of S. 1370, a bill to reform the health care liability system.

S. 2007

At the request of Mr. INHOFE, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 2007, a bill to provide economic relief to general aviation entities that have suffered substantial economic injury as a result of the terrorist attacks perpetrated against the United States on September 11, 2001.

S. 2010

At the request of Mr. LEAHY, the names of the Senator from Georgia (Mr. CLELAND) and the Senator from North Carolina (Mr. EDWARDS) were added as cosponsors of S. 2010, a bill to provide for criminal prosecution of persons who alter or destroy evidence in certain Federal investigations or defraud investors of publicly traded securities, to disallow debts incurred in violation of securities fraud laws from being discharged in bankruptcy, to protect whistleblowers against retaliation by their employers, and for other purposes.

S. 2079

At the request of Mr. ROCKEFELLER, the name of the Senator from North Dakota (Mr. CONRAD) was added as a cosponsor of S. 2079, a bill to amend title 38, United States Code, to facilitate and enhance judicial review of certain matters regarding veteran's benefits, and for other purposes.

S. 2189

At the request of Mr. ROCKEFELLER, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 2189, a bill to amend the Trade Act of 1974 to remedy certain effects of injurious steel imports by protecting benefits of steel industry retirees and encouraging the strengthening of the American steel industry.

S. 2194

At the request of Mrs. FEINSTEIN, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 2194, a bill to hold accountable the Palestine Liberation Organization and the Palestinian Authority, and for other purposes.

S. 2215

At the request of Mr. SANTORUM, the name of the Senator from New Hampshire (Mr. SMITH) was added as a cosponsor of 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.

S. 2221

At the request of Mr. ROCKEFELLER, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 2221, a bill to temporarily increase the Federal medical assistance percentage for the Medicaid Program.

S. 2233

At the request of Mr. THOMAS, the names of the Senator from Nebraska (Mr. NELSON) and the Senator from South Dakota (Mr. DASCHLE) were added as cosponsors of S. 2233, a bill to amend title XVIII of the Social Security Act to establish a Medicare subvention demonstration project for veterans.

S. 2349

At the request of Mr. THURMOND, the name of the Senator from South Carolina (Mr. HOLLINGS) was withdrawn as a cosponsor of S. 2349, a bill to suspend temporarily the duty on Methoxy acetic acid.

S. 2359

At the request of Mr. THURMOND, the name of the Senator from South Carolina (Mr. HOLLINGS) was withdrawn as a cosponsor of S. 2359, a bill to suspend temporarily the duty with respect to Oxalic Anilide.

S. RES. 246

At the request of Mr. CAMPBELL, the name of the Senator from New Hampshire (Mr. SMITH) was added as a cosponsor of S. Res. 246, a resolution demanding the return of the USS *Pueblo* to the United States Navy.

S. RES. 247

At the request of Mr. LIEBERMAN, the name of the Senator from New Hampshire (Mr. SMITH) was added as a cosponsor of S. Res. 247, a resolution expressing solidarity with Israel in its fight against terrorism.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. THURMOND:

S. 2383. A bill to amend chapter 71 of title 5, United States Code, to establish certain limitations relating to the use of official time by Federal employees, and for other purposes; to the Committee on Governmental Affairs.

Mr. THURMOND. Mr. President, I rise today to introduce the Workplace Integrity Act of 2002, a bill that would monitor and greatly restrict the time spent by Federal employees on union-related activities. Federal spending on union activities is spiraling out of control, and this legislation, if enacted into law, would send a message to the American people that Congress is committed to curbing wasteful practices in our government. I think that my colleagues on both sides of the aisle would agree that we have a duty to ensure that limited monies are used both reasonably and efficiently.

One area of labor-related spending that should be closely examined is the use of official time. Official time is paid time when Federal employees represent union employees and bargaining units. Federal employees may use official time to take part in activities such as employee-initiated grievance procedures and union-initiated representational duties. Surprisingly, there are few limits on the use of official time. If costs associated with this practice are not contained, these expenditures will become exorbitant drains on the Federal treasury. Congress should make the fiscally responsible decision to impose sensible limitations on this practice.

Although significant resources are spent on union activities in the Federal Government each year, current costs are unknown. Limited studies indicate that the costs are high. In 1998, the Office of Personnel Management issued a report that tallied the costs associated with union activity in the Federal Government. The report found that during the first six months of calendar year 1998, official time totaled 2,171,774 hours, and its cost had a dollar value of $48,110,284. An astounding 23,965 Federal employees used official time, and 946 employees spent an alarming 100 percent of their time performing union-related activities. The report also found that 912 employees spent between 75 percent and 100 percent of their work hours on official time, and 1,152 employees spent between 50 percent and 75 percent on official time. The Department of the Treasury alone spent over $9 million on official time during this six-month time period. Based on the amount spent in six months, it is not unreasonable to expect that Treasury spent over $18 million during the entire 1998 calendar year. This report demonstrates that large sums are being spent on union activity, and I feel strongly that Congress should insist on a regular accounting of these costs.

Additionally, other studies indicate that union-related costs are not only high, but are increasing. In 1996, the General Accounting Office issued a report on the costs of labor-related activities at the Social Security Administration. The report found a steady growth in costs at the SSA during the 1990s. From calendar year 1990 to 1995, the amount of time spent on union activities at SSA increased from 254,000 hours to 413,000 hours, at a cost increase of over $6 million. In Fiscal Year 1995 alone, the cost attributed to official time was $12.6 million, the equivalent of the salaries and expenses of approximately 200 employees. More recently, the Commissioner of Social Security reported that the total expenses of labor activities in Fiscal Year 2000 was $13.5 million, an increase of $1.1 million over the Fiscal Year 1999 level.

