(Mr. TALENT) was added as a cosponsor of S. 2158, a bill to amend the Public Health Service Act to increase the supply of pancreatic islet cells for research, and to provide for better coordination of Federal efforts and information on islet cell transplantation.

S. 2174

At the request of Mr. BUNNING, the name of the Senator from North Dakota (Mr. DORGAN) was added as a cosponsor of S. 2174, a bill to amend title XIX of the Social Security Act to include podiatrists as physicians for purposes of covering physicians services under the medicaid program.

S. 2422

At the request of Mr. SMITH, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of S. 2422, a bill to amend the Internal Revenue Code of 1986 to allow certain modifications to be made to qualified mortgages held by a REMIC or a grantor trust.

S. 2437

At the request of Mr. ENSIGN, the name of the Senator from Rhode Island (Mr. CHAFEE) was added as a cosponsor of S. 2437, a bill to amend the Help America Vote Act of 2002 to require a voter-verified permanent record or hardcopy under title III of such Act, and for other purposes.

S. 2565

At the request of Mr. CRAPO, the name of the Senator from Minnesota (Mr. COLEMAN) was added as a cosponsor of S. 2565, a bill to amend the Agriculture Adjustment Act to convert the dairy forward pricing program into a permanent program of the Department of Agriculture.

S. 2602

At the request of Mr. DODD, the names of the Senator from Michigan (Ms. STABENOW), the Senator from West Virginia (Mr. ROCKEFELLER), the Senator from Florida (Mr. GRAHAM), the Senator from Oregon (Mr. WYDEN) and the Senator from New York (Mrs. CLINTON) were added as cosponsors of S. 2602, a bill to provide for a circulating quarter dollar coin program to honor the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands, and for other purposes.

S. 2695

At the request of Mr. SANTORUM, his name was added as a cosponsor of S. 2695, a bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to expand the definition of firefighter to include apprentices and trainees, regardless of age or duty limitations.

At the request of Mr. LEAHY, his name was added as a cosponsor of S. 2695, supra.

S. 2722

At the request of Mr. DURBIN, the name of the Senator from Arkansas (Mr. PRYOR) was added as a cosponsor of S. 2722, a bill to maintain and expand the steel import licensing and monitoring program.

S. 2844

At the request of Mr. SANTORUM, the name of the Senator from Alaska (Ms. MURKOWSKI) was added as a cosponsor of S. 2844, a bill to designate Poland as a program country under the visa waiver program established under section 217 of the Immigration and Nationality Act.

S. 2869

At the request of Mr. TALENT, the name of the Senator from North Carolina (Mrs. DOLE) was added as a cosponsor of S. 2869, a bill to respond to the illegal production, distribution, and use of methamphetamines in the United States, and for other purposes.

S. 2877

At the request of Mr. GREGG, the name of the Senator from Missouri (Mr. TALENT) was added as a cosponsor of S. 2877, a bill to reduce the special allowance for loans from the proceeds of tax exempt issues, and to provide additional loan forgiveness for teachers who teach mathematics, science, or special education.

S. CON. RES. 8

At the request of Ms. COLLINS, the names of the Senator from Louisiana (Ms. LANDRIEU), the Senator from Kansas (Mr. BROWNBACK), the Senator from New Hampshire (Mr. SUNUNU), the Senator from Rhode Island (Mr. REED), the Senator from Illinois (Mr. DURBIN) and the Senator from Alaska (Ms. MURKOWSKI) were added as cosponsors of S. Con. Res. 8, a concurrent resolution designating the second week in May each year as ''National Visiting Nurse Association Week''.

S. CON. RES. 67

At the request of Mr. COCHRAN, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. Con. Res. 67, a concurrent resolution expressing the need for enhanced public awareness of traumatic brain injury and supporting the designation of a National Brain Injury Awareness Month.

S. CON. RES. 122

At the request of Ms. SNOWE, the name of the Senator from Hawaii (Mr. AKAKA) was added as a cosponsor of S. Con. Res. 122, a concurrent resolution expressing the sense of the Congress regarding the policy of the United States at the 56th Annual Meeting of the International Whaling Commission.

S. CON. RES. 136

At the request of Mr. CONRAD, the names of the Senator from Colorado (Mr. CAMPBELL), the Senator from Hawaii (Mr. AKAKA), the Senator from Texas (Mr. CORNYN) and the Senator from Alaska (Ms. MURKOWSKI) were added as cosponsors of S. Con. Res. 136, a concurrent resolution honoring and memorializing the passengers and crew of United Airlines Flight 93.

S. RES. 164

At the request of Mr. ENSIGN, the name of the Senator from Montana (Mr. BURNS) was added as a cosponsor of S. Res. 164, a resolution reaffirming support of the Convention on the Prevention and Punishment of the Crime of Genocide and anticipating the commemoration of the 15th anniversary of the enactment of the Genocide Convention Implementation Act of 1987 (the Proxmire Act) on November 4, 2003.

S. RES. 392

At the request of Mr. BINGAMAN, the names of the Senator from Nevada (Mr. ENSIGN) and the Senator from Arkansas (Mrs. LINCOLN) were added as cosponsors of S. Res. 392, a resolution conveying the sympathy of the Senate to the families of the young women murdered in the State of Chihuahua, Mexico, and encouraging increased United States involvement in bringing an end to these crimes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DURBIN:

S. 2910. A bill to establish the Food Safety Administration to protect the public health by preventing food-borne illness, ensuring the safety of food intended for human consumption, improving research on contaminants leading to food-borne illness, and improving security of food from intentional contamination; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. DURBIN. Mr. President, when Americans sit down at the dinner table, their confidence in the safety of the food they are eating is based in part on the knowledge that the Federal Government is working hard to ensure their food is not contaminate. Right now, our food is the safest in the world, but there are widening gaps in our food safety net due to emerging threats and the fact that food safety oversight has evolved over time to spread over several government agencies. This mismatched, piecemeal approach to food safety could spell disaster if we do not act quickly and decisively.

A single food safety agency with authority based on sound scientific principles would provide this country with the greatest hope of reducing foodborne illnesses and preparing for a bioterrorist attack on our food supply.

The Centers for Disease Control and Prevention (CDC) estimates that as many as 76 million people suffer from food poisoning each year. Of those individuals, approximately 325,000 will be hospitalized, and more than 5,000 will die. Factors such as emerging pathogens, an aging population at high risk for foodborne illnesses, an increasing volume of food imports, and people eating outside their homes more often underscore the need for us to take charge and shed the old bureaucratic shackles that have tied us to the overlapping and inefficient ad hoc food safety system of the past.

I rise today to introduce the Safe Food Act of 2004. This legislation would create a single, independent Federal

food safety agency to administer all aspects of Federal food safety inspections, enforcement, standards-setting and research in order to protect public health. The components of the agencies now charged with protecting the food supply, primarily housed at the Food and Drug Administration and the Agriculture Department, would be transferred to this new agency.

The new Food Safety Administrator would be responsible for the safety of the food supply and would carry out that charge by implementing the registration and recordkeeping requirements of the Bioterrorism Act of 2002; ensuring slaughterhouses and food processing plants have procedures in place to prevent and reduce food contamination; regularly inspecting domestic food facilities, with inspection frequency based on risk; and centralizing the authority to detain, seize, condemn and recall food that is adulterated or misbranded. The Administrator would be charged with requiring food producers to make it possible for their products to be traced in the event of a foodborne illness outbreak in order to minimize the health impact of such an event.

The Administrator would also have the power to examine the food safety practices of foreign countries and work with the states to enforce food safety laws, including the ability to seek various civil and criminal penalties for serious violations of the food safety laws. The Administrator would also actively oversee public education and research programs on foodborne illness.

In this era of limited budgets, it is our responsibility to streamline the Federal food safety system. The United States simply cannot afford to continue operating multiple redundant systems. This is not about more regulation, a super agency, or increased bureaucracy. It is about common sense and the more effective marshaling of our existing resources.

I urge my colleagues to join me in supporting this important piece of legislation.

By Mr. FEINGOLD:

S. 2913. A bill to establish a demonstration project to train unemployed workers for employment as health care professionals, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. FEINGOLD. Mr. President, over the past year, I have come to this floor on a number of occasions to discuss the loss of manufacturing jobs in Wisconsin and around the country and ways in which I think that Congress should act to stem the flow of these jobs to foreign countries.

According to the Wisconsin Department of Workforce Development, Wisconsin has lost more than 80,000 manufacturing jobs since 2000. Nationally, according to the Bureau of Labor Statistics, the country has lost more than 2.8 million manufacturing jobs during that same time period. In addition to the loss of manufacturing jobs, I am deeply troubled by the Bush administration's contention that the outsourcing of American service sector and other jobs is good for the economy. I am concerned about the message that this policy sends to Wisconsinites and all Americans who are currently employed in these sectors.

There is something of a silver lining to the looming cloud of manufacturing and other jobs loss: the country's workforce development system.

In spite of stretched resources and long waiting lists for services, our workforce development boards are making a tremendous effort to retrain laid-off workers and other job seekers for new jobs. And this effort is clearly evident in Wisconsin, where my State's 11 workforce development boards are leading the way in finding innovative solutions to retraining workers for new careers on shoestring budgets.

I strongly support the work of these agencies, and have urged the administration and Senate appropriators to provide adequate funding for the job training programs authorized by the Workforce Investment Act. I regret that the administration's budget request for fiscal year 2005 does not provide adequate funding for WIA, and I will continue to work to ensure that the workforce development boards in my State and across our country receive the resources that they need to help job seekers get the training they need to be successful.

I am committed to finding resources to retrain those who have been laid off from the manufacturing and service sectors and who wish to find new jobs in high-demand fields such as health care.

As most of my colleagues know all too well, we are facing a significant shortage of health care workers. Congress has made some progress in addressing the nursing shortage, but we need to expand our efforts. Shortages of health professionals pose a real threat to the health of our communities by impacting access to timely, high-quality health care. Studies have shown that shortages of nurses in our hospitals and health facilities increase medical errors, which directly affects patient health.

As our population ages, and the baby-boomers need more health care, our need for all types of health professionals is only going to increase. This is particularly true for the field of long-term care. According to the Bureau of Labor Statistics, we are going to need an additional 1.2 million nursing aides, home health aides, and other health professionals in long-term care before the year 2010.

As our demand for health care workers grows, so does the number of jobs available within this sector. Currently, health services is the largest industry in the country, providing 12.9 million jobs in 2002. It is estimated that 16 percent of all new jobs created between 2002 and 2012 will be in health services. This accounts for 3.5 million new jobs—more than any other industry.

Workforce development agencies in my home State of Wisconsin are already working to support displaced workers in their communities by training them for health care jobs, since there is a real need for workers in these fields. These agencies are helping communities get and maintain access to high-quality health care by ensuring that there are enough health care workers to care for their communities.

As the executive director of one of the workforce development boards in my State put it, ''[t]here are simply not many good quality jobs to replace manufacturing jobs lost to rural communities. The medical professions, by offering a 'living wage' and good benefits, provide an excellent alternative to manufacturing for sustaining a higher, family-oriented standard of living.''

I believe we need to support our communities in these efforts by providing them with the resources they need to establish, sustain, or expand these important programs. For that reason, today I am introducing the Community-Based Health Care Retraining Act. This bill would amend the Workforce Investment Act to authorize a demonstration project to provide grants to community-based coalitions, led by local workforce development boards, to create programs to retrain unemployed workers who wish to obtain new jobs in the health care professions. My bill would authorize a total of $25 million for grants between $100,000 and $500,000, and, in the interest of fiscal responsibility, it ensures that these grants would be offset.

This bill will help provide communities with the resources they need to run retraining programs for the health professions. The funds could be used for a variety of purposes—from increasing the capacity of our schools and training facilities, to providing financial and social support for workers who are in retraining programs. This bill is flexible in what the grant funds could be used for, because I believe that communities know best about the resources they need to run an efficient program.

This bill represents a nexus in my efforts to support workers whose jobs have been shipped overseas and to ensure that all Americans have access to the high-quality health care that they deserve. By providing targeted assistance to train laid-off workers who wish to obtain new jobs in the health care sector, we can both help unemployed Americans and improve the availability and quality of health care that is available in our communities.

I am pleased that this bill is supported by a variety of organizations that are committed to providing high-quality job training and health care services, including: the National Association of Workforce Boards, the American Health Care Association, the Wisconsin Association of Job Training Executives, Northwest Wisconsin Concentrated Employment Program, the

Northwest Wisconsin Workforce Investment Board, and the Southwestern Wisconsin Workforce Development Board.

I ask unanimous consent that the full text of this bill, and the text of the letters of support from the above-mentioned groups, be printed in the RECORD at the conclusion of my remarks.

In order to ensure that our workers are able to compete in the new economy, we must ensure that they have the tools they need to be trained or retrained for high-demand jobs such as those in the health care field. My bill is a small step toward providing the resources necessary to achieve this goal. I will continue to work to strengthen the American manufacturing sector and to support those workers who have been displaced due to bad trade agreements and other policies that have led to the loss of American jobs.

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

S. 2913

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Community-Based Health Care Retraining Act''.

SEC. 2. HEALTH PROFESSIONS TRAINING DEMONSTRATION PROJECT.

Section 171 of the Workforce Investment Act of 1998 (29 U.S.C. 2916) is amended by adding at the end the following:

''(e) HEALTH PROFESSIONS TRAINING DEMONSTRATION PROJECT.—

''(1) DEFINITIONS.—In this subsection:

''(A) COVERED COMMUNITY.—The term 'covered community' means a community or region that—

''(i) has experienced a significant percentage decline in positions in the manufacturing or service sectors; and

''(ii)(I) is eligible for designation under section 332 of the Public Health Service Act (42 U.S.C. 254e) as a health professional shortage area;

''(II) is eligible to be served by a health center under section 330 or a grantee under section 330(h) (relating to homeless individuals) of the Public Health Service Act (42 U.S.C. 254b, 254b(h));

''(III) has a shortage of personal health services, as determined under criteria issued by the Secretary of Health and Human Services under section 1861(aa)(2) of the Social Security Act (relating to rural health clinics) (42 U.S.C. 1395x(aa)(2)); or

''(IV) is designated by a Governor (in consultation with the medical community) as a shortage area or medically underserved community.

''(B) COVERED WORKER.—The term 'covered worker' means an individual who—

''(i)(I) has been terminated or laid off, or who has received a notice of termination or layoff, from employment in a manufacturing or service sector;

''(II)(aa) is eligible for or has exhausted entitlement to unemployment compensation; or

''(bb) has been employed for a duration sufficient to demonstrate, to the appropriate entity at a one-stop center referred to in section 134(c), attachment to the workforce, but is not eligible for unemployment compensation due to insufficient earnings or having performed services for an employer that were not covered under a State unemployment compensation law; and

''(III) is unlikely to return to a previous industry or occupation; or

''(ii)(I) has been terminated or laid off, or has received a notice of termination or layoff, from employment in a manufacturing or service sector as a result of any permanent closure of, or any substantial layoff at, a plant, facility, or enterprise; or

''(II) is employed in a manufacturing or service sector at a facility at which the employer has made a general announcement that such facility will close within 180 days.

''(C) HEALTH CARE PROFESSIONAL.—The term 'health care professional'—

''(i) means an individual who is involved with—

''(I) the delivery of health care services, or related services, pertaining to—

''(aa) the identification, evaluation, and prevention of diseases, disorders, or injuries; or

''(bb) home-based or community-based long-term care;

''(II) the delivery of dietary and nutrition services; or

''(III) rehabilitation and health systems management; and

''(ii) includes nurses, home health aides, nursing assistants, physician assistants, dental hygienists, diagnostic medical sonographers, dietitians, medical technologists, occupational therapists, physical therapists, radiographers, respiratory therapists, emergency medical service technicians, and speech-language pathologists.

''(2) ESTABLISHMENT OF PROJECT.—In accordance with subsection (b), the Secretary shall establish and carry out a health professions training demonstration project.

''(3) GRANTS.—In carrying out the project, the Secretary, after consultation with the Secretary of Health and Human Services, shall make grants to eligible entities to enable the entities to carry out programs in covered communities to train covered workers for employment as health care professionals. The Secretary shall make each grant in an amount of not less than $100,000 and not more than $500,000.

''(4) ELIGIBLE ENTITIES.—Notwithstanding subsection (b)(2)(B), to be eligible to receive a grant under this subsection to carry out a program in a covered community, an entity shall be a partnership that is—

''(A) under the direction of a local workforce investment board established under section 117 that is serving the covered community; and

''(B) composed of members serving the covered community, such as—

''(i) a community college;

''(ii) a vocational or technical school;

''(iii) a health clinic or hospital;

''(iv) a home-based or community-based long-term care facility or program; or

''(v) a health care facility administered by the Secretary of Veterans Affairs.

''(5) APPLICATIONS.—To be eligible to receive a grant under this subsection, an entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including, at a minimum—

''(A) a proposal to use the grant funds to establish or expand a training program in order to train covered workers for employment as health care professionals or paraprofessionals;

''(B) information demonstrating the need for the training and support services to be provided through the program;

''(C) information describing the manner in which the entity will expend the grant funds, and the activities to be carried out with the funds; and

''(D) information demonstrating that the entity meets the requirements of paragraph (4).

''(6) SELECTION.—In making grants under paragraph (3), the Secretary, after consultation with the Secretary of Health and Human Services, shall select—

''(A) eligible entities submitting applications that meet such criteria as the Secretary of Labor determines to be appropriate; and

''(B) among such entities, the eligible entities serving the covered communities with the greatest need for the grants and the greatest potential to benefit from the grants.

''(7) USE OF FUNDS.—

''(A) IN GENERAL.—An entity that receives a grant under this subsection shall use the funds made available through the grant for training and support services that meet the needs described in the application submitted under paragraph (5), which may include—

''(i) increasing capacity at an educational institution or training center to train individuals for employment as health professionals, such as by—

''(I) expanding a facility, subject to subparagraph (B);

''(II) expanding course offerings;

''(III) hiring faculty;

''(IV) providing a student loan repayment program for the faculty;

''(V) establishing or expanding clinical education opportunities;

''(VI) purchasing equipment, such as computers, books, clinical supplies, or a patient simulator; or

''(VII) conducting recruitment; or

''(ii) providing support services for covered workers participating in the training, such as—

''(I) providing tuition assistance;

''(II) establishing or expanding distance education programs;

''(III) providing transportation assistance; or

''(IV) providing child care.

''(B) LIMITATION.—To be eligible to use the funds to expand a facility, the eligible entity shall demonstrate to the Secretary in an application submitted under paragraph (5) that the entity can increase the capacity described in subparagraph (A)(i) only by expanding the facility.

''(8) FUNDING.—Of the amounts appropriated to, and available at the discretion of, the Secretary or the Secretary of Health and Human Services for programmatic and administrative expenditures, a total of $25,000,000 shall be used to establish and carry out the demonstration project described in paragraph (2) in accordance with this subsection.''.

NATIONAL ASSOCIATION OF WORKFORCE BOARDS,
Washington, DC, September 28, 2004.

Hon. RUSSELL FEINGOLD,
U.S. Senate,
Washington, DC.

DEAR SENATOR FEINGOLD: This letter is in regards to your bill, the Community-Based Health Care Retraining Act, which seeks to establish a demonstration project to train unemployed workers for employment as health care professionals. The National Association of Workforce Boards (NAWB) would like to support your efforts in linking America's workforce investment boards with health care training. Our members can be a valuable resource in the transition of manufacturing workers to the numerous employment opportunities in the health care field.

NAWB is the national association that represents the interests of the 650 workforce investment boards across the country. These boards consist of over 15,000 private sector

business leaders, appointed by their Governors and local elected officials, who provide leadership and governance for the public workforce development system. In existence since 1979, NANWB has been a leader in the effort to create a public workforce system. that is responsive to businesses and job seekers alike.

As you know, meeting the ever-increasing needs of America's workers and employers is critical for prosperity in the United States. Developing an educated and skilled workforce to attract and retain business is a challenge facing all communities. The growing education and workforce skills mismatch between what the current American workforce offers and what employers need is particularly acute in high-skill industry sectors. However, these are the very industries that hold the most economic promise for our current workers and the emerging workforce, our nation's young people. The challenge posed for policy makers is aligning America's workforce with rapidly changing economic conditions and opportunities, while simultaneously maintaining competitiveness to minimize off-shoring.

Four of five U.S. manufacturers struggled to find candidates for skilled jobs, according to a 2003 survey by the National Association of Manufacturers. Ironically, this search for skilled workers occurred while many plants were going thorough layoffs. The United States has seen 3 million manufacturing jobs disappear.

Workers have permanently lost the jobs they once held at these factories. New opportunities must be made to allow a transition into new employment, especially for those who cannot recover their job if demand increases. But in order to do this, training dollars must be made available to those employees who cannot regain employment within the manufacturing industry.

Through your bill, employers in the health care industry that desperately need skilled workers can find the human capital they desire in those who have been permanently laid off from their manufacturing job. There has been an enormous increase in the number of nursing and direct care professional opportunities within the long-term care arena, particularly within home-based care. These opportunities are not only based on the number of employees needed. They require a high level of skill, knowledge and compassion to work in long-term care. Training dollars must be available to introduce educated employees to the health care industry.

Employers on the lay-off end of manufacturing employment and employers on the hiring end of health care industries need to tap all available employment and training resources. NAWB can assist both sides of the equation by connecting employers with their local workforce boards. Investing in training our workers is critical.

Our CEO, Ms. Stephanie Powers, is available to provide your staff with any information you may require (phone: (202) 775–0960 or email: powerss@nawb.org). Thank you for your interest in our organization and the members we represent. The National Association of Workforce Boards remains committed to working with Congress as we continue our mission to build a stronger, more competitive American workforce.

Sincerely,

J. MICHAEL ZELLEY,
President, The Disability Network, Flint, MI, and Co-Chair, Policy Committee, National Association of Workforce Boards.

JEFFREY HOWE,
Vice President, Manager, Indiana Commercial Banking, First Indiana Bank, N.A., Indianapolis, IN, and Chair, National Association of Workforce Boards.

AMERICAN HEALTH CARE ASSOCIATION,
Washington, DC, September 29, 2004.

Hon. RUSSELL D. FEINGOLD,
U.S. Senate,
Washington, DC.

DEAR SENATOR FEINGOLD: On behalf of the American Health Care Association, the nation's largest association of long term care providers, and the National Center for Assisted Living, I am writing you to offer our support for enactment of the ''Community-Based Health Care Retraining Act'' you are introducing.

Today, there is a critical shortage of health and long term care professionals and paraprofessionals and it is growing. In our nation's nursing facilities, there is a need for more than 90,000 nurses and certified nursing assistants right now to provide the hands-on care needed by the frail and elderly. The need for these direct care workers will grow dramatically in the future as the baby boom population moves into retirement. America's high standard for quality can only be maintained if there are enough front-line workers to provide the direct hands-on care that will be needed. This is not a job that can be handled off-shore.

Your legislation will help to address this shortage by providing the means for a growing number of displaced manufacturing and service sector workers to begin building new careers in the health and long term care sectors. It does so by utilizing federal dollars to redirect these displaced workers into health care careers. It provides for expanding the nation's training capacity and by increasing number of educators that are and will be needed to make this transition successful.

Senator Feingold, we commend you for the leadership you are providing with the introduction of this legislation and look forward to working with you to see this legislation passed and enacted at the earliest opportunity.

Sincerely,

HAL DAUB,
President & CEO.

WISCONSIN ASSOCIATION OF
JOB TRAINING EXECUTIVES,
August 10, 2004.

Senator RUSS FEINGOLD,
Hart Senate Office Building, Washington, DC.

DEAR SENATOR FEINGOLD: On behalf of the Wisconsin Association of Job Training Executives (WAJTE), I am writing to express our strong support for the proposed legislation designed to address two significant workforce issues—the loss of large numbers of manufacturing and service sector jobs and the critical shortage of health care professionals. As you know, both of these issues currently challenge the workforce development delivery systems in Wisconsin.

Our association members are the chief executives of each of Wisconsin's eleven Workforce Development Boards who have the responsibility for overseeing the health of the local economies in partnership with business, education, and local governments. The proposed legislation offers these specific strengths.

Ensures that eligible entities shall be a partnership under the direction of a local board.

Limits grant funds to training programs for health care professionals.

Allows for the use of grant funds for support services as well as training.

Allows for capacity expansion in educational institutions.

If WAJTE members can be of assistance to you as this legislation is introduced, please do not hesitate to contact us.

Sincerely,

FRANCISCO SANCHEZ,
Chairman.

CEP—WIB,
Ashland, WI, September 30, 2004.

Senator RUSS FEINGOLD,
Hart Senate Building, Washington, DC.

DEAR SENATOR FEINGOLD: On behalf of the Northwest Wisconsin Concentrated Employment Program, Inc. and the Northwest Wisconsin Workforce Investment Board, Inc., I want to express our enthusiastic support in the Community-Based Health Care Retraining Act in Wisconsin.

This initiative will help to strengthen the economy of our area. Some of our counties in Northwest Wisconsin are experiencing high labor shortages particularly in the health care industries. Further, our area wages are approximately 24% less than the State average, which adds to a poverty situation made worse by rural isolation. This Community-Based Health Care Retraining Act will address these serious economic issues and help to alleviate the severe shortage of health care workers.

This Act provides hope for the future economy and people of our State. Please contact me if we can be of any further assistance.

Sincerely yours,

FRED SCHNOOK,
Executive Director.

SOUTHWEST WISCONSIN
WORKFORCE DEVELOPMENT BOARD,
Dodgeville, WI, August 4, 2004.

Hon. RUSS FEINGOLD,
Hart Senate Office Building, Washington, DC.

DEAR SENATOR FEINGOLD: I would like to take this opportunity to comment on your proposed legislation regarding health-care retraining. I believe it is an excellent proposal that will address a serious need particularly within rural communities. Please allow me to elaborate on several points that support this legislation.

First, as executive director for a primarily rural workforce development area, I can tell you how difficult it is to replace manufacturing jobs. There simply are not many good quality jobs to replace manufacturing jobs lost to rural communities. The medical professions, by offering a ''living wage'' and good benefits, provide an excellent alternative to manufacturing for sustaining a higher, family-oriented standard of living. Health-care is also a regional scope, providing job opportunities for workers in surrounding communities. Furthermore, medical professions are not exportable and there is virtually no chance that health-care jobs will be shipped out-of-country or overseas.

Second, I am chairperson of a small, rural community hospital. For many years we have struggled to survive in a very competitive market surrounded by large, corporate medical organizations/hospitals in Janesville and Madison. I believe that our hospital has a unique role within our community—as a community-based facility we are closer to our patients and can provide personalized ''hometown'' care. One of our biggest problems is our ability to attract and retain qualified, experienced health-care workers. With the impending shortage caused by the retirement of ''baby boomers'' we will find ourselves in an even more difficult role as larger facilities offer higher salaries, better benefits, incentive and sign-on bonuses, etc. to attract and retain the workers they need. Rural hospitals will find themselves left out and unable to compete for the caregivers we need.

Third, there are several key organizations that lie at the core of any community that

are vital to the quality of life within that community. Schools are one example of this type of organizations. Hospitals, nursing homes and other types of medical facilities are other examples of key organizations that support a higher standard of life within a rural community.

And finally, I would like to thank the Senator for recognizing the vital role that Workforce Development Boards (WDBs) play in our areas. The WDBs are regional organizations providing oversight and coordination for economic and workforce development activities. Furthermore, there are few organizations today that are advocates for the ''worker''. I believe that WDBs are an example of such an organization. And, I believe it is critical to the success of a program that the WDBs serve as the coordinating agency for the delivery of this type of program.

For the reasons stated above, I strongly support your proposed Health-Care Retraining Bill. Thank you for the chance to offer my comments. I look forward to the opportunity to participate in, what I believe to be, a meaningful and critically important program particularly for the rural communities.

Sincerely,

ROBERT T. BORREMANS,
Executive Director.

By Ms. MIKULSKI:

S. 2914. A bill to amend the Internal Revenue Code of 1986 to provide incentives for alternative fuels and alternative fuel vehicles; to the Committee on Finance.

Ms. MIKULSKI. Mr. President, I rise today to introduce the ''Common Sense Automobile Affordability Act Of 2004''. My colleagues from Maryland introduced a similar bill in the House. I believe in energy conservation. I also believe in job conservation. We can improve the fuel efficiency of our cars without sticking a knife through the hearts of our Nation's auto workers. That is what I am going to keep standing up for in the U.S. Senate.

When I consider any energy proposal, I apply four criteria. First, the proposal must achieve real savings in oil consumption. Secondly, the proposal also must preserve U.S. jobs. Next, the proposal must be realizable and achievable. And, lastly, it must create incentives to help companies achieve these goals.

I agree with the goals of energy efficient vehicle tax breaks—fuel efficiency and energy conservation. I believe we need to reduce our dependence on foreign oil. The U.S. imports about twenty million barrels of oil a day, roughly 40 percent of that goes to fuel cars and light trucks. Half of our oil is imported and a quarter of our oil is imported from the Persian Gulf. Reducing our dependence on foreign oil would make us more flexible in the war against terror.

That's why I support the provisions of the energy bill that provide incentives for energy efficiency and fuel conservation. But, we need to be more fuel efficient in a way that doesn't cost American jobs.

Our current tax breaks for energy efficient vehicles provides more help for foreign car manufacturers than U.S. car manufacturers. Small cars receive more tax breaks, and small cars are often made by foreign auto companies.

Our current tax breaks penalize U.S. automakers, because current tax incentives are not geared toward the SUV's or light trucks that American consumers want and American companies make.

Our domestic automakers have been weakened by the current recession. And, we can't rely on foreign manufacturers to provide American jobs. The United Auto Workers (UAW) has seen its membership drop significantly from 1980 through 2000 from 1.4 million members in 1980 down to 670,000 today. That means that our auto workers are being left behind.

I have seen it in Baltimore. Over 1,000 workers were recently laid off at the GM plant, and the plant went through another shutdown after slow sales. This is not just happening in Maryland. GM shut down fourteen of its twenty-nine North American assembly plans for at least a week last year.

American workers are being laid off because, while automobile imports are rising, and our domestic auto share is falling, only 64 percent of cars bought in America are built in America. That's down from 73.9 percent in 1994.

We need common sense tax breaks that provide Americans with good jobs, reduce our dependence on foreign oil and help clean up the environment.

That's why I'm introducing legislation that would repeal the sunsets on existing clean vehicle tax breaks and replace the existing clean fuels tax breaks after 2006 with a comprehensive set of new tax credits of up to $4,000. These tax breaks could be used to buy energy efficient vehicles, including hybrid vehicles, fuel cell vehicles, diesel ''lean burn'' vehicles, and alternative fuel vehicles. There are also additional bonuses for increased fuel conservation and fuel efficiency. My bill includes incentives for all the major clean fuel technologies. There are larger credits for trucks and transit buses that are often American made.

I also support the Hydrogen Fuel Cell Act introduced by my colleague from North Dakota. This bill would provide research money for a hydrogen fuel cell vehicle tax research and development programs.

We can have both energy conservation and job conservation. That's what I'm fighting for. It will take innovative solutions, improved technology, and the setting of realistic, achievable goals. That's what my legislation encourages. With the right incentives to increase demand for cutting edge technologies, to increase U.S. manufacturing capacity of fuel efficient vehicles, and to provide good paying jobs for Americans.

I urge my colleagues to join me in supporting these goals and this bill.

