out of business after completing a plan for the restructuring of the day-to-day management of tribal and individual trust funds and assets.

The Special Trustee did develop a plan that called for the creation of a government sponsored enterprise to take control of the entire Indian trust estate and manage it. The tribes and individual beneficiaries of the trust were nearly unanimous in their condemnation and rejection of this plan.

The 1994 Act also established a procedure through which tribes can withdraw their trust funds from federal trust and manage them directly. Only a few tribes have taken this course. The Interior Department has not encouraged tribes to withdraw their funds and the tribes have been reluctant to do so for the simple reason that the federal trust is terminated by the act of withdrawing the funds. Anyone who is familiar with the devastation brought about by the various efforts over the years to terminate the unique relationship between the tribes and the Federal Government will not be surprised by the lack of success in the implementation of this part of the 1994 Act.

The 1994 Act also called for the completion of audits of all individual and tribal trust fund accounts. After years of effort and the expenditure of millions of dollars, in 1997, the Interior Department finally provided the tribal account holders with a ''reconciliation'' of their accounts. These reconciliation reports only covered a small fraction of the years the accounts have been maintained and the reports were not audits as was required by the 1994 Act. Some tribes accepted the results of the reconciliation of their accounts. Most did not. None of the IIM accounts were reconciled and have not been to this day, despite the requirements of the 1994 Act. There are no plans to comply with the mandate of the 1994 Act for an actual accounting for any of the trust fund accounts. Conducting such an accounting would be difficult due to the lack of records. But it can be accomplished and every reasonable effort should be made to make sure this important work gets done soon.

Last fall, Secretary Norton unveiled a proposal to take all of the trust fund and asset management functions out of the Bureau of Indian Affairs, in order to vest them in a new Bureau of Indian Trust Asset Management, BITAM. This proposal is estimated to have a price tag of about $300 million in its first year or two.

Secretary Norton's proposal was intended to respond to the short-comings of the 1994 Act and the orders of Judge Lamberth in the Cobell v. Norton litigation that has been in the Federal District Court for the District of Columbia since 1997. This litigation involves the individual trust accounts and seeks an accounting of the funds managed by the Departments of the Interior and Treasury since 1887. Past failures to reconcile accounts led to contempt orders against former Secretaries Babbitt and Rubin. Judge Lamberth is currently considering contempt orders against Secretary Norton and Assistant Secretary McCaleb for actions they have taken or have failed to take with regard to these trust funds and for misleading the court about what is actually being done.

Indian leaders across the country have condemned Secretary Norton's proposal to establish BITAM and have since offered a variety of alternative proposals. As I understand it, while the Secretary is working with tribal leaders to evaluate different options proposed by the tribes, the BITAM proposal remains the Department's preferred option.

Representatives of the Tribes have been working on a range of possible reforms through a special Task Force established by Secretary Norton at their request. We have been in contact with members of the Task Force and am somewhat heartened by the fact that they believe they are making real progress toward meaningful reforms. The bill we are introducing is not intended to undermine that process, but will hopefully assist it. In any event, we must give careful consideration to the recommendations the Task force ultimately develops and try to act on them at the appropriate time. I believe Senators DASCHLE and JOHNSON would join me in urging the Department to continue to work with the Task Force as it completes its work in the months ahead.

Even as we monitor these developments, I, and many others in Congress, continue to be concerned about the future management of trust funds and assets. We believe that further reform is necessary and that it must comport with the Interior Department's trust responsibility at the same time that it advances the self-determination policies that have been so successful in the past 30 years. The status quo is simply not acceptable.

Just to reinforce our intent, the bill we are introducing today is not intended to be the ultimate solution to the problems that have been revealed in the management of the trust funds and trust assets. However, we believe it critical to the on-going reform process to introduce a bill that focuses on two elements that are important to achieving a lasting reform in the management of these funds and assets.

First, the bill will establish a direct line-of-authority over the management of the trust funds and trust assets at the highest levels within the Department. Judge Lamberth, and other oversight agencies such as the General Accounting Office, have lamented the lack of accountability in the Interior Department and strongly recommended the designation of one official who will ultimately be responsible for the management of the trust funds and assets.

This bill addresses this issue by establishing the Office of Trust Management and Reform in the Department of the Interior. This office will be under the authority of a Deputy Secretary who will report directly to the Secretary and who will oversee the work of the Assistant Secretary for Indian Affairs, the special Trustee, the Director of the Minerals Management Service and the Director of the Bureau of Land Management with regard to trust funds and trust assets.

I am certain that many of my colleagues who are concerned about this issue will join me in ensuring that candidates nominated by the President for the Deputy Secretary position are not only qualified in financial management, natural resource management, and federal Indian policy, but also are widely supported by the tribal community.

The new Deputy Secretary will be the person ultimately responsible for the overall management of these funds and assets. The Deputy Secretary will have the authority to require the Special Trustee and the Assistant Secretary for Indian Affairs, along with the Directors of the Bureau of Land Management and the Minerals Management Service, to take the steps necessary to put into place the changes needed to ensure the proper administration and management of the trust funds and assets. The Deputy Secretary will be appointed by the President, subject to the advice and consent of the Senate, for a term of six years and may only be removed for cause. This should give the Deputy Secretary the independence necessary to bring about meaningful reform, while still ensuring accountability.

The current Tribal task force working with the Secretary is considering a structure for the management of Indian affairs that would elevate all of the current responsibilities of the Assistant Secretary for Indian Affairs, the Special Trustee, and the Deputy Commissioner, to the Deputy Secretary level in the Department. We look forward to learning more about the scope of the Task Force proposal and its costs or cost savings. As necessary, this bill can be modified to accommodate such a proposal if the Task Force concludes that doing so would be appropriate.

This Task Force has served an important role to the tribes in working with the Department on these matters and many would like to see its function continue as a collaborative component to the Department's management. In order to ensure a continuing role for the tribes in the day-to-day activities of the Department with respect to the management of the trust funds and the trust assets, this bill amends the 1994 Act to provide that the advisory board

that was established to assist the Special Trustee will be reconstituted and continue as an advisory board for the Deputy Secretary. The composition of the advisory board is broad enough to enable the Deputy Secretary to include members with expertise in the areas of trust fund management, investment, and related responsibilities of the Deputy Secretary.

The other major feature of the bill is the focus on the successful policy of self-determination. Any fair review of Federal Indian policy over the course of the last century will point to the policies of termination and assimilation through allotment as abject failures. Many of the most intractable problems the tribes and federal policy makers wrestle with today stem from the wreckage caused by these misguided policies of the past.

On the other hand, the policy of self-determination, which was first proposed by President Nixon in 1971, has shown itself to be the single most successful Federal Indian policy in the history of our Nation. The reasons for this success are many, but the core reason is one we can all recognize and relate to: self-determination involves Indian people directly in identifying and defining the problems facing the tribes, and more importantly, it empowers them to implement the solutions they know will work best. Putting it in slightly different terms, the self-determination policy recognizes the fact that the government closest to the people is the best government to recognize and resolve local problems. Indian policy made by the Federal Government for the Federal Government has never worked and never will work. Indian policy made by the tribal governments with appropriate Federal assistance has shown that it does work.