These increasing costs are not limited to the Social Security Administration. A 1996 hearing of the Civil Service Subcommittee of the House Government Reform and Oversight Committee revealed that the use of official time at the Internal Revenue Service increased 27 percent from 1992 to 1996. At the U.S. Customs Service, the rising cost of union activity was more dramatic. The amount spent on official time increased from $470,000 in 1993 to more than $1 million in 1996, a jump of 119 percent. I am particularly concerned about these reports of rapidly expanding costs.

Despite the high and increasing costs, we do not presently know the total amount spent by the Federal

Government on official time. We can estimate based on incomplete data, but we do not regularly gather information that would enable us to know the true costs and spending trends. This is unacceptable.

Furthermore, we do not even know the true costs at the Social Security Administration, the one agency where the use of official time has been thoroughly studied. The GAO report on union activity at the SSA found that the reporting system did not track effectively the number of union representatives charging time to union activities or the actual time spent. A subsequent report issued in 1998 by the SSA Inspector General also called into question the reliability of the data collected by SSA's reporting system. The Inspector General's report concluded that almost half of the SSA managers who were surveyed indicated that the system for supervising official time spent by employees on union activities was either somewhat ineffective or very ineffective. These findings demonstrate that Congress must do a better job of monitoring the costs associated with labor-related activities in the Federal government.

My bill would accomplish two important objectives. First, this legislation would require the collection of data on the amount of money spent on official time in the entire Federal Government. By requiring the collection of data associated with official time, Congress will have the information necessary to control costs in the future. Second, my bill would help ensure that Federal funds are spent wisely and judiciously. This legislation would limit a Federal employee's use of official time to 25 percent of the employee's total hours worked. I believe that this limitation is entirely reasonable. It would allow Federal employees to spend up to a quarter of their time on union-related activities and would also protect American taxpayers from ever-increasing costs.

During a period of fiscal discipline, we should seek to know the true costs of any activities supported by the American taxpayers. I encourage my colleagues to support my effort to place reasonable limitations on the taxpayer financing of union-related activities. By bringing the true costs to light and by seeking to restrain these escalating expenses, Congress will responsibly exercise its power of the purse. Furthermore, this bill would send a message to American taxpayers that their hard-earned dollars will not be spent in an uncontrolled and wasteful manner. To turn a blind eye to costs would be an abdication of our duty to the American people.

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

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

S. 2383

*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 ''Workplace Integrity Act of 2002''.

**SEC. 2. LIMITATIONS RELATING TO THE USE OF OFFICIAL TIME BY FEDERAL EMPLOYEES.**

Section 7131 of title 5, United States Code, is amended to read as follows:

**''§ 7131. Official time**

''(a) Official time may only be granted to an employee representing an exclusive representative to allow such employee to—

''(1) present or process a grievance on behalf of another employee in a unit represented by the exclusive representative;

''(2) be present during a grievance proceeding involving an employee in a unit represented by the exclusive representative;

''(3) negotiate a collective bargaining agreement under this chapter; or

''(4) take part in any proceedings approved by the agency.

''(b) Official time may only be granted to an employee represented by an exclusive representative (in a circumstance not covered by subsection (a)) to allow such employee to—

''(1) present a grievance on the employee's own behalf under a negotiated grievance procedure; or

''(2) take part in any proceedings approved by the agency.

''(c) Notwithstanding subsections (a) and (b), official time may not be granted to any employee for activities relating to the internal business of a labor organization (including the solicitation of membership, elections of labor organization officials, or collection of dues).

''(d) Official time under subsections (a) and (b) may be granted in any amount that the agency and the exclusive representative involved agree to be reasonable, necessary, and in the public interest, but only to the extent that, with respect to any employee, the total amount of official time granted to such employee for use during the calendar year does not exceed 25 percent of the total amount of time the employee would otherwise be in duty status during the same period.

''(e)(1) Not later than April 1 of each year, the Office of Personnel Management shall submit to the President and each House of Congress a report on the use of official time under this section. The report shall apply with respect to the calendar year preceding the submission date.

''(2) Each report under this subsection shall include, in the aggregate and by each agency—

''(A) the total number of employees to whom official time was granted under this section;

''(B) the total number of employee-hours of official time granted under this section;

''(C) the total costs attributable to official time granted under this section; and

''(D) the total number of each activity (as categorized by the Office) for which official time was granted under this section.

''(3) Agencies shall submit to the Office such data as the Office may by regulation require in connection with any report under this subsection.''.

**SEC. 3. EFFECTIVE DATE.**

The amendment made by this Act shall take effect on the date of enactment of this Act, except that the first report under section 7131(e) of title 5, United States Code (as added by this Act) shall be submitted on the first April 1, following the date occurring 6 months after the date of enactment of this Act.

By Mr. BINGAMAN:

S. 2385. A bill entitled ''The Production Incentive Certificate Program Revision Act''; to the Committee on Finance.

Mr. BINGAMAN. Mr. President, today I am introducing legislation to make several technical adjustments to the Production Incentive Certificate, PIC, program. The PIC program helps assure that the watch and jewelry industries in the U.S. insular possessions, particularly the U.S. Virgin Islands, USVI, will continue to provide critical sources of employment in the insular possessions. This legislation would improve the operation of the PIC program for both watch and jewelry manufacturers in the U.S. Virgin Islands and, over the longer term, would protect the PIC program and related duty incentives from the effects of any future reduction or elimination of watch tariffs.

The watch industry is the largest light manufacturing industry in the USVI and remains one of the most important direct and indirect sources of private sector employment in the Territory. The insular watch production industry is also highly import-sensitive and faces continued threats from multinational watch producers, who have continued to move their watch production to lower wage countries.