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

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

S. 2914

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

SECTION 1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the ''Common Sense Automobile Efficiency Act of 2004''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 2. REPEAL OF PHASEOUTS FOR QUALIFIED ELECTRIC VEHICLE CREDIT AND DEDUCTION FOR CLEAN-FUEL VEHICLES.

(a) CREDIT FOR QUALIFIED ELECTRIC VEHICLES.—Subsection (b) of section 30 (relating to limitations) is amended by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).

(b) DEDUCTION FOR CLEAN-FUEL VEHICLES AND CERTAIN REFUELING PROPERTY.—Paragraph (1) of section 179A(b) (relating to qualified clean-fuel vehicle property) is amended to read as follows:

''(1) QUALIFIED CLEAN-FUEL VEHICLE PROPERTY.—The cost which may be taken into account under subsection (a)(1)(A) with respect to any motor vehicle shall not exceed—

''(A) in the case of a motor vehicle not described in subparagraph (B) or (C), $2,000,

''(B) in the case of any truck or van with a gross vehicle weight rating greater than 10,000 pounds but not greater than 26,000 pounds, $5,000, or

''(C) $50,000 in the case of—

''(i) a truck or van with a gross vehicle weight rating greater than 26,000 pounds, or

''(ii) any bus which has a seating capacity of at least 20 adults (not including the driver).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

SEC. 3. ALTERNATIVE MOTOR VEHICLE CREDIT.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 (relating to foreign tax credit, etc.) is amended by adding at the end the following:

''SEC. 30B. ALTERNATIVE MOTOR VEHICLE CREDIT.

''(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

''(1) the new qualified fuel cell motor vehicle credit determined under subsection (b),

''(2) the new advanced lean burn technology motor vehicle credit determined under subsection (c),

''(3) the new qualified hybrid motor vehicle credit determined under subsection (d), and

''(4) the new qualified alternative fuel motor vehicle credit determined under subsection (e).

''(b) NEW QUALIFIED FUEL CELL MOTOR VEHICLE CREDIT.—

''(1) IN GENERAL.—For purposes of subsection (a), the new qualified fuel cell motor vehicle credit determined under this subsection with respect to a new qualified fuel cell motor vehicle placed in service by the taxpayer during the taxable year shall be determined in accordance with the following table:

''In the case of a vehicle which has a gross vehicle weight rating of—	**The new qualified fuel cell motor vehicle credit is—**
Not more than 8,500 lbs	$4,000
More than 8,500 lbs but not more than 14,000 lbs.	$10,000

"In the case of a vehicle which has a gross vehicle weight rating of—	The new qualified fuel cell motor vehicle credit is—
More than 14,000 lbs but not more than 26,000 lbs.	$20,000
More than 26,000 lbs	$40,000.

''(2) INCREASE FOR FUEL EFFICIENCY.—

''(A) IN GENERAL.—The amount determined under paragraph (1) with respect to a new qualified fuel cell motor vehicle which is a passenger automobile or light truck shall be increased by the additional credit amount.

''(B) ADDITIONAL CREDIT AMOUNT.—For purposes of subparagraph (A), the additional credit amount shall be determined in accordance with the following table:

"In the case of a vehicle which achieves a fuel economy (expressed as a percentage of the 2002 model year city fuel economy) of—	The additional credit amount is—
At least 150 percent but less than 175 percent.	$1,000
At least 175 percent but less than 200 percent.	$1,500
At least 200 percent but less than 225 percent.	$2,000
At least 225 percent but less than 250 percent.	$2,500
At least 250 percent but less than 275 percent.	$3,000
At least 275 percent but less than 300 percent.	$3,500
At least 300 percent	$4,000.

''(3) NEW QUALIFIED FUEL CELL MOTOR VEHICLE.—For purposes of this subsection, the term 'new qualified fuel cell motor vehicle' means a motor vehicle—

''(A) which is propelled by power derived from one or more cells which convert chemical energy directly into electricity by combining oxygen with hydrogen fuel which is stored on board the vehicle in any form and may or may not require reformation prior to use,

''(B) which, in the case of a passenger automobile or light truck, has received—

''(i) a certificate of conformity under the Clean Air Act and meets or exceeds the equivalent qualifying California low emission vehicle standard under section 243(e)(2) of the Clean Air Act for that make and model year, and

''(ii) a certificate that such vehicle meets or exceeds the Bin 5 Tier II emission standard established in regulations prescribed by the Administrator of the Environmental Protection Agency under section 202(i) of the Clean Air Act for that make and model year vehicle,

''(C) the original use of which commences with the taxpayer,

''(D) which is acquired for use or lease by the taxpayer and not for resale, and

''(E) which is made by a manufacturer.

''(c) NEW ADVANCED LEAN BURN TECHNOLOGY MOTOR VEHICLE CREDIT.—

''(1) IN GENERAL.—For purposes of subsection (a), the new advanced lean burn technology motor vehicle credit determined under this subsection with respect to a new advanced lean burn technology motor vehicle placed in service by the taxpayer during the taxable year is the credit amount determined under paragraph (2).

''(2) CREDIT AMOUNT.—

''(A) FUEL ECONOMY.—The credit amount determined under this paragraph shall be determined in accordance with the following table:

"In the case of a vehicle which achieves a fuel economy (expressed as a percentage of the 2002 model year city fuel economy) of—	The credit amount is—
At least 125 percent but less than 150 percent.	$400
At least 150 percent but less than 175 percent.	$800
At least 175 percent but less than 200 percent.	$1,200
At least 200 percent but less than 225 percent.	$1,600
At least 225 percent but less than 250 percent.	$2,000
At least 250 percent	$2,400.

''(B) CONSERVATION CREDIT.—The amount determined under subparagraph (A) with respect to a new advanced lean burn technology motor vehicle shall be increased by the conservation credit amount determined in accordance with the following table:

"In the case of a vehicle which achieves a lifetime fuel savings (expressed in gallons of gasoline) of—	The conservation credit amount is—
At least 1,200 but less than 1,800	$250
At least 1,800 but less than 2,400	$500
At least 2,400 but less than 3,000	$750
At least 3,000	$1,000.

''(3) NEW ADVANCED LEAN BURN TECHNOLOGY MOTOR VEHICLE.—For purposes of this subsection, the term 'new advanced lean burn technology motor vehicle' means a passenger automobile or a light truck—

''(A) with an internal combustion engine which—

''(i) is designed to operate primarily using more air than is necessary for complete combustion of the fuel,

''(ii) incorporates direct injection,

''(iii) achieves at least 125 percent of the 2002 model year city fuel economy, and

''(iv) for 2004 and later model vehicles, has received a certificate that such vehicle meets or exceeds—

''(I) in the case of a vehicle having a gross vehicle weight rating of 6,000 pounds or less, the Bin 5 Tier II emission standard established in regulations prescribed by the Administrator of the Environmental Protection Agency under section 202(i) of the Clean Air Act for that make and model year vehicle, and

''(II) in the case of a vehicle having a gross vehicle weight rating of more than 6,000 pounds but not more than 8,500 pounds, the Bin 8 Tier II emission standard which is so established,

''(B) the original use of which commences with the taxpayer,

''(C) which is acquired for use or lease by the taxpayer and not for resale, and

''(D) which is made by a manufacturer.

''(4) LIFETIME FUEL SAVINGS.—For purposes of this subsection, the term 'lifetime fuel savings' means, in the case of any new advanced lean burn technology motor vehicle, an amount equal to the excess (if any) of—

''(A) 120,000 divided by the 2002 model year city fuel economy for the vehicle inertia weight class, over

''(B) 120,000 divided by the city fuel economy for such vehicle.

''(d) NEW QUALIFIED HYBRID MOTOR VEHICLE CREDIT.—

''(1) IN GENERAL.—For purposes of subsection (a), the new qualified hybrid motor vehicle credit determined under this subsection with respect to a new qualified hybrid motor vehicle placed in service by the taxpayer during the taxable year is the credit amount determined under paragraph (2).

''(2) CREDIT AMOUNT.—

''(A) CREDIT AMOUNT FOR PASSENGER AUTOMOBILES AND LIGHT TRUCKS.—In the case of a new qualified hybrid motor vehicle which is a passenger automobile or light truck and which has a gross vehicle weight rating of not more than 8,500 pounds, the amount determined under this paragraph is the sum of the amounts determined under clauses (i) and (ii).

''(i) FUEL ECONOMY.—The amount determined under this clause is the amount which would be determined under subsection (c)(2)(A) if such vehicle were a vehicle referred to in such subsection.

''(ii) CONSERVATION CREDIT.—The amount determined under this clause is the amount which would be determined under subsection (c)(2)(B) if such vehicle were a vehicle referred to in such subsection.

''(B) CREDIT AMOUNT FOR OTHER MOTOR VEHICLES.—

''(i) IN GENERAL.—In the case of any new qualified hybrid motor vehicle to which subparagraph (A) does not apply, the amount determined under this paragraph is the amount equal to the applicable percentage of the qualified incremental hybrid cost of the vehicle as certified under clause (v).

''(ii) APPLICABLE PERCENTAGE.—For purposes of clause (i), the applicable percentage is—

''(I) 20 percent if the vehicle achieves an increase in city fuel economy relative to a comparable vehicle of at least 30 percent but less than 40 percent,

''(II) 30 percent if the vehicle achieves such an increase of at least 40 percent but less than 50 percent, and

''(III) 40 percent if the vehicle achieves such an increase of at least 50 percent.

''(iii) QUALIFIED INCREMENTAL HYBRID COST.—For purposes of this subparagraph, the qualified incremental hybrid cost of any vehicle is equal to the amount of the excess of the manufacturer's suggested retail price for such vehicle over such price for a comparable vehicle, to the extent such amount does not exceed—

''(I) $10,000, if such vehicle has a gross vehicle weight rating of not more than 14,000 pounds,

''(II) $25,000, if such vehicle has a gross vehicle weight rating of more than 14,000 pounds but not more than 26,000 pounds, and

''(III) $40,000, if such vehicle has a gross vehicle weight rating of more than 26,000 pounds.

''(iv) COMPARABLE VEHICLE.—For purposes of this subparagraph, the term 'comparable vehicle' means, with respect to any new qualified hybrid motor vehicle, any vehicle which is powered solely by a gasoline or diesel internal combustion engine and which is comparable in weight, size, and use to such vehicle.

''(v) CERTIFICATION.—A certification described in clause (i) shall be made by the manufacturer and shall be determined in accordance with guidance prescribed by the Secretary. Such guidance shall specify procedures and methods for calculating fuel economy savings and incremental hybrid costs.

''(3) NEW QUALIFIED HYBRID MOTOR VEHICLE.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'new qualified hybrid motor vehicle' means a motor vehicle—

''(i) which draws propulsion energy from onboard sources of stored energy which are both—

''(I) an internal combustion or heat engine using consumable fuel, and

''(II) a rechargeable energy storage system,

''(ii) which, in the case of a vehicle to which paragraph (2)(A) applies, has received a certificate of conformity under the Clean

Air Act and meets or exceeds the equivalent qualifying California low emission vehicle standard under section 243(e)(2) of the Clean Air Act for that make and model year, and

''(I) in the case of a vehicle having a gross vehicle weight rating of 6,000 pounds or less, the Bin 5 Tier II emission standard established in regulations prescribed by the Administrator of the Environmental Protection Agency under section 202(i) of the Clean Air Act for that make and model year vehicle, and

''(II) in the case of a vehicle having a gross vehicle weight rating of more than 6,000 pounds but not more than 8,500 pounds, the Bin 8 Tier II emission standard which is so established,

''(iii) which has a maximum available power of at least—

''(I) 4 percent in the case of a vehicle to which paragraph (2)(A) applies,

''(II) 10 percent in the case of a vehicle which has a gross vehicle weight rating or more than 8,500 pounds and not than 14,000 pounds, and

''(III) 15 percent in the case of a vehicle in excess of 14,000 pounds,

''(iv) which, in the case of a vehicle to which paragraph (2)(B) applies, has an internal combustion or heat engine which has received a certificate of conformity under the Clean Air Act as meeting the emission standards set in the regulations prescribed by the Administrator of the Environmental Protection Agency for 2004 through 2007 model year diesel heavy duty engines or ottocycle heavy duty engines, as applicable,

''(v) the original use of which commences with the taxpayer,

''(vi) which is acquired for use or lease by the taxpayer and not for resale, and

''(vii) which is made by a manufacturer.

Such term shall not include any vehicle which is not a passenger automobile or light truck if such vehicle has a gross vehicle weight rating of less than 8,500 pounds.

''(B) CONSUMABLE FUEL.—For purposes of subparagraph (A)(i)(I), the term 'consumable fuel' means any solid, liquid, or gaseous matter which releases energy when consumed by an auxiliary power unit.

''(C) MAXIMUM AVAILABLE POWER.—

''(i) CERTAIN PASSENGER AUTOMOBILES AND LIGHT TRUCKS.—In the case of a vehicle to which paragraph (2)(A) applies, the term 'maximum available power' means the maximum power available from the rechargeable energy storage system, during a standard 10 second pulse power or equivalent test, divided by such maximum power and the SAE net power of the heat engine.

''(ii) OTHER MOTOR VEHICLES.—In the case of a vehicle to which paragraph (2)(B) applies, the term 'maximum available power' means the maximum power available from the rechargeable energy storage system, during a standard 10 second pulse power or equivalent test, divided by the vehicle's total traction power. For purposes of the preceding sentence, the term 'total traction power' means the sum of the peak power from the rechargeable energy storage system and the heat engine peak power of the vehicle, except that if such storage system is the sole means by which the vehicle can be driven, the total traction power is the peak power of such storage system.

''(e) NEW QUALIFIED ALTERNATIVE FUEL MOTOR VEHICLE CREDIT.—

''(1) ALLOWANCE OF CREDIT.—Except as provided in paragraph (5), the new qualified alternative fuel motor vehicle credit determined under this subsection is an amount equal to the applicable percentage of the incremental cost of any new qualified alternative fuel motor vehicle placed in service by the taxpayer during the taxable year.

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage with respect to any new qualified alternative fuel motor vehicle is—

''(A) 40 percent, plus

''(B) 30 percent, if such vehicle—

''(i) has received a certificate of conformity under the Clean Air Act and meets or exceeds the most stringent standard available for certification under the Clean Air Act for that make and model year vehicle (other than a zero emission standard), or

''(ii) has received an order certifying the vehicle as meeting the same requirements as vehicles which may be sold or leased in California and meets or exceeds the most stringent standard available for certification under the State laws of California (enacted in accordance with a waiver granted under section 209(b) of the Clean Air Act) for that make and model year vehicle (other than a zero emission standard).

For purposes of the preceding sentence, in the case of any new qualified alternative fuel motor vehicle which has a gross vehicle weight rating of more than 14,000 pounds, the most stringent standard available shall be such standard available for certification on the date of this act.

''(3) INCREMENTAL COST.—For purposes of this subsection, the incremental cost of any new qualified alternative fuel motor vehicle is equal to the amount of the excess of the manufacturer's suggested retail price for such vehicle over such price for a gasoline or diesel fuel motor vehicle of the same model, to the extent such amount does not exceed—

''(A) $5,000, if such vehicle has a gross vehicle weight rating of not more than 8,500 pounds,

''(B) $10,000, if such vehicle has a gross vehicle weight rating of more than 8,500 pounds but not more than 14,000 pounds,

''(C) $25,000, if such vehicle has a gross vehicle weight rating of more than 14,000 pounds but not more than 26,000 pounds, and

''(D) $40,000, if such vehicle has a gross vehicle weight rating of more than 26,000 pounds.

''(4) NEW QUALIFIED ALTERNATIVE FUEL MOTOR VEHICLE.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'new qualified alternative fuel motor vehicle' means any motor vehicle—

''(i) which is only capable of operating on an alternative fuel,

''(ii) the original use of which commences with the taxpayer,

''(iii) which is acquired by the taxpayer for use or lease, but not for resale, and

''(iv) which is made by a manufacturer.

''(B) ALTERNATIVE FUEL.—The term 'alternative fuel' means compressed natural gas, liquefied natural gas, liquefied petroleum gas, hydrogen, and any liquid at least 85 percent of the volume of which consists of methanol.

''(5) CREDIT FOR MIXED-FUEL VEHICLES.—

''(A) IN GENERAL.—In the case of a mixed-fuel vehicle placed in service by the taxpayer during the taxable year, the credit determined under this subsection is an amount equal to—

''(i) in the case of a 75/25 mixed-fuel vehicle, 70 percent of the credit which would have been allowed under this subsection if such vehicle was a qualified alternative fuel motor vehicle, and

''(ii) in the case of a 90/10 mixed-fuel vehicle, 90 percent of the credit which would have been allowed under this subsection if such vehicle was a qualified alternative fuel motor vehicle.

''(B) MIXED-FUEL VEHICLE.—For purposes of this subsection, the term 'mixed-fuel vehicle' means any motor vehicle described in subparagraph (C) or (D) of paragraph (3), which—

''(i) is certified by the manufacturer as being able to perform efficiently in normal operation on a combination of an alternative fuel and a petroleum-based fuel,

''(ii) either—

''(I) has received a certificate of conformity under the Clean Air Act, or

''(II) has received an order certifying the vehicle as meeting the same requirements as vehicles which may be sold or leased in California and meets or exceeds the low emission vehicle standard under section 88.105–94 of title 40, Code of Federal Regulations, for that make and model year vehicle,

''(iii) the original use of which commences with the taxpayer,

''(iv) which is acquired by the taxpayer for use or lease, but not for resale, and

''(v) which is made by a manufacturer.

''(C) 75/25 MIXED-FUEL VEHICLE.—For purposes of this subsection, the term '75/25 mixed-fuel vehicle' means a mixed-fuel vehicle which operates using at least 75 percent alternative fuel and not more than 25 percent petroleum-based fuel.

''(D) 90/10 MIXED-FUEL VEHICLE.—For purposes of this subsection, the term '90/10 mixed-fuel vehicle' means a mixed-fuel vehicle which operates using at least 90 percent alternative fuel and not more than 10 percent petroleum-based fuel.

''(f) LIMITATION ON NUMBER OF NEW QUALIFIED HYBRID AND ADVANCED LEAN-BURN TECHNOLOGY VEHICLES ELIGIBLE FOR CREDIT.—

''(1) IN GENERAL.—In the case of a qualified vehicle sold during the phaseout period, only the applicable percentage of the credit otherwise allowable under subsection (c) or (d) shall be allowed.

''(2) PHASEOUT PERIOD.—For purposes of this subsection, the phaseout period is the period beginning with the second calendar quarter following the calendar quarter which includes the first date on which the number of qualified vehicles manufactured by the manufacturer of the vehicle referred to in paragraph (1) sold for use in the United States after the date of the enactment of this section is at least 80,000.

''(3) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage is—

''(A) 50 percent for the first 2 calendar quarters of the phaseout period,

''(B) 25 percent for the 3d and 4th calendar quarters of the phaseout period, and

''(C) 0 percent for each calendar quarter thereafter.

''(4) CONTROLLED GROUPS.—

''(A) IN GENERAL.—For purposes of this subsection, all persons treated as a single employer under subsection (a) or (b) of section 52 or subsection (m) or (o) of section 414 shall be treated as a single manufacturer.

''(B) INCLUSION OF FOREIGN CORPORATIONS.—For purposes of subparagraph (A), in applying subsections (a) and (b) of section 52 to this section, section 1563 shall be applied without regard to subsection (b)(2)(C) thereof.

''(5) QUALIFIED VEHICLE.—For purposes of this subsection, the term 'qualified vehicle' means any new qualified hybrid motor vehicle and any new advanced lean burn technology motor vehicle.

''(g) LIMITATION BASED ON AMOUNT OF TAX.—The credit allowed under subsection (a) for the taxable year shall not exceed the excess of—

''(1) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

''(2) the sum of the credits allowable under subpart A and sections 27 and 30 for the taxable year.

''(h) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) MOTOR VEHICLE.—The term 'motor vehicle' has the meaning given such term by section 30(c)(2).

''(2) OTHER TERMS.—The terms 'automobile', 'passenger automobile', 'light truck', and 'manufacturer' have the meanings given such terms in regulations prescribed by the Administrator of the Environmental Protection Agency for purposes of the administration of title II of the Clean Air Act (42 U.S.C. 7521 et seq.).

''(3) 2002 MODEL YEAR CITY FUEL ECONOMY.—

''(A) IN GENERAL.—The 2002 model year city fuel economy with respect to a vehicle shall be determined in accordance with the following tables:

''(i) In the case of a passenger automobile:

"If vehicle inertia weight class is:	The 2002 model year city fuel economy is:
1,500 or 1,750 lbs	45.2 mpg
2,000 lbs	39.6 mpg
2,250 lbs	35.2 mpg
2,500 lbs	31.7 mpg
2,750 lbs	28.8 mpg
3,000 lbs	26.4 mpg
3,500 lbs	22.6 mpg
4,000 lbs	19.8 mpg
4,500 lbs	17.6 mpg
5,000 lbs	15.9 mpg
5,500 lbs	14.4 mpg
6,000 lbs	13.2 mpg
6,500 lbs	12.2 mpg
7,000 to 8,500 lbs	11.3 mpg.

''(ii) In the case of a light truck:

"If vehicle inertia weight class is:	The 2002 model year city fuel economy is:
1,500 or 1,750 lbs	39.4 mpg
2,000 lbs	35.2 mpg
2,250 lbs	31.8 mpg
2,500 lbs	29.0 mpg
2,750 lbs	26.8 mpg
3,000 lbs	24.9 mpg
3,500 lbs	21.8 mpg
4,000 lbs	19.4 mpg
4,500 lbs	17.6 mpg
5,000 lbs	16.1 mpg
5,500 lbs	14.8 mpg
6,000 lbs	13.7 mpg
6,500 lbs	12.8 mpg
7,000 to 8,500 lbs	12.1 mpg.

''(B) VEHICLE INERTIA WEIGHT CLASS.—For purposes of subparagraph (A), the term 'vehicle inertia weight class' has the same meaning as when defined in regulations prescribed by the Administrator of the Environmental Protection Agency for purposes of the administration of title II of the Clean Air Act (42 U.S.C. 7521 et seq.).

''(4) FUEL ECONOMY.—Fuel economy with respect to any vehicle shall be measured under rules similar to the rules under section 4064(c).

''(5) REDUCTION IN BASIS.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this paragraph) result from such expenditure shall be reduced by the amount of the credit so allowed.

''(6) NO DOUBLE BENEFIT.—The amount of any deduction or credit allowable under this chapter (other than the credits allowable under this section and section 30) shall be reduced by the amount of credit allowed under subsection (a) for such vehicle for the taxable year.

''(7) RECAPTURE.—The Secretary shall, by regulations, provide for recapturing the benefit of any credit allowable under subsection (a) with respect to any property which ceases to be property eligible for such credit (including recapture in the case of a lease period of less than the economic life of a vehicle).

''(8) PROPERTY USED OUTSIDE UNITED STATES, ETC., NOT QUALIFIED.—No credit shall be allowed under subsection (a) with respect to any property referred to in section 50(b) or with respect to the portion of the cost of any property taken into account under section 179.

''(9) ELECTION NOT TO TAKE CREDIT.—No credit shall be allowed under subsection (a) for any vehicle if the taxpayer elects to not have this section apply to such vehicle.

''(10) BUSINESS CARRYOVERS ALLOWED.—If the credit allowable under subsection (a) for a taxable year exceeds the limitation under subsection (g) for such taxable year, such excess (to the extent of the credit allowable with respect to property subject to the allowance for depreciation) shall be allowed as a credit carryback and carryforward under rules similar to the rules of section 39.

''(11) INTERACTION WITH MOTOR VEHICLE SAFETY STANDARDS.—Unless otherwise provided in this section, a motor vehicle shall not be considered eligible for a credit under this section unless such vehicle is in compliance with the motor vehicle safety provisions of sections 30101 through 30169 of title 49, United States Code.

''(i) REGULATIONS.—

''(1) IN GENERAL.—The Secretary shall promulgate such regulations as necessary to carry out the provisions of this section.

''(2) DETERMINATION OF MOTOR VEHICLE ELIGIBILITY.—The Secretary, after coordination with the Secretary of Transportation and the Administrator of the Environmental Protection Agency, shall prescribe such regulations as necessary to determine whether a motor vehicle meets the requirements to be eligible for a credit under this section.

''(j) TERMINATION.—This section shall not apply to any property placed in service after—

''(1) in the case of a new qualified alternative fuel motor vehicle, December 31, 2006,

''(2) in the case of a new advanced lean burn technology motor vehicle or a new qualified hybrid motor vehicle, December 31, 2008, and

''(3) in the case of a new qualified fuel cell motor vehicle, December 31, 2012.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 30(d) (relating to special rules) is amended by adding at the end the following new paragraphs:

''(5) NO DOUBLE BENEFIT.—No credit shall be allowed under this section for any motor vehicle for which a credit is also allowed under section 30B.''.

(2) Section 1016(a) is amended by striking ''and'' at the end of paragraph (27), by striking the period at the end of paragraph (28) and inserting '', and'', and by adding at the end the following:

''(29) to the extent provided in section 30B(h)(5).''.

(3) Section 6501(m) is amended by inserting ''30B(h)(9),'' after ''30(d)(4),''.

(4) The table of sections for subpart B of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 30A the following:

''Sec. 30B. Alternative motor vehicle credit.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act, in taxable years ending after such date.

(d) STICKER INFORMATION REQUIRED AT RETAIL SALE.—

(1) IN GENERAL.—The Secretary of the Treasury shall issue regulations under which each qualified vehicle sold at retail shall display a notice—

(A) that such vehicle is a qualified vehicle, and

(B) that the buyer may not benefit from the credit allowed under section 30B of the Internal Revenue Code of 1986 if such buyer has insufficient tax liability.

(2) QUALIFIED VEHICLE.—For purposes of paragraph (1), the term ''qualified vehicle'' means a vehicle with respect to which a credit is allowed under section 30B of the Internal Revenue Code of 1986.

SEC. 4. SMALL ETHANOL PRODUCER CREDIT.

(a) ALLOCATION OF ALCOHOL FUELS CREDIT TO PATRONS OF A COOPERATIVE.—Section 40(g) (relating to definitions and special rules for eligible small ethanol producer credit) is amended by adding at the end the following new paragraph:

''(6) ALLOCATION OF SMALL ETHANOL PRODUCER CREDIT TO PATRONS OF COOPERATIVE.—

''(A) ELECTION TO ALLOCATE.—

''(i) IN GENERAL.—In the case of a cooperative organization described in section 1381(a), any portion of the credit determined under subsection (a)(3) for the taxable year may, at the election of the organization, be apportioned pro rata among patrons of the organization on the basis of the quantity or value of business done with or for such patrons for the taxable year.

''(ii) FORM AND EFFECT OF ELECTION.—An election under clause (i) for any taxable year shall be made on a timely filed return for such year. Such election, once made, shall be irrevocable for such taxable year.

''(B) TREATMENT OF ORGANIZATIONS AND PATRONS.—The amount of the credit apportioned to patrons under subparagraph (A)—

''(i) shall not be included in the amount determined under subsection (a) with respect to the organization for the taxable year, and

''(ii) shall be included in the amount determined under subsection (a) for the taxable year of each patron for which the patronage dividends for the taxable year described in subparagraph (A) are included in gross income.

''(C) SPECIAL RULE.—If the amount of a credit which has been apportioned to any patron under this paragraph is decreased for any reason—

''(i) such amount shall not increase the tax imposed on such patron, and

''(ii) the tax imposed by this chapter on such organization shall be increased by such amount.

The increase under clause (ii) shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit under this chapter or for purposes of section 55.''.

(b) DEFINITION OF SMALL ETHANOL PRODUCER.—Section 40(g) (relating to definitions and special rules for eligible small ethanol producer credit) is amended by striking ''30,000,000'' each place it appears and inserting ''60,000,000''.

(c) CONFORMING AMENDMENT.—Section 1388 (relating to definitions and special rules for cooperative organizations) is amended by adding at the end the following new subsection:

''(k) CROSS REFERENCE.—

''For provisions relating to the apportionment of the alcohol fuels credit between cooperative organizations and their patrons, see section 40(g)(6).''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

SEC. 5. INCENTIVES FOR BIODIESEL.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by inserting after section 40 the following new section:

''SEC. 40A. BIODIESEL USED AS FUEL.

''(a) GENERAL RULE.—For purposes of section 38, the biodiesel fuels credit determined under this section for the taxable year is an amount equal to the sum of—

''(1) the biodiesel mixture credit, plus

''(2) the biodiesel credit.

''(b) DEFINITION OF BIODIESEL MIXTURE CREDIT AND BIODIESEL CREDIT.—For purposes of this section—

''(1) BIODIESEL MIXTURE CREDIT.—

''(A) IN GENERAL.—The biodiesel mixture credit of any taxpayer for any taxable year is 50 cents for each gallon of biodiesel used by the taxpayer in the production of a qualified biodiesel mixture.

''(B) QUALIFIED BIODIESEL MIXTURE.—The term 'qualified biodiesel mixture' means a mixture of biodiesel and a taxable fuel (within the meaning of section 4083(a)(1)) which—

''(i) is sold by the taxpayer producing such mixture to any person for use as a fuel, or

''(ii) is used as a fuel by the taxpayer producing such mixture.

''(C) SALE OR USE MUST BE IN TRADE OR BUSINESS, ETC.—Biodiesel used in the production of a qualified biodiesel mixture shall be taken into account—

''(i) only if the sale or use described in subparagraph (B) is in a trade or business of the taxpayer, and

''(ii) for the taxable year in which such sale or use occurs.

''(D) CASUAL OFF-FARM PRODUCTION NOT ELIGIBLE.—No credit shall be allowed under this section with respect to any casual off-farm production of a qualified biodiesel mixture.

''(2) BIODIESEL CREDIT.—

''(A) IN GENERAL.—The biodiesel credit of any taxpayer for any taxable year is 50 cents for each gallon of biodiesel which is not in a mixture and which during the taxable year—

''(i) is used by the taxpayer as a fuel in a trade or business, or

''(ii) is sold by the taxpayer at retail to a person and placed in the fuel tank of such person's vehicle.

''(B) USER CREDIT NOT TO APPLY TO BIODIESEL SOLD AT RETAIL.—No credit shall be allowed under subparagraph (A)(i) with respect to any biodiesel which was sold in a retail sale described in subparagraph (A)(ii).

''(3) CREDIT FOR AGRI-BIODIESEL.—In the case of any biodiesel which is agri-biodiesel, paragraphs (1)(A) and (2)(A) shall be applied by substituting '$1.00' for '50 cents'.

''(4) CERTIFICATION FOR BIODIESEL.—No credit shall be allowed under this section unless the taxpayer obtains a certification (in such form and manner as prescribed by the Secretary) from the producer of the biodiesel which identifies the product produced and the percentage of biodiesel and agri-biodiesel in the product.

''(c) COORDINATION WITH CREDIT AGAINST EXCISE TAX.—The amount of the credit determined under this section with respect to any biodiesel shall be properly reduced to take into account any benefit provided with respect to such biodiesel solely by reason of the application of section 6426.

''(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) BIODIESEL.—The term 'biodiesel' means the monoalkyl esters of long chain fatty acids derived from plant or animal matter which meet—

''(A) the registration requirements for fuels and fuel additives established by the Environmental Protection Agency under section 211 of the Clean Air Act (42 U.S.C. 7545), and

''(B) the requirements of the American Society of Testing and Materials D6751.

''(2) AGRI-BIODIESEL.—The term 'agri-biodiesel' means biodiesel derived solely from virgin oils, including esters derived from virgin vegetable oils from corn, soybeans, sunflower seeds, cottonseeds, canola, crambe, rapeseeds, safflowers, flaxseeds, rice bran, and mustard seeds, and from animal fats.