Portions of the 1994 Act and Secretary Norton's BITAM proposal have some things in common. In varying degrees, both are attempts by the Federal Government to make Indian policy for the federal government. Neither provides a proper role for tribal governments. This bill provides a framework by which tribes can become more involved in the day-to-day management of their trust assets and trust funds through the Indian Self-Determination Act. It does not dismantle the BIA. It does provide a foundation for the tribes, the Department, and the Congress to develop and implement meaningful reform over the next several years. Every major provision of this bill is based on solutions that have been proposed by the tribes.

The bill builds on the concept of beneficiary co-management of trust funds and assets. This is not a new idea. It was advanced by the tribes in the 1980's and 1990's. It is embodied in the Indian Forest Resources Management Act that Congress enacted in 1990 and the Indian Agricultural Resources Management Act enacted in 1994. It is implicit in the Indian Self-Determination Act and it is a proven formula for progress.

This bill does not deal with the issues of the past. It does not address concerns about claims for past mismanagement. It does not deal with the need for an accounting of tribal and individual trust funds. It does not deal with the condition of the trust lands and assets. These are all very serious matters.

My purpose is not to avoid these issues or indicate any disregard for them. Rather, we are simply trying to find a way to move forward on a more constructive basis. Representatives of the tribes have been working on a way to move forward on these issues a more constructive basis. We must give careful consideration to the recommendations they develop and try to act on them at the appropriate time.

Both the House and the Senate recently passed S. 1857 to deal with the statute of limitations on past claims for mismanagement of the tribal trust funds. Judge Lamberth is considering remedies for mismanagement of the individual Indian trust funds. Secretary Norton has established the Office of Historical Trust Accounting to try to produce an accounting for the individual funds. We need to monitor all of these efforts and be prepared to enact additional legislation if necessary and if sought by the tribes.

We are hopeful that we can build on the modest successes realized under the 1994 Act by providing greater accountability in the Department of the Interior and recognizing the fact that the tribes must be involved as active participants in the management and administration of the trust funds and assets without the threat of termination of the trust responsibility. It took over 100 years to create the problems we now confront with the Indian trust funds and assets. The Indian people did not create these problems. The Federal Government did. It is going to take many more years to resolve the problems. The 1994 Act was a step in the right direction. We believe this bill can lead to further progress through greater accountability and direct involvement of those who have the most at stake, the tribes and Indian people.

Once again, Senators Daschle, Johnson and I propose this legislation as a vehicle for discussion for all those concerned with ending decades of mismanagement of Indian trust funds and trust assets. We look forward to receiving comments on this legislation and call on our friend, the chairman of the Committee on Indian Affairs, to use this bill as the basis for hearings on these matters when the committee is prepared to do so.

I ask that the bill and a section-by-section summary of the bill be printed in the RECORD.

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

S. 2212

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 ''Indian Trust Asset and Trust Fund Management and Reform Act of 2002''.

SEC. 2. DEPUTY SECRETARY FOR TRUST MANAGEMENT AND REFORM.

(a) DEFINITIONS.—Section 2 of the American Indian Trust Fund Management Reform Act of 1994 (25 U.S.C. 4001) is amended—

(1) in paragraph (1), by striking ''(1) The term'' and inserting the following:

''(8) SPECIAL TRUSTEE.—The term'';

(2) in paragraph (2), by striking ''(2) The term'' and inserting the following:

''(4) INDIAN TRIBE.—The term'';

(3) in paragraph (3), by striking ''(3) The term'' and inserting the following:

''(7) SECRETARY.—The term'';

(4) in paragraph (4), by striking ''(4) The term'' and inserting the following:

''(5) OFFICE.—The term'';

(5) in paragraph (5), by striking ''(5) The term'' and inserting the following:

''(1) BUREAU.—The term'';

(6) in paragraph (6), by striking ''(6) The term'' and inserting the following:

''(2) DEPARTMENT.—The term'';

(7) by adding at the end the following:

''(3) DEPUTY SECRETARY.—The term 'Deputy Secretary' means the Deputy Secretary for Trust Management and Reform appointed under section 307(a)(2).

''(6) REFORM OFFICE.—The term 'Reform Office' means the Office of Trust Reform Implementation and Oversight established by section 307(e).'';

(8) by moving paragraphs (1) through (8) (as redesignated by this subsection) so as to appear in numerical order; and

(9) by adding at the end the following:

''(9) TRUST ASSETS.—The term 'trust assets' means all tangible property including land, minerals, coal, oil and gas, forest resources, agricultural resources, water and water sources, and fish and wildlife held by the Secretary for the benefit of an Indian tribe or an individual member of an Indian tribe pursuant to Federal law.

''(10) TRUST FUNDS.—The term 'trust funds' means all funds held by the Secretary for the benefit of an Indian tribe or and individual member of an Indian tribe pursuant to Federal law.''.

(b) DEPUTY SECRETARY FOR TRUST MANAGEMENT AND REFORM.—Title III of the American Indian Trust Fund Management Reform Act of 1994 (25 U.S.C. 4041 et seq.) is amended by adding at the end the following:

''SEC. 307. DEPUTY SECRETARY FOR TRUST MANAGEMENT AND REFORM.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—There is established within the Department the position of Deputy Secretary for Trust Management and Reform.

''(2) APPOINTMENT AND REMOVAL.—

''(A) APPOINTMENT.—The Deputy Secretary shall be appointed by the President, by and with the advice and consent of the Senate.

''(B) TERM.—The Deputy Secretary shall be appointed for a term of 6 years.

''(C) REMOVAL.—The Deputy Secretary may be removed only for good cause.

''(3) ADMINISTRATIVE AUTHORITY.—The Deputy Secretary shall report directly to the Secretary.

''(4) COMPENSATION.—The Deputy Secretary shall be paid at a rate determined by the Secretary to be appropriate for the position, but not less than the rate of basic pay prescribed for Level II of the Executive Schedule under section 5313 of title 5, United States Code.

''(b) DUTIES.—The Deputy Secretary shall—

''(1) oversee all trust fund and trust asset matters of the Department, including—

''(A) administration and management of the Reform Office; and

''(B) financial and human resource matters of the Reform Office; and

''(2) engage in appropriate government-to-government relations and consultations with Indian tribes and individual trust asset and trust fund account holders on matters involving trust asset and trust fund management and reform within the Department.

''(c) STAFF.—In carrying out this section, the Deputy Secretary may hire such staff having expertise in trust asset and trust fund management, financial organization and management, and tribal policy as the Deputy Secretary determines is necessary to carry out this section.

''(d) EFFECT ON DUTIES OF OTHER OFFICIALS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), nothing in this section shall be construed to diminish any responsibility or duty of the Assistant Secretary of the Interior for Indian Affairs or the Special Trustee relating to any duty of the Assistant Secretary or Special Trustee established under this Act or any other provision of law.

''(2) TRUST ASSET AND TRUST FUND MANAGEMENT AND REFORM.—Notwithstanding any other provision of law, the Deputy Secretary shall have overall management and oversight authority on matters of the Department relating to trust asset and trust fund management and reform.

''(e) OFFICE OF TRUST REFORM IMPLEMENTATION AND OVERSIGHT.—

''(1) ESTABLISHMENT.—There is established within the Office of the Secretary the Office of Trust Reform Implementation and Oversight.

''(2) REFORM OFFICE HEAD.—The Reform Office shall be headed by the Deputy Secretary.