Congress and successive Administrations have recognized the importance of the watch industry to the USVI—and the import sensitivity of watches—through a series of significant enactments and decisions. The General Note 3(a) program, which Congress has incorporated in the Harmonized Tariff Schedule, grants duty-free treatment for qualifying insular possession watches and thereby provides a relative duty advantage vis-a-vis foreign watch producers. Through the PIC program, insular possession watch producers can obtain duty refunds based on creditable wages paid for watch production in the insular possessions. Additionally, in recognition of the relative advantage that duty-free treatment of watches provides to insular possession watch producers, Congress and successive Administrations have resisted efforts to eliminate watch duties on a worldwide basis.

In 1999, Congress extended the General Note 3(a) program and PIC program benefits to jewelry produced in the insular possessions. In doing so, Congress sought to promote vital employment in the insular possessions by extending existing watch industry incentives to jewelry production—an industry which utilizes many of the same skills and facilities as watch production. In recent months, three mainland jewelry manufacturing companies have established operations in the USVI and are expected to file for PIC benefits in the near future.

Recently, watch and jewelry producers in the Virgin Islands have consulted with the American Watch Association and U.S. watch firms that import substantial quantities of foreign

made watches regarding proposals to preserve and protect benefits for insular possession watches and jewelry, while also mitigating the impact of any future reduction of duties on imported watches. These discussions have resulted in the parties' unified support for the legislation that I am introducing today.

The various technical adjustments set forth in this legislation would enhance the ability of insular watch and jewelry producers to utilize the PIC program while, at the same time, retaining overall PIC program unit and dollar value limits. Additionally, the legislation would establish a standby mechanism to mitigate the impact of any possible future reduction or elimination of watch duties on a worldwide basis through trade negotiations and congressional action. This mechanism—which has broad support among the insular and domestic watch manufacturing and distribution sectors—would ensure that any future reduction in watch duties does not disturb the relative value of current duty incentives and PIC program benefits for the insular watch industry. Importantly, this standby mechanism would have no effect on current watch duties or PIC program limits.

Under the PIC program, producers of watches and jewelry in the U.S. insular possessions are issued certificates by the Department of Commerce for specified percentages of the producer's verified creditable wages for production in the insular possessions. Based on these certificates, the producers are entitled to apply to the U.S. Customs Service for refunds on duties paid on watches. Certain technical provisions of the PIC program, however, impose unnecessary burdens on producers. These include unclear definitions, unduly complex PIC refund provisions and special issues relating to the extension of PIC benefits to jewelry. The legislation that I am introducing today includes technical adjustments to the PIC program to eliminate these burdens, while retaining overall PIC program limits on units and benefits.

Currently, producers must assemble often voluminous import entry information and apply to U.S. Customs for wage-based refunds. If a producer has not paid sufficient import duties, the producer must sell the PIC certificate to another firm, which then applies for the duty refund. In either event, the PIC program assures that an insular producer is compensated for a specified percentage of its verified production wages, regardless of whether it has paid the corresponding amount of import duties. The bill would simplify this refund process by providing producers with the option of applying directly to the Treasury Department for the full amount of their verified PIC program certificates.

For watches, the PIC program establishes a 750,000 unit limitation on the number of watches used to calculate an individual producer's PIC benefits. When the PIC program was extended to jewelry by Congress, this upper limit was also extended to each individual jewelry producer's qualifying jewelry production. While this limit may be appropriate for watches, which are technically sophisticated and relatively expensive, I am informed that it is likely to unduly limit jewelry production in the insular possessions, which relies on large quantities of relatively lower-priced units. My proposed legislation would address this issue by eliminating the 750,000 unit per producer limit for jewelry, while retaining the overall unit and dollar value limits for the PIC program as a whole.

When Congress extended the PIC program to jewelry in 1999, it sought to encourage the phased establishment of new jewelry production in the insular possessions through a transition rule. Under this rule, jewelry items that are assembled, but not substantially transformed, in the insular possessions before August 9, 2001 would be eligible for PIC program and duty-free benefits. Although this new provision has helped attract new jewelry production to the USVI, I am informed that some potential producers are facing administrative, technical and business delays which may severely erode the benefits of the transition rule. The bill would address this issue by extending this transition rule for new insular jewelry producers for an additional 18 months.

The bill would help to facilitate long term planning by existing insular producers and attract new producers to the insular possessions by extending the authorized term of the PIC program until 2015. The bill would also clarify current law by stating explicitly that verified wages include the amount of any fringe benefits.

For many years, multinational companies that import substantial quantities of foreign-made watches into the United States have sought to reduce or eliminate U.S. watch duties, either through multiple petitions for duty-free treatment for watches from certain GSP-eligible countries or through worldwide elimination of watch duties in trade negotiations. Insular possession watch producers have repeatedly opposed these efforts on the ground that the elimination of duties on foreign watches would eliminate the relative benefit that insular possession producers receive through duty-free treatment under the General Note 3(a) program and, in turn, lead to the eventual demise of the insular watch industry. Successive Congresses and Administrations have agreed with these arguments and refused to erode the benefits that insular possession producers receive under General Note 3(a) and the PIC program.

These continued battles over watch duties and the insular possession watch program have imposed significant resource burdens on Virgin Islands watch producers and the Government of the U.S. Virgin Islands, diverting resources and energy that could better be spent in enhancing growth and employment in the insular watch and jewelry industries. Virgin Islands watch producers, the AWA and representatives of U.S. firms that import foreign-made watches are seeking to address this long-standing issue by reconciling existing insular possession watch benefits with any worldwide reduction or elimination of watch duties. The legislation that I am introducing contains two mechanisms to help mitigate the impact of any future reduction or elimination of watch duties, while also preserving existing watch benefits.

The bill would put in place a standby mechanism that would preserve the benefits of duty-free treatment under General Note 3(a) in the event that Congress and a future Administration were to agree to eliminate or reduce duties on watches. This mechanism would preserve the relative tariff advantage that insular producers currently enjoy over foreign-made watches by incorporating a ''hold harmless'' provision in the PIC program. Under this standby mechanism, if watch duties were reduced or eliminated in the future, PIC payments to insular producers would also include an amount that reflects the value to the insular producers of the current General Note 3(a) benefit. This mechanism would facilitate the eventual reduction or elimination of watch duties on a worldwide basis while helping to assure that any such duty reduction does not lead to the demise of the insular industry.