''(3) MIXTURE OR BIODIESEL NOT USED AS A FUEL, ETC.—

''(A) MIXTURES.—If—

''(i) any credit was determined under this section with respect to biodiesel used in the production of any qualified biodiesel mixture, and

''(ii) any person—

''(I) separates the biodiesel from the mixture, or

''(II) without separation, uses the mixture other than as a fuel,

then there is hereby imposed on such person a tax equal to the product of the rate applicable under subsection (b)(1)(A) and the number of gallons of such biodiesel in such mixture.

''(B) BIODIESEL.—If—

''(i) any credit was determined under this section with respect to the retail sale of any biodiesel, and

''(ii) any person mixes such biodiesel or uses such biodiesel other than as a fuel,

then there is hereby imposed on such person a tax equal to the product of the rate applicable under subsection (b)(2)(A) and the number of gallons of such biodiesel.

''(C) APPLICABLE LAWS.—All provisions of law, including penalties, shall, insofar as applicable and not inconsistent with this section, apply in respect of any tax imposed under subparagraph (A) or (B) as if such tax were imposed by section 4081 and not by this chapter.

''(4) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.—Under regulations prescribed by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

''(e) TERMINATION.—This section shall not apply to any sale or use after December 31, 2005.''.

(b) CREDIT TREATED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (relating to current year business credit) is amended by striking ''plus'' at the end of paragraph (16), by striking the period at the end of paragraph (17) and inserting '', plus'', and by adding at the end the following new paragraph:

''(18) the biodiesel fuels credit determined under section 40A(a).''.

(c) CONFORMING AMENDMENTS.—

(1)(A) Section 87 is amended to read as follows:

''SEC. 87. ALCOHOL AND BIODIESEL FUELS CREDITS.

''Gross income includes—

''(1) the amount of the alcohol fuels credit determined with respect to the taxpayer for the taxable year under section 40(a), and

''(2) the biodiesel fuels credit determined with respect to the taxpayer for the taxable year under section 40A(a).''.

(B) The item relating to section 87 in the table of sections for part II of subchapter B of chapter 1 is amended by striking ''fuel credit'' and inserting ''and biodiesel fuels credits''.

(2) Section 196(c) is amended by striking ''and'' at the end of paragraph (9), by striking the period at the end of paragraph (10) and inserting '', and'', and by adding at the end the following new paragraph:

''(11) the biodiesel fuels credit determined under section 40A(a).''.

(3) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding after the item relating to section 40 the following new item:

''Sec. 40A. Biodiesel used as fuel.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to fuel produced, and sold or used, after December 31, 2003, in taxable years ending after such date.

SEC. 6. ALCOHOL FUEL AND BIODIESEL MIXTURES EXCISE TAX CREDIT.

(a) IN GENERAL.—Subchapter B of chapter 65 (relating to rules of special application) is amended by inserting after section 6425 the following new section:

''SEC. 6426. CREDIT FOR ALCOHOL FUEL AND BIODIESEL MIXTURES.

''(a) ALLOWANCE OF CREDITS.—There shall be allowed as a credit against the tax imposed by section 4081 an amount equal to the sum of—

''(1) the alcohol fuel mixture credit, plus

''(2) the biodiesel mixture credit.

''(b) ALCOHOL FUEL MIXTURE CREDIT.—

''(1) IN GENERAL.—For purposes of this section, the alcohol fuel mixture credit is the product of the applicable amount and the number of gallons of alcohol used by the taxpayer in producing any alcohol fuel mixture for sale or use in a trade or business of the taxpayer.

''(2) APPLICABLE AMOUNT.—For purposes of this subsection—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the applicable amount is 52 cents (51 cents in the case of any sale or use after 2004).

''(B) MIXTURES NOT CONTAINING ETHANOL.—In the case of an alcohol fuel mixture in which none of the alcohol consists of ethanol, the applicable amount is 60 cents.

''(3) ALCOHOL FUEL MIXTURE.—For purposes of this subsection, the term 'alcohol fuel mixture' means a mixture of alcohol and a taxable fuel which—

''(A) is sold by the taxpayer producing such mixture to any person for use as a fuel,

''(B) is used as a fuel by the taxpayer producing such mixture, or

''(C) is removed from the refinery by a person producing such mixture.

''(4) OTHER DEFINITIONS.—For purposes of this subsection—

''(A) ALCOHOL.—The term 'alcohol' includes methanol and ethanol but does not include—

''(i) alcohol produced from petroleum, natural gas, or coal (including peat), or

''(ii) alcohol with a proof of less than 190 (determined without regard to any added denaturants).

Such term also includes an alcohol gallon equivalent of ethyl tertiary butyl ether or other ethers produced from such alcohol.

''(B) TAXABLE FUEL.—The term 'taxable fuel' has the meaning given such term by section 4083(a)(1).

''(5) TERMINATION.—This subsection shall not apply to any sale, use, or removal for any period after December 31, 2010.

''(c) BIODIESEL MIXTURE CREDIT.—

''(1) IN GENERAL.—For purposes of this section, the biodiesel mixture credit is the product of the applicable amount and the number of gallons of biodiesel used by the taxpayer in producing any biodiesel mixture for sale or use in a trade or business of the taxpayer.

''(2) APPLICABLE AMOUNT.—For purposes of this subsection—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the applicable amount is 50 cents.

''(B) AMOUNT FOR AGRI-BIODIESEL.—In the case of any biodiesel which is agri-biodiesel, the applicable amount is $1.00.

''(3) BIODIESEL MIXTURE.—For purposes of this section, the term 'biodiesel mixture' means a mixture of biodiesel and a taxable fuel which—

''(A) is sold by the taxpayer producing such mixture to any person for use as a fuel,

''(B) is used as a fuel by the taxpayer producing such mixture, or

''(C) is removed from the refinery by a person producing such mixture.

''(4) CERTIFICATION FOR BIODIESEL.—No credit shall be allowed under this section unless the taxpayer obtains a certification (in such form and manner as prescribed by the Secretary) from the producer of the biodiesel which identifies the product produced and the percentage of biodiesel and agri-biodiesel in the product.

''(5) OTHER DEFINITIONS.—Any term used in this subsection which is also used in section 40A shall have the meaning given such term by section 40A.

''(6) TERMINATION.—This subsection shall not apply to any sale, use, or removal for any period after December 31, 2005.

''(d) MIXTURE NOT USED AS A FUEL, ETC.—

''(1) IMPOSITION OF TAX.—If—

''(A) any credit was determined under this section with respect to alcohol or biodiesel used in the production of any alcohol fuel mixture or biodiesel mixture, respectively, and

''(B) any person—

''(i) separates the alcohol or biodiesel from the mixture, or

''(ii) without separation, uses the mixture other than as a fuel,

then there is hereby imposed on such person a tax equal to the product of the applicable amount and the number of gallons of such alcohol or biodiesel.

''(2) APPLICABLE LAWS.—All provisions of law, including penalties, shall, insofar as applicable and not inconsistent with this section, apply in respect of any tax imposed under paragraph (1) as if such tax were imposed by section 4081 and not by this section.

''(e) COORDINATION WITH EXEMPTION FROM EXCISE TAX.—Rules similar to the rules under section 40(c) shall apply for purposes of this section.''.

(b) REGISTRATION REQUIREMENT.—Section 4101(a) (relating to registration) is amended by inserting ''and every person producing biodiesel (as defined in section 40A(d)(1)) or alcohol (as defined in section 6426(b)(4)(A))'' after ''4091''.

(c) ADDITIONAL AMENDMENTS.—

(1) Section 40(c) is amended by striking ''or section 4091(c)'' and inserting ''section 4091(c), or section 6426''.

(2) Section 40(e)(1) is amended—

(A) by striking ''2007'' in subparagraph (A) and inserting ''2010'', and

(B) by striking ''2008'' in subparagraph (B) and inserting ''2011''.

(3) Section 40(h) is amended—

(A) by striking ''2007'' in paragraph (1) and inserting ''2010'', and

(B) by striking '', 2006, or 2007'' in the table contained in paragraph (2) and inserting ''through 2010''.

(4)(A) Subpart C of part III of subchapter A of chapter 32 is amended by adding at the end the following new section:

''SEC. 4104. INFORMATION REPORTING FOR PERSONS CLAIMING CERTAIN TAX BENEFITS.

''(a) IN GENERAL.—The Secretary shall require any person claiming tax benefits under the provisions of section 34, 40, 40A, 4041(b)(2), 4041(k), 4081(c), 6426, or 6427(f) to file a quarterly return (in such manner as the Secretary may prescribe) providing such information relating to such benefits and the coordination of such benefits as the Secretary may require to ensure the proper administration and use of such benefits.

''(b) ENFORCEMENT.—With respect to any person described in subsection (a) and subject to registration requirements under this title, rules similar to rules of section 4222(c) shall apply with respect to any requirement under this section.''.

(B) The table of sections for subpart C of part III of subchapter A of chapter 32 is amended by adding at the end the following new item:

''Sec. 4104. Information reporting for persons claiming certain tax benefits.''.

(5) Section 6427(i)(3) is amended—

(A) by adding at the end of subparagraph (A) the following new flush sentence:

''In the case of an electronic claim, this subparagraph shall be applied without regard to clause (i).'', and

(B) by striking ''20 days of the date of the filing of such claim'' in subparagraph (B) and inserting ''45 days of the date of the filing of such claim (20 days in the case of an electronic claim)''.

(6) Section 9503(b)(1) is amended by adding at the end the following new flush sentence:

''For purposes of this paragraph, taxes received under sections 4041 and 4081 shall be determined without reduction for credits under section 6426.''.

(d) CLERICAL AMENDMENT.—The table of sections for subchapter B of chapter 65 is amended by inserting after the item relating to section 6425 the following new item:

''Sec. 6426. Credit for alcohol fuel and biodiesel mixtures.''.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the amendments made by this section shall apply to fuel sold, used, or removed after December 31, 2003.

(2) SUBSECTION (c)(4).—The amendments made by subsection (c)(4) shall take effect on January 1, 2004.

(3) SUBSECTION (c)(5).—The amendments made by subsection (c)(5) shall apply to claims filed after December 31, 2004.

(f) FORMAT FOR FILING.—The Secretary of the Treasury shall prescribe the electronic format for filing claims described in section 6427(i)(3)(B) of the Internal Revenue Code of 1986 (as amended by subsection (c)(5)(A)) not later than December 31, 2004.

SEC. 7. NONAPPLICATION OF EXPORT EXEMPTION TO DELIVERY OF FUEL TO MOTOR VEHICLES REMOVED FROM UNITED STATES.

(a) IN GENERAL.—Section 4221(d)(2) (defining export) is amended by adding at the end the following new sentence: ''Such term does not include the delivery of a taxable fuel (as defined in section 4083(a)(1)) into a fuel tank of a motor vehicle which is shipped or driven out of the United States.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 4041(g) (relating to other exemptions) is amended by adding at the end the following new sentence: ''Paragraph (3) shall not apply to the sale for delivery of a liquid into a fuel tank of a motor vehicle which is shipped or driven out of the United States.''.

(2) Clause (iv) of section 4081(a)(1)(A) (relating to tax on removal, entry, or sale) is amended by inserting ''or at a duty-free sales enterprise (as defined in section 555(b)(8) of the Tariff Act of 1930)'' after ''section 4101''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales or deliveries made after the date of the enactment of this Act.

By Mr. ALLEN:

S. 2918. A bill to amend the Internal Revenue Code of 1986 to provide that distributions from an individual retirement plan, a section 401(k) plan, or a section 403(b) contract shall not be includible in gross income to the extent used to pay long-term care insurance premiums; to the Committee on Finance.

Mr. ALLEN. Mr. President, I rise to bring the Senate's attention to a bill I introduced today, the Long-Term Care Act of 2004.

Baby boomers will begin to turn 65 years old in 2010 and by 2030, all 77 million baby boomers will have reached retirement age and the over 65 population will have doubled. The practicality of these conditions will require the Federal Government and most State governments to spend more money on health care. Presently, Federal and State governments are spending billions of dollars to ensure the health and well being of our fellow citizens.

In one sector of the health care arena where costs are dramatically rising is in the area of long-term care. In 2000, spending on long-term care was estimated at $123.1 billion and it is expected to triple to $346.1 billion by 2040. Currently, 70 percent of long-term care costs are spent on nursing home care. The average cost of nursing home care is $178 per day or $60,000 per year. That is a significant burden on Federal and State governments as well as the thousands of individuals who pay for that care out of pocket.

In addition, almost 75 percent of nursing home care is publicly funded. Medicaid spends about 58.7 percent on long-term care while Medicare spends 14.7 percent. According to the Council for Affordable Health Insurance, by the year 2030, Medicaid's nursing home expenditures are expected to reach $130 billion a year.

If more people purchased private long-term care insurance, we could reduce Medicaid's future institutional-care expenses by more than $40 billion each year, while giving those who are insured alternatives to nursing homes: including home care, adult day care, foster care and assisted living. Congress has taken steps to give individuals more power to pay for their health care services such as long-term care. One such outstanding measure was the creation of Health Savings Accounts (HSAs).

Last year, I was pleased to support the passage of the Medicare Modernization Act. This landmark legislation

created Health Savings Accounts, which are a new way that people can pay for unreimbursed medical expenses such as deductibles, co-payments, and services not covered by insurance like long-term care. Eligible individuals can establish and fund these accounts when they have a qualifying high deductible health plan and no other health plan, with some exceptions. The beauty of these plans is that they have tax advantages such as deductible contributions; tax-exempt withdrawals if the individual uses the money for medical expenses; and tax-exempt account earnings.

I am confident that with the creation of Health Savings Accounts, individuals and families will be encouraged to set money aside for their health care expenses and give individuals the means to pay for health care services of their own choosing, without being constrained by insurers or employers. Unfortunately, Health Savings Accounts are relatively new and most individuals will not have the built up funds in their HSA to pay for a number of costly health care expenses such as long-term care insurance and that is why we need to provide other options to help pay for this important investment.

Currently, thousands of Virginians and millions of Americans are saving in their retirement plans to have a comfortable life once they become seniors, be it IRA, 401(k), and 403(b) accounts. These savings plans help prepare individuals for their future retirement or any unforeseen circumstance that may arise. Indeed, over 43 million Americans own IRAs with total savings of $2.5 trillion, while more than 47 million Americans have 401(k) accounts with $1.8 trillion saved. In addition, 6.4 million Americans have 403(b) accounts, amounting to over $590 billion saved.

These are untapped funds that individuals should be allowed to use to help pay for their future health care needs. Current tax law and some retirement plans allow individuals, in extreme circumstances, to withdraw funds from their retirement accounts, but more often than not, a 10 percent excise tax applies for early withdrawal. In my opinion, that tax precludes the ability or desirability of individuals to provide for their and their families well-being and that is why I have introduced legislation to provide a new health care option to help address this unfortunate circumstance.

My legislation, the Long-Term Care Act of 2004 will allow individuals to use their IRAs, 401(k), and 403(b) plans to purchase long-term care insurance with pretax dollars at any age and without early withdrawal penalty. Under the Long-Term Care Act, the consumer has the option to purchase long-term care insurance at the most appropriate amounts for their own needs and their spouses.

Today, only six percent of Americans own a long-term care policy. One of the reasons behind this dismally low figure is that individuals wait too long to purchase long-term care insurance. In fact, purchasing long-term care insurance at age 65 is about twice expensive as purchasing it age 55. That is why we must encourage individuals to plan for their future health care needs and purchase long-term care insurance at an early age. By purchasing long-term care insurance at a younger age, individuals will be saving money in the long run and not depleting their life savings.

Our country is heading towards a demographic melt down on long-term care costs. It is simply unsustainable for individuals and the government to maintain the current rate of spending without further endangering the state of health care in the United States.

Preparing for future costs of health care is something that every American should be doing. Long-term care insurance is one way for Americans to plan for periods of extended disability without burdening their families, going bankrupt or relying on government assistance.

Every American should be preparing for future health care costs and it is important that we encourage people to take responsibility today for those costs, be it with the purchase of long-term care insurance or investment in a Health Savings Account. If Virginians and Americans fail to act, it will result in an increased and unsustainable financial burden on the Federal Government and taxpayers.

My legislation, the Long-Term Care Act of 2004, is a commonsense approach that will encourage individuals to plan for their future health care needs and help make long-term care insurance more affordable. While this may not be the solution for some people, it is another option for the millions of Virginians and Americans to help provide for their health and well-being or the health and well-being of loved ones. I look forward to the Senate's action on this legislation early on in the 109th Congress because it not only encourages Americans to plan for their future health needs but will also help sustain the viability of our Nation's health care system.

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

S. 2919. A bill to amend the Internal Revenue Code of 1986 to provide funding for Indian tribal prison facilities, and for other purposes; to the Committee on Finance.

Mr. BAUCUS. Mr. President, I rise today to talk about a crisis occurring today in Indian country—and offer a solution. This crisis is not something new. It has been decades in the making. For too long we have neglected to adequately address this issue. This crisis is the condition of Indian jails.

We held a hearing on the Finance Committee this fall to bring attention to the problem. We heard testimony from the Inspector General of the Interior Department, Mr. Earl Devaney. He issued a report that was absolutely shocking. Mr. Devaney said the conditions of Indian jails are comparable to conditions found in third-world countries. He said the jails are a natural disgrace.

There are over seventy Indian jails in America. Almost all of them suffer from the same problems. They are highly understaffed and overpopulated. There are extremely high rates of suicides and escapes. Officers are undertrained or not trained at all. Many of these jails don't even have locking doors. We are talking about jails used to detain criminals and they don't have locking doors. These conditions are unacceptable. They must be fixed. It is our duty to address this problem.

In my home State of Montana, we have eleven Indian jails. They are staffed with hardworking, good people. But they are not miracle workers. They cannot be faulted for the deplorable condition of their jails. Let me give you are example.

On one day in June of 2002, nine of the eleven Montana Indian jails were overpopulated. The Crow Indian jail was 429 percent overcapacity. At the Blackfeet Indian jail, every single detention officer was assaulted last year.

One major reason these jails are in such poor condition is they are terribly underfunded. Tribal officers don't have the money to address the problems. Their hands are tied. We can do something about this. We must provide adequate funding for Indian jails.

Today I offer a proposal to the Senate to give tribes the authority to issue tax credit bonds for the construction, maintenance, and operation of their detention facilities. These bonds give off tax credits rather than interest to their investors, allowing tribes with little resources to earn interest off the proceeds. The bonds will provide a steady stream of income to the Tribal governments.

The legislation will provide money that is so desperately needed to address the problems facing Indian jails. I urge my colleagues to support this legislation. I ask unanimous consent that the text of this bill be printed in the RECORD.

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

S. 2919

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

SECTION 1. CREDIT TO HOLDERS OF INDIAN TRIBAL PRISON FACILITY BONDS.

(a) IN GENERAL.—Part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to credits against tax) is amended by adding at the end the following new subpart:

"Subpart H—Nonrefundable Credit for Holders of Indian Tribal Prison Facility Bonds

''Sec. 54. Credit to holders of Indian tribal prison facility bonds.

"SEC. 54. CREDIT TO HOLDERS OF INDIAN TRIBAL PRISON FACILITY BONDS.

''(a) ALLOWANCE OF CREDIT.—In the case of a taxpayer who holds an Indian tribal prison

facility bond on a credit allowance date of such bond which occurs during the taxable year, there shall be allowed as a credit against the tax imposed by this chapter for such taxable year an amount equal to the sum of the credits determined under subsection (b) with respect to credit allowance dates during such year on which the taxpayer holds such bond.

''(b) AMOUNT OF CREDIT.—

''(1) IN GENERAL.—The amount of the credit determined under this subsection with respect to any Indian tribal prison facility bond is the amount equal to the product of—

''(A) the credit rate determined by the Secretary under paragraph (2) for the month in which such bond was issued, multiplied by

''(B) the face amount of the bond held by the taxpayer on the credit allowance date.

''(2) DETERMINATION.—During each calendar month, the Secretary shall determine a credit rate which shall apply to bonds issued during the following calendar month. The credit rate for any month is the percentage which the Secretary estimates will permit the issuance of Indian tribal prison facility bonds without discount and without interest cost to the issuer.

''(c) LIMITATION BASED ON AMOUNT OF TAX.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

''(1) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

''(2) the sum of the credits allowable under this part (other than this subpart and subpart C).

''(d) CREDIT INCLUDED IN GROSS INCOME.—Gross income includes the amount of the credit allowed to the taxpayer under this section (determined without regard to subsection (c)) and the amount so included shall be treated as interest income.

''(e) INDIAN TRIBAL PRISON FACILITY BOND.—For purposes of this part, the term 'Indian tribal prison facility bond' means any bond issued as part of an issue if—

''(1) 95 percent or more of the proceeds of such issue are to be invested in investment grade obligations and the proceeds from such investment are used for the construction, acquisition, rehabilitation, expansion, or operating expanses of a qualified Indian tribal prison facility,

''(2) the bond is issued by the Indian tribe within the jurisdiction of which such facility is located,

''(3) the bond is issued pursuant to a plan developed by the Indian tribe,

''(4) the issuer designates such bond for purposes of this section,

''(5) the term of each bond which is part of such issue does not exceed 10 years, and

''(6) no amount of proceeds of such issue (including proceeds from any investment under paragraph (1)) may be used to pay the costs of issuance to the extent such amount exceeds 2 percent of the sale proceeds of such issue.

''(f) QUALIFIED INDIAN TRIBAL PRISON FACILITY.—For purposes of this section, the term 'qualified Indian tribal prison facility' means any residential correctional or detention facility located on the qualified Indian land of the issuing Indian tribe substantially all of the inmates of which are adult or juvenile members of such Indian tribe.

''(g) LIMITATION ON AMOUNT OF BONDS DESIGNATED; ALLOCATION OF BONDS.—

''(1) NATIONAL LIMITATION.—There is an Indian tribal prison facility bond limitation for each calendar year. Such limitation is—

''(A) $200,000,000 for 2005,

''(B) $200,000,000 for 2006,

''(C) $200,000,000 for 2007, and

''(D) except as provided in paragraph (3), zero thereafter.

''(2) ALLOCATION OF BONDS.—

''(A) IN GENERAL.—The Secretary, after consultation with the Secretary of the Interior, shall allocate the Indian tribal prison facility bond limitation among those Indian tribes which submit a plan which contains a description of the proposed use of investment proceeds, assurances that such proceeds will be used only for such use, a proposed expenditure schedule, information relevant to the criteria described in subparagraph (B), and any other information determined appropriate by the Secretary.

''(B) APPROVAL CRITERIA.—In allocating the limitation among plan requests of Indian tribes under subparagraph (A), the Secretary shall consider—

''(i) the percentage of prison overcrowding in excess of the facility occupancy level as determined by the Bureau of Indian Affairs,

''(ii) the condition of existing facilities,

''(iii) the health and safety of both inmates and prison employees,

''(iv) the type of offenders incarcerated, and

''(v) other financial resources available to the Indian tribe.

''(3) CARRYOVER OF UNUSED ISSUANCE LIMITATION.—If for any calendar year the limitation amount imposed by paragraph (1) exceeds the amount of Indian tribal prison facility bonds issued during such year, such excess shall be carried forward to one or more succeeding calendar years as an addition to the limitation imposed by paragraph (1) and until used by issuance of such bonds.

''(h) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) CREDIT ALLOWANCE DATE.—The term 'credit allowance date' means, with respect to any issue, the last day of the 1-year period beginning on the date of the issuance of such issue and the last day of each successive 1-year period thereafter.

''(2) BOND.—The term 'bond' includes any obligation.

''(3) INDIAN TRIBE.—The term 'Indian tribe' has the meaning given such term by section 7871(c)(3)(E)(ii).

''(4) QUALIFIED INDIAN LANDS.—The term 'qualified Indian lands' has the meaning given such term by section 7871(c)(3)(E)(i).

''(5) PARTNERSHIP; S CORPORATION; AND OTHER PASS-THRU ENTITIES.—In the case of a partnership, trust, S corporation, or other pass-thru entity, rules similar to the rules of section 41(g) shall apply with respect to the credit allowable under subsection (a).

''(6) BONDS HELD BY REGULATED INVESTMENT COMPANIES.—If any Indian tribal prison facility bond is held by a regulated investment company, the credit determined under subsection (a) shall be allowed to shareholders of such company under procedures prescribed by the Secretary.

''(7) REPORTING.—Each Indian tribe with an allocation of Indian tribal prison facility bonds under an approved plan shall submit reports similar to the reports required under section 149(e).''.

(b) CONFORMING AMENDMENTS.—

(1) REPORTING.—Subsection (d) of section 6049 of the Internal Revenue Code of 1986 (relating to returns regarding payments of interest) is amended by adding at the end the following new paragraph:

''(8) REPORTING OF CREDIT ON INDIAN TRIBAL PRISON FACILITY BONDS.—

''(A) IN GENERAL.—For purposes of subsection (a), the term 'interest' includes amounts includible in gross income under section 54(d) and such amounts shall be treated as paid on the credit allowance date (as defined in section 54(h)(1)).

''(B) REPORTING TO CORPORATIONS, ETC.—Except as otherwise provided in regulations, in the case of any interest described in subparagraph (A), subsection (b)(4) shall be applied without regard to subparagraphs (A), (H), (I), (J), (K), and (L)(i) of such subsection.

''(C) REGULATORY AUTHORITY.—The Secretary may prescribe such regulations as are necessary or appropriate to carry out the purposes of this paragraph, including regulations which require more frequent or more detailed reporting.''.

(2) TREATMENT FOR ESTIMATED TAX PURPOSES.—

(A) INDIVIDUAL.—Section 6654 of such Code (relating to failure by individual to pay estimated income tax) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

''(m) SPECIAL RULE FOR HOLDERS OF INDIAN TRIBAL PRISON FACILITY BONDS.—For purposes of this section, the credit allowed by section 54 to a taxpayer by reason of holding an Indian tribal prison facility bond on a credit allowance date shall be treated as if it were a payment of estimated tax made by the taxpayer on such date.''.

(B) CORPORATE.—Subsection (g) of section 6655 of such Code (relating to failure by corporation to pay estimated income tax) is amended by adding at the end the following new paragraph:

''(5) SPECIAL RULE FOR HOLDERS OF INDIAN TRIBAL PRISON FACILITY BONDS.—For purposes of this section, the credit allowed by section 54 to a taxpayer by reason of holding an Indian tribal prison facility bond on a credit allowance date shall be treated as if it were a payment of estimated tax made by the taxpayer on such date.''.

(c) CLERICAL AMENDMENTS.—

(1) The table of subparts for part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''Subpart H. Nonrefundable Credit for Holders of Indian Tribal Prison Facility Bonds.''.

(2) Section 6401(b)(1) of such Code is amended by striking ''and G'' and inserting ''G, and H''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after December 31, 2004.

Mr. DASCHLE. Mr. President, today I am pleased to join Senator MAX BAUCUS in introducing legislation that addresses the longstanding problem of dilapidated tribal detention facilities on Indian reservations. There is a tremendous need for replacement construction of Bureau of Indian Affairs (BIA) operated and funded facilities, and I am pleased that this legislation offers a creative and innovative bonding approach to address the construction backlog.

USA Today reported that Federal investigators have uncovered evidence of abuse, neglect and inhumane conditions in Native American prisons and jails. This troubling report suggests that the conditions in Indian detention facilities are not improving and, in fact, appear to be getting worse. It is my hope that this hearing will help shed additional light on these allegations, and lead to solutions to improve conditions in facilities across Indian country.

According to recent statistics from the Department of Justice report on Indian jails and prisons, there are 70 detention facilities in Indian country, supervising approximately 2,100 inmates. Many of these facilities are in

an appalling state of disrepair, and face problems that range from overcrowding and understaffing to sheer neglect and abuse.

According to the most recent statistics from the Department of Justice, over half of all detention facilities in Indian country were operating at 100-percent capacity in 2002, and nineteen were operating at 150-percent or higher capacity. Of those nineteen, three are located in my state of South Dakota: Pine Ridge's Medicine Root Detention Center, operating at 250-percent capacity; Crow Creek's Fort Thompson Jail, operating at 242-percent capacity; and the Pine Ridge Correctional Facility, which is operating at a staggering 400 percent of its capacity.

Inmates in South Dakota's BIA facilities are housed in dilapidated buildings and are forced to endure extraordinarily harsh conditions. Even though the Lower Brule tribal detention facility was condemned by the BIA in 1987, it was still being used to house inmates as recently as two years ago. Because the new facility is still under construction, Lower Brule prisoners are sent 13 miles away, across the Missouri River, to the Crow Creek facility in Fort Thompson. Because there aren't enough BIA officers to transport them back to Lower Brule, detainees released from Crow Creek are often forced to make the return trip to Lower Brule on foot. It is shocking that this is allowed to happen at all, but especially in South Dakota where harsh winters and sub-zero temperatures are routine. Moreover, the Fort Thompson facility is equally understaffed. One person serves as both police dispatcher and detention officer in a facility that houses up to 30 prisoners.

These conditions have a devastating impact on prisoners. Nationally, between July 1, 2001, and June 30, 2002, 282 inmates in tribal jails attempted suicide, up from 169 the previous year. In the last five years, the number of admissions rose 32 percent, and the annual number of attempted suicides more than doubled, from 133 to 282. On Crow Creek, which is located in one of the most impoverished counties in the U.S. and experiences inordinate suicide rates among its general population, several suicides have occurred in the local jail.

Even more troubling, inadequate detention facilities pose a serious threat to the surrounding communities. With a limited number of officers responsible for large inmate populations, the risk of prisoner violence—against both prison staff and, in the event of an escape, local citizens—is much greater. Moreover, the culture of neglect and abuse found in many of our Indian jails is indicative of broader trends within the communities. The Lower Brule jail doubles as a suicide-watch center for troubled teens, since there is nowhere else in the community to take them. Several Emergency Medical Technicians (EMTs) have either resigned, or are on the brink of resigning, due to the stress of the situation. Law enforcement officials are at a loss about how to address this disturbing pattern, and are overwhelmed by the feelings of hopelessness that accompany it.

Clearly, the impact that overcrowding, dilapidated conditions, and neglect are having on inmates in these facilities, as well as local communities, is reaching a critical mass—both in South Dakota and across the Nation—and we must act now to reverse the trend. While addressing the problems that exist in jails and prisons clearly isn't the whole answer, such an approach will meet a critical need in Indian country, and will represent an important step toward increasing public safety and reducing incidences of abuse and neglect.

We can start by increasing funding for BIA facilities. Unfortunately, this Administration has demonstrated a complete unwillingness to give Indian detention facilities the resources they need, and has actually reduced funding for jails and prisons in Indian country. It wasn't always so bad. Under the Clinton Administration, then-Attorney General Janet Reno created the Department of Justice—Department of Interior Indian Law Enforcement initiative with the objective of creating an effective way to address law enforcement, facilities, juvenile justice, and rehabilitation efforts in Indian country. Although funding for these programs, which increased under the Clinton administration and was consistent until the FY2002 appropriations cycle, was not enough to meet all of Indian country's needs, the initiative represented an unprecedented step toward addressing some of these problems.

Unfortunately, the current Administration, while budgeting hundreds of millions of dollars for Federal prison construction, has proposed eliminating the tribal facility program for the second year in a row. While Congress appropriated $35 million per year for construction of BIA detention facilities between 2000 and 2002, we appropriated only $2 million in FY2004. Now, with an even tighter budget to work with, the outlook for this year is especially bleak, and conditions at BIA facilities are likely to get even worse.