''(3) DUTIES.—The Reform Office shall—

''(A) supervise and direct the day-to-day activities of the Assistant Secretary of the Interior for Indian Affairs, the Special Trustee, the Director of the Bureau of Land Management, and the Director of the Minerals Management Service, to the extent they administer or manage any Indian trust assets or funds;

''(B) administer, in accordance with title II, all trust properties, funds, and other assets held by the United States for the benefit of Indian tribes and individual members of Indian tribes;

''(C) require the development and maintenance of an accurate inventory of all trust funds and trust assets;

''(D) ensure the prompt posting of revenue derived from a trust fund or trust asset for the benefit of each Indian tribe (or individual member of each Indian tribe) that owns a beneficial interest in the trust fund or trust asset;

''(E) ensure that monthly statements of accounts are provided to all trust fund account holders;

''(F) ensure that all trust fund accounts are audited at least annually, and more frequently as determined to be necessary by the Deputy Secretary;

''(G) ensure that the Assistant Secretary of the Interior for Indian Affairs, the Special Trustee, the Director of the Bureau of Land Management, and the Director of the Minerals Management Service provide to the Secretary current and accurate information relating to the administration and management of trust funds and trust assets;

''(H) provide for regular consultation with trust fund account holders on the administration of trust funds and trust assets to ensure, to the maximum extent practicable in accordance with applicable law, the greatest return on those funds and assets for the trust fund account holders; and

''(I) enter into contracts and compacts under section 102 of the Indian Self-Determination Act (25 U.S.C. 450f) or section 403 of the Indian Self Determination and Education Assistance Act (25 U.S.C. 458cc) to provide for the management of trust assets and trust funds by Indian tribes pursuant to a Trust Fund and Trust Asset Management and Monitoring Plan developed under section 202 of this Act.

''(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.''.

(c) ADVISORY BOARD.—

(1) IN GENERAL.—Section 306 of the American Indian Trust Fund Management Reform Act of 1994 (25 U.S.C. 4046) is amended to read as follows:

''SEC. 306. ADVISORY BOARD.

''(a) ESTABLISHMENT AND MEMBERSHIP.—Notwithstanding any other provision of law, the Deputy Secretary described in section 307 shall establish an advisory board to provide advice on all matters within the jurisdiction of the Office of Trust Reform. The advisory board shall consist of 9 members, appointed by the Deputy Secretary after consultation with Indian tribes and appropriate Indian organizations, of which—

''(1) 5 members shall represent trust fund account holders, including both tribal and Individual Indian Money accounts;

''(2) 2 members shall have practical experience in trust fund and financial management;

''(3) 1 member shall have practical experience in fiduciary investment management; and

''(4) 1 member, from academia, shall have knowledge of general management of large organizations.

''(b) TERM.—Each member shall serve a term of 2 years.

''(c) FACA.—The advisory board shall not be subject to the Federal Advisory Committee Act.''.

(2) PREVIOUS ADVISORY BOARD.—The advisory board authorized under section 306 of the American Indian Trust Fund Management Reform Act of 1994 (25 U.S.C. 4046) as in effect on the day before the date of enactment of this Act shall terminate on the date of enactment of this Act.

(d) CONFORMING AMENDMENTS.—

(1) Section 302 of the American Indian Trust Fund Management Reform Act of 1994 (25 U.S.C. 4042) is amended—

(A) in the second sentence of subsection (a), by striking ''who shall'' and inserting ''who, except as provided in subsection (b)(3), shall''; and

(B) in subsection (b), by adding at the end the following:

''(3) TRUST FUND MANAGEMENT.—The Special Trustee shall report directly to the Deputy Secretary with respect to matters relating to trust fund management and reform.''.

(2) Section 303 of the American Indian Trust Fund Management Reform Act of 1994 (25 U.S.C. 4043) is amended—

(A) by striking subsection (a);

(B) in subsection (b)(1), by striking ''The Special Trustee'' and inserting ''Except as provided in section 307(d), the Special Trustee'';

(C) in subsection (c)(5)(A), by striking ''or which is charged with any responsibility under the comprehensive strategic plan prepared under subsection (a) of this section,'';

(D) by striking subsection (f); and

(E) by redesignating subsections (b) through (e) as subsections (a) through (d), respectively.

SEC. 3. INDIAN PARTICIPATION IN TRUST FUND ACTIVITIES.

Title II of the American Indian Trust Fund Management Reform Act of 1994 (25 U.S.C. 4021 et seq.) is amended—

(1) by striking sections 202 and 203; and

(2) by inserting after section 201 the following:

''SEC. 202. PARTICIPATION IN TRUST FUND AND TRUST ASSET MANAGEMENT ACTIVITIES BY INDIAN TRIBES.

''(a) PLANNING PROGRAM.—To meet the purposes of this title, a 10-year Indian Trust Fund and Trust Asset Management and Monitoring Plan (in this section referred to as the 'Plan') shall be developed and implemented as follows:

''(1) Pursuant to a self-determination contract or compact under section 102 of the Indian Self-Determination Act (25 U.S.C. 450f) or section 403 of the Indian Self Determination and Education Assistance Act (25 U.S.C. 458cc), an Indian tribe may develop or implement a Plan. Subject to the provisions of paragraphs (3) and (4), the tribe shall have broad discretion in designing and carrying out the planning process.

''(2) To include in a Plan particular trust funds or assets held by multiple individuals, an Indian tribe shall obtain the approval of a majority of the individuals who hold an interest in any such trust funds or assets.

''(3) The Plan shall be submitted to the Secretary for approval pursuant to the Indian Self-Determination Act (25 U.S.C. 450f et seq.).

''(4) If a tribe chooses not to develop or implement a Plan, the Secretary shall develop or implement, as appropriate, a Plan in close consultation with the affected tribe.

''(5) Whether developed directly by the tribe or by the Secretary, the Plan shall—

''(A) determine the amount and source of funds held in trust;

''(B) identify and prepare an inventory of all trust assets;

''(C) identify specific tribal goals and objectives;

''(D) establish management objectives for the funds and assets held in trust;

''(E) define critical values of the Indian tribe and its members and provide identified management objectives;

''(F) identify actions to be taken to reach established objectives;

''(G) use existing survey documents, reports and other research from Federal agencies, tribal community colleges, and land grant universities; and

''(H) be completed within 3 years of the initiation of activity to establish the Plan.

''(b) MANAGEMENT AND ADMINISTRATION.—Plans developed and approved under subsection (a) shall govern the management and administration of funds and assets held in trust by the Bureau and the Indian tribal government.

''(c) NO TERMINATION REQUIREMENT.—Indian tribes implementing an approved Plan shall not be required to terminate the trust relationship in order to implement such Plan.

''(d) PLAN DOES NOT TERMINATE TRUST.—Developing or implementing a Plan shall not be construed or deemed to constitute a termination of the trust status of the assets or funds that are included in, or subject to, the Plan.

''(e) LIABILITY.—An Indian tribe managing and administering trust funds and trust assets in a manner that is consistent with a Plan shall not be liable for waste or loss of an asset or funds that are included in such Plan.

''(f) INDIAN PARTICIPATION IN MANAGEMENT ACTIVITIES.—

''(1) TRIBAL RECOGNITION.—The Secretary shall conduct all management activities of

funds and assets held in trust in accordance with goals and objectives set forth in a Plan approved pursuant to and in accordance with all tribal laws and ordinances, except in specific instances where such compliance would be contrary to the trust responsibility of the United States.