Currently, payments under the PIC program are funded from watch duties. An alternative funding source would be required if watch duties were reduced or eliminated on a worldwide basis. The legislation that I am introducing provides that PIC benefits can be funded from jewelry duties or duties on other appropriate products.

It is important to bear in mind that these two mechanisms would only be activated in the event that watch duties are, in fact, reduced or eliminated in the future—decisions that would require considerable deliberation and consultation by the President and Congress. By assuring the continuation of current benefits for insular producers, however, these mechanisms would greatly mitigate the impact of any eventual decision by Congress to reduce or eliminate watch duties.

Congress has long recognized that the current watch industry incentives are critical to the health and survival of the watch industry in the U.S. Virgin Islands. By adopting this legislation, Congress can improve the operation of the PIC program for insular watch and jewelry producers and establish a mechanism to facilitate the eventual reduction or elimination of watch duties on a worldwide basis.

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. 2385

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

**SECTION 1. AMENDMENTS TO UNITED STATES INSULAR POSSESSION PROGRAM.**

(a) PRODUCTION CERTIFICATES.—Additional U.S. Note 5(h) to chapter 91 of the Harmonized Tariff Schedule of the United States is amended—

(1) by amending subparagraphs (i) and (ii) to read as follows:

''(i) In the case of each of calendar years 2002 through 2015, the Secretaries jointly, shall—

''(A) verify—

''(1) the wages paid in the preceding calendar year by each producer (including the value of usual and customary fringe benefits)—

''(I) to permanent residents of the insular possessions; and

''(II) to workers providing training in the insular possessions in the production or manufacture of watch movements and watches or engaging in such other activities in the insular possessions relating to such production or manufacture as are approved by the Secretaries; and

''(2) the total quantity and value of watches produced in the insular possessions by that producer and imported into the customs territory of the United States; and

''(B) issue to each producer (not later than 60 days after the end of the preceding calendar year) a certificate for the applicable amount.

''(ii) For purposes of subparagraph (i), except as provided in subparagraphs (iii) and (iv), the term 'applicable amount' means an amount equal to the sum of—

''(A) 90 percent of the producer's creditable wages (including the value of any usual and customary fringe benefits) on the assembly during the preceding calendar year of the first 300,000 units; plus

''(B) the applicable graduated declining percentage (determined each year by the Secretaries) of the producer's creditable wages (including the value of any usual and customary fringe benefits) on the assembly during the preceding calendar year of units in excess of 300,000 but not in excess of 750,000; plus

''(C) the difference between the duties that would have been due on the producer's watches (excluding digital watches) imported into the customs territory of the United States during the preceding calendar year if the watches had been subject to duty at the rates set forth in column 1 under this chapter that were in effect on January 1, 2001, and the duties that would have been due on the watches if the watches had been subject to duty at the rates set forth in column 1 under this chapter that were in effect for such preceding calendar year.''; and

(2) by amending subparagraph (v) to read as follows:

''(v)(A) Any certificate issued under subparagraph (i) shall entitle the certificate holder to secure a refund of duties equal to the face value of the certificate on watches, watch movements, and articles of jewelry provided for in heading 7113 that are imported into the customs territory of the United States by the certificate holder. Such refunds shall be made under regulations issued by the Treasury Department. Not more than 5 percent of such refunds may be retained as a reimbursement to the Customs Service for the administrative costs of making the refunds. If the Secretary of the Treasury determines that there is an insufficient level of duties from watch and watch-related tariffs, the Secretary may authorize refunds of duties collected on jewelry under chapter 71 or any other duties that the Secretary determines are appropriate.

''(B) At the election of the certificate holder and upon making the certification described in this clause, the Secretary of the Treasury shall pay directly to the certificate holder the face value of the certificate, less the value of—

''(1) any duty refund previously claimed by the holder under the certificate, and

''(2) a discount of not more than 2 percent of the face value of the certificate,

as determined by the Secretary of the Treasury.

''(C) Direct payments under clause (B) shall be made under regulations issued by the Secretary of the Treasury. Such regulations shall assure that a certificate holder is required to provide only the minimum documentation necessary to support an application for direct payment. A certificate holder shall not be eligible for direct payment under clause (B) unless the certificate holder certifies to the Secretaries that the funds received will be reinvested or utilized to support and continue employment in the Virgin Islands.

''(D) The Secretary of the Treasury is authorized to make the payments provided for in clause (B) from duties collected on watches, watch movements, and parts therefor. If such duties are insufficient, the Secretary of the Treasury is authorized to make the payments from duties collected on jewelry under chapter 71 or any other duties that the Secretary determines are appropriate.''.

(b) JEWELRY.—Additional U.S. Note 3 to chapter 71 of the Harmonized Tariff Schedule of the United States is amended—

(1) by redesignating paragraphs (b), (c), (d), and (e) as paragraphs (c), (d), (e), and (f), respectively;

(2) by inserting after paragraph (a) the following new paragraph:

''(b) The 750,000 unit limitation in additional U.S. Note 5(h)(ii)(B) to chapter 91 shall not apply to articles of jewelry subject to this note.''; and

(3) by striking paragraph (f), as so redesignated, and inserting the following:

''(f) Notwithstanding any other provision of law, any article of jewelry provided for in heading 7113 that is assembled in the Virgin Islands, Guam, or American Samoa by a jewelry manufacturer or jewelry assembler that commenced jewelry manufacturing or jewelry assembly operations in the Virgin Islands, Guam, or American Samoa after August 9, 2001, shall be treated as a product of the Virgin Islands, Guam, or American Samoa for purposes of this note and General Note 3(a)(iv) of this Schedule if such article is entered no later than 18 months after such jewelry manufacturer or jewelry assembler commenced jewelry manufacturing or jewelry assembly operations in the Virgin Islands, Guam, or American Samoa.''.