For too long, we have neglected our obligations to Native Americans. We are seeing the effects of that neglect in South Dakota. These are once again examples of the abrogration of the trust responsibility by the Federal Government to the tribes and its people.

We need to do a better job of funding Indian detention centers, and we need to do more to address public safety, tribal courts, and rehabilitation efforts. We cannot ask tribes to choose between funding crisis intervention and law enforcement. We cannot force tribes to make the choice between funding education and after school programs for their children, and repairing cracked walls and inoperable surveillance cameras in their jails.

While national rates are the lowest in years, crime on Indian lands continues to rise. Particularly disturbing is the violent nature of this crime; violence against women, juvenile and gang crime, and child abuse remain serious problems. The Bureau of Justice Statistics reports that American Indians experience the highest crime victimization rates in the nation—almost twice the national average.

The law enforcement, public safety, and tribal detention facility issues are of critical importance to Indian country and surrounding communities. If this were happening in any other part of the country, it would be met with public outrage and swift government action. However, in Indian country, it is met with silence and reduced funding. For the safety of our Indian people and the well-being of their communities, we must take action.

I am pleased that on September 21, 2004, the Senate Finance Committee held an oversight hearing on these issues, and that this legislation has emerged as a step in the right direction to address the construction backlog of much-needed facilities in rural, tribal communities.

I support this legislation which authorizes eligible Indian tribes to issue tax-exempt bonds to finance tribal prison facilities, ''tribal prison facility bonds''. I look forward to working with my colleagues to address these important issues and to advance this legislation.

By Mr. CORNYN:

S. 2922. A bill to amend the Public Health Service Act to provide for the expansion, intensification, and coordination of the activities of the National Heart, Lung, and Blood Institute with respect to research on pulmonary hypertension; to the Committee on Health, Education, Labor, and Pensions.

Mr. CORNYN. Mr. President, I rise today to introduce legislation designed to enhance Federal research on an emerging chronic disease in the U.S. known as pulmonary hypertension. PH is a serious and often fatal condition where the blood pressure in the lungs rises to dangerously high levels. In PH patients, the walls of the arteries that take blood from the right side of the heart to the lungs thicken and constrict. As a result, the right side of the heart has to pump harder to move blood into the lungs, causing it to enlarge and ultimately fail.

PH can occur without a known cause or be secondary to other conditions such as; collagen vascular diseases, i.e., scleroderma and lupus, blood clots, HIV, sickle cell, and liver disease. PH does not discriminate based on race, gender or age. Patients develop symptoms of shortness of breath, fatigue, chest pain, dizziness, and fainting. Unfortunately, these symptoms are frequently misdiagnosed, leaving patients

with the false impression that they have a minor pulmonary or cardiovascular condition. By the time many patients receive an accurate diagnosis, the disease has progressed to a late stage, making it impossible to receive a necessary heart or lung transplant.

With this legislation, I am proud to join the Pulmonary Hypertension Association in the fight against this deadly illness. PHA is the Nation's oldest and largest organization dedicated to finding a cure for PH and improving the quality of life for PH patients and their families. I would particularly like to recognize the contributions of four PHA members from my home State of Texas who have contributed so much to this worthy cause—Leo and Bobbie Fields, and Jack Stibbs and his daughter Emily. Their commitment to improving the quality of life for PH patients and pursuing a cure for this disease is truly inspiring. I would also like to recognize our colleague Congressman KEVIN BRADY for his leadership in introducing the ''PH Research Act'' in the other body.

A few years ago the scientifc community discovered the first gene associated with pulmonary hypertension. This was a landmark discovery in the battle to unravel the mystery surrounding this disease. The ''PH Research Act'' seeks to capitalize on this exciting advancement by establishing ''Centers of Excellence'' on pulmonary hypertension through the National Heart, Lung and Blood Institute at the National Institutes of Health. These Centers would focus on: 1. basic and clinical research into the cause, diagnosis, and treatment of PH: 2. the training of new investigators in PH research; 3. continuing education for health care professionals regarding PH with a focus on early diagnosis and 4. the dissemination of information regarding the disease to the general public.

This is an important bill that has the potential to help tens of thousands of Americans and their families, who are struggling with this devastating disease. I look forward to working with the Health, Education, Labor and Pensions Committee to advance the ''PH Research Act.''

By Mr. BIDEN (for himself, Mr. SPECTER, Mr. BINGAMAN, and Ms. LANDRIEU):

S. 2923. A bill to reauthorize the grant program of the Department of Justice for reentry of offenders into the community, to establish a task force on Federal programs and activities relating to the reentry of offenders into the community, and for other purposes; to the Committee on the Judiciary.

Mr. BIDEN. Mr. President, Senator SPECTER and I introduce today the Enhanced Second Chance Act of 2004, which takes direct aim at reducing recidivism rates for our Nation's ex-offenders and improving the transition for these offenders from prison back into the community.

All too often we think about today, but not tomorrow. We look to short-term solutions for long- term problems. We need to have a change in thinking and approach. It's time we face the dire situation of prisoners reentering our communities with insufficient monitoring, little or no job skills, inadequate drug treatment, insufficient housing, lack of positive influences, a paucity of basic physical and mental health services, and deficient basic life skills.

The bill we introduce today is about providing a second chance for these ex-offenders, and the children and families that depend on them. It's about strengthening communities and ensuring safe neighborhoods.

Since my 1994 Crime Bill passed, we've had great success in cutting down on crime rates in this country. Under the Community Oriented Policing Services (COPS) program, we've funded over 114,000 officers all across the country. And our crime rate has plummeted. Murder is down 37.8 percent, rape 19.1 percent, and aggravated assaults 28 percent. The overall crime rate sharply declined by 28 percent.

But now, we are seeing some troubling indicators that crime is back on the rise. Murder was up 2.5 percent in 2001, 1 percent in 2002, and 1.3 percent in 2003. Forcible rape is up as is robbery. Car theft is up 10 percent over the last four years.

If we are going to ensure that these latest numbers are only a blip on the continued downward trend of crime rates, as opposed to the beginning of a comeback in crime, we simply have to make strong, concerted, and commonsense efforts now to help ex-prisoners successfully reenter and reintegrate into their communities.

There's a record number of people currently serving time in our country—over two million. This translates into 1 out of every 143 U.S. residents. In its latest statistics on the matter, the Bureau of Justice Statistics found that the Nation's overall prison population increased by over 40,000 from midyear 2002 to midyear 2003, the largest increase in 4 years.

Also vital to realize is that 95 percent of all these millions we lock up will eventually get out. That equals nearly 650,000 being released from Federal or State prisons to communities each year. In a State like Delaware, that's over 4,000 inmates per year. And here's the kicker—a staggering ⅔ of these released state prisoners are expected to be rearrested for a felony or serious misdemeanor within 3 years of release. Two out of every three! You're talking about hundreds of thousands of reoffending ex-offenders each year and hundreds of thousands of serious crimes being committed by people who have already served time in jail.

And, unfortunately, it's not too difficult to see why such a huge portion of our released prisoners recommit serious crimes. Up to 60 percent of former inmates are not employed; 15 to 27 percent of prisoners expect to go to homeless shelters upon release; and 57 percent of Federal and 70 percent of State inmates used drugs regularly before prison, with some estimates of involvement with drugs or alcohol around the time of the offense as high as 84 percent.

These huge numbers of released prisoners each year and the out-of-control recidivism rates are a recipe for disaster—leading to untold damage, hardship, and death for victims; ruined futures and lost potential for re-offenders; and a huge drain on society at large. One particularly vulnerable group is the children of these offenders. We simply cannot be resigned to allowing generation after generation entering and reentering our prisons. This pernicious cycle must come to an end.

My 1994 Crime Bill recognized these extraordinarily high rates of recidivism as a real problem. My bill, for example, created innovative drug treatment programs for State and Federal inmates to help them kick their habit.

But this is only one piece of the puzzle. I introduced a bill in 2000 that would have built on my 1994 Crime Bill—the ''Offender Reentry and Community Safety Act of 2000'', S. 2908. This bill would have created demonstration reentry programs for Federal, State, and local prisoners. These programs were designed to assist high-risk, high-need offenders who served their prison sentences, but who pose the greatest risk of reoffending upon release because they lack the education, job skills, stable family or living arrangements, and the health services they need to successfully reintegrate into society.

Senator SPECTER has also been a dedicated and tireless leader on crime and public safety issues throughout his career and has, for many years, seen the serious public safety ramifications of high recidivism rates. For example, my colleague from Pennsylvania has been the leader on the effort to ensure that offenders who are being released back into our communities have adequate education and work training to become productive members of our society. I couldn't be more pleased than to join efforts with Senator SPECTER on the Enhanced Second Chance Act of 2004.

While we have made some progress on offender reentry efforts since 1994, much more needs to be done. In the current session of Congress, I am pleased that colleagues of mine—from both sides of Capitol Hill and from both sides of the aisle—are also focusing their attention on this vital issue.

I am proud to have worked with Representatives ROB PORTMAN, DANNY DAVIS, and JOHN CONYERS, just to name a few, in the House or Representatives. In the Senate, a number of my colleagues, in addition to Senator SPECTER, have shown strong interest in offender reentry issues, including Senators BROWNBACK, DEWINE, LEAHY, KENNEDY, LANDRIEU, BINGAMAN, HATCH, GRASSLEY, and SANTORUM.

The Second Chance Act of 2004 was introduced in the House and Senate recently, and I was proud to have worked extensively on that bipartisan, bicameral process. The bill Senator SPECTER and I introduce today builds on those efforts. Like the Second Chance Act, the central component of our bill provides a competitive grant program to promote innovative programs to test out a variety of methods aimed at reducing recidivism rates. Efforts would be focused on post-release housing, education and job training, substance abuse and mental health services, and mentoring programs, just to name a few.

Because the scope of the problem is so large—with 650,000 prisoners being released from state and federal prisons each year—our bill provides more than three times as much funding than the House bill. While the House bill contains $40 million per year for the main grant program, our bill provides $130 million. This isn't being wasteful with our scarce federal resources, it's just an acknowledgment of the scope of the problem we're faced with.

A relatively modest investment in offender reentry efforts compares very well with the alternative, building more and more prisons for these ex-offenders to return to if they are unable to successfully reenter their communities and instead are rearrested and reconvicted of more crimes. We must remember that the average cost of incarcerating each prisoner exceeds $20,000 per year. In Delaware, this translates into over $200 per resident just to pay for jail and prison operating expenses.

In constant 2001 dollars, state prison costs in our country have increased from $11.7 billion per year in 1986 to $29.5 billion in 2001. And even with these kinds of resources being spent, by the end of 2002, 25 States and the Federal prison system reported operating at 100 percent or more of their highest capacity. My own home State of Delaware continues to see a prison system bulging at the seams. We have tried, but simply cannot build our way out of this problem. We need tough—but smart—strategies to stop the revolving door of prisoners being released from prison, only to re-offend and land right back behind bars. We simply can't be penny-wise but pound-foolish.

The Enhanced Second Chance Act of 2004 also requires that Federal departments with a role in offender reentry efforts coordinate and work together; to make sure there aren't duplicative efforts or funding gaps; and to coordinate reentry research. Our bill would raise the profile of this issue within the executive branch and secure the sustained and coordinated federal attention offender reentry efforts deserve.

We also need to examine existing Federal and state reentry barriers—laws, regulations, rules, and practices that make it more difficult for former inmates to successfully reintegrate back into their communities; laws that confine ex-offenders to society's margins, making it even more likely that they will recommit serious crimes and return to prison.

Turning over a new leaf and going from a life of crime to becoming a productive member of society is tough enough. We shouldn't have Federal and State laws on the books that make this even more challenging. That's not to say that we don't want to restrict former drug addicts from working in pharmacies, for example, or to bar sex offenders from working in day care centers. But many communities across the country currently exclude ex-prisoners from virtually every occupation requiring a state license, like chiropractic care, engineering, and real estate. Lifting these senselessly punitive bans would make it easier for ex-offenders to stay out of prison.

Our bill provides for a robust analysis of these Federal and State barriers with recommendations on what next steps we need to take. And these reviews are mandated to take place out in the open under public scrutiny.

The Enhanced Second Chance Act also spurs state-of-the-art research and study on offender reentry issues. We need to know who is most likely to recommit crimes when they are released, to better target our limited resources where they can do the most good. We need to study why some ex-offenders who seem to have the entire deck stacked against them are able to become successful and productive members of our society. We need to know what works and how we can replicate what works for others.

Our bill also provides a whole slew of common-sense proposals in the areas of job training, employment, education, post-release housing, civic rights, substance abuse, and prisoner mentoring—efforts and changes in law that we can do now. Some of these important provisions are included in the House bill, others are in addition to those efforts, but all are common-sense efforts in the art of the possible. Our goal is to do as much as possible right now.

Our Enhanced Second Chance Act is a next, natural step in our campaign against crime. Making a dent in recidivism rates is an enormous undertaking; one that requires action now and continued focus in the future. I commit to vigorously pushing this legislation as well as keeping an eye on what steps we need to take in the future. We need to realize that the problems facing ex-offenders are enormous and require sustained focus. The safety of our neighbors, our children, and our communities depends on it.

I'm proud today to introduce the Enhanced Second Chance Act with Senator SPECTER and ask our colleagues to join with us in this vital effort.

I ask unanimous consent to have the text of our bill printed in the RECORD.

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

S. 2923

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 ''Enhanced Second Chance Act of 2004: Community Safety Through Recidivism Prevention'' or the ''Enhanced Second Chance Act of 2004''.

SEC. 2. FINDINGS.

Congress finds the following:

(1) In 2002, 2,000,000 people were incarcerated in Federal or State prisons or in local jails. Nearly 650,000 people are released from incarceration to communities nationwide each year.

(2) There are over 3,200 jails throughout the United States, the vast majority of which are operated by county governments. Each year, these jails will release in excess of 10,000,000 people back into the community.

(3) Nearly ⅔ of released State prisoners are expected to be rearrested for a felony or serious misdemeanor within 3 years after release.

(4) In recent years, a number of States and local governments have begun to establish improved systems for reintegrating former prisoners. Under such systems, corrections officials begin to plan for a prisoner's release while the prisoner is incarcerated and provide a transition to needed services in the community.

(5) Faith leaders and parishioners have a long history helping ex-offenders transform their lives. Through prison ministries and outreach in communities, churches and faith-based organizations have pioneered reentry services to prisoners and their families.

(6) Successful reentry protects those who might otherwise be crime victims. It also improves the likelihood that individuals released from prison or juvenile detention facilities can pay fines, fees, restitution, and family support.

(7) According to the Bureau of Justice Statistics, expenditures on corrections alone increased from $9,000,000,000 in 1982 to $44,000,000,000 in 1997. These figures do not include the cost of arrest and prosecution, nor do they take into account the cost to victims.

(8) Increased recidivism results in profound collateral consequences, including public health risks, homelessness, unemployment, and disenfranchisement.

(9) The high prevalence of infectious disease, substance abuse, and mental health disorders that has been found in incarcerated populations demands that a recovery model of treatment should be used for handling the more than ⅔ of all offenders with such needs.

(10) One of the most significant costs of prisoner reentry is the impact on children, the weakened ties among family members, and destabilized communities. The long-term generational effects of a social structure in which imprisonment is the norm and law-abiding role models are absent are difficult to measure but undoubtedly exist.

(11) According to the 2001 national data from the Bureau of Justice Statistics, 3,500,000 parents were supervised by the correctional system. Prior to incarceration, 64 percent of female prisoners and 44 percent of male prisoners in State facilities lived with their children.

(12) Between 1991 and 1999, the number of children with a parent in a Federal or State correctional facility increased by more than 100 percent, from approximately 900,000 to approximately 2,000,000. According to the Bureau of Prisons, there is evidence to suggest that inmates who are connected to their children and families are more likely to avoid negative incidents and have reduced sentences.

(13) Approximately 100,000 juveniles (ages 17 and under) leave juvenile correctional facilities, State prison, or Federal prison each year. Juveniles released from confinement still have their likely prime crime years ahead of them. Juveniles released from secure confinement have a recidivism rate ranging from 55 to 75 percent. The chances that young people will successfully transition into society improve with effective reentry and aftercare programs.

(14) Studies have shown that from 15 percent to 27 percent of prisoners expect to go to homeless shelters upon release from prison.

(15) The National Institute of Justice has found that after 1 year of release, up to 60 percent of former inmates are not employed.

(16) Fifty-seven percent of Federal and 70 percent of State inmates used drugs regularly before prison, with some estimates of involvement with drugs or alcohol around the time of the offense as high as 84 percent (BJS Trends in State Parole, 1990–2000).

(17) According to the Bureau of Justice Statistics, 60 to 83 percent of the Nation's correctional population have used drugs at some point in their lives. This is twice the estimated drug use of the total United States population of 40 percent.

(18) Family based treatment programs have proven results for serving the special population of female offenders and substance abusers with children. An evaluation by the Substance Abuse and Mental Health Services Administration of family based treatment for substance abusing mothers and children found that at 6 months post treatment, 60 percent of the mothers remain alcohol and drug free, and drug related offenses declined from 28 to 7 percent. Additionally, a 2003 evaluation of residential family based treatment programs revealed that 60 percent of mothers remained clean and sober 6 months after treatment, criminal arrests declined by 43 percent, and 88 percent of the children treated in the program with their mothers remain stabilized.

(19) A Bureau of Justice Statistics analysis indicated that only 33 percent of Federal and 36 percent of State inmates had participated in residential inpatient treatment programs for alcohol and drug abuse 12 months before their release. Further, over ⅓ of all jail inmates have some physical or mental disability and 25 percent of jail inmates have been treated at some time for a mental or emotional problem.

(20) According to the National Institute of Literacy, 70 percent of all prisoners function at the 2 lowest literacy levels.

(21) The Bureau of Justice Statistics has found that 27 percent of Federal inmates, 40 percent of State inmates, and 47 percent of local jail inmates have never completed high school or its equivalent. Furthermore, the Bureau of Justice Statistics has found that less educated inmates are more likely to be recidivists. Only 1 in 4 local jails offer basic adult education programs.

(22) In his 2004 State of the Union Address, President Bush correctly stated: ''We know from long experience that if former prisoners can't find work, or a home, or help, they are much more likely to commit more crimes and return to prison America is the land of the second chance, and when the gates of the prison open, the path ahead should lead to a better life.''.

(23) Participation in State correctional education programs lowers the likelihood of reincarceration by 29 percent, according to a recent United States Department of Education study. A Federal Bureau of Prisons study found a 33 percent drop in recidivism among Federal prisoners who participated in vocational and apprenticeship training.

SEC. 3. REAUTHORIZATION OF ADULT AND JUVENILE OFFENDER STATE AND LOCAL REENTRY DEMONSTRATION PROJECTS.

(a) ADULT OFFENDER DEMONSTRATION PROJECTS AUTHORIZED.—Section 2976(b) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3797w(b)) is amended by striking paragraphs (1) through (4) and inserting the following:

''(1) establishing or improving the system or systems under which—

''(A) the correctional agency of the State or local government develops and carries out plans to facilitate the reentry into the community of each offender in State or local custody;

''(B) the supervision and services provided to offenders in State or local custody are coordinated with the supervision and services provided to offenders after reentry into the community;

''(C) the efforts of various public and private entities to provide supervision and services to offenders after reentry into the community, and to family members of such offenders, are coordinated; and

''(D) offenders awaiting reentry into the community are provided with documents (such as identification papers, referrals to services, medical prescriptions, job training certificates, apprenticeship papers, and information on obtaining public assistance) useful in achieving a successful transition from prison;

''(2) carrying out programs and initiatives by units of local government to strengthen reentry services for individuals released from local jails;

''(3) enabling prison mentors of offenders to remain in contact with those offenders, including through the use of such technology as videoconferencing, during incarceration and after reentry into the community and encouraging the involvement of prison mentors in the reentry process;

''(4) providing structured post-release housing and transitional housing, including group homes for recovering substance abusers, through which offenders are provided supervision and services immediately following reentry into the community;

''(5) assisting offenders in securing permanent housing upon release or following a stay in transitional housing;

''(6) providing continuity of health services (including mental health services, substance abuse treatment and aftercare, and treatment for contagious diseases) to offenders in custody and after reentry into the community;

''(7) providing offenders with education, job training, English as a second language programs, work experience programs, self-respect and life skills training, and other skills useful in achieving a successful transition from prison;

''(8) facilitating collaboration among corrections and community corrections, technical schools, community colleges, and the workforce development and employment service sectors to—

''(A) promote, where appropriate, the employment of people released from prison and jail, through efforts such as educating employers about existing financial incentives and facilitate the creation of job opportunities, including transitional jobs, for this population that will benefit communities;

''(B) connect inmates to employment, including supportive employment and employment services, before their release to the community;

''(C) address barriers to employment, including licensing; and

''(D) identify labor market needs to ensure that education and training are appropriate;

''(9) assessing the literacy and educational needs of offenders in custody and identifying and providing services appropriate to meet those needs, including followup assessments and long-term services;

''(10) systems under which family members of offenders are involved in facilitating the successful reentry of those offenders into the community, including removing obstacles to the maintenance of family relationships while the offender is in custody, strengthening the family's capacity to function as a stable living situation during reentry where appropriate to the safety and well-being of any children involved, and involving family members in the planning and implementation of the reentry process;

''(11) programs under which victims are included, on a voluntary basis, in the reentry process;

''(12) programs that facilitate visitation and maintenance of family relationships with respect to offenders in custody by addressing obstacles such as travel, telephone costs, mail restrictions, and restrictive visitation policies;

''(13) identifying and addressing barriers to collaborating with child welfare agencies in the provision of services jointly to offenders in custody and to the children of such offenders;

''(14) implementing programs in correctional agencies to include the collection of information regarding any dependent children of an incarcerated person as part of intake procedures, including the number of children, age, and location or jurisdiction, and connect identified children with appropriate services;

''(15) addressing barriers to the visitation of children with an incarcerated parent, and maintenance of the parent-child relationship, such as the location of facilities in remote areas, telephone costs, mail restrictions, and visitation policies;

''(16) creating, developing, or enhancing prisoner and family assessments curricula, policies, procedures, or programs (including mentoring programs) to help prisoners with a history or identified risk of domestic violence, dating violence, sexual assault, or stalking reconnect with their families and communities, as appropriate (or when it is safe to do so), and become mutually respectful, nonabusive parents or partners, under which particular attention is paid to the safety of children affected and the confidentiality concerns of victims, and efforts are coordinated with existing victim service providers;

''(17) developing programs and activities that support parent-child relationships, as appropriate to the health and well-being of the child, such as—

''(A) using telephone conferencing to permit incarcerated parents to participate in parent-teacher conferences;

''(B) using videoconferencing to allow virtual visitation when incarcerated persons are more than 100 miles from their families;

''(C) the development of books on tape programs, through which incarcerated parents read a book into a tape to be sent to their children;

''(D) the establishment of family days, which provide for longer visitation hours or family activities; or

''(E) the creation of children's areas in visitation rooms with parent-child activities;

''(18) expanding family based treatment centers that offer family based comprehensive treatment services for parents and their children as a complete family unit;

''(19) conducting studies to determining who is returning to prison or jail and which of those returning prisoners represent the greatest risk to community safety;

''(20) developing or adopting procedures to ensure that dangerous felons are not released from prison prematurely;

''(21) developing and implementing procedures to assist relevant authorities in determining when release is appropriate and in the use of data to inform the release decision;

''(22) developing and implementing procedures to identify efficiently and effectively those violators of probation or parole who should be returned to prison;

''(23) utilizing validated assessment tools to assess the risk factors of returning inmates and prioritizing services based on risk;

''(24) conducting studies to determine who is returning to prison or jail and which of those returning prisoners represent the greatest risk to community safety;

''(25) facilitating and encouraging timely and complete payment of restitution and fines by ex-offenders to victims and the community;

''(26) establishing or expanding the use of reentry courts to—

''(A) monitor offenders returning to the community;

''(B) provide returning offenders with—

''(i) drug and alcohol testing and treatment; and

''(ii) mental and medical health assessment and services;

''(C) facilitate restorative justice practices and convene family or community impact panels, family impact educational classes, victim impact panels, or victim impact educational classes;

''(D) provide and coordinate the delivery of other community services to offenders, including—

''(i) housing assistance;

''(ii) education;

''(iii) employment training;

''(iv) children and family support;

''(v) conflict resolution skills training;

''(vi) family violence intervention programs; and

''(vii) other appropriate social services; and

''(E) establish and implement graduated sanctions and incentives; and

''(27) providing technology and other tools necessary to advance post release supervision.''.

(b) JUVENILE OFFENDER DEMONSTRATION PROJECTS AUTHORIZED.—Section 2976(c) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3797w(c)) is amended by striking ''may be expended for'' and all that follows through the period at the end and inserting ''may be expended for any activity referred to in subsection (b).''.

(c) APPLICATIONS; PRIORITIES; PERFORMANCE MEASUREMENTS.—Section 2976 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3797w) is amended—

(1) by redesignating subsection (h) as subsection (o); and

(2) by striking subsections (d) through (g) and inserting the following:

''(d) APPLICATIONS.—A State, unit of local government, territory, or Indian tribe desiring a grant under this section shall submit an application to the Attorney General that—

''(1) contains a reentry strategic plan, which describes the long-term strategy, and a detailed implementation schedule, including the jurisdiction's plans to pay for the program after the Federal funding is discontinued;

''(2) identifies the governmental agencies and community and faith-based organizations that will be coordinated by, and collaborate on, the applicant's prisoner reentry strategy and certifies their involvement; and

''(3) describes the methodology and outcome measures that will be used in evaluating the program.

''(e) PRIORITY CONSIDERATION.—The Attorney General shall give priority to grant applications that best—

''(1) focus initiatives on geographic areas with a substantiated high population of ex-offenders;

''(2) include partnerships with community-based organizations, including faith-based organizations;

''(3) provide consultations with crime victims and former incarcerated prisoners and their families;

''(4) review the process by which the State adjudicates violations of parole or supervised release and consider reforms to maximize the use of graduated, community-based sanctions for minor and technical violations of parole or supervised release;

''(5) establish prerelease planning procedures for prisoners to ensure that a prisoner's eligibility for Federal or State benefits (including Medicaid, Medicare, Social Security, and Veterans benefits) upon release is established prior to release, subject to any limitations in law, and to ensure that prisoners are provided with referrals to appropriate social and health services or are linked to appropriate community-based organizations;

''(6) target high-risk offenders for reentry programs through validated assessment tools; and

''(7) provide returning offenders with information on how they can restore their voting rights, and any other civil or civic rights denied to them due to their offender status, under the laws of the State where they are released.

''(f) REQUIREMENTS.—The Attorney General may make a grant to an applicant only if the application—

''(1) reflects explicit support of the chief executive officer of the State or unit of local government, territory, or Indian tribe applying for a grant under this section;

''(2) provides extensive discussion of the role of State corrections departments, community corrections agencies, juvenile justice systems, or local jail systems in ensuring successful reentry of ex-offenders into their communities;

''(3) provides extensive evidence of collaboration with State and local government agencies overseeing health, housing, child welfare, education, and employment services, and local law enforcement;

''(4) in the case of a State grantee, the State provides a plan for the analysis of existing State statutory, regulatory, rules-based, and practice-based hurdles to a prisoner's reintegration into the community; in case of a local grantee, the local grantee provides a plan for the analysis of existing local statutory, regulatory, rules-based, and practice-based hurdles to a prisoner's reintegration into the community; and in the case of a territorial grantee, the territory provides a plan for the analysis of existing territorial statutory, regulatory, rules-based, and practice-based hurdles to a prisoner's reintegration into the community that—

''(A) takes particular note of laws, regulations, rules, and practices that disqualify former prisoners from obtaining professional licenses or other requirements for certain types of employment, and that hinder full civic participation;

''(B) identifies those laws, regulations, rules, or practices that are not directly connected to the crime committed and the risk that the ex-offender presents to the community; and

''(C) affords members of the public an opportunity to participate in the process described in this subsection; and

''(5) includes the use of a State or local task force to carry out the activities funded under the grant.

''(g) USES OF GRANT FUNDS.—

''(1) FEDERAL SHARE.—The Federal share of a grant received under this section may not exceed 75 percent of the project funded under the grant, unless the Attorney General—

''(A) waives, in whole or in part, the requirement of this paragraph; and

''(B) publicly delineates the rationale for the waiver.

''(2) SUPPLEMENT NOT SUPPLANT.—Federal funds received under this section shall be used to supplement, not supplant, non-Federal funds that would otherwise be available for the activities funded under this section.

''(h) REENTRY STRATEGIC PLAN.—

''(1) IN GENERAL.—As a condition of receiving financial assistance under this section, each applicant shall develop a comprehensive strategic reentry plan that contains measurable annual and 5- to 10-year performance outcomes. The plan shall have as a goal to reduce the rate of recidivism of incarcerated persons served with funds from this section within the State by 50 percent over a period of 10 years.

''(2) COORDINATION.—In developing reentry plans under this subsection, applicants shall coordinate with communities and stakeholders, including experts in the fields of public safety, corrections, housing, health, education, employment, and members of community and faith-based organizations that provide reentry services.

''(3) MEASUREMENTS OF PROGRESS.—Each reentry plan developed under this subsection shall measure the applicant's progress toward increasing public safety by reducing rates of recidivism and enabling released offenders to transition successfully back into their communities.

''(i) REENTRY TASK FORCE.—

''(1) IN GENERAL.—As a condition of receiving financial assistance under this section, each State or local government receiving a grant shall establish or empower a Reentry Task Force, or other relevant convening authority, to examine ways to pool existing resources and funding streams to promote lower recidivism rates for returning prisoners, and to minimize the harmful effects of incarceration on families and communities by collecting data and best practices in offender reentry from demonstration grantees and other agencies and organizations.

''(2) MEMBERSHIP.—The task force or other authority shall be comprised of relevant State or local leaders, agencies, service providers, community-based organizations, and stakeholders.

''(j) STRATEGIC PERFORMANCE OUTCOMES.—

''(1) IN GENERAL.—Each applicant shall identify specific performance outcomes related to the long-term goals of increasing public safety and reducing recidivism.

''(2) PERFORMANCE OUTCOMES.—The performance outcomes identified under paragraph (1) shall include, with respect to offenders released back into the community—

''(A) recommitment rates;

''(B) reduction in crime;

''(C) employment and education;

''(D) violations of conditions of supervised release;

''(E) child support;

''(F) housing;

''(G) drug and alcohol abuse; and

''(H) participation in mental health services.

''(3) OPTIONAL MEASURES.—States may also report on other activities that increase the success rates of offenders who transition from prison, such as programs that foster effective risk management and treatment programming, offender accountability, and community and victim participation.

''(4) COORDINATION.—Applicants should coordinate with communities and stakeholders about the selection of performance outcomes identified by the applicants and with the Department of Justice for assistance with data collection and measurement activities.

''(5) REPORT.—Each grantee shall submit an annual report to the Department of Justice that—

''(A) identifies the grantee's progress toward achieving its strategic performance outcomes; and

''(B) describes other activities conducted by the grantee to increase the success rates of the reentry population.

''(k) PERFORMANCE MEASUREMENT.—

''(1) IN GENERAL.—The Department of Justice, in consultation with the States, shall—

''(A) identify primary and secondary sources of information to support the measurement of the performance indicators identified under this section;

''(B) identify sources and methods of data collection in support of performance measurement required under this section;

''(C) provide to all grantees technical assistance and training on performance measures and data collection for purposes of this section; and

''(D) coordinate with the Substance Abuse and Mental Health Services Administration on strategic performance outcome measures and data collection for purposes of this section relating to substance abuse and mental health.