''(2) TRIBAL LAWS.—

''(A) IN GENERAL.—Unless otherwise prohibited by Federal law, the Secretary shall comply with tribal law pertaining to the management of funds and assets held in trust.

''(B) DUTIES.—The Secretary shall—

''(i) provide assistance in the enforcement of tribal laws described in subparagraph (A);

''(ii) provide notice of such tribal laws to persons or entities dealing with tribal funds and assets held in trust; and

''(iii) upon the request of an Indian tribe, require appropriate Federal officials to appear in tribal forums.

''(3) WAIVER OF REGULATIONS.—In any case in which a regulation or administrative policy of the Department of the Interior conflicts with the objectives of the Plan, or with a tribal law, the Secretary may waive the application of such regulation or administrative policy unless such waiver would constitute a violation of a Federal statute or judicial decision or would conflict with the Secretary's trust responsibility under Federal law.

''(4) SOVEREIGN IMMUNITY.—This section does not constitute a waiver of the sovereign immunity of the United States, nor does it authorize tribal justice systems to review actions of the Secretary.

''(5) TRUST RESPONSIBILITY.—Nothing in this section shall be construed to diminish or expand the trust responsibility of the United States toward Indian funds and assets held in trust, or any legal obligation or remedy resulting from such funds and assets.

''(g) REPORT.—

''(1) IN GENERAL.—Not later than 180 days after the enactment of this section, and annually thereafter, the Secretary shall submit a report to the Committee on Indian Affairs of the Senate and the Committee on Resources of the House of Representatives.

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

''(A) The efforts of the Department to implement this section.

''(B) The nature and extent of consultation between the Department, Tribes, and individual Indians with respect to implementation of this section.

''(C) Any recommendations of the Department for further changes to this Act, accompanied by a record of consultation with Tribes and individual Indians regarding such recommendations.''.

SEC. 4. REGULATIONS.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary of the Interior shall promulgate regulations to carry out the amendments made by this Act.

(b) ACTIVE PARTICIPATION.—All regulations promulgated in accordance with subsection (a) shall be developed with the full and active participation of Indian tribes that have trust funds and assets held by the Secretary.

SECTION-BY-SECTION SUMMARY—INDIAN TRUST ASSET AND TRUST FUND MANAGEMENT AND REFORM ACT OF 2002

SECTION 1. SHORT TITLE

This section provides that the Act may be cited as the ''Indian Trust Asset and Trust Fund Management and Reform Act of 2002.''

SECTION 2. DEPUTY SECRETARY FOR TRUST MANAGEMENT AND REFORM

Paragraph (a) of this section provides that Section 2 of the American Indian Trust Fund Management Reform Act of 1994 (25 U.S.C. 4001) is amended to add new definitions for the terms ''Deputy Secretary,'' ''Reform Office,'' ''Trust Assets,'' and ''Trust Funds,'' and to redesignate the paragraphs of Section 2 of the 1994 Act.

Paragraph (b) of this section amends Title III of the 1994 Act by adding provisions to establish the position of Deputy Secretary for Trust Management and Reform in the Department of the Interior. The Deputy Secretary will be appointed by the President, with the advice and consent of the Senate, for a term of six years and may only be removed for cause. The Deputy Secretary will report directly to the Secretary and will be responsible for the oversight of all trust fund and trust asset administration and management, including consultation with Indian tribes and individual Indian trust asset and trust fund account holders.

This section authorizes the Deputy Secretary to hire staff in the Reform Office with expertise in trust fund and asset management, financial organization and management and tribal policy. The existing responsibilities of the Assistant Secretary for Indian Affairs and the Special Trustee would not be affected by the duties of the Deputy Secretary, except that each will be required to report to the Deputy Secretary on matters involving trust funds and trust assets.

This section also provides for the establishment of the Office of Trust Reform Implementation and Oversight which shall be headed by the Deputy Secretary and which will be responsible for the supervision of the day-to-day activities of the Assistant Secretary, the Special Trustees, the Director of the Bureau of Land Management and the Director of the Minerals Management Service in their administration of management of any Indian trust funds or assets, consistent with the provisions of Title II of the Act, as amended.

The duties of the Office of Trust Reform include: authorization to require the development and maintenance of an accurate inventory of all trust properties, funds and other assets; ensure the prompt posting of revenues derived from trust funds, properties and assets; ensure that trust fund account holders receive monthly statements; ensure that trust fund accounts are audited at least once a year or more frequently if necessary; ensure that the Secretary receives current and accurate information relating to the administration and management of trust funds, properties and assets; provide for regular consultation with trust fund account holders to ensure the greatest return on trust assets and properties for the trust account holders; and enter into contracts and compacts under the Indian Self-Determination Act to provide for the management of trust assets and funds by Indian tribes.

Such sums as maybe necessary are authorized to be appropriated to carry out the provisions of Section 307 of the Act.

Paragraph (c) of Section 2 amends Section 306 of the 1994 Act to reconstitute the Advisory Board for the Special Trustee as the Advisory Board for the Deputy Secretary. The Advisory Board will be comprised of nine members, five of whom shall be representative of tribal and individual trust fund account holders; two of the Board members shall have experience in trust fund and financial management; one Board member shall be experienced in fiduciary investment managements and one member shall be from academia and shall have knowledge of management of large organizations. Each member of the Advisory Board will serve for a term of two years. The Board will not be subject to the Federal Advisory Committee Act.

Paragraph (d) of Section 2 sets forth conforming amendments to Section 302 and Section 303 of the 1994 Act.

SECTION 3. INDIAN PARTICIPATION IN TRUST FUND ACTIVITIES

Section 3 amends the 1994 Act by striking Sections 202 and 203 of the Act relating to the withdrawal of trust funds and the termination of the trust responsibility. It inserts a new Section 202 to provide for the development and implementation of Indian Trust Fund and Trust Asset Management and Monitoring Plans by the Secretary and Indian tribes pursuant to the Indian Self-Determination Act. Indian tribes are to be afforded broad discretion in designing and carrying out the planning process. Funds and assets held in trust for multiple individuals may be included in a Tribal Plan with the consent of a majority of the individuals who hold an interest in any such assets or funds.

If a Tribe chooses not to develop or implement a plan, the Secretary is required to do so in close consultation with the affected Tribe.

Each plan is required to: determine the amount and source of funds held in trust; identify and prepare an inventory of all trust assets; identify specific tribal goals and objectives; establish management objectives for the funds and assets held in trust; define the critical values of the Indian tribe and provide identified management objectives; use existing surveys, reports and other research from Federal agencies, tribal community colleges and land grant universities; and, be completed within three years after the start of activity to establish a plan.

Approved plans will govern the management and administration of funds and assets held in trust by the Secretary and the Indian Tribes. The development and implementation of a plan by an Indian Tribe or the Secretary does not require the termination of the trust responsibility and shall not be construed or deemed to constitute a termination of the trust status of the assets or funds that are included in or subject to the Plan. An Indian tribe shall not be liable for waste or loss of a trust asset or trust funds if it is acting in accordance with an approved plan.