**SEC. 2. EFFECTIVE DATE.**

The amendments made by this Act shall apply with respect to goods imported into the customs territory of the United States on or after January 1, 2002.

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

S. 2387. A bill to amend title II of the Social Security act to deny social security old-age, survivors, and disability insurance benefits to fugitive felons and individuals fleeing prosecution, and for other purposes; to the Committee on Finance.

Mr. SANTORUM. Mr. President, the Federal Government should not be paying benefits to fugitives from justice. Today, I am introducing legislation which denies Social Security Old Age Survivors Insurance, OASI, and Social Security Disability Insurance, DI, benefits to fugitive felons and requires the Social Security Administration, SSA, to disclose information about the fugitives to law enforcement officers. I am pleased to be joined in this effort by the distinguished ranking member of the Finance Committee, Senator GRASSLEY.

There is precedent for this legislation in current law. The Personal Responsibility and Work Opportunity Act of 1996, P.L. 104–193, disqualified fugitive felons from receiving welfare cash assistance, Supplemental Security Income, SSI, food stamps, and housing benefits. Likewise, it allowed law enforcement officers to obtain the current addresses, photographs, and Social Security numbers of fugitives who received such assistance. I was the author of these prohibitions on Federal assistance for fugitive felons.

I am pleased to report that the current fugitive felons law is having a positive effect. It is saving taxpayers millions of dollars. More important, it is getting violent criminals off the streets. For instance, the Inspector General of USDA reported that as of January 2, 2001, more than 6,800 fugitive felon food stamp recipients were arrested. Similarly, SSA identified more than 28,000 fugitive SSI recipients, 14,000 of whom were identified in fiscal year 2000.

The legislation offered by Senator GRASSLEY and myself would further curtail a fugitive's financial ability to escape the law. In testimony before the Finance Committee on April 25, 2001, James G. Huse, Jr., Inspector General of the SSA, expressed frustration that SSA does not have the statutory authority to deny OASI and DI benefits to fugitive felons. The inability to cut off benefits to these fugitives costs the Social Security Trust Fund $39 million per year. He also testified that the Privacy Act prohibits SSA from providing law enforcement officials with information, such as the current addresses and Social Security numbers of fugitive felon recipients, which could lead to their apprehension. Mr. Huse told the Finance Committee,

> . . . this waste of Federal funds goes to the heart of our mission, and our inability to stop these payments is frustrating. What is more frustrating to us as a law enforcement organization is that these benefits were paid to some 17,300 fugitives, many of whom could have been apprehended had my office been able to provide law enforcement agencies with felons' addresses. The loss of money is disturbing; the thousands of criminals that could have been incarcerated but remain free is worse.

Mr. Huse further advised, ''Congress may want to consider legislation, this session, that will permit us to treat felons as felons, regardless of the types of Social Security benefits they are using to finance their flight from justice.'' That is exactly what this bill does.

The majority of Americans would agree it is bad policy to pay Federal benefits to fugitives from justice. The effect of such policy is to give criminals the financial means to continue avoiding the law. It is time to close

legal loopholes which allow felons to receive OASI and DI payments while in fugitive status. I urge my colleagues to support this legislation.

Thank you, Mr. President.

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

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

S. 2387

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

**SECTION. 1. DENIAL OF SOCIAL SECURITY OLD-AGE AND SURVIVORS AND DISABILITY INSURANCE BENEFITS TO FUGITIVE FELONS AND INDIVIDUALS FLEEING PROSECUTION; PROVISION OF INFORMATION TO LAW ENFORCEMENT OFFICERS.**

Section 202(x) of the Social Security Act (42 U.S.C. 402(x)) is amended—

(1) in the heading, by striking ''Prisoners'' and all that follows and inserting the following: ''Prisoners, Certain Other Inmates of Publicly Funded Institutions, and Fugitives'';

(2) in paragraph (1)(A)(ii)(IV), by striking ''or'' at the end;

(3) in paragraph (1)(A)(iii), by striking the period at the end and inserting a comma;

(4) by inserting after paragraph (1)(A)(iii) the following:

''(iv) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State, or

''(v) is violating a condition of probation or parole imposed under Federal or State law.''; and

(5) in paragraph (3), by adding at the end the following new subparagraph:

''(C) Notwithstanding the provisions of section 552a of title 5, United States Code, or any other provision of Federal or State law (other than section 6103 of the Internal Revenue Code of 1986 and section 1106(c) of this Act), the Commissioner shall furnish any Federal, State, or local law enforcement officer, upon the written request of the officer, with the current address, Social Security number, and photograph (if applicable) of any individual who receives a benefit under this title, if the officer furnishes the Commissioner with the name of the individual, and other identifying information as reasonably required by the Commissioner to establish the unique identity of the individual, and notifies the Commissioner that—

''(i) the individual—

''(I) is described in clause (iv) or (v) of paragraph (1)(A); and

''(II) has information that is necessary for the officer to conduct the officer's official duties; and

''(ii) the location or apprehension of the individual is within the officer's official duties.''.

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By Mr. EDWARDS (for himself, Mr. SMITH of Oregon, and Mrs. CLINTON):

S. 2392. A bill to amend the National and Community Service Act of 1990 to establish a Community Corps, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. EDWARDS. Mr. President, I'm very pleased to rise today to introduce the School Service Act of 2002. This is legislation that can help foster the next generation of great American citizens.

When we think about education, we usually think about English, math, science. But I believe education needs to do more than provide knowledge and career skills. It also has to teach citizenship, the lesson that America is about not only rights but also responsibilities, and that each of us, however humble or wealthy, has a calling to our community and to our country. In my view, service to the community ought to be more than just another after-school activity, like basketball or photography. Service should be a part of every child's education, as much as math or science or anything else. If our children are going to believe in serving their community, we have to give them the experience of service while they're young, so they know in their bones that it matters.