''(2) COORDINATION.—The Department of Justice shall coordinate with other Federal agencies to identify national sources of information to support State performance measurement.

''(l) FUTURE ELIGIBILITY.—To be eligible to receive a grant under this section for fiscal years after the first receipt of such a grant, a State shall submit to the Attorney General such information as is necessary to demonstrate that—

''(1) the State has adopted a reentry plan that reflects input from community-based and faith-based organizations;

''(2) the public has been afforded an opportunity to provide input in the development of the plan;

''(3) the State's reentry plan includes performance measures to assess the State's progress toward increasing public safety by reducing by 10 percent over the 2-year period the rate at which individuals released from prison who participate in the reentry system supported by Federal funds are recommitted to prison; and

''(4) the State will coordinate with the Department of Justice, community-based and faith-based organizations, and other experts regarding the selection and implementation of the performance measures described in subsection (k).

''(m) NATIONAL ADULT AND JUVENILE OFFENDER REENTRY RESOURCE CENTER.—

''(1) AUTHORITY.—The Attorney General may, using amounts made available to carry out this subsection, make a grant to an eligible organization to provide for the establishment of a National Adult and Juvenile Offender Reentry Resource Center.

''(2) ELIGIBLE ORGANIZATION.—An organization eligible for the grant under paragraph (1) is any national nonprofit organization approved by the Federal task force established under the Enhanced Second Chance Act of 2004 that represents, provides technical assistance and training to, and has special expertise and broad, national-level experience in offender reentry programs, training, and research.

''(3) USE OF FUNDS.—The organization receiving the grant shall establish a National Adult and Juvenile Offender Reentry Resource Center to—

''(A) provide education, training, and technical assistance for States, local governments, territories, Indian tribes, service providers, faith based organizations, and corrections institutions;

''(B) collect data and best practices in offender reentry from demonstration grantees and others agencies and organizations;

''(C) develop and disseminate evaluation tools, mechanisms, and measures to better assess and document coalition performance measures and outcomes;

''(D) disseminate knowledge to States and other relevant entities about best practices, policy standards, and research findings;

''(E) develop and implement procedures to assist relevant authorities in determining when release is appropriate and in the use of data to inform the release decision;

''(F) develop and implement procedures to identify efficiently and effectively those violators of probation or parole who should be returned to prison and those who should receive other penalties based on defined, graduated sanctions;

''(G) collaborate with the Federal task force established under the Enhanced Second Chance Act of 2004 and the Federal Resource Center for Children of Prisoners;

''(H) develop a national research agenda; and

''(I) bridge the gap between research and practice by translating knowledge from research into practical information.

''(4) Of amounts made available to carry out this section, not more than 4 percent shall be available to carry out this subsection.

''(n) ADMINISTRATION.—Of amounts made available to carry out this section, not more than 2 percent shall be available for administrative expenses in carrying out this section.''.

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 2976 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3797w) is amended in subsection (o)(1), as redesignated by subsection (c), by striking ''and $16,000,000 for fiscal year 2005'' and inserting ''$130,000,000 for fiscal year 2005, and $130,000,000 for fiscal year 2006''.

SEC. 4. TASK FORCE ON FEDERAL PROGRAMS AND ACTIVITIES RELATING TO REENTRY OF OFFENDERS.

(a) TASK FORCE REQUIRED.—The Attorney General, in consultation with the Secretary of Housing and Urban Development, the Secretary of Labor, the Secretary of Education, the Secretary of Health and Human Services, the Secretary of Agriculture, the Secretary of Veterans Affairs, and the heads of such other elements of the Federal Government as the Attorney General considers appropriate, and in collaboration with stakeholders, service providers, community-based organizations, States, territories, Indian tribes, and local governments, shall establish an interagency task force on programs and activities relating to the reentry of offenders into the community.

(b) DUTIES.—The task force established under subsection (a) shall—

(1) identify such programs and activities that may be resulting in overlapping or duplication of services, the scope of such overlapping or duplication, and the relationship of such overlapping and duplication to public safety, public health, and effectiveness and efficiency;

(2) identify methods to improve collaboration and coordination of such programs and activities;

(3) identify areas of responsibility in which improved collaboration and coordination of such programs and activities would result in increased effectiveness or efficiency;

(4) develop innovative interagency or intergovernmental programs, activities, or procedures that would improve outcomes of reentering offenders and children of offenders;

(5) develop methods for increasing regular communication that would increase interagency program effectiveness;

(6) identify areas of research that can be coordinated across agencies with an emphasis on applying science-based practices to support treatment and intervention programs for reentering offenders;

(7) identify funding areas that should be coordinated across agencies and any gaps in funding; and

(8) in conjunction with the National Adult and Juvenile Offender Reentry Resource Center, identify successful programs currently operating and collect best practices in offender reentry from demonstration grantees and other agencies and organizations, determine the extent to which such programs and practices can be replicated, and make information on such programs and practices available to States, localities, community-based organizations, and others.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the task force established under subsection (a) shall submit a report, including recommendations, to Congress on barriers to reentry. The task force shall provide for public input in preparing the report. The report shall identify Federal and other barriers to successful reentry of offenders into the community and analyze the effects of such barriers on offenders and on children and other family members of offenders, including barriers to—

(1) parental incarceration as a consideration for purposes of family reunification under the Adoption and Safe Families Act of 1997;

(2) admissions in and evictions from Federal housing programs;

(3) child support obligations and procedures;

(4) Social Security benefits, veterans benefits, food stamps, and other forms of Federal public assistance;

(5) Medicaid and Medicare procedures, requirements, regulations, and guidelines;

(6) education programs, financial assistance, and full civic participation;

(7) TANF program funding criteria and other welfare benefits;

(8) employment;

(9) laws, regulations, rules, and practices that restrict Federal employment licensure and participation in Federal contracting programs;

(10) reentry procedures, case planning, and the transition of persons from the custody of the Federal Bureau of Prisons to a Federal parole or probation program or community corrections;

(11) laws, regulations, rules, and practices that may require a parolee to return to the same county that the parolee was living in prior to his or her arrest, and the potential for changing such laws, regulations, rules, and practices so that a parolee may change his or her setting upon release, and not settle in the same location with persons who may be a negative influence; and

(12) pre-release planning procedures for prisoners to ensure that a prisoner's eligibility for Federal or State benefits (including Medicaid, Medicare, Social Security, and veteran's benefits) upon release is established prior to release, subject to any limitations under the law, and the provision of referrals to appropriate social and health services or are linked to appropriate community-based organizations.

(d) ANNUAL REPORTS.—On an annual basis, the task force required by subsection (a) shall submit to Congress a report on the activities of the task force, including specific

recommendations of the task force on matters referred to in subsection (b).

SEC. 5. OFFENDER REENTRY RESEARCH.

(a) NATIONAL INSTITUTE OF JUSTICE.—From amounts made available to carry out this Act, the National Institute of Justice may conduct research on offender reentry, including—

(1) a study identifying the number and characteristics of children who have had a parent incarcerated and the likelihood of these minors becoming involved in the criminal justice system some time in their lifetime;

(2) a study identifying a mechanism to compare rates of recidivism (including re-arrest, violations of parole and probation, and re-incarceration) among States; and

(3) a study on the population of individuals released from custody who do not engage in recidivism and the characteristics (housing, employment, treatment, family connection) of that population.

(b) BUREAU OF JUSTICE STATISTICS.—From amounts made available to carry out this Act, the Bureau of Justice Statistics may conduct research on offender reentry, including—

(1) an analysis of special populations, including prisoners with mental illness or substance abuse disorders, female offenders, juvenile offenders, and the elderly, that present unique reentry challenges;

(2) studies to determine who is returning to prison or jail and which of those returning prisoners represent the greatest risk to community safety;

(3) annual reports on the profile of the population coming out of prisons, jails, and juvenile justice facilities;

(4) a national recidivism study every 3 years; and

(5) a study of parole violations and revocations.

SEC. 6. CHILDREN OF INCARCERATED PARENTS AND FAMILIES.

(a) INTAKE PROCEDURES AND EDUCATION PROGRAMS.—

(1) PILOT PROGRAM.—The Federal Bureau of Prisons shall, using amounts made available to carry out this subsection, carry out a pilot program to—

(A) collect information regarding the dependent children of an incarcerated person as part of standard intake procedures, including the number, age, and residence of such children;

(B) review all policies, practices, and facilities to ensure that, as appropriate to the health and well-being of the child, they support the relationship between family and child;

(C) identify the training needs of staff with respect to the impact of incarceration on children, families, and communities, age-appropriate interactions, and community resources for the families of incarcerated persons; and

(D) take such steps as are necessary to encourage State correctional agencies to implement the requirements of subparagraphs (A) through (C).

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection $1,500,000 for each of fiscal years 2005 and 2006.

(b) DUTIES OF SECRETARY.—The Secretary of Health and Human Services shall—

(1) review, and make available to States a report on any recommendations regarding, the role of State child protective services at the time of the arrest of a person; and

(2) by regulation, establish such services as the Secretary determines necessary, as appropriate to the health and well-being of any child involved, for the preservation of families that have been impacted by the incarceration of a family member.

SEC. 7. ENCOURAGEMENT OF EMPLOYMENT OF FORMER PRISONERS.

The Secretary of Labor shall take such steps as are necessary to implement a program, including but not limited to the Employment and Training Administration, to educate employers about existing incentives, including bonding, to the hiring of former Federal, State, or county prisoners.

SEC. 8. FEDERAL RESOURCE CENTER FOR CHILDREN OF PRISONERS.

There are authorized to be appropriated to the Secretary of Health and Human Services for each of fiscal years 2005 and 2006, such sums as may be necessary for the continuing activities of the Federal Resource Center for Children of Prisoners, including conducting a review of the policies and practices of State and Federal corrections agencies to support parent-child relationships, as appropriate for the health and well-being of the child.

SEC. 9. ELIMINATION OF AGE REQUIREMENT FOR RELATIVE CAREGIVER UNDER NATIONAL FAMILY CAREGIVER SUPPORT PROGRAM.

Section 372 of the National Family Caregiver Support Act (part E of title III of the Older Americans Act of 1965; 42 U.S.C. 3030s) is amended in paragraph (3) by striking ''who is 60 years of age or older and—'' and inserting ''who—''.

SEC. 10. CLARIFICATION OF AUTHORITY TO PLACE PRISONER IN COMMUNITY CORRECTIONS.

Section 3624(c) of title 18, United States Code, is amended to read as follows:

''(c) PRE-RELEASE CUSTODY.—

''(1) IN GENERAL.—The Bureau of Prisons shall, to the extent practicable, assure that a prisoner serving a term of imprisonment spends a reasonable part of the final portion of the term to be served, not to exceed 1 year, under conditions that will afford the prisoner a reasonable opportunity to adjust to and prepare for the prisoner's reentry into the community. Such conditions may include a community correctional facility.

''(2) AUTHORITY.—This subsection authorizes the Bureau of Prisons to place a prisoner in home confinement for the last 10 per centum of the term to be served, not to exceed 6 months.

''(3) ASSISTANCE.—The United States Probation System shall, to the extent practicable, offer assistance to a prisoner during such pre-release custody.

''(4) NO LIMITATIONS.—Nothing in this subsection shall be construed to limit or restrict the authority of the Bureau of Prisons granted under section 3621 of this title.''.

SEC. 11. USE OF VIOLENT OFFENDER TRUTH-IN-SENTENCING GRANT FUNDING FOR DEMONSTRATION PROJECT ACTIVITIES.

Section 20102(a) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 13702(a)) is amended—

(1) in paragraph (2), by striking ''and'' at the end;

(2) in paragraph (3), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(4) to carry out any activity referred to in subsections (b) and (c) of section 2976 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3797w(b)–(c)).''.

SEC. 12. GRANTS TO STUDY PAROLE OR POST INCARCERATION SUPERVISION VIOLATIONS AND REVOCATIONS.

(a) GRANTS AUTHORIZED.—From amounts made available to carry out this section, the Attorney General may award grants to States to study, and to improve the collection of data with respect to, individuals whose parole or post incarceration supervision is revoked and which such individuals represent the greatest risk to community safety.

(b) APPLICATION.—As a condition of receiving a grant under this section, a State shall—

(1) certify that the State has, or intends to establish, a program that collects comprehensive and reliable data with respect to individuals described in subsection (a), including data on—

(A) the number and type of parole or post incarceration supervision violations that occur within the State;

(B) the reasons for parole or post incarceration supervision revocation;

(C) the underlying behavior that led to the revocation; and

(D) the term of imprisonment or other penalty that is imposed for the violation; and

(2) provide the data described in paragraph (1) to the Bureau of Justice Statistics, in a form prescribed by the Bureau.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $1,000,000 for each of fiscal years 2005 and 2006.

SEC. 13. REAUTHORIZATION OF RESIDENTIAL SUBSTANCE ABUSE TREATMENT FOR STATE PRISONERS PROGRAM.

(a) IN GENERAL.—The Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3701 et seq.) is amended by inserting after section 1905 the following:

''SEC. 1906. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated such sums as are necessary to carry out the purposes of this part for each of fiscal years 2005 through 2010.''.

(b) IMPROVEMENTS TO PROGRAM.—Section 1902 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796ff–1) is amended—

(1) in subsection (c)—

(A) in the subsection heading, by striking ''ELIGIBILITY FOR PREFERENCE WITH'' and inserting ''REQUIREMENT FOR'';

(B) by striking paragraph (1) and inserting the following:

''(1) To be eligible for funding under this part, a State shall ensure that individuals who participate in the evidence-based substance abuse treatment program established or implemented with assistance provided under this part will be provided with aftercare services.''; and

(C) by adding at the end the following:

''(4) Aftercare services required under paragraph (1) shall be funded by amounts made available under this part.'';

(2) by redesignating subsections (c) through (f) as (d) through (g), respectively; and

(3) by inserting after subsection (b) the following:

''(c) DEFINITION OF RESIDENTIAL SUBSTANCE ABUSE TREATMENT.—The term 'residential substance abuse treatment' means a course of evidence-based individual and group activities and treatment, lasting not less than 6 months, in residential treatment facilities set apart from the general prison population. Such treatment can include the use of pharmacotherapies, where appropriate, that may be administered for more than 6 months.''.

SEC. 14. REAUTHORIZATION OF SUBSTANCE ABUSE TREATMENT PROGRAM UNDER TITLE 18.

Section 3621(e) of title 18, United States Code, is amended—

(1) by striking paragraph (4) and inserting the following:

''(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this subsection for each of fiscal years 2005 through 2010.''; and

(2) in paragraph (5), by striking subparagraph (A) and inserting the following:

''(A) the term 'residential substance abuse treatment' means a course of evidence-based individual and group activities and treatment, lasting not less than 6 months, in residential treatment facilities set apart from the general prison population, and such treatment can include the use of pharmacotherapies, where appropriate, that may be administered for more than 6 months;''.

SEC. 15. REMOVAL OF LIMITATION ON AMOUNT OF FUNDS AVAILABLE FOR CORRECTIONS EDUCATION PROGRAMS UNDER THE ADULT EDUCATION AND FAMILY LITERACY ACT.

(a) IN GENERAL.—Section 222(a)(1) of the Adult Education and Family Literacy Act (20 U.S.C. 9222(a)(1)) is amended by striking '', of which not more than 10 percent'' and inserting ''of which not less than 10 percent''.

(b) REPORT.—Not later than 180 days after the date of enactment of this Act, the Secretary of Education shall submit to Congress a report on the use of literacy funds to correctional intuitions, as defined in section 225(d)(2) of the Adult Education and Family Literacy Act (20 U.S.C. 9224(d)(2)). The report shall specify the amount of literacy funds that are provided to each category of correctional institution in each State, and identify whether funds are being sufficiently allocated among the various types of institutions.

SEC. 16. TECHNICAL AMENDMENT TO DRUG-FREE STUDENT LOANS PROVISION TO ENSURE THAT IT APPLIES ONLY TO OFFENSES COMMITTED WHILE RECEIVING FEDERAL AID.

Section 4840(r)(1) of the Higher Education Act of 1965 (20 U.S.C. 1091(r)(1)) is amended by striking ''A student'' and all that follows through ''table:'' and inserting the following: ''A student who is convicted of any offense under any Federal or State law involving the possession or sale of a controlled substance for conduct that occurred during a period of enrollment for which the student was receiving any grant, loan, or work assistance under this title shall not be eligible to receive any grant, loan, or work assistance under this title from the date of that conviction for the period of time specified in the following table:''.

SEC. 17. MENTORING GRANTS TO COMMUNITY-BASED ORGANIZATIONS.

(a) AUTHORITY TO MAKE GRANTS.—From amounts made available under this section, the Secretary of Labor shall make grants to community-based organizations for the purpose of providing mentoring and other transitional services essential to reintegrating ex-offenders and incarcerated persons into society.

(b) USE OF FUNDS.—Grant funds awarded under subsection (a) may be used for—

(1) mentoring adult and juvenile offenders; and

(2) transitional services to assist in the reintegration of ex-offenders into the community.

(c) APPLICATION.—To be eligible to receive a grant under this section, a community-based organization shall submit an application to the Secretary of Labor, based upon criteria developed by the Secretary of Labor in consultation with the Attorney General and the Secretary of Housing and Urban Development.

(d) STRATEGIC PERFORMANCE OUTCOMES.—The Secretary of Labor may require each applicant to identify specific performance outcomes related to the long-term goal of stabilizing communities by reducing recidivism and re-integrating ex-offenders and incarcerated persons into society.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 2005 and 2006.

SEC. 18. GROUP HOMES FOR RECOVERING SUBSTANCE ABUSERS.

Section 1925 of the Public Health Service Act (42 U.S.C. 300x–25) is amended—

(1) in subsection (a)(4), by striking ''$4,000'' and inserting ''$6,000''; and

(2) by adding at the end the following:

''(d) RECOVERY HOME OUTREACH WORKERS.—

''(1) IN GENERAL.—The Secretary shall award a grant to an eligible entity to enable such entity to establish group homes for recovering substance abusers in accordance with this section.

''(2) ELIGIBILITY.—To be eligible to receive a grant under paragraph (1), an entity shall—

''(A) be a national nonprofit organization that has established at least 500 self-administered, self-supported substance abuse recovery homes; and

''(B) prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

''(3) USE OF FUNDS.—An entity shall use amounts received under the grant under paragraph (1) to—

''(A) establish group homes for recovering substance abusers that conform to the requirements of subparagraphs (A) through (D) of subsection (a)(6), through activities including—

''(i) locating a suitable facility to use as the group home;

''(ii) the execution of a lease for the use of such home; and

''(iii) obtaining a charter for the operation of such home from a national non-profit organization;

''(B) recruit recovering substance abusers to reside in the group home by working with criminal justice officials and substance abuse treatment providers, including through activities targeting individuals being released from incarceration; and

''(C) carry out other activities related to establishing a group home for recovering substance abusers.

''(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection, $1,000,000 for each of fiscal years 2005 through 2009. Amounts appropriated under this paragraph shall be in addition to amounts otherwise appropriated to carry out this subpart.''.

SEC. 19. IMPROVED REENTRY PROCEDURES FOR FEDERAL PRISONERS.

(a) GENERAL REENTRY PROCEDURES.—The Department of Justice shall take such steps as are necessary to modify existing procedures and policies to enhance case planning and to improve the transition of persons from the custody of the Bureau of Prisons to the community, including placement of such individuals in community corrections facilities.

(b) PROCEDURES REGARDING BENEFITS.—The Bureau of Prisons shall establish pre-release planning procedures for Federal prisoners to ensure that a prisoner's eligibility for Federal or State benefits (including Medicaid, Medicare, Social Security and veterans benefits) upon release is established prior to release, subject to any limitations in law. The Bureau shall also coordinate with inmates to ensure that inmates have medical appointments scheduled and have plans to secure needed and sufficient medications, particularly with regard to the treatment of mental illness. The Bureau shall provide each ex-offender released from Federal prisons information on how the reentering offender can restore voting rights, and other civil or civic rights, denied to the reentering offender based upon their offender status in the State to which that reentering offender shall be returning. This information shall be provided to each reentering offender in writing, and in a language that the reentering offender can understand.

SEC. 20. FAMILY UNIFICATION IN PUBLIC HOUSING.

Section 576 of the Quality Housing and Work Responsibility Act of 1988 (Public Law 105–276; 42 U.S.C. 13661) is amended—

(1) by striking subsection (c) and inserting the following:

''(c) AUTHORITY TO DENY ADMISSION TO CRIMINAL OFFENDERS.—

''(1) IN GENERAL.—Except as provided in subsections (a) and (b) of this section and in addition to any other authority to screen applicants, in selecting among applicants for admission to the program or to federally assisted housing, if the public housing agency or owner of such housing, as applicable, determines that an applicant or any member of the applicant's household is engaged in or was convicted of, during a reasonable time preceding the date when the applicant household would otherwise be selected for admission, any drug-related or violent criminal activity or other criminal activity which would adversely affect the health, safety, or right to peaceful enjoyment of the premises by other residents, the owner, or public housing agency employees, the public housing agency or owner may—

''(A) deny such applicant admission to the program or to federally assisted housing; and

''(B) after the expiration of the reasonable period beginning upon such activity, require the applicant, as a condition of admission to the program or to federally assisted housing, to submit to the public housing agency or owner evidence sufficient (as the Secretary shall by regulation provide) to ensure that the individual or individuals in the applicant's household who engaged in criminal activity for which denial was made under paragraph (1) have not engaged in any criminal activity during such reasonable period.

''(2) CONSIDERATION OF REHABILITATION.—In determining whether, pursuant to paragraph (1), to deny admission to the program or federally assisted housing to any household, a public housing agency or an owner shall, prior to an initial denial of eligibility, consider the following factors:

''(A) The effect of denial on the applicant's family, particularly minor children.

''(B) Whether such household member has successfully completed a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable) to the extent that such use would constitute a threat to the health, safety, or well-being of other residents.

''(C) Whether such household member has otherwise been rehabilitated successfully and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable) to the extent that such use would constitute a threat to the health, safety, or well-being of other residents.

''(D) Whether such household member is participating in a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable) to the extent that such use would constitute a threat to the health, safety, or well-being of other residents.

''(E) Other mitigating circumstances such as—

''(i) the applicant's involvement in the community;

''(ii) the applicant's enrollment in or completion of a job training program;

''(iii) the employment status of the applicant;

''(iv) any other circumstances which reflect the efforts the applicant has made toward rehabilitation; and

''(v) the availability of other housing options.''; and

(2) by adding at the end the following:

''(d) CONDITIONAL ELIGIBILITY.—A public housing agency or owner of such housing may condition an applicant's or a household's eligibility for federally assisted housing on the participation of the applicant, or a member of the applicant's household, in a supervised rehabilitation program, or other appropriate social services.''.

Mr. SPECTER. Mr. President, I have sought recognition to speak in support of legislation which I am sponsoring with the Senator from Delaware, Mr. BIDEN—the Enhanced Second Chance Act of 2004. This year, more than 650,000 inmates will be released from the United States' prisons. Nearly two-thirds of released prisoners are re-arrested for either a felony or a serious misdemeanor within 3 years of release. This ''revolving door'' of criminals endangers our communities. Yet, it should really come as no surprise that an individual who is released and who is illiterate or lacks the necessary skills to get a job returns to a life of crime. The need to address the issue of recidivism to protect the public is apparent and the Enhanced Second Chance Act is designed to address that need and stop the ''revolving door'' at our Nation's correctional facilities. This bill gives criminal offenders a second chance at rehabilitation and gainful employment by creating successful reentry programs focused on education and job training.

There are two categories of individuals that we must focus our concern on in our fight to reduce recidivism—the career criminal and the person who will one day return back to his or her community. As for the career criminal, I wrote the Armed Career Criminal Bill that was adopted in 1984, which provides for life sentences for career criminals. These individuals, who have committed three or more major offenses and caught in possession of a firearm, receive mandatory sentences up to life.

The second category of individuals—individuals who will one day be released—are a special circumstance because this is not about locking them up forever but about making sure they have an opportunity to turn their life around. It is about focusing on literacy and job training in order to reduce recidivism and prevent those individuals from becoming career criminals.

The Enhanced Second Chance Act is aimed at better equipping the community, increasing public safety, and helping States and communities address the growing population of ex-offenders returning to communities. The act authorizes a $130 million a year grant program for State and local governments aimed at creating programs to help reduce recidivism rates and to create procedures to ensure that dangerous felons are not released from prison prematurely. It also calls for either establishing or expanding the use of State reentry courts to monitor ex-offenders returning to the community and to provide them with drug and alcohol treatment as well as necessary mental and medical services.

One of the most significant concerns that our communities face with regards to prisoners is the impact on their children and communities. Between 1991 and 1999, the number of children with a parent in a Federal or State correction facility increased by more than 100 percent from approximately 900,000 to approximately 2 million. This legislation deals with the issues and obstacles that these children face. The Enhanced Second Chance Act of 2004 creates a new program designed to support the relationship between parent and child while the parent is incarcerated and to help with family unification when the parent is released. It also instructs the Secretary of Health and Human Services to re-examine the current programs that are in place to help support the parent-child relationship while the parent is incarcerated and to establish the necessary services to help preserve the family relationship.

Another major concern is incarcerated juveniles. Juveniles have a recidivism rate ranging from 55 to 75 percent. These figures are staggering and that is why I have pushed for so many years for legislation aimed at educating these young offenders prior to their release. I have consistently sponsored legislation that would provide for workplace and community transition training for incarcerated youth offenders while in prison and would provide employment counseling and other services that would continue while the individual was on parole. The Enhanced Second Chance Act of 2004 builds upon my earlier efforts and provides effective reentry and aftercare programs so that these young individuals will have a chance at a successful transition back into the community. This bill encourages State and local governments to assess the literacy and educational needs of incarcerated individuals and to identify appropriate services to meet those needs while they are incarcerated. Moreover, this bill provides for collaboration with community colleges and employment services to connect inmates with employment opportunities before they are released back into the community.

The New York Times recently reported that 5 million people, or roughly 2.3 percent of the electorate, will be barred from voting in November by State laws that strip felons of voting rights. However many ex-felons are in fact eligible to vote but do not do so simply because they are not aware that they have this right. The Enhanced Second Chance Act helps remove the confusion and mandates that prison officials provide each ex-offender released from Federal prison information on how the reentering offender can restore his or her voting rights. Information must be provided to each ex-offender in writing and in a language that he or she can understand. This will allow ex-offenders to feel more connected to their communities and is another important tool in the fight to reduce recidivism.

I am pleased to join the distinguished Senator from Delaware in introducing this important and much-needed legislation. The Enhanced Second Chance Act of 2004 is a very positive step forward in providing realistic rehabilitation to individuals needing a second chance. I wholeheartedly agree with President Bush's statement that ''America is the land of second chance, and when the gates of the prison open, the path ahead should lead to a better life.'' The President urged us to work in a bipartisan fashion and I believe that this bill is the first step in the right direction.

Mr. BINGAMAN. Mr. President, I rise today, along with Senators BIDEN, SPECTER, and LANDRIEU, to introduce the Enhanced Second Chance Act of 2004.

I believe this is an important bill that will significantly improve public safety by providing $130 million a year for a competitive grant program to State, local, and tribal governments to reduce recidivism rates and improve the transition of offenders back into society. In addition to the adult and juvenile demonstration projects, the bill would create a Federal reentry task force, reauthorize funding for drug treatment programs in State and Federal correctional facilities, establish a program within the Bureau of Prisons to promote family reunification, bring additional literacy funds to correctional institutions, and establish a mentoring grant program for community-based organizations to assist inmates with their reentry back into the community.

We as a society have an interest in ensuring that when prisoners are released that they be reintegrated back into the community in a manner that reduces the likelihood of them committing additional crimes. Providing assistance to these individuals is not a charity, it is a matter of good public policy. Without employment, without housing, without basic life skills, without help in treating drug addiction or mental illness, offenders are likely to relapse into criminal behavior. It is insufficient to just punish offenders; we also need to look for ways that we can rehabilitate offenders and create an environment that fosters their ability to make a positive contribution to society.

There are programs in State and Federal detention facilities that are beginning to address some of these issues, but frankly, I believe we need to be doing more—especially with regard to jails across the country. By neglecting to focus on inmates in local jails we are also losing out on targeting the largest population of offenders that is returning to the community—it is estimated that jails return 10 to 20 times the number of people into the community as do Federal and State prisons,

approximately 10 million releases a year. I am very pleased that my suggestions regarding recognizing the role of local jails in the reentry process were incorporated into this bill.

I also believe we need to pay more attention to the issue of illiteracy among inmates. According to the National Institute of Literacy, 70 percent of all prisoners function at the two lowest literacy levels. Considering that studies have consistently demonstrated that correctional educational programs reduce recidivism rates by up to 30 percent, I strongly believe this is an area which deserves attention, and I am happy that this bill will bring additional resources for literacy programs.

If we are going to reduce the recidivism rate, we can't overlook the importance of getting these offenders the tools necessary to succeed in the community without recourse to crime. With over 2 million people incarcerated in the United States, if punishment is all we do, without any effort to rehabilitate and reintegrate offenders into the community, society will bear a heavy burden. Over 650,000 offenders are released from State and Federal facilities each year, in addition to 100,000 juveniles and the numerous individuals coming in and out of local jails that I previously mentioned. It makes sense to do all we can to ensure that these people are rehabilitated and have the skills necessary to successfully change course.

In recent years, many States and localities have begun to improve ways to transition offenders back into communities, and I believe that this bill provides the resources necessary to continue this effort.

By Mr. VOINOVICH (for himself and Mr. COLEMAN):

S. 2926. A bill to amend the Internal Revenue Code of 1986 to allow taxpayers a credit against income tax for expenditures to remediate contaminated sites; to the Committee on Finance.

Mr. VOINOVICH. Mr. President, revitalizing our urban areas has been an issue I have been passionate about for many years. As former Mayor of Cleveland, I experienced firsthand the difficulties that cities face in redeveloping these sites for reuse.

The legislation I am introducing today with Senator COLEMAN, the Brownfields Revitalization Act of 2004, will provide incentives to clean up abandoned industrial sites—or brownfields—across the country and put them back into productive use and preserve our green spaces. I am pleased to be working on this important legislation with my colleague from Ohio, Congressman MIKE TURNER.

I have been working on brownfields issues at the national level since I became Governor of Ohio in 1990 and through my involvement with the National Governors' Association and the Republican Governors' Association. For almost 15 years, I have worked closely with congressional leaders to develop legislation that would encourage cleanup and redevelopment of these sites nationwide.

In 2001, I was closely involved in the Senate Environment and Public Works Committee's work on the Brownfields Revitalization and Environmental Restoration Act which, in part, provided grants to local governments to remediate and redevelop brownfields sites. Grants such as these are important because they provide incentives to clean up existing sites, which will provide better protection for the health and safety of our citizens and the environment. I believe the tax incentives in the bill I'm introducing today will work hand in hand with the grants that are already authorized to encourage private remediation and redevelopment efforts.

To enhance and encourage cleanup efforts, my State of Ohio has implemented a private sector-based program to clean up brownfields sites. When I was Governor, Ohio EPA, Republicans and Democrats in the Ohio General Assembly and I worked hard to implement a program that we believe works for Ohio. Our program is already successful in improving Ohio's environment and economy. In fact, 141 sites have been cleaned up under Ohio's voluntary cleanup program in 8 years. And many more cleanups are underway.