The Secretary is required to conduct all trust fund and trust asset management activities in accordance with tribal law and to provide assistance in the enforcement of tribal law unless doing so is prohibited by Federal law or would be contrary to the trust responsibility of the United States. The Secretary may waive any regulations or administrative policies of the Department of the Interior that are in conflict with Tribal law or an approved plan unless such a waiver would constitute a violation of a Federal statute or judicial decision or would conflict with the Secretary's trust responsibility.

This Section of the Act does not constitute a waiver of the sovereign immunity of the United States or authorize Tribal justice systems to review actions of the Secretary. Nothing in this Section shall be construed to diminish or expand the trust responsibility of the United States toward Indian trust funds and assets held in trust.

Not later than 180 days after the date of enactment, and annually thereafter, the Secretary is required to file a report with the Committee on Indian Affairs of the Senate and the Committee on Resources of the House of Representatives.

The report shall detail: the efforts of the Department to implement this Section; the nature and extent of the consultation between the Department, Tribes and individual Indians with respect to the implementation of this section; and, any recommendations of the Department for further changes to the Act, along with a record of the Department's consultation with Tribes and individual Indians regarding such recommendations.

SECTION 4. REGULATIONS

Section 4 requires the Secretary to promulgate regulations for the implementation

of the amendments to the Act within one year after enactment, with the full and active participation of the Indian tribes that have trust funds and assets held by the Secretary.

Mr. DASCHLE. Madam President, today I am joining with Senators JOHN MCCAIN and TIM JOHNSON to introduce a legislation that is intended to focus attention on the need to address and correct the longstanding problem of inefficient management of the assets and funds held by the United States in trust for federally recognized Indian tribes and individual American Indians.

Indian Country has faced many challenges over the years. Few, however, have been more important, or more difficult, than ending the mismanagement of the Indian trust fund and restoring integrity to this administrative process.

For over 100 years, the Department of Interior has managed a trust funded with the proceeds of leasing of oil, gas, land, and mineral rights for the benefit of Indian people. Today, the trust fund may owe as much as $10 billion to as many as 500,000 Indians.

To give some perspective, the 16 tribes of the Great Plains in South Dakota, North Dakota, and Nebraska comprise 10 million acres of trust lands representing over one-third of the trust accounts. Many enrolled members of the nine South Dakota tribes have trust accounts.

How these trust funds have been and will be managed is being litigated in Cobell versus Norton, and the resolution of this lawsuit will have far-reaching implications throughout Indian country. It is impossible not to evaluate potential solutions in the context of this lawsuit.

There is clear consensus in Indian Country that the current administration of the trust fund is a failure. The daunting question has always been how to reform it.

Last fall, the Secretary of the Interior unveiled plans to reorganize the Bureau of Indian Affairs, BIA and segregate the oversight and accounting of trust-related assets in a new Bureau of Indian Trust Asset Management, BITAM. In testimony before the U.S. District Court, she acknowledged that, ''We undoubtedly do have some missing data—and we are all going to have to find a way to deal with the fact that some information no longer exists.''

The Secretary's controversial reorganization proposal was presented to the court in a hasty effort to avoid being held in contempt of court with minimal consultation with the tribes or individual Indian account holders, not to mention Congress. In South Dakota, tribal leaders communicated to Tim Johnson and me their concern that the Secretary's solution appeared to be a fait accompli, conceived without meaningful participation of the stakeholders most directly affected by it. They felt strongly that this proposal should not be implemented without further consultation with the tribes.

Earlier this year, in the face of administration assurances that its reorganization plan was not set in stone, the Interior Department requested that $200 million from the BIA and $100 million from the Office of the Special Trustee, be reprogrammed to ''a single organization that will report to the Secretary through an Assistant Secretary, Indian Trust.'' This contradiction set off red flags in Congress, and a clear and direct message was sent to Secretary Norton by Senators INOUYE, CAMPBELL, BYRD, JOHNSON and others that no action should be taken to implement her proposed reorganization plan administratively.

Given these developments, Senators MCCAIN, JOHNSON, and I felt that Congress should be more assertive in forcing discussing about what role Congress might play in ensuring that tribes and individual Indian account holders have a voice on shaping trust reform policy. It is our hope that this bill will stimulate better dialogue among the Congress, the Interior Department, and Indian Country on this problem.

With that goal in mind, the bill has been reviewed by representatives of the Great Plains tribes at a meeting in Rapid City. Mike Jandreau, chairman of the Lower Brule Sioux Tribe, has been an effective advocate and champion of trust reform, not only for his tribe, but also for all Indian people. Mike and Flandreau-Santee Sioux Tribal chairman and Great Plains Tribal chairman's association president, Tom Ranfranz led a very impressive and productive working session with tribal leaders from South Dakota, North Dakota, Nebraska, Montana, and Wyoming that both raised awareness of the stakes of this issue and built support for the bill that is being introduced today.

I commend the willingness of these participating tribal leaders to be a part of a public process that will hopefully not stop until Indian country feels comfortable with a final product they create. The McCain-Johnson-Daschle bill is intended to be a starting point for promoting greater understanding of what needs to occur to achieve meaningful trust reform.

At this point, I would like to share with my colleagues some initial observations on this proposal that were raised yesterday by participating South Dakota treaty tribes and tribes of the Great Plains and Rocky Mountain regions. These comments demonstrate how thoughtfully Indian leaders are approaching the trust problem, and I fully expect that their suggestions will be considered and incorporated as the bill moves through the committee process.

The following issues are of great importance to the Great Plains Tribal Chairman's Association.

Providing the Deputy Secretary with sufficient authority to ensure that reform of the administration of trust assets is permanent; They do not believe the bill at present gives the Deputy Secretary the full and unified authority needed.

Including cultural resources as a trust asset for management purposes.

Incorporating the Office of Surface Mining and Bureau of Reclamation and other related agencies within the Department of Interior and the Federal government under the purview of the Deputy Secretary.

Assuring that the legislation not infringe on tribal sovereignty by interfeering with tribal involvement in the management of individual trust assets or tribal assets, or both.

Maintaining the Bureau of Indian Affair's role as an advocate for tribe.

Maintaining current levels of Bureau of Indian Affairs employment.

Applying Indian employment preference to all positions created by the legislation.

Providing in law that Bureau of Indian Affairs funds not be used to fund the Deputy Secretary appointed by the legislation.

Stressing the importance of appropriating adequate funding allow reform to succeed.

Reflecting in the legislative history that much of the funding needed for real trust reform be allocated at the local agency and regional levels of the Bureau of Indian Affairs.

Placing more tribal representatives, including tribal resources managers, from the various Bureau of Indian Affairs regions on the advisory board to the Office of Trust Reform.

The issues of trust reform and reorganization within the Bureau of Indian Affairs are nothing new to us here on Capitol Hill, or in Indian Country. Collectively, we have endured many efforts, some well intentioned and some clearly not, to fix, reform, adjust, improve, streamline, downsize, and even terminate the Bureau of Indian Affairs and its trust activities.

These efforts have been pursued in both Republican and Democratic administrations. Unfortunately, they have rarely sought meaningful involvement from tribal leadership, or recognized the Federal Government's treaty obligation to tribes.

Both meaningful consultation and acceptance of tribal status are critical if we expect to find a workable solution to the very real problem of trust management. The bill Senators MCCAIN, JOHNSON, and I are introducing today reflects this conviction.

There is no more important challenge facing the tribes and their representatives in Congress than that of restoring accountability and efficiency to trust management. And nowhere do the bedrock principles of self-determination and tribal sovereignty come more into play than in the management and distribution of trust funds and assets.