In the last few months, the President and several of my Senate colleagues have offered proposals to engage more adults Americans in expanded national service programs. These are promising ideas, but I believe they're left our one key group: school-age students, especially high schoolers.

In the best service initiatives with teenagers, we've seen remarkable benefits, for students and the communities they serve. In one program, adults who had completed service projects more than 15 years earlier were still more likely to be volunteers and voters than adults who hadn't. In another program, kids who served had a 60 percent lower drop-out rate and 18 percent lower rate of school suspension than kids who didn't.

Just as important, the service also has tremendous impacts on communities. High school kids have built community centers in run-down neighborhoods. They've cleaned up polluted ponds. They've helped small children learn to read, and offered comfort to the elderly and sick. People in the community say this work is worth four times more than it actually costs.

It's time to encourage more States and cities to develop service programs for all their students. It's not enough that students study history to graduate. We should expect them to contribute to history, too. Some of my favorite models for engaging children in service come from my own State, in fact, from the high school in Raleigh that my children have attended.

With these thoughts in mind, today I am introducing, together with Senator GORDON SMITH and Senator CLINTON, the School Service Act of 2002. The proposal is very simple: We say to a limited number of States and cities, if you have schools that will make sure students engage in high-quality service before graduation, we will support those school's efforts.

The service can be based in the classroom. It can be based in an afterschool program. It can be based in a summer program. And it can be directed or supervised by AmeriCorps members who are leaders and coordinators.

All that we ask is that you ensure two things:

First: real service with real benefits to communities. The Corporation's own studies show that a dollar invested in a good service effort produces benefits worth over four dollars. We need to keep that up.

Second: we want service that means something to young people, service that students reflect on and talk about with each other. We want kids seeing these experiences not as another chore, but as an exciting initiation into long lives of active citizenship. And we know service is often just that. Kids who serve grow up to volunteer more and to vote more throughout their lives.

Finally, our bill will hold these programs to high standards and require measurable success.

Let me stress: I don't think we should require my State or city to do anything. Nor should this program operate nationwide. My proposal is that for the State and school districts with schools that are ready, we ought to make sure every child has the opportunity and the responsibility to engage in service. Here in Congress, it is our responsibility to give those opportunities for service to our young people. When we do, our country will be richly rewarded in the years and decades to come.

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By Mr. DURBIN (for himself, Mr. KENNEDY, Mr. WELLSTONE, and Mr. CORZINE):

S. 2393. A bill to amend the Public Health Service Act to provide protections for individuals who need mental health services, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. DURBIN. Mr. President, I rise tonight to introduce the Mental Health Patient Rights Act. This legislation will break down one of the barriers faced by thousands of Americans who face discrimination in the individual health insurance market because they have been treated at some time in their life for a mental condition. Senators KENNEDY, WELLSTONE, and CORZINE have joined me in this effort.

Each year some 18 million Americans suffer from depression, and fully a quarter of the country's adult population is faced with some form of mental illness. Many of them are not part of group coverage provided by employers and must rely on individual policies that they purchased themselves. Without coverage, many who are dealing with mental disease do not seek treatment. Indeed, repeated surveys have shown that concerns about the cost of mental care is one of the most common reasons that individuals decline to seek care. The Mental Health Patient Rights Act limits the ability of health care plans to redline individuals with a preexisting mental health condition.

I undertook this initiative when I read a letter from one of my Illinois constituents who was turned away from health care plans in the private nongroup market, due solely to a past history of treatment for a mental condition. This constituent, whom I will call Mary, suffered severe depression over 10 years ago and received treatment, which was successful. It allowed her to return to work.

At that time Mary had employer-sponsored health insurance through her husband's employment. But in the fall of 1998, Mary and her husband lost this employer-based insurance coverage when Mary's husband lost his job.

Mary applied for a comprehensive health insurance plan offered to individuals. Her application was declined because, as per the insurance company notice, due to her medical history of depression, she did not meet the company's underwriting requirements.

Mary wrote:

As I see it, we are being punished for accessing health care. In 1987, when I became clinically depressed, I could have chosen to avoid proper medical care, become unemployed and received Social Security disability. I did not. I obtained the help I needed and continued to support myself, my family and contribute positively to society. Depression is a treatable medical illness. Insurance companies must stop their indiscriminate denial of coverage.

The Washington Post recently ran a column that documented a similar story about the discrimination that individuals with a history of mental illness face in our current health insurance market.

The column conveys the dilemma of Michelle Witte who was denied health insurance coverage because she was successfully treated for depression during her adolescence.

Unfortunately, Mary and Michelle are not alone. While the majority of Americans under age 65 have employer-sponsored group coverage, a significant minority, approximately 12.6 million individuals, rely on private, individual health insurance.

Underwriting in the individual health insurance market is fierce.

Just last week The Wall-Street Journal reported that a Wisconsin-based insurer, American Medical Security Group, Inc., is actually re-underwriting individual policies on an annual basis. At each annual renewal, this company reviews the individuals claims filed in the previous year and increases premiums to policyholders whose claims exceed the standard. Under the current system of care in the United States, individuals who are undergoing treatment or have a history of treatment for mental illness may find it particularly difficult to obtain private health insurance, especially if they must purchase it on their own and do not have an employer-sponsored group plan available to them.

That is why I have introduced this legislation. The Mental Health Patients' Rights Act closes this loophole by limiting any preexisting condition exclusion relating to a mental health condition to not more than 12 months and reducing this exclusion period by the total amount of previous continuous coverage.

It prohibits any health insurer that offers health coverage in the individual insurance market from imposing a preexisting condition exclusion relating to a mental health condition unless a diagnosis, medical advice or treatment was recommended or received within the 6 months prior to the enrollment date.