The legislation I am introducing today will build upon the success of State programs such as Ohio's by providing even more incentives to clean up brownfield sites in order to provide better protection for the health and safety of our citizens and the environment.

This legislation will provide additional tools to recycle our urban wastelands, prevent urban sprawl and preserve our farmland and greenspaces. We will be able to clean up industrial eyesores in our cities and make them more desirable places to live. Because they are putting abandoned sites back into productive use, they are a key element to providing economic rebirth to many urban areas, and good-paying jobs to local residents.

This bill makes sense for our environment and it makes sense for our economy. It is supported by the mayors of Ohio's major cities, the U.S. Conference of Mayors, the International Council of Shopping Centers, Empower America, American Council of Engineering Companies, and the National Association of Home Builders.

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. 2926

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 ''Brownfields Revitalization Act of 2004''.

SEC. 2. CREDIT FOR EXPENDITURES TO REMEDIATE CONTAMINATED SITES.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to business related credits) is amended by adding at the end the following new section:

''SEC. 45G. ENVIRONMENTAL REMEDIATION CREDIT.

''(a) IN GENERAL.—For purposes of section 38, the environmental remediation credit determined under this section is 50 percent of the qualified remediation expenditures paid or incurred by the taxpayer during the taxable year with respect to a qualified contaminated site located in an eligible area.

''(b) QUALIFIED REMEDIATION EXPENDITURES.—For purposes of this section, the term 'qualified remediation expenditures' means expenditures, whether or not chargeable to capital account, in connection with—

''(1) the abatement or control of any hazardous substance (as defined in section 198(d)), petroleum, or any petroleum by-product at the qualified contaminated site in accordance with an approved remediation and redevelopment plan,

''(2) the complete demolition of any structure on such site if any portion of such structure is demolished in connection with such abatement or control,

''(3) the removal and disposal of property in connection with the activities described in paragraphs (1) and (2), and

''(4) the reconstruction of utilities in connection with such activities.

For purposes of this section, the term 'approved remediation and redevelopment plan' means any plan for such abatement, control, and redevelopment of a qualified contaminated site which is approved by the State development agency for the State in which the qualified contaminated site is located.

''(c) CREDIT MAY NOT EXCEED ALLOCATION.—

''(1) IN GENERAL.—The environmental remediation credit determined under this section with respect to any qualified contaminated site shall not exceed the credit amount allocated under this section by the State development agency to the taxpayer for the remediation and redevelopment plan submitted by the taxpayer with respect to such site.

''(2) TIME FOR MAKING ALLOCATION.—An allocation shall be taken into account under paragraph (1) for any taxable year only if made before the close of the calendar year in which such taxable year begins.

''(3) MANNER OF ALLOCATION.—

''(A) ALLOCATION MUST BE PURSUANT TO PLAN.—No amount may be allocated under this subsection to any qualified contaminated site unless such amount is allocated pursuant to a qualified allocation plan of the State development agency of the State in which such site is located.

''(B) QUALIFIED ALLOCATION PLAN.—For purposes of this paragraph, the term 'qualified allocation plan' means any plan—

''(i) which sets forth selection criteria to be used to determine priorities of the State development agency in allocating credit amounts under this section, and

''(ii) which gives preference in allocating credit amounts under this section to qualified contaminated sites based on—

''(I) the extent of poverty,

''(II) whether the site is located in an enterprise zone or renewal community,

''(III) whether the site is located in the central business district of the local jurisdiction,

''(IV) the extent of the required environmental remediation,

''(V) the extent of the commercial, industrial, or residential redevelopment of the

site in addition to environmental remediation,

''(VI) the extent of the financial commitment to such redevelopment, and

''(VII) the amount of new employment expected to result from such redevelopment.

''(4) STATES MAY IMPOSE OTHER CONDITIONS.—Nothing in this section shall be construed to prevent any State from requiring assurances, including bonding, that any project for which a credit amount is allocated under this section will be properly completed or that the financial commitments of the taxpayer are actually carried out.

''(d) STATE ENVIRONMENTAL REMEDIATION CREDIT CEILING.—

''(1) IN GENERAL.—The State environmental remediation credit ceiling applicable to any State for any calendar year shall be an amount equal to the sum of—

''(A) the unused State environmental remediation credit ceiling (if any) of such State for the preceding calendar year,

''(B) such State's share of the national environmental remediation credit limitation for the calendar year,

''(C) the amount of State environmental remediation credit ceiling returned in the calendar year, plus

''(D) the amount (if any) allocated under paragraph (3) to such State by the Secretary.

For purposes of subparagraph (A), the unused State environmental remediation credit ceiling for any calendar year is the excess (if any) of the sum of the amounts described in subparagraphs (B), (C), and (D) over the aggregate environmental remediation credit amount allocated for such year.

''(2) NATIONAL ENVIRONMENTAL REMEDIATION CREDIT LIMITATION.—

''(A) IN GENERAL.—The national environmental remediation credit limitation for each calendar year is $1,000,000,000.

''(B) STATE'S SHARE OF LIMITATION.—A State's share of such limitation is the amount which bears the same ratio to the limitation applicable under subparagraph (A) for the calendar year as such State's population bears to the population of the United States.

''(3) UNUSED ENVIRONMENTAL REMEDIATION CREDIT CARRYOVERS ALLOCATED AMONG CERTAIN STATES.—

''(A) IN GENERAL.—The unused environmental remediation credit carryover of a State for any calendar year shall be assigned to the Secretary for allocation among qualified States for the succeeding calendar year.

''(B) UNUSED ENVIRONMENTAL REMEDIATION CREDIT CARRYOVER.—For purposes of this paragraph, the unused environmental remediation credit carryover of a State for any calendar year is the excess (if any) of—

''(i) the unused State environmental remediation credit ceiling for the year preceding such year, over

''(ii) the aggregate environmental remediation credit amount allocated for such year.

''(C) FORMULA FOR ALLOCATION OF UNUSED ENVIRONMENTAL REMEDIATION CREDIT CARRYOVERS AMONG QUALIFIED STATES.—Rules similar to the rules of clauses (iii) and (iv) of section 42(h)(3)(D) shall apply for purposes of this paragraph.

''(4) POPULATION.—For purposes of this subsection, population shall be determined in accordance with section 146(j).

''(5) INFLATION ADJUSTMENT.—In the case of any calendar year after 2004, the $1,000,000,000 amount contained in paragraph (2) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year, determined by substituting 'calendar year 2003' for 'calendar year 1992' in subparagraph (B) thereof.

Any increase determined under the preceding sentence shall be rounded to the nearest multiple of $500,000.

''(e) ELIGIBLE AREA; OTHER DEFINITIONS.—For purposes of this section—

''(1) ELIGIBLE AREA.—

''(A) IN GENERAL.—The term 'eligible area' means the entire area encompassed by a local governmental unit if such area contains at least 1 census tract having a poverty rate of at least 20 percent.

''(B) AREAS NOT WITHIN CENSUS TRACTS.—In the case of an area which is not tracted for population census tracts, the equivalent county divisions (as defined by the Bureau of the Census for purposes of defining poverty areas) shall be used for purposes of determining poverty rates.

''(C) USE OF CENSUS DATA.—Population and poverty rate shall be determined by the most recent decennial census data available.

''(2) QUALIFIED CONTAMINATED SITE.—The term 'qualified contaminated site' has the meaning given to such term by section 198, determined by treating petroleum and petroleum by-products as hazardous substances.

''(3) POSSESSIONS TREATED AS STATES.—The term 'State' includes a possession of the United States.

''(f) CREDIT MAY BE ASSIGNED.—

''(1) IN GENERAL.—If a taxpayer elects the application of this subsection for any taxable year, the amount of credit determined under this section for such year which would (but for this subsection) be allowable to the taxpayer shall be allowable to the person designated by the taxpayer. The person so designated shall be treated as the taxpayer for purposes of subsection (h).

''(2) TREATMENT OF AMOUNTS PAID FOR ASSIGNMENT.—If any amount is paid to the person who assigns the credit determined under this section, no portion of such amount or such credit shall be includible in the payee's gross income.

''(g) TREATMENT OF POTENTIAL RESPONSIBLE PARTIES.—

''(1) IN GENERAL.—No credit shall be allowed under this section to any potential responsible party (within the meaning of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980) with respect to any qualified contaminated site (including by reason of receiving an assignment of the credit under subsection (f)) unless at least 25 percent of the cost of remediating such site is borne by such party.

''(2) RELIEF FROM LIABILITY FOR OTHER 75 PERCENT.—If the requirement of paragraph (1) is met by a potential responsible party, such party shall not be liable under any Federal law for any cost taken into account in determining whether such requirement is met.

''(3) AMOUNTS PAID FOR CREDIT ASSIGNMENT NOT ELIGIBLE.—Amounts paid by a potential responsible party to any person for the assignment by such person of the credit under subsection (f)) shall not be taken into account in determining whether the requirement of paragraph (1) is met.

''(h) RECAPTURE OF CREDIT IF ENVIRONMENTAL REMEDIATION NOT PROPERLY COMPLETED.—

''(1) IN GENERAL.—If the State development agency of the State in which the qualified contaminated site is located determines that the environmental remediation which is part of the approved remediation and redevelopment plan for such site was not properly completed, then the taxpayer's tax under this chapter for the taxable year in which such determination is made shall be increased by the credit recapture amount.

''(2) CREDIT RECAPTURE AMOUNT.—For purposes of paragraph (1), the credit recapture amount is an amount equal to the sum of—

''(A) the aggregate decrease in the credits allowed to the taxpayer under section 38 for all prior taxable years which would have resulted if the credit allowable by reason of this section were not allowed, plus

''(B) interest at the overpayment rate established under section 6621 on the amount determined under subparagraph (A) for each prior taxable year for the period beginning on the due date for filing the return for the prior taxable year involved.

No deduction shall be allowed under this chapter for interest described in subparagraph (B).

''(3) SPECIAL RULES.—

''(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (1) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

''(B) NO CREDITS AGAINST TAX.—Any increase in tax under this subsection shall not be treated as a tax imposed by this chapter for purposes of determining the amount of any credit or the tax imposed by section 55.

''(i) DENIAL OF DOUBLE BENEFIT.—

''(1) IN GENERAL.—No deduction shall be allowed for that portion of the qualified remediation expenditures otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit determined for such taxable year under this section.

''(2) SIMILAR RULE WHERE TAXPAYER CAPITALIZES RATHER THAN DEDUCTS EXPENSES.—If—

''(A) the amount of the credit determined for the taxable year under this section, exceeds

''(B) the amount allowable as a deduction for such taxable year for qualified remediation expenditures (determined without regard to paragraph (1)),

the amount chargeable to capital account for the taxable year for such expenditures shall be reduced by the amount of such excess.

''(3) CONTROLLED GROUPS.—In the case of a corporation which is a member of a controlled group of corporations (within the meaning of section 52(a)) or a trade or business which is treated as being under common control with other trades or businesses (within the meaning of section 52(b)), this subsection shall be applied under rules prescribed by the Secretary similar to the rules applicable under subsections (a) and (b) of section 52.''

(b) CREDIT TREATED AS BUSINESS CREDIT.—Section 38(b) of such Code is amended by striking ''plus'' at the end of paragraph (14), by striking the period at the end of paragraph (15) and inserting '', plus'', and by adding at the end the following new paragraph:

''(16) the environmental remediation credit determined under section 45G(a).''.

(c) NO CARRYBACKS BEFORE EFFECTIVE DATE.—Subsection (d) of section 39 of such Code (relating to carryback and carryforward of unused credits) is amended by adding at the end the following:

''(11) NO CARRYBACK OF SECTION 45G CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the environmental remediation credit determined under section 45G may be carried back to a taxable year ending before the date of the enactment of section 45G.''.

(d) CONFORMING AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 of such Code is amended by adding at the end the following new item:

''Sec. 45G. Environmental remediation credit.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

By Mr. CORNYN (for himself, Mr. MCCONNELL, and Mr. MCCAIN):

S. 2931. A bill to enable drivers to choose a more affordable form of auto insurance that also provides for more adequate and timely compensation for accident victims, and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mr. CORNYN. Mr. Chairman, on behalf of my co-sponsors, Senators MCCONNELL and MCCAIN, I rise today to introduce legislation that I believe has the potential to improve profoundly the lives of millions of Americans across the country.

The Auto Choice Reform Act of 2004 offers a real solution to a very real problem faced by those of us who drive every day—the high cost and inadequate compensation of the current tort and liability automotive insurance system.

The tort system ought to ideally compensate people injured by negligence and deter others from acting irresponsibly. With respect to auto accidents, the system fails miserably on both counts.

Numerous studies over the past 75 years document just how poorly the tort system compensates injured people. Almost one-third of injured people recover nothing at all, and many injured persons who do recover compensation must wait years to receive payment from the other person's insurer.

Worst of all, people with minor injuries recover compensation far in excess of their actual losses while many people with serious injuries are grossly underpaid. The RAND Institute for Civil Justice has found that people with economic losses between $500 and $1,000 recover on average 2½ times their economic loss. This is largely due to the fact that it is cheaper for an insurer to pay a questionable claim than to pay the costs of going to court, where they risk paying a multiplier of economic damages for pain and suffering.

The perverse incentives generated by pain-and-suffering damage awards also cause rampant fraud and abuse in auto insurance claims. A study by the RAND Institute for Civil Justice confirms that between 35 and 42 percent of medical costs claimed in auto accidents occur in response to the incentives of the tort liability system. In other words, more than one-third of all medical losses claimed in auto accidents are fraudulent or exaggerated—attempts to nab the pain-and-suffering jackpot.

On the other hand, people with the highest economic losses, in excess of $100,000, recover only 9 percent of their economic loss on average. To add injury to insult, that amount doesn't even include their lawyers' standard one-third fee. Because most drivers don't carry enough insurance to even pay this level of economic loss, particularly after attorneys' fees are deducted, people with the most serious injuries rarely recover anything for pain-and-suffering.

In short, we would be hard pressed to design a worse compensation system if we tried.

Indeed, the system is so bankrupt that lawyers in the auto insurance litigation currently consume more than 25 cents out of every premium dollar spent, an amount that is significantly more than the amount received by those actually injured for medical bills and lost wages. In total, more than $16 billion went to lawyers in 2001 for automobile related personal injury cases.

What about deterrence? Perhaps it is worth paying for a poor compensation system if people are deterred from driving badly, thereby avoiding injuries in the first place. Some studies have made this argument but the most comprehensive analysis of accident data, again by the RAND Institute for Civil Justice, has found that the tort system has little or no deterrent impact. This conclusion is a logical one. If a driver is not deterred by the threat of personal danger from reckless driving, then surely that driver is not deterred by the penalty for reckless driving—simply a modest increase in one's insurance premium.

The current system is also unnecessarily expensive, as is clearly demonstrated by the fact that the Joint Economic Committee estimates that switching to the new Personal Injury Protection system, discussed below, which relies primarily on the payment of economic losses for all injured persons without regard to fault and largely without the need for lawsuits, could save drivers a total of $48 billion a year in unnecessary premiums.

Excessive premiums disproportionately impact low income Americans and welfare recipients. Families in the bottom 20 percent of incomes who buy auto insurance spend 16 percent of their household income on that insurance. That percentage is seven times the proportion that families in the top 20 percent spend. Lower premiums would enable many low income workers to afford the cars they need to travel to better-paying jobs. The Auto Choice reform legislation we are proposing today would reduce premiums for low income people by more than it would reduce them for the average driver—both in terms of percentages and often in terms of absolute dollars. And all drivers would see significantly lower premiums.

Auto Choice is designed to allow consumers to choose the type of insurance that meets their needs and to opt out of the pain-and-suffering litigation lottery associated with the current system.

Essentially, drivers are permitted under Auto Choice to choose a new Personal Injury Protection, ''PIP'', Insurance under which they would be compensated without regard to fault for all economic losses up to their policy limits by their own insurance company, with nothing available for pain and suffering. Alternatively, for those who remain in the current tort system, they will select a small amount of additional coverage similar to an uninsured motorist for situations involving another motorist that opted for the PIP system—a premium offset by the savings realized by everyone as a result of the overall shift away from the lawsuit system.

The system does not abolish lawsuits. By design, there will be reduced incentives to head straight to court, but the right to sue remains firmly intact—as injured parties not fully compensated can sue to recover excess economic losses over and above that covered by the PIP coverage and other sources of first party insurance. They can also sue for all damages, including pain and suffering, when the accident is caused by a driver who is drunk or on drugs.

In summary, if a driver wants to maintain the possibility of recovering for pain and suffering, he will stay in essentially the current system. On the other hand, if he wants to opt-out of the current system in exchange for lower premiums with prompt compensation for economic losses—then he instead will choose the personal injury protection system.

The idea is not a new one. Indeed, this idea has been discussed—and even introduced in one form or another—for over thirty years now. Several versions of Auto Choice reform have enjoyed broad support on both sides of the aisle. Senator Daniel Patrick Moynihan, Steve Forbes, Michael Dukakis, Mayor Rudy Guliani, Congressman Dick Armey—just to name a few—have all opined in support of giving drivers a way out of the current ineffective system.

The time has come for Congress to act. The results of our action are clear and tangible: were Congress to enact Auto Choice Reform legislation now, motorists would stand to save as much as $48 billion next year.

Think about that for just one moment. Over 5 years, Americans would be able to save almost $250 billion—savings tantamount to a massive tax cut with absolutely no negative impact to the Federal deficit.

And what does this mean for the average American? The average American family with two cars will be able to save nearly $380 a year, according to Joint Economic Committee estimates.

Particularly encouraging is the effect these savings will have for low income families. Lower auto insurance premiums will make owning a car more affordable for poor Americans, allowing them to find and keep better-paying jobs and have longer commutes. Auto Choice would allow low-income drivers to save almost 37 percent on their overall automobile premium. For a low-income household, these savings

are the equivalent of 5 weeks of groceries or nearly 4 months of electric bills.

Auto Choice Reform can provide immediate and real relief for average, mainstream American families across the country. Those are real savings, resulting from a sound system that offers legitimate choice—a choice between guaranteed upfront savings on insurance premiums on one hand; and on the other, the right to sue for non-economic damages such as pain and suffering in the event an accident one day occurs.

For most Americans, I believe the choice is an easy one. Unfortunately, for most Americans today, that choice is unavailable.

The Auto Choice Reform Act of 2004 gives the American people that choice. Let's get government back to doing what it ought to—protecting the rights of all Americans to have the freedom to make choices about how they live their lives.

By Mr. DODD (for himself, Mr. KENNEDY, Mr. JOHNSON, and Mr. WYDEN):

S. 2933. A bill to amend the Public Health Service Act to expand the clinical trials drug data bank; to the Committee on Health, Education, Labor, and Pensions.

Mr. DODD. Mr. President, I rise today to introduce the Fair Access to Clinical Trials (FACT) Act. I want to begin by thanking Senator KENNEDY, Senator JOHNSON, and Senator WYDEN for joining me in introducing this legislation. Our bill will create a clinical trials registry—an electronic database—for drugs, biological products, and medical devices. Such a registry will ensure that physicians, the general public, and patients seeking to enroll in clinical trials have access to basic information about those trials. It will require manufacturers and other researchers to reveal the results of clinical trials so that clinically important information will be available to all Americans, and physicians will have all the necessary information to make appropriate treatment decisions for their patients.

Events of the past several months have made it clear that such a registry is needed. Serious questions have been raised about the effectiveness and safety of antidepressants when used in children and youth. It has now become clear that the existing data indicates that these drugs may very well put children at risk. However, because the data from antidepressant clinical trials was not publicly available, it took years for this risk to be realized. In the meantime, millions of children have been prescribed antidepressants by well-meaning physicians. While these drugs undoubtedly helped many of these children, they also led to greater suffering for others.

Unfortunately, antidepressants are just one example of a story that has become all too common. In the case of antidepressants, negative data might actually have been suppressed, and if this is discovered to be the case, those responsible should be dealt with harshly. However, because of what is known as ''publication bias,'' the information available to the public and physicians can be misleading even without nefarious motives. The simple fact is that a study with a positive result is far more likely to be published, and thus publicly available, than a study with a negative result. Physicians and patients hear the good news, but rarely the bad news. In the end, the imbalance of available information hurts patients.

Our bill would correct the imbalance of information, and prevent manufacturers from suppressing negative data. It would do so by expanding clinicaltrials.gov, an existing registry that is operated by the National Library of Medicine (NLM). Currently, clinicaltrials.gov includes information for patients seeking to enroll in clinical trials for drugs to treat serious or life-threatening conditions. The FACT Act would expand the registry to include all trials (except for preliminary safety trials), and would also require the submission of results data. At the same time, the bill would ensure that clinicaltrials.gov continues to operate as a resource for patients seeking to enroll in trials.

Our legislation would enforce the requirement to register trials in two ways. First, by requiring registration as a condition of Institutional Review Board (IRB) approval, no trial could begin without submitting preliminary information to the registry. This information would include the purpose of the trial, the estimated date of trial completion, as well as all of the information necessary to help patients to enroll in the trial.

Once the trial is completed, the researcher or manufacturer is required to submit the results to the registry. If they refuse to do so, they are subject to monetary penalties or, in the case of federally funded research, a restriction on future funding. It is my belief that these enforcement mechanisms will ensure broad compliance. However, in the rare case where a manufacturer does not comply, this legislation also gives the Food and Drug Administration (FDA) the authority to publicize the required information.

Let me also say that any time you are collecting large amounts of data and making it public, protecting patient privacy and confidentiality must be paramount. Our legislation would in no way threaten that privacy. The simple fact is that under this bill, no individually identifiable information would be available to the public.

I believe that the establishment of a clinical trials registry is absolutely necessary for the health and well-being of the American public. But I would also like to highlight two other benefits that such a registry will have. First, it has the potential to reduce health care costs. Studies have shown that publication bias also leads to a bias towards new and more expensive treatment options. A registry could help make it clear that, in some cases, less expensive treatments are just as effective for patients.

In addition, a registry will ensure that the sacrifice made by patients who enroll in clinical trials is not squandered. Many patients would be less willing to participate in trials if they understood that the data are unlikely to be made public if the results of the trial are negative. We owe it to patients to make sure that their participation in a trial will benefit other individuals suffering from the same illness or condition.

The problems associated with publication bias have recently drawn more attention from the medical community, and there is broad consensus that a clinical trials registry is one of the best ways to address the issue. Accordingly, the American Medical Association (AMA) has recommended the creation of such a registry, and the major medical journals have established a policy that they will only publish the results of trials that were registered in a public database before the trial began. Our legislation meets all of the minimum criteria for a trial registry set out by the International Committee of Medical Journal Editors.

To its credit, the pharmaceutical industry has also acknowledged the problem, and has created a registry to which manufacturers can voluntarily submit clinical trials data. I applaud this step. However, if our objective is to provide the public with a complete and consistent supply of information, a voluntary registry is unlikely to achieve that goal. Some companies will provide information, but others may decide not to participate. We need a clinical trials framework that is not just fair to all companies, but provides patients with peace of mind that they will receive complete information about the medicines they rely on.

The American drug industry is an extraordinary success story. As a result of the innovations that this industry has spawned, millions of lives have been improved and saved in our country and around the globe. Because of the importance of these medicines to our health and well-being, I have consistently supported sound public policies to help the industry to succeed. This legislation aims to build upon the successes of this industry, and help ensure that the positive changes to our health care system that prescription drugs have brought are not undermined by controversies such as the one now surrounding antidepressants, which is at least in part based on a lack of public information. This bill will help ensure that new and innovative medicines will be used by well-informed patients.

I look forward to working with industry, physicians, the medical journals, patient groups, and my colleagues to

move this legislation forward. This bill has already been endorsed by the National Organization for Rare Disorders, Consumers Union, the Elizabeth Glaser Pediatric AIDS Foundation, and the American Academy of Child and Adolescent Psychiatry. I thank these organizations for lending their expertise as we crafted this legislation, and I ask that a copy of their letters of endorsement be included in the RECORD after this statement.

Clinical trials are critical to protecting the safety and health of the American public, and for this reason, trial results must not be treated as information that can be hidden from scrutiny. Recent events have made it clear that a clinical trials registry is needed. Patients and physicians agree that such a registry is in the interest of the public health. I urge my colleagues to support this legislation, and I am hopeful that it will become law as soon as possible.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

Mr. President, I ask unanimous consent that letters of support be printed in the RECORD.

NATIONAL ORGANIZATION FOR RARE DISORDERS, INC.,
Danbury, CT, October 7, 2004.

Hon. CHRISTOPHER DODD,
U.S. Senate, Washington, DC.

DEAR SENATOR DODD: The National Organization for Rare Disorders (NORD) is honored to support your efforts to establish a centralized and comprehensive registry of both public and privately funded clinical research. The ''Fair Access to Clinical Trials Act of 2004'' will provide the mechanism whereby patients, including those living with rare diseases, will have access to ALL clinical research data—both positive and negative—something NORD has supported for many years.

There are over 25 million Americans currently living with one of the 6,000 known rare diseases. Unfortunately, for most of these diseases, little, if any, research is conducted. Thus, finding a trial is like trying to locate a needle in a massive haystack. Without your help, patients will continue to struggle to somehow find a clinical trial in the hopes that a therapy to alleviate symptoms or cure their disease may someday be found.

NORD also applauds the ''FACT Act'' because it will penalize industry when they purposefully and willfully hide negative data only to their bottom line. It is unconscionable to think that harmful information has been shielded from patients and healthcare providers, causing irreparable harm, and sometimes death.

Senator Dodd, NORD thanks you for your continuing concern about the health and welfare of all Americans. We will work with you to ensure that the ''Fair Access to Clinical Trials Act of 2004'' becomes a reality.

Sincerely.

DIANE E. DORMAN,
Vice President.

CONSUMERS UNION,
October 7, 2004.

Hon. CHRISTOPHER J. DODD,
Hon. EDWARD M. KENNEDY,
Hon. TIM JOHNSON,
Hon. RON WYDEN,
U.S. Senate, Washington, DC.

DEAR SENATORS DODD, KENNEDY, JOHNSON, AND WYDEN: Consumers Union, the non-profit publisher of Consumer Reports magazine, commends you for introducing the ''Fair Access to Clinical Trials Act of 2004'' (FACT Act). The legislation would create a mandatory publicly available national registry of all clinical trials involving drugs, biological products, and devices. This bill would enable consumers, doctors, and other health care providers to make appropriate decisions about care based upon more complete and accurate safety, efficacy, and comparative-effectiveness data.

The recent episode involving Paxil, one of the most popular antidepressants on the market, underscores a potentially dangerous information gap in drug regulation: the ability of drug manufacturers to effectively conceal study results that reveal their products to be ineffective or potentially hazardous. The number of U.S. children taking antidepressants has more than doubled since the early 1990s. In the past year, new evidence has emerged suggesting a possible connection between children starting antidepressant treatment and an increase in suicide risk. The public was disturbed to learn that Paxil's manufacturer, GlaxoSmithKline, submitted three studies to the FDA when it sought approval for pediatric use. The only one of the three studies that showed that Paxil worked for depression was published in the Journal of the American Academy of Child and Adolescent Psychiatry. This article disguised evidence of potential suicidal thoughts by calling them ''emotional lability.'' However the two additional negative Paxil studies were never published in any journal. Meanwhile, doctors continued to prescribe Paxil for children—an estimated 2.1 million prescriptions in 2002 alone.

Your legislation would begin to close the gap in the disclosure of information discovered during clinical trials. It would require trial sponsors to register publicly and privately funded clinical trials of drugs, biological products, and medical devices. The registry will further the goal of transparency by making information publicly available about trials, including: the purpose of the trial; whether the trial focuses on an unapproved use; a description of primary and secondary outcomes to be studied; the estimated completion date; the actual completion date (and the reasons for any difference from the estimated completion date); a summary of the trial results; adverse events observed during the investigation; and a description of the protocol followed in the trial.

Under the bill, before receiving Federal funding, a principal investigator would be required to certify that it will comply with the bill's registration requirements. Failure to submit trial result information could result in its inability to receive future federally funded contracts. Sponsors of privately funded trials also would be required to disclose the same information, or face potential civil penalties. If any trial sponsor fails to comply with the registration requirements, the Secretary of the Department of Health and Human Services is directed to disclose in the registry that the sponsor has failed to turn over trial results.

Strong incentives and penalties must be in place in order to ensure that pharmaceutical companies do not suppress negative safety or efficacy information in order to boost their profits. These practices are unacceptable, and we look forward to working with you to ensure transparency for clinical trial results, and to create even stronger incentives and penalties in the legislation to remove any financial motive clinical trial sponsors may have to hide important health information from consumers.

Sincerely,

JANELL MAYO DUNCAN,
Legislative and Regulatory Counsel, Washington Office.

ELIZABETH GLASER PEDIATRIC AIDS FOUNDATION,
October 7, 2004.

Hon. CHRISTOPHER J. DODD,
U.S. Senate, Washington, DC.
Hon. TIM JOHNSON,
U.S. Senate, Washington, DC.
Hon. EDWARD M. KENNEDY,
U.S. Senate, Washington, DC.
Hon. RON WYDEN,
U.S. Senate, Washington, DC.

DEAR SENATORS DODD, KENNEDY, JOHNSON AND WYDEN: On behalf of the Elizabeth Glaser Pediatric AIDS Foundation, I would like to commend your leadership in introducing the ''Fair Access to Clinical Trials Act of 2004'' (The FACT Act) and offer our strong endorsement of your efforts to establish a publicly accessible registry of clinical trials, including important pediatric studies.

The Foundation was created more than 15 years ago to help children with HIV/AIDS and is now the worldwide leader in the fight against pediatric AIDS and other serious and life-threatening diseases affecting children. In 2000, the Glaser Pediatric Research Network was founded as an affiliate of the Foundation, with the goal of advancing vital clinical discoveries on behalf of all children. Through a partnership among five pre-eminent academic medical centers, the Network is currently supporting clinical drug trials and other pediatric studies on a range of conditions affecting children such as obesity, cancer, osteoporosis, and rare bleeding disorders.

As longstanding advocates of testing drugs for use in children, we welcome the dramatic increase in pediatric studies that has resulted from the enactment of both incentives and a pediatric testing requirement. However, simply conducting pediatric research is insufficient if the results of that research are not made fully available to pediatricians, parents, and researchers. By making clinical trial information publicly accessible in a timely way, the FACT Act will serve as a critical next step in improving the safety and efficacy of medicines used by children.

We are particularly pleased that the FACT Act acknowledges the unique circumstances and contributions of non-profit sponsors of research. Your attention to the need to ensure the continued viability of critical research partnerships between non-profit and for-profit funders is very much appreciated. In addition, as we continue our efforts to improve the availability of medical devices designed for children's unique needs, we applaud your inclusion of device clinical trials in the scope of the registry.

Thank you again for your commitment to ensuring that important safety data from pediatric and adult clinical trials is available to improve public health. We look forward to working with you in the 109th Congress to secure bipartisan support for and passage of this important legislation.

Sincerely,

MARK ISAAC,
Vice President, Policy and Communication.

AMERICAN ACADEMY OF CHILD & ADOLESCENT PSYCHIATRY,
Washington, DC, October 7, 2004.

Hon. CHRISTOPHER DODD
U.S. Senate, Washington, DC.

DEAR SENATOR DODD: On behalf of the American Academy of Child and Adolescent Psychiatry (AACAP), thank you for your efforts to improve the health of children, adolescents and adults through better access to

clinical trial data. Legislation that you are sponsoring, the Fair Access to Clinical Trials (FACT) Act, will ensure that physicians, including child and adolescent psychiatrists, patients and parents have all available knowledge about a medication's safety and effectiveness, so that they can make informed decisions about treatment options.