This measure recognizes that the only effective long-term solution to the trust problem must be based on government-to-government dialog. I

believe the discussion the bill generates will not only provide the catalyst for meaningful tribal involvement in the search for solutions but also form the basis for true trust reform. I look forward to participating with tribal leaders in pursuit of this important objective.

Mr. JOHNSON. Madam President, I rise today to join my colleagues, Senator JOHN MCCAIN and Senator TOM DASCHLE, as sponsors of the Indian Trust Asset and Trust Fund Management and Reform Act of 2002. This legislation we are introducing today is intended as simply the first step in the legislative process as we continue to work closely with tribes to address the need for further reform of the management of the trust funds and assets that have been mismanaged for decades. I am hopeful that by taking this action today, we will begin to further the discussion of this critical issue, knowing full well that there will be ongoing consultation and input from tribal leaders and tribal members all across the country.

As many of my colleagues are aware, the issue of trust fund mismanagement is one of the most urgent problems we are faced with in Indian Country. Of all the extraordinary circumstances we find in Indian Country, and especially in South Dakota, I do not think there is any more complex, more difficult and more shocking than the circumstances we have surrounding trust fund mismanagement.

This problem has persisted literally for generations, and continues today. Administrations of both political parties have been inadequate in their response, and the level of direction and the resources provided by Congresses over past decades has also been sadly inadequate. The Federal Government, by law, is to be the trustee for Native American people. When the Trust Fund Management Act of 1994 was passed, I was hopeful that this accounting situation would at last be remedied. Unfortunately, this has not been the case.

Last year's attempt by Secretary Norton and the Department of the Interior to address this ongoing problem has also fallen far short of what is needed. In fact, Indian leaders all across the country widely opposed the plan released by the Secretary last November to create a new Bureau of Indian Trust Asset Management, BITAM. Unfortunately, the Secretary released the Department's plan without seeking input and consulting with the very people who are supposed to benefit from these trust fund accounts.

Many tribal leaders have offered counter proposals to the Department's plan, however, Secretary Norton continues to stand behind and defend BITAM as the best alternative to addressing this problem. I believe it is now time for Congress to attempt once again to make real progress on this issue. As I stated earlier, the bill my colleagues and I have introduced today is not intended to be a final product, but rather the beginning of a process that will lead to further improvements, revisions and refinements based on the continued input of tribal leadership.

One of the main provisions of our legislation is to establish the position of a Deputy Secretary for Trust Management and Reform in the Department of the Interior. The Deputy Secretary will be appointed by the President, with the advice and consent of the Senate, for a term of 6 years and may only be removed for cause. The Deputy Secretary will report directly to the Secretary and will be responsible for the oversight of all trust fund and trust asset administration and management, including consultation with Indian tribes. It is my hope that the Deputy Secretary is provided the adequate authority to administer the trust assets and to ensure that reform of the administration of trust assets is permanent.

In addition, we must maintain and strengthen the integrity of services of the Bureau of Indian Affairs, BIA, as the primary agency providing trust services directly to tribes. This reorganization should not by any means diminish the BIA in it's role as advocate for tribes and must include the necessary funding to allow for real trust reform to be implemented at the regional and agency levels.

We have already benefitted from the input of the many tribal officials in South Dakota, including the input of the Great Plains Tribal Region and Montana Wyoming Tribal Leaders' Council. I would like to take this opportunity to thank Mike Jandreau, chairman of the Lower Brule Sioux Tribe and a member of the Interior Department's Tribal Task Force, as well as Tom Ranfranz, president of the Flandreau Santee and chairman of the Great Plains Tribal Chairman's Association for their advice and counsel as we attempt to address the many challenges facing trust reform. Their important insight into the trust fund management issues and their leadership, along with the other tribal chairs in the Great Plains and Rocky Mountain Regions who have been very helpful to me as we to address the shortcomings of the Department's plan and try to find a legislative approach that will finally begin to improve this situation,.

Madam President, I have high hopes that this issue may finally be laid to rest. It is crucial that the first Americans of this proud country be treated with the dignity and respect that has been so sadly lacking for far too long. This legislation provides a new foundation from which we may once again begin to rebuild the trust that the U.S. Government has, in the eyes of the Indian people, let crumble into the rubble of a bureaucratic maze.

By Mr. CORZINE (for himself, Mr. TORRICELLI, Mr. SCHUMER, and Mrs. CLINTON):

S. 2214. A bill to provide compensation and income tax relief for the individuals who were victims of the terrorist-related bombing of the World Trade Center in 1993 on the same basis as compensation and income tax relief is provided to victims of the terrorist-related aircraft crashes on September 11, 2001; to the Committee on Finance.

Mr. CORZINE. Madam President, today along with Senators TORRICELLI, SCHUMER and CLINTON, I am introducing legislation to ensure that the families of the victims of the 1993 World Trade Center terrorist bombing receive the same compensation for their devastating losses as those whose loved ones perished in the horrific attacks of September 11. They too deserve aid in rebuilding their lives and it is up to Congress to make certain their needs are met and their losses acknowledged. I am pleased to join my colleague Representative Robert Menendez of New Jersey, who has introduced this legislation in the House of Representatives.

On February 26, 1993, a car bomb exploded on the second level of the World Trade Center parking basement. The blast injured over 1,000 people working in the towers and left 6 individuals dead. Among those lost was 57-year-old William Macko of Bayonne, NJ.

I recently met with the Macko family to discuss their loss and their struggle for recovery. Though it has been nearly a decade since William's death, it is clear that they are still suffering from the unimaginable pain of his loss. And as though this tragedy is not enough for them to bear, the family was dealt yet another blow when Carol, William's widow, was diagnosed with cancer just nine months after losing her husband.

Congress has responded with tremendous generosity to the tragedy of September 11, creating a Victim Compensation Fund to compensate those injured and the families of those deceased for economic and non-economic losses, as well as providing substantial Federal income tax relief.

These programs should also be made available to those who lost loved ones in the World Trade Center bombing of 1993. They too should be compensated for the unbearable pain and sorrow they endured at the hands of terrorists. That is why I am introducing the 1993 World Trade Center Victims Compensation Act, which would include those injured or killed in the 1993 bombing in both the Victim Compensation Fund and Victims Tax Relief.

When I met with the Macko family, they asked that William's death not be forgotten or dismissed. They asked for Congress to ensure that their suffering and that of the other families who lost loved ones on that cold February day be recognized as well. Their request was clear and simple, and we must not let them down.

I urge my colleagues to show their support for these families and cosponsor this legislation.

By Mrs. BOXER (for herself and Mr. SANTORUM):

S. 2215. A bill to halt Syrian support for terrorism, end its occupation of Lebanon, stop its development of weapons of mass destruction, cease its illegal importation of Iraqi oil and by so doing hold Syria accountable for its role in the Middle East, and for other purposes; to the Committee on Foreign Relations.

Mrs. BOXER. Madam President, today Senator SANTORUM and I are proud to introduce the Syria Accountability Act, a bill that will ensure that Syria is held accountable for its actions in the Middle East and for its support of international terrorism.

As a state-sponsor of terrorism, Syria has supported and provided safe haven to several terrorist groups, such as Hizballah, Hamas, and the Popular Front for the Liberation of Palestine. This is in violation of U.N. Security Council resolutions that call on U.N. member states to refrain from providing any form of support, active or passive, to entities or persons involved in terrorist acts.