And it prohibits health plans in the individual market from charging higher premiums to individuals based solely on the determination that the individual has had a preexisting mental health condition.

These provisions apply to all health plans in the individual market, regardless of whether a state has enacted an alternative mechanism, such as high risk pool, to cover individuals with preexisting health conditions.

The Mental Health Patients' Rights Act complements ongoing efforts to enhance parity between mental health services and other health benefits.

This is because parity alone will not help individuals who do not have access to any affordable health insurance due to preexisting mental illness discrimination.

The Patients' Rights Act does not mandate that insurers provide mental health services if they are not already offering such coverage. It simply prohibits plans in the private non-group market from redlining individuals who apply for general health insurance based solely on a past history of treatment for a mental condition.

The legislation is backed by more than compelling anecdotal stories. I asked for a study from the GAO and last month they told me the new study documents that individuals with mental disorders, past or present, face restrictions in purchasing health insurance in the individual market that exceed restrictions for physical health preexisting conditions in the same cost category.

GAO interviewed insurance carriers that sell individual market insurance and sell insurance in most of the 34 states in which carriers are permitted to medically underwrite.

Collectively, these insurers cover more than one million individuals representing more than 10 percent of all individual market enrollees. Researchers found that carriers denied coverage for applicants with selected mental disorders more than half of the time, while denying coverage for applicants with other selected chronic conditions just 30 percent of the time.

Even in states which have established subsidized insurance options as a coverage option for applicants rejected in the individual insurance market, sometimes called high-risk pools, these options have higher premium rates.

High-risk pools also may include more restrictions on mental health benefits than other benefits and many have waiting lists due to budget constraints.

In the seven states without high-risk pools and without guaranteed issue requirements, applicants with a history of mental illness are likely to find themselves without any viable health insurance coverage option.

In other words, it is not about money. If the insurance company wants to ask you if you have a history in your family of cancer, heart disease, diabetes, things that might have some impact on the cost of health insurance, it is understood that is part of underwriting. But now they are including mental illness as part of this inquiry, and regardless of the fact that it doesn't seem to be, or prove out to be as expensive to the insurance companies, they are just discriminating against people who have this history of mental illness.

That is why I am introducing this legislation.

It does not make sense that a person is rendered uninsurable for all health needs simply because he or she seeks treatment for mental illness. Mental illness is a disease just as cancer or asthma or the flu is a disease.

Yet it is clear that when it comes to mental health millions of Americans must battle not only with their disease, but for their access to adequate insurance coverage.

I invite my colleagues to enlist in this important initiative to ensure that such individuals are not discriminated against when applying for health insurance coverage.

More than 80 organizations representing consumers, family members, health professionals and providers have endorsed the Mental Health Patient Rights Act. I urge you to do the same.

Some of us who saw the movie, ''A Beautiful Mind,'' are reminded that there are people who have suffered from mental illness who have recovered and made great contributions to America, as John Nash has at Princeton, and as those who have been involved in so many other walks of life. It is unfair in America for us to discriminate against a person because of a history of mental illness. Yet it is a fact of life.

I salute my colleagues, Senators WELLSTONE and DOMENICI, for their leadership on this issue. I join them in their effort and hope this bill will complement what they are doing to not only make mental illness subject to coverage by health insurance but also to end this discrimination against those who have a history of that illness. We should be working to break down the stigma of mental illness, not to maintain it.

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. 2393

*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 ''Mental Health Patients' Rights Act''.

**SEC. 2. AMENDMENTS TO THE PUBLIC HEALTH SERVICE ACT.**

Subpart 1 of part B of the Public Health Service Act (42 U.S.C. 300gg-41 et seq.) is amended by adding at the end the following:

**''SEC. 2745. LIMITATION ON PREEXISTING CONDITION EXCLUSION PERIOD AND PREMIUMS WITH RESPECT TO MENTAL HEALTH.**

''(a) LIMITATION ON PREEXISTING CONDITION EXCLUSION PERIOD.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, a health insurance issuer that offers health insurance coverage in the individual market in a State may, with respect to an individual or dependent of such individual, impose a preexisting condition exclusion relating to a preexisting mental health condition only if—

''(A) such exclusion relates to a mental health condition, regardless of the cause of the condition, for which medical advice, diagnosis, care, or treatment was recommended or received within the 6-month period ending on the enrollment date;

''(B) such exclusion extends for a period of not more than 12 months after the enrollment date; and

''(C) the period of any such preexisting condition exclusion is reduced by the aggregate of the periods of creditable coverage (if any, as defined in paragraph (3)(A)) applicable to the individual or dependent of such individual as of the enrollment date.

''(2) DEFINITIONS.—In this section:

''(A) PREEXISTING MENTAL HEALTH CONDITION.—The term 'preexisting mental health condition' means, with respect to coverage, a mental health condition, including all categories of mental health conditions listed in the Diagnostic and Statistical Manual of Mental Disorders, Fourth Edition (DSM IV–TR), or the most recent edition if different than the Fourth Edition, that was present before the date of enrollment of such coverage, whether or not any medical advice, diagnosis, care, or treatment was recommended or received before such date.

''(B) OTHER TERMS.—The terms 'preexisting condition exclusion', 'enrollment date', and 'late enrollee' shall have the meanings given such terms in section 2701 as relating to individual health insurance coverage.

''(3) CREDITING PREVIOUS COVERAGE.—For purposes of subsection (a), the term 'creditable coverage' has the meaning given such term in section 2701(c) and includes coverage of the individual under any of the following:

''(A) A college-sponsored health plan, or a plan under which health benefits are offered by or through an institution of higher education (as defined in section 481(a) of the Higher Education Act of 1965 (20 U.S.C. 1088(a)) in relation to students at the institution (not including benefits offered to such a student as a participant or beneficiary in a group health plan).

''(B) Title XXI of the Social Security Act.