The AACAP is pleased to have been at the forefront of calling for a national clinical trails registry. Research is key to understanding the cause of depression, especially in children and adolescents, and access to all research findings will help clinicians develop the most effective treatment plans. It is this principle that led the AACAP and the American Psychiatric Association (APA) to urge the American Medical Association to join their call for a national registry, which it did earlier this year.

Again, we thank you for sponsoring the Fair Access to Clinical Trials Act. We are encouraged by the support for this bill and are eager to work with you to ensure its passage. Please contact Nuala S. Moore, Asst. Director of Government Affairs, at 202.966.7300, x. 126, if you have any questions concerning clinical research or other children's mental illness issues.

Sincerely,

RICHARD SARLES, M.D.,
President.

Mr. JOHNSON. Mr. President, today I join several of my colleagues in introducing a very important piece of legislation that will improve access to information about prescription drugs for patients and their doctors. Today Senators DODD, KENNEDY and WYDEN and I are introducing the Fair Access to Clinical Trials Act, or FACT Act. I want to commend my colleagues for their hard work on this legislation. I also want to thank them for their commitment to ensuring that finally, objective, unbiased information can be put in the hands of consumers and doctors, reducing negative outcomes, improving patient care and ultimately reducing costs of medications.

It is unacceptable that today, much of the information consumers and doctors rely on to make decisions about the medications they use are based on incomplete information. Patients are often swayed by direct-to-consumer drug advertisements. Doctors must rely on the information they learn at drug company sponsored conferences, and in peer reviewed journals that publish largely the success stories. But what about the untold stories? What about the clinical trials that were discontinued by drug companies because the data appeared to not be going in the right direction? What about the studies that are part of an application for a new drug that may show a negative result? And what about trials that have been conducted to study the appropriateness of an off-label use? Today, physicians and their patients do not have access to any of this important information, and that must change now.

The lack of access to this information can have real, devastating effects on patients. We have all heard the stories in the papers in recent months. We have heard about New York Attorney General Eliot Spitzer's lawsuit, which charged GlaxoSmithKline with suppressing the publication of studies suggesting that its antidepressant drug Paxil could increase the risk of suicide among adolescents. Further investigation of this issue has found that some manufacturers of antidepressants highlighted positive findings in tests on youngsters while playing down negative or inconclusive ones.

We have just recently learned that the arthritis medication Vioxx was pulled off the market, due to negative study findings, and just yesterday learned that over 27,000 sudden cardiac deaths and heart attacks may have been caused. While Merck did the right thing by pulling the drug after learning of clinical trial, they were under no obligation to share this information with consumers or the medical profession. Drug companies have lobbied to ensure that only the Food and Drug Administration gets this information and, even then, some drug companies simply discontinue studies that they do not think will reflect favorably on their product.

What doctors advocating the development of a comprehensive clinical trial registry have indicated is that without ready access to all experimental data, good, bad and indifferent, they cannot hope to know what is the best treatment for their patients. Our legislation will get at that very issue, by requiring that clinical trials are registered in a database that is accessible to the public.

This bill will create a comprehensive clinical trial database, which will require that all trials for drugs, biologics, and medical devices be registered in the database in order to obtain approval from a U.S. Institutional Review Board to move forward with any study. Researchers will be required to disclose basic information about a study initially, so that consumers can be aware of studies while they are underway.

Once trials are completed, the bill requires that the results of those studies be made available to doctors and patients. There is significant time allowed in the bill for researchers to publish their results, prior to them being made public in the database. Submission to this database will be mandatory for all federally funded and non-federally funded trials, and strong enforcement mechanisms are incorporated into the bill.

Making the results of clinical drug trials public is not only a good consumer right-to-know or rather need-to-know issue, but it is also the ethically responsible thing to do. Patients enter trials for the good of science. It is our obligation to ensure that their sacrifices provide for the greater good of the public health. Publicizing the results of those studies is a step in that direction. Patients enrolling in clinical trials often know up front that the likely chance of directly benefiting from a treatment is unknown. But patients are also told that even if they do not experience a positive outcome, doctors can learn from the results, which will advance science in the long term.

This legislation is strongly supported by the National Organization for Rare Disorders, Consumers Union and the Academy of Child and Adolescent Psychiatry. I urge my colleagues to support this important legislation which is long overdue.

Mr. KENNEDY. I am pleased today to introduce the Fair Access to Clinical Trials or FACT Act. This needed legislation will improve the information available to patients and their families about the medical treatments they receive. For too long, drug companies have been able to hide damaging data that show their new wonder drug is not really the wonder they claim it to be. That practice ends on the day the FACT Act is enacted. From that day forward, consumers, doctors and researchers will have access to the results of clinical trials, so they can make informed decisions about treatment options.

No patient should ever die because they didn't get the information they needed on the medications they rely on to protect their health.

The legislation we introduce today is offered by a strong group of Senators and Representatives from across the nation. I commend my colleague, Senator DODD, for his leadership in the Senate on this important measure. Senator DODD has a strong and lasting commitment to improving the health and health care of all our citizens, and particularly for the youngest and most vulnerable. I am also pleased to join Senator RON WYDEN and Senator TIM JOHNSON in introducing this proposal, and I commend them for their commitment and skillful leadership in this area.

Our colleagues in the House of Representatives are today introducing almost identical legislation, and I commend our colleagues, Representative ED MARKEY and Representative HENRY WAXMAN, for their tireless efforts on this important issue.

As part of the FDA Modernization Act, Congress directed the Department of Health and Human Services to establish a registry of clinical trials. This provision was well timed, because it coincided with the rapid expansion of internet use. As a result, the National Library of Medicine has established a web site, clinicaltrials.gov, that is intended to contain information on all clinical trials for serious and life threatening diseases.

Sadly, recent studies show that drug manufacturers are not complying with the requirement to list even basic information on the trials they conduct. A recent study showed that only 48 percent of the required cancer trials were properly submitted to the registry, and rates for other serious diseases were in the single digits. As a result of this shameful failure, patients are being denied important information on clinical trials in which they may be eligible to participate.

Action is long overdue to give the NIH and the FDA better ways to see that companies and researchers properly register the trials they conduct. The FACT Act will assure that any researcher or sponsor seeking to conduct a clinical trial will be required, as a condition for approval to conduct the trial, to submit information on that trial to the clinical trial registry. This common-sense provision will see that patients seeking to enroll in clinical trials will have access to a complete set of information on the trials for which they may be eligible. No patient should be denied access to a lifesaving clinical trial because the sponsor of the trial shirked their responsibility to submit information to the national registry.

Ensuring that all trials are registered is important, but registration alone is not enough to see that patients get the information they need on the treatments they receive. We must also see that the results of clinical trials are included in the registry.

The FACT Act requires researchers and clinical trial sponsors to submit the results of their trials to the registry. With a complete and comprehensive set of information, patients will be better able to evaluate the treatments they receive, and physicians will have access to complete information on the treatments they prescribe. The FACT Act requires companies to list the results of trials—even when they show that a product is less effective than its manufacturers want to claim.

All of us are familiar with the way that drug companies hid information on potentially harmful side effects in children of antidepressants. Many of our Republican colleagues in the House forcefully criticized the FDA for failing to release information they possessed showing that these pills sometimes cause suicidal tendencies in the children who received them.

The FACT Act addresses both of these serious concerns. It requires companies to list the results of their trials, and gives FDA the authority to impose civil monetary penalties on those who fail to do so. It also gives FDA the clear legal authority to release information on the results of a clinical trial if a company fails to do so. No longer will FDA face the terrible dilemma of knowing that it possesses information crucial to assuring public health and safety, but is unable to release that information to the public because of legal constraints. The FACT Act assures that FDA has the clear authority to take the steps it needs to take to protect public health.

I urge Congress to take swift action on the proposals introduced today in the House and Senate. We have little time left in this session, but the measures introduced today have broad support from medical professional, consumer organizations and the publishers of professional journals.

Some companies have already taken voluntary steps to release information on clinical trials. These voluntary efforts are commendable, but they are inadequate to give the public the comprehensive information they need and deserve. Voluntary reporting efforts on the companies' own web sites will not result in a single, central database that every patient can consult. Sporadic efforts by individual companies will not elicit the comprehensive information needed on all clinical trials—not just those of the few companies that participate in the voluntary initiative. And voluntary efforts undertaken now may not be sustained in the future, when the hot glare of public attention fades from this issue.

To give patients and health professionals the information they need to improve the quality of medical care, we need a strong legal requirement to list comprehensive information on clinical trials in a single publicly accessible database. Patients and their families deserve the FACT Act, and I urge my colleagues to support it.

Mr. WYDEN. Mr. President, today I join Senators DODD, KENNEDY, and JOHNSON in introducing the Fair Access to Clinical Trials Act of 2004. This legislation is an important milestone for patients and doctors around this country because it would create a centralized clinical trials registry by expanding the current clinical trials.gov website to provide not only information about clinical trials they might want to be part of, but also the results of those trials. If information is not provided so it can be posted on the website, serious penalties could be imposed, including a researcher losing their ability to get future Federal grants.

It is vitally important that patients and their doctors have the information they need to decide upon the best treatment for them. As we all know, drugs are often the key treatment for many health problems. Good results about the safety and effectiveness of treatments are often trumpeted by drug companies and the media, but Americans are less likely to hear about clinical trial results that are not so good or truly negative. This legislation will ensure that everyone can get a fair picture of all results of clinical trials.

I believe that this legislation strikes the delicate balance needed so that companies which create breakthrough drugs can keep their trade secrets, the important process of assuring peer review in medical literature can continue, and consumers, doctors and researchers can have access to the information they need to make sound decisions about their health care.

Research is key in assuring health care improvements. Knowing the results of research is key in assuring better health care quality and improving decision-making by doctors and their patients. I believe that the expanded website created by this legislation will be an important tool in improving doctors' and patients' knowledge and decision-making that might well mean life or death for some patients.

By Ms. CANTWELL:

S. 2934. A bill to combat methamphetamine abuse in the United States; to the Committee on the Judiciary.

Ms. CANTWELL. Mr. President, I rise today to introduce the Confronting Methamphetamines Act of 2004.

Methamphetamine, meth, use is growing exponentially in parts of our country and is spreading across the country at an alarming rate. We must act aggressively to attack the meth problem with a long-term commitment of resources or we will soon have a national drug crisis on the scale of an epidemic.

Meth is an extremely dangerous and highly addictive drug. Individuals who use meth risk becoming addicted to this life-destroying drug with just one use. Meth use has ruined the lives of many people who prior to their addiction to meth were successful contributors to our society and our economy.

Meth use triggers an avalanche of other problems for addicts' families and our communities. The use of meth is often linked to child abuse and the destruction of families. It contributes substantially to the perpetration of violent crimes, particularly burglary and crimes of substantial cost and personal pain to the victims, including identity theft. The stories I have heard about meth users are horrible—parents so focused on feeding their habit that they forget their children are right there with them, hungry, and without any love or care. Users become aggressive, violent and unstable. Often, the kids end up users as well.

Sadly, our children are discovering meth, and the results will be devastating. According to a 2001 study by the Centers for Disease Control and Prevention, nearly one in ten high school students have used meth. The statistics are clear: the problem is bad, and it's getting worse. The National Center on Addiction and Substance Abuse at Columbia University reports that while the proportion of teens who know users of LSD, cocaine, and heroin has dropped sharply from last year, the percentage of teens who know a user of methamphetamines has risen from 12 percent in 2003 to 15 percent this year.

The devastation to our kids' lives is hitting our rural communities first. The Columbia University researchers also found that eighth graders living in rural America are 104 percent more likely to use amphetamines than eighth graders in urban areas.

And meth is not just a health and social problem; it is also an enormous environmental problem. There are two types of local meth labs: so-called ''super-labs,'' which are capable of manufacturing large volumes of methamphetamines and clandestine labs set up by users to manufacture small amounts of the drug for personal use. These clandestine labs can be set up in the woods, in hotel rooms or even in the back seat of a car. They can be

set up anywhere, but are usually located where there is little traffic or population.

These hazardous ''labs'' can go unnoticed for years, but they produce major chemical hazards and pose severe fire risk. Meth production generates extremely hazardous byproducts, such as anhydrous ammonia, ether, sulfuric acid, as well as other toxins that are volatile, corrosive, and poisonous. When these substances are illegally disposed of in rivers, streams and other dump areas, explosions and serious environmental damage can and does result. Our State and local environmental agencies are responsible to cleanup these hazardous sites and it is taking a toll on their resources.

The use of meth is spreading rapidly from the western region of the United States across the rural Midwest and to the east. The spreading availability of methamphetamine is illustrated by increasing numbers of meth seizures, arrests, indictments, and sentences. And those numbers are rising across the country. According to the National Drug Intelligence Center, methamphetamine is widely available throughout the Pacific, Southwest, and West Central regions and is increasingly available in the Great Lakes and the Southeast.

Similarly, the National Institute on Drug Abuse's Community Epidemiology Working Group reports that, in 2002, methamphetamine indicators remained highest in West Coast areas and parts of the Southwest, as well as Hawaii. Meth abuse and the crimes associated with it are spreading in areas such as Atlanta, Chicago, Detroit, St. Louis, and Texas, as well as the East Coast and mid-Atlantic regions. This problem, once perceived as a ''western state'' problem, has become a nationwide problem, growing at an extraordinary rate.

My State has shown that a cooperative effort—law enforcement working side-by-side with those handling cleanup, intervention, treatment, child and family support, drug courts and family drug courts, and education—is effective at addressing this problem. Thanks to the Washington Methamphetamine Initiative and the ''Methamphetamine Action Teams,'' multi-disciplinary teams situated in each county across the State, meth production was cut back by 25 percent last year. Washington State has dropped from second in the Nation to sixth in the production of meth. The comprehensive, holistic approach my State has taken to combat meth is working well, and I believe that our program can be a model for the national fight.

By making intervention, treatment and family support as important as arrests and prosecution, we are effectively overcoming the secondary problems that meth creates by addressing the root causes, not just the social symptoms. By taking this approach we are not simply growing prison populations and pushing the problem to regions not previously impacted by meth, but attacking the growth of the use of this terrible drug.

We in Washington State have also learned that laws restricting the sale of large quantities of precursor drugs such as ephedrine make it more difficult for users to produce meth, and this tactic has reduced the number of clandestine labs in the State.

This approach to fighting meth use has been very successful, but it takes money. And although there has been an explosion in the use of meth, Federal funding has been cut. Each year, States with a growing meth problem are required to go through a politicized process seeking Federal funding through the earmark process. And each year, the funds are being cut.

These challenges to our States mean only one thing: we need to make funding to combat meth permanent. Permanent Federal funding support for meth enforcement and clean-up is critical to the efforts of State and local law enforcement to reduce the use, manufacture and sale of meth.

That is why I am introducing the Confronting Methamphetamines Act of 2004. This bill will create a supplemental grant to augment the Department of Justice's Byrne Formula Grant Program to provide block grants to help States confront their meth problems.

Under my bill, States will be able to apply for a formula grant if they meet two prerequisites: the State must have a comprehensive, long term plan to address methamphetamine use, manufacture and sale; and the State legislature must commit to enacting laws to limit the sales of precursor products (the commercially available products used to make meth, such as ephedrine). Where a State has met these two requirements, that State will be eligible to receive a Federal formula grant.

States have discretion as to how to use the funds. The activities funded may include arrest, lab seizures and clean up, child and family support services, community based education, awareness and prevention, intervention, treatment, Drug Court and Family Drug Court, community policing, the hiring of specially trained law enforcement, State and local health and environmental department support, and prosecution.

The Confronting Methamphetamines Act also provides for planning grants, $100,000 per State, so States can develop long-term strategies to address meth. We have seen in Washington and in other States that comprehensive plans to address all aspects of meth—from use to manufacture to sale—have the best and most efficient results. Through this provision, I want to encourage States to consider the long-term situation when they take the initial steps in combating meth.

To assure that the best practices to confront meth deployed in our local communities are shared across the country, my bill requires the U.S. Attorney General to collect data, to establish a national clearinghouse for best practices in addressing the meth problem, and to provide technical assistance to States or local agencies.

Like the Byrne Formula Grants, distribution to eligible States will be based on State population. The supplemental allocation to an eligible State will be no less than the base amount of $250,000 or 0.25 percent of the amount available for the program, whichever is greater, with the remaining funds allocated to the other eligible States on the basis of the state's relative share of total U.S. population.

The bill authorizes $100 million per fiscal year 2005 and 2006, elevating the funding to $200 million for the subsequent three years, assuring that the funds are available as the meth problem grows and more States become plagued by the problem of meth.

I have received letters supporting this legislation from the Fraternal Order of Police, National Association of Drug Court Professionals, the Police Executive Research Forum, the Washington State's Governor's office, representing State law enforcement, environmental protection, health and human services and the Washington State Methamphetamine Initiative, and the Pierce County Alliance, essentially the epicenter of Washington State's response to methamphetamines. These letters reflect the level and breadth of concern for our law enforcement, drug addiction care providers, the courts and environmental protection agencies.

We have to give a strong signal to the State and local governments that we recognize the meth problems that they are facing, we are committed to support long-term comprehensive strategies to confront the problem, and will assure availability of substantial federal funds to help confront this startlingly rapidly growing problem.

This legislation assures the funding and continuity of Federal support desperately needed by our State and local governments. It assures that States have the opportunity to develop a long-term comprehensive strategy to combat meth, and gives those on the front lines in this battle the flexibility to use the federal dollars as they see fit, consistent with their long-term plan. I urge the Senate to support this bill and plan to work aggressively with the other body to bring it into law as promptly as possible.

Mr. President, I ask unanimous consent that the four letters of support be printed in the RECORD.

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

NATIONAL ASSOCIATION OF DRUG COURT PROFESSIONALS,
Alexandria, VA, October 6, 2004.

Re Confronting Meth Act of 2004.

Hon. MARIA CANTWELL,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR CANTWELL: I am writing this letter in support of the Confronting

Meth Act of 2004 on behalf of the entire drug court field and the professionals and clients we serve. As active workers in the areas of treatment, law enforcement and the judiciary, we see the devastation of methamphetamine use. We understand the debilitating effect meth has on its users and the overwhelming impact it has on families and communities. Our members contact us weekly and describe in detail the special challenges that accompany addiction to meth and the additional resources needed to meet these challenges. It is important that communities all over the country have an avenue to address this issue. The Act has the unique ability to equip states with that ability.

The funding formula that is proposed will encourage local solutions to a problem that differs from jurisdiction to jurisdiction. The Act also lends itself to a multi-faceted approach to a pervasive challenge. We wholly support this legislation and pledge the expertise of our organization to its passage and implementation. Thank you for your vision in introducing this important legislation.

Sincerely,

JUDGE KAREN FREEMAN-WILSON (ret.),
Chief Executive Officer.

GRAND LODGE
FRATERNAL ORDER OF POLICE,
Washington, DC, October 6, 2004.

Hon. MARIA CANTWELL,
U.S. Senate,
Washington, DC.

DEAR SENATOR CANTWELL: I am writing on behalf of the membership of the Fraternal Order of Police to advise you of our support for legislation you intend to introduce entitled the ''Confronting Methamphetamine Act.''

The bill creates a supplemental grant program at the U.S. Department of Justice for States that develop a comprehensive, long-term plan to address the use, manufacture, and sale of methamphetamines, and has enacted or will enact a law to limit the sale of precursor products that are used to make this dangerous drug. States that meet this criteria will be able to apply for funds to fight the growing problem of methamphetamines and will have discretion as to how to use the funds, be it for community policing, lab seizures and clean up, awareness and prevention, intervention, treatment, and prosecution. The bill authorizes $100 million for the program in fiscal years 2005 and 2006, and then elevates the funding to $200 million for the subsequent three years.

Law enforcement needs additional resources to fight the spread of methamphetamine abuse, and the bill you intend to introduce will do just that. The F.O.P. welcomes the opportunity to work with you and your staff on this legislation. If we can be of any further assistance, please do not hesitate to contact me or Executive Director Jim Pasco through my Washington office.

Sincerely,

CHUCK CANTERBURY,
National President.

POLICE EXECUTIVE
RESEARCH FORUM,
October 7, 2004.

Hon. MARIA CANTWELL,
Hart Senate Office Building,
U.S. Senate, Washington, DC.

DEAR SENATOR CANTWELL: On behalf of the Police Executive Research Forum (PERF), a national organization of police executive professionals who collectively serve more than 50 percent of the nation's population, I would like to thank you for your continued leadership on law enforcement and public issues. The men and women of law enforcement face tremendous challenges in combating the manufacturing, trafficking, sale, and use of illicit drugs, as well as drug-related violence and crime in our streets, PERF commends your efforts to introduce effective legislation to help provide law enforcement with the resources to reduce the presence of methamphetamine drugs and laboratories across the nation, and to investigate and prosecute the criminals who corrupt our children and endanger our communities.

The Confronting Methamphetamine Act of 2004 presents a comprehensive, cooperative, multi-agency approach to addressing the methamphetamine problem in the United States, and PERF believes this to be the best course of action for achieving long-term solutions. It is crucial to involve federal, state, local, and private entities in this fight, and to supplement that fight with grants that will enable law enforcement, prosecutors, treatment facilities, and community-based organizations to carry out their respective missions effectively.

PERF members see first-hand the ravaging effect that methamphetamine and other illicit drugs have on communities nationwide. They recognize and applaud your efforts to provide them with the resources to attack this problem head-on. If you have any additional questions, please feel free to contact PERF Legislative Director Martha Plotkin at mplotkin@policeforum.org or PERF Legislative Assistant Steve Loyka at sloyka@policeforum.org. I look forward to working with you and your staff on this legislation.

Sincerely,

CHUCK WEXLER,
Executive Director.

STATE OF WASHINGTON,
GOVERNOR'S EXECUTIVE POLICY OFFICE,
Olympia, WA, October 5, 2004.

Senator MARIA CANTWELL,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR CANTWELL: On behalf of members of the Governor's Methamphetamine Coordinating Committee, I am writing to thank you for your continued support of Washington's comprehensive strategy to reduce methamphetamine trafficking and use. You have been a champion for funding over five years, and I appreciate your willingness to introduce legislation establishing an ongoing federal grant program for this purpose.

Your proposed ''Confronting Methamphetamines Act'' would help states like Washington implement effective strategies including prevention, law enforcement, treatment, services to affected children and families, and cleanup. It would recognize the need for multi-disciplinary coalitions, local and tribal involvement, and state laws restricting the sale of precursor chemicals. It would provide planning grants to help states develop strategies, as well as larger grants for implementation.

I appreciate the chance to work with your staff in developing this legislation. It deserves broad support among members of Congress from the many states where the methamphetamine epidemic has spread. Our Methamphetamine Coordinating Committee members look forward to working with your office as the bill is considered. Thank you again for your leadership and support.

Sincerely,

RICHARD D. VAN WAGENEN,
Executive Policy Advisor.

PIERCE COUNTY ALLIANCE,
Tacoma, WA, June 17, 2004.

Senator MARIA CANTWELL,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR CANTWELL: On behalf of the Pierce County Alliance and the Washington State Methamphetamine Initiative, I want to express my sincere appreciation for your outstanding support and efforts to bring about the essential funding that makes our efforts possible. Your work has been crucial to the continuance of the battle to abate the methamphetamine crisis in our state.

Of course, I also fully endorse and support your sponsorship of the ''Confronting Methamphetamines Act of 2004'' that would further assist states like ours to deal with the multi-faceted problems of methamphetamine production, distribution, and use. I am pleased to note that it builds on the model that we have evolved here in Washington State, encompassing a multi-disciplinary approach with broad collaborations at all governmental levels and across all social sectors. Please do not hesitate to contact me if I can be of any assistance in this endeavor.

Again, my thanks to you for your continued leadership and support on this critical issue.

Sincerely,

TERREE SCHMIDT-WHELAN,
Executive Director.

By Mr. ROCKEFELLER:

S. 2935. A bill to amend section 35 of the Internal Revenue Code of 1986 to improve the health coverage tax credit, and for other purposes; to the Committee on Finance.

Mr. ROCKEFELLER. On Monday, the Government Accountability Office (GAO) released a report on the Trade Adjustment Assistance health coverage tax credit, HCTC. The report confirms what many in Congress have been saying since the HCTC program began—the credit is not enough, the program has several barriers to enrollment, the premiums are prohibitively high for some workers because of medical underwriting, and the program is very expensive to administer.

It is long past time for Congress to focus on the problems with the TAA health coverage tax credit. That is why I am introducing legislation today that will make much-needed improvements to the HCTC program. The TAA Health Coverage Improvement Act of 2004 offers solutions to many of the problems with the HCTC identified by GAO. This legislation will go a long way to make the TAA health care tax credit a realistic option for displaced workers and their families.

When Congress passed the Trade Act of 2002, we made a promise to American workers that the potential loss of jobs will not equal the loss of health care coverage. Unfortunately, Congress has failed to make good on that promise. For the last two years, I have heard from steel retirees and widows in my State about how unaffordable the TAA health care tax credit is. And I have been very frustrated, just as I was when this bill passed, that we were not able to make the credit more affordable and accessible for people who need it the most—laid-off workers and retirees who have very limited income.

For a good number of supporters of the Trade Act of 2002, the health insurance tax credit was the single most important factor in overcoming their concerns about giving the President fast-track authority to move trade agreements through Congress. In my own judgment, the fast-track would not have passed Congress without the health care tax credit. The TAA health credit was the trade-off to balance the President's authority.

Yet, the success many of us envisioned for the health care tax credit has not been realized through implementation. The number of people who have been able to access the health care tax credit over the last two years is extremely disappointing. As of July 2004, only 13,194 out of 229,044 who are eligible for the credit are enrolled in the program. That is less than six percent, which means that over 94 percent of those eligible are not participating.

I must say to my colleagues that Congress has had a hand in these disappointing enrollment figures. We have ignored every opportunity to improve the health coverage tax credit and enhance the lives of workers displaced by trade. Most recently, the members of this body voted against the Wyden-Coleman-Rockefeller-Baucus TAA amendment to the FSC/ETI bill. Not only would this amendment have extended Trade Adjustment Assistance to service workers, it also would have addressed some of the problems GAO has identified with the health coverage credit.

The TAA Health Coverage Improvement Act makes long overdue improvements to the TAA health care tax credit. First, this legislation addresses the issue of affordability. In addition to GAO, several consumer advocacy groups and research organizations—including the Commonwealth Fund, the Center on Budget and Policy Priorities, and Families USA—have cited affordability of the credit as the primary reason for low participation in the HCTC program. The bottom line is that a 65 percent subsidy is not enough. With a 65 percent credit, an eligible individual still has to pay an average of $1,714 out-of-pocket per year for single coverage. This figure is particularly astounding given the fact that the average worker, while actively employed and earning a paycheck, paid just $508 in 2003 for single employer-sponsored health insurance coverage. The TAA Health Coverage Improvement Act makes the credit more affordable by increasing the subsidy amount to 95 percent.

This legislation also addresses the issue of affordability by placing limits on the use of the individual market, as Congress intended under the original law. The Trade Act of 2002 specified that the health insurance credit could not be used for the purchase of health insurance coverage in the individual market except for HCTC-eligible workers who previously had a private, non-group coverage policy 30 days prior to separation from employment. However, States have been allowed by this Administration to create state-based coverage options in the individual market for any HCTC beneficiaries, including those who did not have individual market coverage one month prior to separation from employment.

Because of the Administration's interpretation of the law, there are people who had employer-based coverage prior to separation from employment who are now being covered in the individual market. This was not the intent of the law. To make matters worse, this interpretation undermines the consumer protections set forth in the law because individual market plans are allowed to vary premiums based on age and medical status. In one State GAO reviewed for its report, because of medical underwriting, HCTC recipients in less-than-perfect health were charged almost six times the premiums charged to recipients rated in the healthiest category. The legislation I am introducing today addresses this problem by clarifying that states can only designate individual market coverage within guidelines of 30-day restriction and by requiring individual market plans to be community-rated.

Second, this legislation guarantees that eligible workers will have access to comprehensive group health coverage. Group coverage is what people know. The vast majority of laid-off workers and PBGC retirees had employer-sponsored group coverage prior to losing their jobs or pension benefits. The TAA Health Coverage Improvement Act designates the Federal Employees Health Benefit Plan (FEHBP) as a qualified group option in every State, so that displaced workers nationwide will have access to the same type of affordable, comprehensive coverage they were used to when they were employed.

Third, the TAA Health Coverage Act clarifies the three month continuous coverage requirement. Under the original TAA statute, displaced workers are required to maintain three months of continuous health insurance coverage in order to qualify for certain consumer protections. Those protections are guaranteed issue, no preexisting condition exclusion, comparable premiums, and comparable benefits. Congress intended this 3 month period to be counted as the 3 months prior to separation from employment. However, the Administration has interpreted the 3 month requirement as 3 months of health insurance coverage prior to enrollment in the new health plan, which usually is after separation from employment and after certification of TAA eligibility. Many laid-off workers and PBGC recipients cannot afford to maintain health coverage in the months between losing their jobs and TAA certification and, therefore, lose eligibility for the statutorily provided consumer protections. This legislation corrects this problem by clarifying that 3 months of continuous coverage means 3 months prior to separation from employment.

Fourth, this bill allows spouses and dependents to receive the health coverage tax credit. Over the last 2 years, younger spouses and dependents of Medicare-eligible individuals have not been able to receive the subsidy because eligibility runs through the worker or retiree. This technicality is unfair to individuals who rely on health coverage through their spouses or parents. The TAA Health Coverage Improvement Act allows younger spouses and dependent children to retain eligibility for the health coverage tax credit in the event the qualified beneficiary becomes eligible for Medicare.

Finally, this legislation streamlines the HCTC enrollment process and makes it easier for trade-displaced workers to access health insurance coverage. According to GAO, two of the factors contributing to low participation include a complicated and fragmented enrollment process and the inability of workers to pay 100 percent of the premium during the 3 to 6 months they are waiting to enroll in advance payment. This legislation includes a presumptive eligibility provision that allows displaced workers to enroll in a qualified health plan and receive the HCTC immediately upon application to the Department of Labor for certification. There is also a provision which directs the Treasury Secretary to pay 100 percent of the cost of premiums directly to the health plans during the months TAA-eligible workers are waiting for advance payment to begin.

As a former Governor, I know how important Trade Adjustment Assistance is to individuals who have lost their jobs due to trade. In West Virginia, thousands of workers have lost their jobs as a result of trade policy. While adjusting to the loss of employment, these individuals still have to pay mortgages, put food on the table, and care for their families. Finding affordable health care adds a significant burden to their worries. The TAA health coverage tax credit is designed to help American workers retain health insurance coverage during this very difficult transition.

Unfortunately, the HCTC program is not living up to its potential. The Government Accountability Office has given us a very specific diagnosis of the problems. Now, it is up to us to fix them. The TAA Health Coverage Improvement Act builds upon the Trade Act of 2002 and the lessons we have learned since in order to make the health coverage credit workable for eligible individuals and their families. I look forward to working with my colleagues to pass this important legislation.

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

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

S. 2935

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''TAA Health Coverage Improvement Act of 2004''.

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

SEC. 2. IMPROVEMENT OF THE AFFORDABILITY OF THE CREDIT.