Syria is also in violation of U.N. Security Council Resolutions that call for the sovereignty and political independence of Lebanon. More than 20,000 Syrian troops and security personnel occupy much of the sovereign territory of Lebanon and it is time for them to leave.

The legislation we are offering today would expand sanctions on Syria until the President certifies that Syria has met four conditions.

First, that it does not support international terrorist groups;

Second, that it has withdrawn all military, intelligence, and other security personnel from Lebanon;

Third, that it has stopped developing ballistic missiles and has stopped the development and production of biological and chemical weapons; and

Fourth, that it no longer in violation of relevant U.N. Security Council Resolutions.

To give maximum flexibility to the President, we have included a ''menu'' of sanctions for the President to choose from and a provision that would waive sanctions should the President find that it is in the national security interest of the United States.

I hope my colleagues can support this legislation and 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. 2215

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 ''Syria Accountability Act of 2002''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) On September 20, 2001, President George Bush stated at a joint session of Congress that ''[e]very nation, in every region, now has a decision to make . . . [e]ither you are with us, or you are with the terrorists . . . [f]rom this day forward, any nation that continues to harbor or support terrorism will be regarded by the United States as a hostile regime''.

(2) United Nations Security Council Resolution 1373 (September 28, 2001) mandates that all states ''refrain from providing any form of support, active or passive, to entities or persons involved in terrorist acts'', take ''the necessary steps to prevent the commission of terrorist acts'', and ''deny safe haven to those who finance, plan, support, or commit terrorist acts''.

(3) The Government of Syria is currently prohibited by United States law from receiving United States assistance because it is listed as state sponsor of terrorism.

(4) Although the Department of State lists Syria as a state sponsor of terrorism and reports that Syria provides ''safe haven and support to several terrorist groups'', fewer United States sanctions apply with respect to Syria than with respect to any other country that is listed as a state sponsor of terrorism.

(5) Terrorist groups, including Hizballah, Hamas, the Popular Front for the Liberation of Palestine, and the Popular Front for the Liberation of Palestine–General Command maintain offices, training camps, and other facilities on Syrian territory and operate in areas of Lebanon occupied by the Syrian armed forces and receive supplies from Iran through Syria.

(6) United Nations Security Council Resolution 520 (September 17, 1982) calls for ''strict respect of the sovereignty, territorial integrity, unity and political independence of Lebanon under the sole and exclusive authority of the Government of Lebanon through the Lebanese Army throughout Lebanon''.

(7) More than 20,000 Syrian troops and security personnel occupy much of the sovereign territory of Lebanon exerting undue influence upon its government and undermining its political independence.

(8) Since 1990 the Senate and House of Representatives have passed seven bills and resolutions which call for the withdrawal of Syrian armed forces from Lebanon.

(9) Large and increasing numbers of the Lebanese people from across the political spectrum in Lebanon have mounted peaceful and democratic calls for the withdrawal of the Syrian Army from Lebanese soil.

(10) Israel has withdrawn all of its armed forces from Lebanon in accordance with United Nations Security Council Resolution 425 (March 19, 1978), as certified by the United Nations Secretary General.

(11) Even in the face of this United Nations certification that acknowledged Israel's full compliance with Resolution 425, Syria permits attacks by Hizballah and other militant organizations on Israeli outposts at Shebaa Farms, under the false guise that it remains Lebanese land, and is also permitting attacks on civilian targets in Israel.

(12) Syria will not allow Lebanon—a sovereign country—to fulfill its obligation in accordance with Security Council Resolution 425 to deploy its troops to southern Lebanon.

(13) As a result, the Israeli–Lebanese border and much of southern Lebanon is under the control of Hizballah which continues to attack Israeli positions and allows Iranian Revolutionary Guards and other militant groups to operate freely in the area, destabilizing the entire region.

(14) The United States provides $40,000,000 in assistance to the Lebanese people through private nongovernmental organizations, $7,900,000 of which is provided to Lebanese–American educational institutions.

(15) In the State of the Union address on January 29, 2002, President Bush declared that the United States will ''work closely with our coalition to deny terrorists and their state sponsors the materials, technology, and expertise to make and deliver weapons of mass destruction''.

(16) The Government of Syria continues to develop and deploy short and medium range ballistic missiles.

(17) The Government of Syria is pursuing the development and production of biological and chemical weapons.

(18) United Nations Security Council Resolution 661 (August 6, 1990) and subsequent relevant resolutions restrict the sale of oil and other commodities by Iraq, except to the extent authorized by other relevant resolutions.

(19) Syria, a non-permanent United Nations Security Council member, is receiving between 150,000 and 200,000 barrels of oil from Iraq in violation of Security Council Resolution 661 and subsequent relevant resolutions.

(20) Syrian President Bashar Assad promised Secretary of State Powell in February 2001 to end violations of Security Council Resolution 661 but this pledge has not been fulfilled.

SEC. 3. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) the Government of Syria should immediately and unconditionally halt support for terrorism, permanently and openly declare its total renunciation of all forms of terrorism, and close all terrorist offices and facilities in Syria, including the offices of Hamas, Hizballah, the Popular Front for the Liberation of Palestine, and the Popular Front for the Liberation of Palestine–General Command;

(2) the Government of Syria should immediately declare its commitment to completely withdraw its armed forces, including military, paramilitary, and security forces, from Lebanon, and set a firm timetable for such withdrawal;

(3) the Government of Lebanon should deploy the Lebanese armed forces to all areas of Lebanon, including South Lebanon, in accordance with United Nations Security Council Resolution 520 (September 17, 1982), in order to assert the sovereignty of the Lebanese state over all of its territory, and should evict all terrorist and foreign forces from southern Lebanon, including Hizballah and the Iranian Revolutionary Guards;

(4) the Government of Syria should halt the development and deployment of short and medium range ballistic missiles and cease the development and production of biological and chemical weapons;

(5) the Government of Syria should halt illegal imports and transshipments of Iraqi oil and come into full compliance with United Nations Security Council Resolution 661 and subsequent relevant resolutions;

(6) the Governments of Lebanon and Syria should enter into serious unconditional bilateral negotiations with the Government of Israel in order to realize a full and permanent peace; and

(7) the United States should continue to provide humanitarian and educational assistance to the people of Lebanon only through appropriate private, nongovernmental organizations and appropriate international organizations, until such time as the Government of Lebanon asserts sovereignty and control over all of its territory and borders and achieves full political independence, as called for in United Nations Security Council Resolution 520.

SEC. 4. STATEMENT OF POLICY.