''(C) A State or local employee health plan.

''(b) PROHIBITION ON INCREASED PREMIUMS BASED ON PREEXISTING MENTAL HEALTH CONDITION.—A health insurance issuer that offers health insurance coverage in the individual market in a State may not, with respect to an individual or dependent of such individual, require any individual (as a condition of enrollment or continued enrollment) with a preexisting mental health condition to pay a premium or contribution which is greater than a premium or contribution for an individual without a preexisting mental health condition based solely on the determination that such individual has a preexisting mental health condition, as such term is defined in subsection (a)(2)(A).

''(c) NONAPPLICABILITY OF ACCEPTABLE ALTERNATIVE MECHANISMS.—The provisions of section 2741(a)(2) shall not apply to a health insurance issuer that offers health insurance coverage in the individual market in a State, but only with respect to an individual, or dependent of such individual, with a preexisting mental health condition desiring to enroll in such individual health insurance coverage.''.

## AMENDMENTS SUBMITTED AND PROPOSED

SA 3381. Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill H.R. 3009, to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes; which was ordered to lie on the table.

## TEXT OF AMENDMENTS

**SA 3381.** Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill H.R. 3009, to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes; which was ordered to lie on the table; as follows:

At the end add the following:

**DIVISION D—EXTENSION OF CERTAIN PREFERENTIAL TRADE TREATMENT AND MISCELLANEOUS TRADE PROVISIONS**

**TITLE XLI—EXTENSION OF GENERALIZED SYSTEM OF PREFERENCES**

**SEC. 4101. GENERALIZED SYSTEM OF PREFERENCES.**

(a) EXTENSION OF DUTY-FREE TREATMENT UNDER SYSTEM.—Section 505 of the Trade Act of 1974 (19 U.S.C. 2465) is amended by striking ''September 30, 2001'' and inserting ''December 31, 2006''.

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

(c) RETROACTIVE APPLICATION FOR CERTAIN LIQUIDATIONS AND RELIQUIDATIONS.—

(1) IN GENERAL.—

(A) ENTRY OF CERTAIN ARTICLES.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, and subject to paragraph (2), the entry—

(i) of any article to which duty-free treatment under title V of the Trade Act of 1974 would have applied if the entry had been made on September 30, 2001;

(ii) that was made after September 30, 2001, and before the date of enactment of this Act; and

(iii) to which duty-free treatment under title V of that Act did not apply,

shall be liquidated or reliquidated as free of duty, and the Secretary of the Treasury shall refund any duty paid with respect to such entry.

(B) ENTRY.—In this subsection, the term ''entry'' includes a withdrawal from warehouse for consumption.

(2) REQUESTS.—Liquidation or reliquidation may be made under paragraph (1) with respect to an entry only if a request therefor is filed with the Customs Service, within 180 days after the date of enactment of this Act, that contains sufficient information to enable the Customs Service—

(A) to locate the entry; or

(B) to reconstruct the entry if it cannot be located.

**SEC. 4002. AMENDMENTS TO GENERALIZED SYSTEM OF PREFERENCES.**

(a) INTERNATIONALLY RECOGNIZED WORKER RIGHTS.—Section 507(4) of the Trade Act of 1974 (19 U.S.C. 2467(4)) is amended—

(1) by striking ''and'' at the end of subparagraph (D);

(2) by striking the period at the end of subparagraph (E) and inserting ''; and'';

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

''(F) a prohibition on discrimination with respect to employment and occupation.''; and

(4) by amending subparagraph (D) to read as follows:

''(D) a minimum age for the employment of children, and a prohibition on the worst forms of child labor, as defined in paragraph (6);''.

(b) REVIEW OF ELIGIBILITY CRITERIA.—

(1) IN GENERAL.—Title V of the Trade Act of 1974 is amended by inserting after section 503, the following new section:

**''SEC. 503A. REVIEWS.**

''(a) ONGOING REVIEWS.—Notwithstanding any other provision of law, the President shall conduct on an ongoing basis a review of the eligibility criteria with respect to any country or article designated as eligible under this title. Such reviews, in addition to the reviews conducted pursuant to part 2007 of title 15, Code of Federal Regulations (as in effect on January 1, 2002), shall form the basis for any withdrawal, suspension, or limitation of benefits under section 502(d)(1) or section 503(c)(1).

''(b) WORKER RIGHTS REVIEWS.—

''(1) IN GENERAL.—In reviewing the eligibility criteria set forth in sections 502(b)(2)(G), 502(b)(2)(H), and 502(c)(7) as part of an ongoing review described in subsection (a) or as part of a specific request for review under part 2007 of title 15, Code of Federal Regulations, the President shall give special consideration to the findings of the International Labor Organization (or committees thereof) concerning the country under review.

''(2) REGULATIONS.—Not later than 180 days after the date of enactment of the Trade Act of 2002, the President shall promulgate regulations establishing guidelines for giving special consideration to the findings of the International Labor Organization (or committees thereof) as required by paragraph (1)''.

(2) CONFORMING AMENDMENT.—The table of contents for title V of the Trade Act of 1974 is amended by inserting after the item relating to section 503, the following new item:

''Sec. 503A. Reviews.

**TITLE XLII—MISCELLANEOUS TRADE PROVISIONS**

**SEC. 4201. IDENTIFICATION OF TRADE EXPANSION PRIORITIES.**

Section 310(a)(1) of the Trade Act of 1974 (19 U.S.C. 2420(a)(1)) is amended by striking ''Within 180 days after the submission in calendar year 1995 of the report required by section 181(b)'' and inserting ''Within 30 days after the submission of the report required by section 181(b)''.

## AUTHORITY FOR COMMITTEES TO MEET

SELECT COMMITTEE ON INTELLIGENCE

Mr. REID. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Monday, April 29, 2002, at 6:30 p.m. to hold a closed business meeting.

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