It should be the policy of the United States that—

(1) Syria will be held responsible for all attacks committed by Hizballah and other terrorist groups with offices or other facilities in Syria, or bases in areas of Lebanon occupied by Syria;

(2) the United States will work to deny Syria the ability to support acts of international terrorism and efforts to develop or acquire weapons of mass destruction;

(3) the Secretary of State will continue to list Syria as a state sponsor of terrorism until Syria ends its support for terrorism, including its support of Hizballah and other terrorist groups in Lebanon and its hosting of terrorist groups in Damascus, and comes into full compliance with United States law relating to terrorism and United Nations Security Council Resolution 1373 (September 28, 2001);

(4) the full restoration of Lebanon's sovereignty, political independence, and territorial integrity is in the national security interest of the United States;

(5) Syria is in violation of United Nations Security Council Resolution 520 (September 17, 1982) through its continued occupation of Lebanese territory and its encroachment upon its political independence;

(6) Syria's obligation to withdraw from Lebanon is not conditioned upon progress in the Israeli-Syrian or Israeli-Lebanese peace process but derives from Syria's obligation under Security Council Resolution 520;

(7) Syria's acquisition of weapons of mass destruction and ballistic missile programs threaten the security of the Middle East and the national interests of the United States;

(8) Syria is in violation of United Nations Security Council Resolution 661 (August 6, 1990) and subsequent relevant resolutions through its continued purchase of oil from Iraq; and

(9) the United States will not provide any assistance to Syria and will oppose multilateral assistance for Syria until Syria withdraws its armed forces from Lebanon, halts the development and deployment of weapons of mass destruction and ballistic missiles, and complies with Security Council Resolution 661 and subsequent relevant resolutions.

SEC. 5. SANCTIONS.

(a) SANCTIONS.—Until the President makes the determination that Syria meets the requirements described in paragraphs (1) through (4) of subsection (c) and certifies such determination to Congress in accordance with such subsection—

(1) the President shall prohibit the export to Syria of any item, including the issuance of a license for the export of any item on the United States Munitions List or Commerce Control List of dual-use items in the Export Administration Regulations (15 C.F.R. part 730 et seq.);

(2) the President shall prohibit United States Government assistance, including loans, credits, or other financial assistance, to United States businesses with respect to investment or other activities in Syria;

(3) the President shall prohibit the conduct of programs of the Overseas Private Investment Corporation and the Trade and Development Agency in or with respect to Syria; and

(4) the President shall impose two or more of the following sanctions:

(A) Prohibit the export of products of the United States (other than food and medicine) to Syria.

(B) Prohibit United States businesses from investing or operating in Syria.

(C) Restrict Syrian diplomats in Washington, D.C., and at the United Nations in New York City, to travel only within a 25-mile radius of Washington, D.C., or the United Nations headquarters building, respectively.

(D) Reduce United States diplomatic contacts with Syria (other than those contacts required to protect United States interests or carry out the purposes of this Act).

(E) Block transactions in any property in which the Government of Syria has any interest, by any person, or with respect to any property, subject to the jurisdiction of the United States.

(b) WAIVER.—The President may waive the application of either paragraph (2) or (3) (or both) of subsection (a) if the President determines that it is in the national security interest of the United States to do so.

(c) CERTIFICATION.—A certification under this subsection is a certification transmitted to the appropriate congressional committees of a determination made by the President that—

(1) the Government of Syria does not provide support for international terrorist groups and does not allow terrorist groups, such as Hamas, Hizballah, the Popular Front for the Liberation of Palestine, and the Popular Front for the Liberation of Palestine–General Command to maintain facilities in Syria;

(2) the Government of Syria has withdrawn all Syrian military, intelligence, and other security personnel from Lebanon;

(3) the Government of Syria has ceased the development and deployment of ballistic missiles and has ceased the development and production of biological and chemical weapons; and

(4) the Government of Syria is no longer in violation of United Nations Security Council Resolution 661 and subsequent relevant resolutions.

SEC. 6. REPORT.

(a) REPORT.—Not later than 6 months after the date of the enactment of this Act, and every 12 months thereafter until the conditions described in paragraphs (1) through (4) of section 5(c) are satisfied, the Secretary of State shall submit to the appropriate congressional committees a report on—

(1) Syria's progress toward meeting the conditions described in paragraphs (1) through (4) of section 5(c); and

(2) connections, if any, between individual terrorists and terrorist groups which maintain offices, training camps, or other facilities on Syrian territory, or operate in areas of Lebanon occupied by the Syrian armed forces, and the attacks against the United States that occurred on September 11, 2001, and other terrorist attacks on the United States or its citizens, installations, or allies.

(b) FORM.—The report submitted under subsection (a) shall be in unclassified form but may include a classified annex.

SEC. 7. DEFINITION OF APPROPRIATE CONGRESSIONAL COMMITTEES.

In this Act, the term ''appropriate congressional committees'' means the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate.

STATEMENTS ON SUBMITTED RESOLUTIONS

SENATE RESOLUTION 246—DEMANDING THE RETURN OF THE USS ''PUEBLO'' TO THE UNITED STATES NAVY

Mr. CAMPBELL submitted the following resolution; which was referred to the Committee on Foreign Relations.

S. RES. 246

Whereas the USS Pueblo, which was attacked and captured by the North Korean Navy on January 23, 1968, was the first United States Navy ship to be hijacked on the high seas by a foreign military force in over 150 years;

Whereas 1 member of the USS Pueblo crew, Duane Hodges, was killed in the assault while the other 82 crew members were held in captivity, often under inhumane conditions, for 11 months;

Whereas the USS Pueblo, an intelligence collection auxiliary vessel, was operating in international waters at the time of the capture, and therefore did not violate North Korean territorial waters;

Whereas the capture of the USS Pueblo resulted in no reprisals against the Government or people of North Korea and no military action at any time; and

Whereas the USS Pueblo, though still the property of the United States Navy, has been retained by North Korea for more than 30 years, was subjected to exhibition in the North Korean cities of Wonsan and Hungham, and is now on display in Pyongyang, the capital city of North Korea: Now, therefore, be it

Resolved, That the Senate—

(1) demands the return of the USS Pueblo to the United States Navy; and

(2) directs the Secretary of the Senate to transmit copies of this resolution to the President, the Secretary of Defense, and the Secretary of State.

Mr. CAMPBELL. Madam President, I am pleased to introduce this resolution which recognizes and demands that the government of North Korea return the ship the USS *Pueblo* to the United States Navy.

On January 23, 1968, while in international waters, the USS *Pueblo* was attacked and illegally captured by the North Korean Navy. This engagement marked the first time in over 150 years a United States Navy ship was hijacked on the high seas by a foreign military force. This naked act of aggression resulted in 82 crew members being held in captivity as Prisoners of War for eleven months in inhumane conditions with one casualty, Duane Hodges who was killed during the initial assault. On December 23, 1968, the USS *Pueblo* crew was finally released. At the time of its capture, the USS *Pueblo* was operating as an intelligence collection auxiliary vessel, and did not pose a threat.

According to the Navy Department Office of the Chief of Naval Operations Ships' Histories Section, the name USS *Pueblo* has enjoyed a long and proud history prior to January 23, 1968. Currently, the environmental research vessel USS *Pueblo*, AGER–2, is the third ship of the fleet to bear the name of the City and County of Pueblo, CO. Originally the armored cruiser *Colorado* was renamed the *Pueblo* in 1916 when a new battleship named *Colorado* was authorized. That ship served from 1905 to 1927. The second vessel named the *Pueblo*, PF–13, was a city class frigate which proudly served from 1944 to 1946. She was later sold to the Dominican Republic where she serves today. The third and current *PUEBLO*, AGER–2, was built by the Kewaunee Shipbuilding and Engineering Corporation, Kewaunee, WI. A general purpose supply vessel designed especially for service in the U.S. Army Transportation Corps, she was launched 16 April 1944 and later redesignated as an environmental research vessel.

To date, the capture of the USS *Pueblo* has resulted in no reprisal against the government or people of North