(a) IMPROVEMENT OF AFFORDABILITY.—

(1) IN GENERAL.—Section 35(a) of the Internal Revenue Code of 1986 (relating to credit for health insurance costs of eligible individuals) is amended by striking ''65'' and inserting ''95''.

(2) CONFORMING AMENDMENT.—Section 7527(b) of such Code (relating to advance payment of credit for health insurance costs of eligible individuals) is amended by striking ''65'' and inserting ''95''.

(b) EFFECTIVE DATE.—The amendments made by this section apply to taxable years beginning after December 31, 2004.

SEC. 3. 100 PERCENT CREDIT AND PAYMENT FOR MONTHLY PREMIUMS PAID PRIOR TO CERTIFICATION OF ELIGIBILITY FOR THE CREDIT.

(a) IN GENERAL.—Subsection (a) of section 35 of the Internal Revenue Code of 1986, as amended by section 2(a)(1), is amended—

(1) by striking the subsection heading and all that follows through ''In case'' and inserting ''AMOUNT OF CREDIT.—

''(1) IN GENERAL.—In case''; and

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

''(2) 100 PERCENT CREDIT FOR MONTHS PRIOR TO ISSUANCE OF ELIGIBILITY CERTIFICATE.—The amount allowed as a credit against the tax imposed by subtitle A shall be equal to 100 percent in the case of the taxpayer's first eligible coverage months occurring prior to the issuance of a qualified health insurance costs credit eligibility certificate.''.

(b) PAYMENT FOR PREMIUMS DUE PRIOR TO CERTIFICATION OF ELIGIBILITY FOR THE CREDIT.—Section 7527 of the Internal Revenue Code of 1986 (relating to advance payment of credit for health insurance costs of eligible individuals) is amended by adding at the end the following new subsection:

''(e) PAYMENT FOR PREMIUMS DUE PRIOR TO ISSUANCE OF CERTIFICATE.—The program established under subsection (a) shall provide—

''(1) that the Secretary shall make payments on behalf of a certified individual of an amount equal to 100 percent of the premiums for coverage of the taxpayer and qualifying family members under qualified health insurance for eligible coverage months (as defined in section 35(b)) occurring prior to the issuance of a qualified health insurance costs credit eligibility certificate; and

''(2) that any payments made under paragraph (1) shall not be included in the gross income of the taxpayer on whose behalf such payments were made.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to months beginning after the date of the enactment of this Act in taxable years ending after such date.

SEC. 4. ELIGIBILITY FOR CERTAIN PENSION PLAN RECIPIENTS; PRESUMPTIVE ELIGIBILITY.

(a) ELIGIBILITY FOR CERTAIN PENSION PLAN RECIPIENTS.—Subsection (c) of section 35 of the Internal Revenue Code of 1986 is amended—

(1) in paragraph (1)—

(A) in subparagraph (B), by striking ''and'' at the end;

(B) in subparagraph (C), by striking the period and inserting '', and''; and

(C) by adding at the end the following:

''(D) an eligible multiemployer pension participant.''; and

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

''(5) ELIGIBLE MULTIEMPLOYER PENSION RECIPIENT.—The term 'eligible multiemployer pension recipient' means, with respect to any month, any individual—

''(A) who has attained age 55 as of the first day of such month,

''(B) who is receiving a benefit from a multiemployer plan (as defined in section 3(37)(A) of the Employee Retirement Income Security Act of 1974), and

''(C) whose former employer has withdrawn from such multiemployer plan pursuant to section 4203(a) of such Act.''.

(b) PRESUMPTIVE ELIGIBILITY FOR PETITIONERS FOR TRADE ADJUSTMENT ASSISTANCE.—Subsection (c) of section 35 of the Internal Revenue Code of 1986, as amended by subsection (a), is amended by adding at the end the following new paragraph:

''(6) PRESUMPTIVE STATUS AS A TAA RECIPIENT.—The term 'eligible individual' shall include any individual who is covered by a petition filed with the Secretary of Labor under section 221 of the Trade Act of 1974. This paragraph shall apply to any individual only with respect to months which—

''(A) end after the date that such petition is so filed, and

''(B) begin before the earlier of—

''(i) the 90th day after the date of filing of such petition, or

''(ii) the date on which the Secretary of Labor makes a final determination with respect to such petition.''.

(c) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 7527(d) of such Code is amended by striking ''or an eligible alternative TAA recipient (as defined in section 35(c)(3))'' and inserting '', an eligible alternative TAA recipient (as defined in section 35(c)(3)), an eligible multiemployer pension recipient (as defined in section 35(c)(5), or an individual who is an eligible individual by reason of section 35(c)(6)''.

(2) Section 173(f)(4) of the Workforce Investment Act of 1998 (29 U.S.C. 2918(f)(4)) is amended—

(A) in subparagraph (B), by striking ''and'' at the end;

(B) in subparagraph (C), by striking the period and inserting a comma; and

(C) by inserting after subparagraph (C), the following new subparagraphs:

''(D) an eligible multiemployer pension recipient (as defined in section 35(c)(5) of the Internal Revenue Code of 1986), and

''(E) an individual who is an eligible individual by reason of section 35(c)(6) of the Internal Revenue Code of 1986.''.

(d) TECHNICAL AMENDMENT CLARIFYING ELIGIBILITY OF CERTAIN DISPLACED WORKERS RECEIVING A BENEFIT UNDER A DEFINED BENEFIT PENSION PLAN.—The first sentence of section 35(c)(2) of the Internal Revenue Code of 1986 is amended by inserting before the period the following: '', and shall include any such individual who would be eligible to receive such an allowance but for the fact that the individual is receiving a benefit under a defined benefit plan (as defined in section 3(35) of the Employee Retirement Income Security Act of 1974).''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to months beginning after the date of the enactment of this Act in taxable years ending after such date.

SEC. 5. CLARIFICATION OF 3-MONTH CREDITABLE COVERAGE REQUIREMENT.

(a) IN GENERAL.—Clause (i) of section 35(e)(2)(B) of the Internal Revenue Code of 1986 (defining qualifying individual) is amended by inserting ''(prior to the employment separation necessary to attain the status of an eligible individual)'' after ''9801(c)''.

(b) CONFORMING AMENDMENT.—Section 173(f)(2)(B)(ii)(I) of the Workforce Investment Act of 1998 (29 U.S.C. 2918(f)(2)(B)(ii)(I)) is amended by inserting ''(prior to the employment separation necessary to attain the status of an eligible individual)'' after ''1986''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to months beginning after the date of the enactment of this Act in taxable years ending after such date.

SEC. 6. TAA PRE-CERTIFICATION PERIOD RULE FOR PURPOSES OF DETERMINING WHETHER THERE IS A 63-DAY LAPSE IN CREDITABLE COVERAGE.

(a) ERISA AMENDMENT.—Section 701(c)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1181(c)(2)) is amended by adding at the end the following new subparagraph:

''(C) TAA-ELIGIBLE INDIVIDUALS.—

''(i) TAA PRE-CERTIFICATION PERIOD RULE.—In the case of a TAA-eligible individual, the period beginning on the date the individual has a TAA-related loss of coverage and ending on the date that is 5 days after the postmark date of the notice by the Secretary (or by any person or entity designated by the Secretary) that the individual is eligible for a qualified health insurance costs credit eligibility certificate for purposes of section 7527 of the Internal Revenue Code of 1986 shall not be taken into account in determining the continuous period under subparagraph (A).

''(ii) DEFINITIONS.—The terms 'TAA-eligible individual', and 'TAA-related loss of coverage' have the meanings given such terms in section 605(b)(4)(C).''.

(b) PHSA AMENDMENT.—Section 2701(c)(2) of the Public Health Service Act (42 U.S.C. 300gg(c)(2)) is amended by adding at the end the following new subparagraph:

''(C) TAA-ELIGIBLE INDIVIDUALS.—

''(i) TAA PRE-CERTIFICATION PERIOD RULE.—In the case of a TAA-eligible individual, the period beginning on the date the individual has a TAA-related loss of coverage and ending on the date that is 5 days after the postmark date of the notice by the Secretary (or by any person or entity designated by the Secretary) that the individual is eligible for a qualified health insurance costs credit eligibility certificate for purposes of section

7527 of the Internal Revenue Code of 1986 shall not be taken into account in determining the continuous period under subparagraph (A).

''(ii) DEFINITIONS.—The terms 'TAA-eligible individual', and 'TAA-related loss of coverage' have the meanings given such terms in section 2205(b)(4)(C).''.

(c) IRC AMENDMENT.—Section 9801(c)(2) of the Internal Revenue Code of 1986 (relating to not counting periods before significant breaks in creditable coverage) is amended by adding at the end the following new subparagraph:

''(D) TAA-ELIGIBLE INDIVIDUALS.—

''(i) TAA PRE-CERTIFICATION PERIOD RULE.—In the case of a TAA-eligible individual, the period beginning on the date the individual has a TAA-related loss of coverage and ending on the date which is 5 days after the postmark date of the notice by the Secretary (or by any person or entity designated by the Secretary) that the individual is eligible for a qualified health insurance costs credit eligibility certificate for purposes of section 7527 shall not be taken into account in determining the continuous period under subparagraph (A).

''(ii) DEFINITIONS.—The terms 'TAA-eligible individual', and 'TAA-related loss of coverage' have the meanings given such terms in section 4980B(f)(5)(C)(iv).''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to months beginning after the date of the enactment of this Act in taxable years ending after such date.

SEC. 7. CONTINUED QUALIFICATION OF FAMILY MEMBERS AFTER CERTAIN EVENTS.

(a) IN GENERAL.—Subsection (g) of section 35 of the Internal Revenue Code of 1986 is amended by redesignating paragraph (9) as paragraph (10) and inserting after paragraph (8) the following new paragraph:

''(9) CONTINUED QUALIFICATION OF FAMILY MEMBERS AFTER CERTAIN EVENTS.—

''(A) ELIGIBLE INDIVIDUAL BECOMES MEDICARE ELIGIBLE.—In the case of a month which would be an eligible coverage month with respect to an eligible individual but for subsection (f)(2)(A), such month shall be treated as an eligible coverage month with respect to any qualifying family member of such eligible individual (but not with respect to such eligible individual).

''(B) DIVORCE.—In the case of a month which would be an eligible coverage month with respect to a former spouse of a taxpayer but for the finalization of a divorce between the spouse and the taxpayer that occurs during the period in which the taxpayer is an eligible individual, such month shall be treated as an eligible coverage month with respect to such former spouse.

''(C) DEATH.—In the case of a month which would be an eligible coverage month with respect to an eligible individual but for the death of such individual, such month shall be treated as an eligible coverage month with respect to any qualifying family of such eligible individual.''.

(b) CONFORMING AMENDMENT.—Section 173(f) of the Workforce Investment Act of 1998 (29 U.S.C. 2918(f)) is amended by adding at the end the following:

''(8) CONTINUED QUALIFICATION OF FAMILY MEMBERS AFTER CERTAIN EVENTS.—

''(A) ELIGIBLE INDIVIDUAL BECOMES MEDICARE ELIGIBLE.—In the case of a month which would be an eligible coverage month with respect to an eligible individual but for subsection (f)(2)(A), such month shall be treated as an eligible coverage month with respect to any qualifying family member of such eligible individual (but not with respect to such eligible individual).

''(B) DIVORCE.—In the case of a month which would be an eligible coverage month with respect to a former spouse of a taxpayer but for the finalization of a divorce between the spouse and the taxpayer that occurs during the period in which the taxpayer is an eligible individual, such month shall be treated as an eligible coverage month with respect to such former spouse.

''(C) DEATH.—In the case of a month which would be an eligible coverage month with respect to an eligible individual but for the death of such individual, such month shall be treated as an eligible coverage month with respect to any qualifying family of such eligible individual.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to months beginning after the date of the enactment of this Act in taxable years ending after such date.

SEC. 8. OFFERING OF FEDERAL GROUP COVERAGE.

(a) PROVISION OF GROUP COVERAGE.—

(1) IN GENERAL.—The Director of the Office of Personnel Management jointly with the Secretary of the Treasury shall establish a program under which eligible individuals (as defined in section 35(c) of the Internal Revenue Code of 1986) are offered enrollment under health benefit plans that are made available under FEHBP.

(2) TERMS AND CONDITIONS.—The terms and conditions of health benefits plans offered under paragraph (1) shall be the same as the terms and coverage offered under FEHBP, except that the percentage of the premium charged to eligible individuals (as so defined) for such health benefit plans shall be equal to 5 percent.

(3) STUDY.—The Director of the Office of Personnel Management jointly with the Secretary of the Treasury shall conduct a study of the impact of the offering of health benefit plans under this subsection on the terms and conditions, including premiums, for health benefit plans offered under FEHBP and shall submit to Congress, not later than 2 years after the date of the enactment of this Act, a report on such study. Such report may contain such recommendations regarding the establishment of separate risk pools for individuals covered under FEHBP and eligible individuals covered under health benefit plans offered under paragraph (1) as may be appropriate to protect the interests of individuals covered under FEHBP and alleviate any adverse impact on FEHBP that may result from the offering of such health benefit plans.

(4) FEHBP DEFINED.—In this section, the term ''FEHBP'' means the Federal Employees Health Benefits Program offered under chapter 89 of title 5, United States Code.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 35(e) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

''(K) Coverage under a health benefits plan offered under section 8(a)(1) of the TAA Health Care Tax Credit Improvement Act of 2004.''.

(2) Section 173(f)(2)(A) of the Workforce Investment Act of 1998 (29 U.S.C. 2918(f)(2)(A)) is amended by adding at the end the following new clause:

''(xi) Coverage under a health benefits plan offered under section 8(a)(1) of the TAA Health Care Tax Credit Improvement Act of 2004.''.

SEC. 9. ADDITIONAL REQUIREMENTS FOR INDIVIDUAL HEALTH INSURANCE COSTS.

(a) IN GENERAL.—Subparagraph (A) of section 35(e)(2) of such Code is amended by striking ''subparagraphs (B) through (H) of paragraph (1)'' and inserting ''paragraph (1) (other than subparagraphs (A), (I), and (K) thereof)''.

(b) RATING SYSTEM REQUIREMENT.—Subparagraph (J) of section 35(e)(1) of such Code is amended by adding at the end the following: ''For purposes of this subparagraph and clauses (ii), (iii), and (iv) of subparagraph (F), such term does not include any insurance unless the premiums for such insurance are restricted based on a community rating system (determined other than on the basis of age).''.

(c) CLARIFICATION OF CONGRESSIONAL INTENT TO LIMIT USE OF INDIVIDUAL HEALTH INSURANCE COVERAGE OPTION.—Section 35(e)(1)(J) (relating to qualified health insurance) is amended in the matter preceding clause (i), by inserting '', but only'' after ''under individual health insurance''.

(d) CONFORMING AMENDMENTS.—Section 173(f)(2) of the Workforce Investment Act of 1998 (29 U.S.C. 2918(f)(2)) is amended—

(1) in subparagraph (A)(x), by adding at the end the following: ''Such term does not include any insurance unless the premiums for such insurance are restricted based on a community rating system (determined other than on the basis of age).''; and

(2) in subparagraph (B)—

(A) in the matter preceding subclause (I), by inserting '', but only'' after ''under individual health insurance''; and

(B) in clause (i), by striking ''clauses (ii) through (viii) of subparagraph (A)'' and inserting ''subparagraph (A) (other than clauses (i), (x), and (xi) thereof)''.

SEC. 10. ALIGNMENT OF COBRA COVERAGE WITH TAA PERIOD FOR TAA-ELIGIBLE INDIVIDUALS.

(a) ERISA.—Section 605(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1165(b)) is amended—

(1) in the subsection heading, by inserting ''AND COVERAGE'' after ''ELECTION''; and

(2) in paragraph (2)—

(A) in the paragraph heading, by inserting ''AND PERIOD'' after ''COMMENCEMENT'';

(B) by striking ''and shall'' and inserting '', shall''; and

(C) by inserting '', and in no event shall the maximum period required under section 602(2)(A) be less than the period during which the individual is a TAA-eligible individual'' before the period at the end.

(b) INTERNAL REVENUE CODE OF 1986.—Section 4980B(f)(5)(C) of the Internal Revenue Code of 1986 is amended—

(1) in the subparagraph heading, by inserting ''AND COVERAGE'' after ''ELECTION''; and

(2) in clause (ii)—

(A) in the clause heading, by inserting ''AND PERIOD'' after ''COMMENCEMENT'';

(B) by striking ''and shall'' and inserting '', shall''; and

(C) by inserting '', and in no event shall the maximum period required under paragraph (2)(B)(i) be less than the period during which the individual is a TAA-eligible individual'' before the period at the end.

(c) PUBLIC HEALTH SERVICE ACT.—Section 2205(b) of the Public Health Service Act (42 U.S.C. 300bb–5(b)) is amended—

(1) in the subsection heading, by inserting ''AND COVERAGE'' after ''ELECTION''; and

(2) in paragraph (2)—

(A) in the paragraph heading, by inserting ''AND PERIOD'' after ''COMMENCEMENT'';

(B) by striking ''and shall'' and inserting '', shall''; and

(C) by inserting '', and in no event shall the maximum period required under section 2202(2)(A) be less than the period during which the individual is a TAA-eligible individual'' before the period at the end.

SEC. 11. NOTICE REQUIREMENTS.

Section 7527 of the Internal Revenue Code of 1986 (relating to advance payment of credit for health insurance costs of eligible individuals), as amended by section 3(b), is

amended by adding at the end the following new subsection:

''(f) INCLUSION OF CERTAIN INFORMATION.—The notice by the Secretary (or by any person or entity designated by the Secretary) that an individual is eligible for a qualified health insurance costs credit eligibility certificate shall include—

''(1) the name, address, and telephone number of the State office or offices responsible for determining that the individual is eligible for such certificate and for providing the individual with assistance with enrollment in qualified health insurance (as defined in section 35(e)),

''(2) a list of the coverage options that are treated as qualified health insurance (as so defined) by the State in which the individual resides, and

''(3) in the case of a TAA-eligible individual (as defined in section 4980B(f)(5)(C)(iv)(II)), a statement informing the individual that the individual has 63 days from the date that is 5 days after the postmark date of such notice to enroll in such insurance without a lapse in creditable coverage (as defined in section 9801(c)).''.

SEC. 12. ANNUAL REPORT ON ENHANCED TAA BENEFITS.

Not later than October 1 of each year (beginning in 2004) the Secretary of the Treasury, after consultation with the Secretary of Labor, shall report to the Committee on Finance and the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Ways and Means and the Committee on Education and the Workforce of the House of Representatives the following information with respect to the most recent taxable year ending before such date:

(1) The total number of participants utilizing the health insurance tax credit under section 35 of the Internal Revenue Code of 1986, including a measurement of such participants identified—

(A) by State, and

(B) by coverage under COBRA continuation provisions (as defined in section 9832(d)(1) of such Code) and by non-COBRA coverage (further identified by group and individual market).

(2) The range of monthly health insurance premiums offered and the average and median monthly health insurance premiums offered to TAA-eligible individuals (as defined in section 4980B(f)(5)(C)(iv)(II) of such Code) under COBRA continuation provisions (as defined in section 9832(d)(1) of such Code), State-based continuation coverage provided under a State law that requires such coverage, and each category of coverage described in section 35(e)(1) of such Code, identified by State and by the actuarial value of such coverage and the specific benefits provided and cost-sharing imposed under such coverage.

(3) The number of States applying for and receiving national emergency grants under section 173(f) of the Workforce Investment Act of 1998 (29 U.S.C. 2918(f)) and the time necessary for application approval of such grants.

(4) The cost of administering the health credit program under section 35 of such Code, by function, including the cost of subcontractors.

SEC. 13. EXTENSION OF NATIONAL EMERGENCY GRANTS.

(a) IN GENERAL.—Section 173(f) of the Workforce Investment Act of 1998 (29 U.S.C. 2918(f)) is amended—

(1) by striking paragraph (1) and inserting the following new paragraph:

''(1) USE OF FUNDS.—

''(A) HEALTH INSURANCE COVERAGE FOR ELIGIBLE INDIVIDUALS IN ORDER TO OBTAIN QUALIFIED HEALTH INSURANCE THAT HAS GUARANTEED ISSUE AND OTHER CONSUMER PROTECTIONS.—Funds made available to a State or entity under paragraph (4)(A) of subsection (a) shall be used to provide an eligible individual described in paragraph (4)(C) and such individual's qualifying family members with health insurance coverage for the 3-month period that immediately precedes the first eligible coverage month (as defined in section 35(b) of the Internal Revenue Code of 1986) in which such eligible individual and such individual's qualifying family members are covered by qualified health insurance that meets the requirements described in clauses (i) through (iv) of section 35(e)(2)(A) of the Internal Revenue Code of 1986 (or such longer minimum period as is necessary in order for such eligible individual and such individual's qualifying family members to be covered by qualified health insurance that meets such requirements).

''(B) ADDITIONAL USES.—Funds made available to a State or entity under paragraph (4)(A) of subsection (a) may be used by the State or entity for the following:

''(i) HEALTH INSURANCE COVERAGE.—To assist an eligible individual and such individual's qualifying family members with enrolling in health insurance coverage and qualified health insurance or paying premiums for such coverage or insurance.

''(ii) ADMINISTRATIVE EXPENSES AND START-UP EXPENSES TO ESTABLISH GROUP HEALTH PLAN COVERAGE OPTIONS FOR QUALIFIED HEALTH INSURANCE.—To pay the administrative expenses related to the enrollment of eligible individuals and such individuals' qualifying family members in health insurance coverage and qualified health insurance, including—

''(I) eligibility verification activities;

''(II) the notification of eligible individuals of available health insurance and qualified health insurance options;

''(III) processing qualified health insurance costs credit eligibility certificates provided for under section 7527 of the Internal Revenue Code of 1986;

''(IV) providing assistance to eligible individuals in enrolling in health insurance coverage and qualified health insurance;

''(V) the development or installation of necessary data management systems; and

''(VI) any other expenses determined appropriate by the Secretary, including start-up costs and on going administrative expenses, in order for the State to treat the coverage described in subparagraph (C), (D), (E), or (F)(i) of section 35(e)(1) of the Internal Revenue Code of 1986, or, only if the coverage is under a group health plan, the coverage described in subparagraph (F)(ii), (F)(iii), (F)(iv), (G), or (H) of such section, as qualified health insurance under that section.

''(iii) OUTREACH.—To pay for outreach to eligible individuals to inform such individuals of available health insurance and qualified health insurance options, including outreach consisting of notice to eligible individuals of such options made available after the date of enactment of this clause and direct assistance to help potentially eligible individuals and such individual's qualifying family members qualify and remain eligible for the credit established under section 35 of the Internal Revenue Code of 1986 and advance payment of such credit under section 7527 of such Code.

''(iv) BRIDGE FUNDING.—To assist potentially eligible individuals purchase qualified health insurance coverage prior to issuance of a qualified health insurance costs credit eligibility certificate under section 7527 of the Internal Revenue Code of 1986 and commencement of advance payment, and receipt of expedited payment, under subsections (a) and (e), respectively, of that section.

''(C) RULE OF CONSTRUCTION.—The inclusion of a permitted use under this paragraph shall not be construed as prohibiting a similar use of funds permitted under subsection (g).''; and

(2) by striking paragraph (2) and inserting the following new paragraph:

''(2) QUALIFIED HEALTH INSURANCE.—For purposes of this subsection and subsection (g), the term 'qualified health insurance' has the meaning given that term in section 35(e) of the Internal Revenue Code of 1986.''.

(b) FUNDING.—Section 174(c)(1) of the Workforce Investment Act of 1998 (29 U.S.C. 2919(c)(1)) is amended—

(1) in the paragraph heading, by striking ''AUTHORIZATION AND APPROPRIATION FOR FISCAL YEAR 2002'' and inserting ''APPROPRIATIONS''; and

(2) by striking subparagraph (A) and inserting the following new subparagraph:

''(A) to carry out subsection (a)(4)(A) of section 173—

''(i) $10,000,000 for fiscal year 2002; and

''(ii) $300,000,000 for the period of fiscal years 2005 through 2007; and''.

(c) REPORT REGARDING FAILURE TO COMPLY WITH REQUIREMENTS FOR EXPEDITED APPROVAL PROCEDURES.—Section 173(f) of the Workforce Investment Act of 1998 (29 U.S.C. 2918(f)) is amended by adding at the end the following new paragraph:

''(8) REPORT FOR FAILURE TO COMPLY WITH REQUIREMENTS FOR EXPEDITED APPROVAL PROCEDURES.—If the Secretary fails to make the notification required under clause (i) of paragraph (3)(A) within the 15-day period required under that clause, or fails to provide the technical assistance required under clause (ii) of such paragraph within a timely manner so that a State or entity may submit an approved application within 2 months of the date on which the State or entity's previous application was disapproved, the Secretary shall submit a report to Congress explaining such failure.''.

(d) TECHNICAL AMENDMENT.—Effective as if included in the enactment of the Trade Act of 2002 (Public Law 107–210; 116 Stat. 933), subsection (f) of section 203 of that Act is repealed.

SEC. 14. EXTENSION OF FUNDING FOR OPERATION OF STATE HIGH RISK HEALTH INSURANCE POOLS.

(a) EXTENSION OF SEED GRANTS.—Section 2745 of the Public Health Service Act (42 U.S.C. 300gg–45) is amended—

(1) in subsection (a), in the subsection heading by inserting ''EXTENSION OF'' before ''SEED''; and

(2) in subsection (c)(1), by striking ''$20,000,000'' and all that follows through ''2003'' and inserting ''$15,000,000 for the period of fiscal years 2005 and 2006''.

(b) FUNDS FOR OPERATIONS.—Section 2745 of the Public Health Service Act (42 U.S.C. 300gg–45) is amended—

(1) in subsection (b)—

(A) in the subsection heading by striking ''MATCHING''; and

(B) by striking paragraph (2) and inserting the following new paragraph:

''(2) ALLOTMENT.—The amounts appropriated under subsection (c)(2) for a fiscal year shall be made available to the States (or the entities that operate the high risk pool under applicable State law) as follows:

''(A) An amount equal to 50 percent of the appropriated amount for the fiscal year shall be allocated in equal amounts among each eligible State that applies for assistance under this subsection.

''(B) An amount equal to 25 percent of the appropriated amount for the fiscal year shall be allocated among the States so that the amount provided to a State bears the same ratio to such available amount as the number of uninsured individuals in the State

bears to the total number of uninsured individuals in all States (as determined by the Secretary).

''(C) An amount equal to 25 percent of the appropriated amount for the fiscal year shall be allocated among the States so that the amount provided to a State bears the same ratio to such available amount as the number of individuals enrolled in health care coverage through the qualified high risk pool of the State bears to the total number of individuals so enrolled through qualified high risk pools in all States (as determined by the Secretary).''; and

(2) in subsection (c)(2), by striking ''$40,000,000'' and all that follows through the period and inserting ''$75,000,000 for each of fiscal years 2005 through 2009 to make allotments under subsection (b)(2).''.

(c) DEFINITIONS.—Section 2745 of the Public Health Service Act (42 U.S.C. 300gg–45) is amended—

(1) in subsection (d), by inserting after ''2744(c)(2)'' the following: '', except that with respect to subparagraph (A) of such section a State may elect to provide for the enrollment of eligible individuals through an acceptable alternative mechanism,''; and

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

''(e) STANDARD RISK RATE.—In subsection (b)(1)(A), the term 'standard risk rate' means a rate—

''(1) determined under the State high risk pool by considering the premium rates charged by other health insurers offering health insurance coverage to individuals in the insurance market served;

''(2) that is established using reasonable actuarial techniques; and

''(3) that reflects anticipated claims experience and expenses for the coverage involved.''.

By Mr. CAMPBELL:

S. 2936. A bill to restore land to the Enterprise Rancheria to rectify an inequitable taking of the land; to the Committee on Indian Affairs.

Mr. CAMPBELL. Mr. President, today I am pleased to introduce the Enterprise Rancheria Land Restoration Act of 2004, a bill that would restore lands to the Enterprise Rancheria, a Federally recognized Indian tribe. The tribe seeks this restoration to rectify an inequitable taking of their lands for the Oroville Dam in 1964.

I am introducing this bill, at the request of the tribe, primarily to initiate a discussion regarding the tribe's efforts to obtain an equitable resolution among all the interested parties, including the tribe, local communities, and the tribe's congressional delegation.

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

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

S. 2936

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 ''Enterprise Rancheria Land Restoration Act of 2004''.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the Enterprise Rancheria is 1 of several Federally recognized tribes of Maidu Indians in the State of California that function under a government-to-government relationship with the Federal Government;

(2) the Maidu people lived for thousands of years along the watershed of the Feather River drainage area in north central California, near what is now known as the Sacramento Valley floor, and near the confluence of the south, middle, north, and west branches of the Feather River;

(3) in 1916, pursuant to section 3 of the Act of August 1, 1914 (38 Stat. 589, chapter 222), and other Federal laws relating to homeless Indians, a parcel of land comprising approximately 40.64 acres was purchased for Enterprise Rancheria;

(4) in 1915, the Secretary of the Interior developed a census of approximately 51 Maidu Indians, which is now used for the purpose of establishing the base membership roll for the Enterprise Rancheria;

(5) Enterprise Rancheria has been continuously federally recognized since 1915 and was again recognized by virtue of voting in an election on June 12, 1935, pursuant to section 19 of the Act of June 18, 1934 (commonly known as the ''Indian Reorganization Act'') (48 Stat. 984, chapter 576);

(6) Enterprise Rancheria has a constitution recognized by the Bureau of Indian Affairs, a functioning governing body, and approximately 664 enrolled members;

(7) on August 20, 1964, Public Law 88–453 was enacted, which authorized the Secretary of the Interior to sell Enterprise Rancheria No. 2 parcel to the State of California for the approximate sum of $12,196, for the sole purpose of construction of Oroville Dam;

(8) the State of California requested the law described in paragraph (7) because Enterprise Rancheria No. 2 parcel would be within the reservoir area of the Oroville Dam, an important element of the California water plan;

(9) as a result of Public Law 88-453, Enterprise Rancheria No. 2 parcel is nearly all under water within the reservoir of the Oroville Dam;

(10) pursuant to Public Law 88–453, $11,175 was paid as consideration for the 40.46 acres of Enterprise Rancheria No. 2 parcel, along with $1,020 for appraised personal property, for a total purchase price of $12,196.00;

(11) the payment was distributed to 4 individuals, Henry B. Martin, Vera Martin Kiras, Stanley Martin, and Ralph G. Martin, who received a pro rata share of the proceeds;

(12) the remaining heirs and members of the Tribe received no compensation for the sale of the land;

(13) subsequent to the sale of the Enterprise Rancheria No. 2 parcel, the Enterprise Rancheria members, having lost their homes, community, and traditional homeland, were forced to scatter throughout the surrounding foothill communities and the Sacramento Valley area, which has caused a continuing decay of their culture, language, and traditions;

(14) recognizing that the final resolution of any equitable compensation claims based on the inequitable taking of Enterprise Rancheria No. 2 parcel will take many years and entail great expense to all parties, rectifying the loss of the Enterprise Rancheria is imperative at this time;

(15) the uncertainty as to the availability of Enterprise Rancheria land taken in 1964 should be settled as soon as practicable to avoid further damage to the long-term economic, social, cultural planning, and development of the Enterprise Rancheria;

(16) to advance and fulfill the goals of Federal Indian policy and the responsibility of the United States to protect the land base and members of Enterprise Rancheria, it is appropriate that the United States participate in the implementation of restoring the land in accordance with this Act; and

(17) this Act settles all claims Enterprise Rancheria may have regarding any equitable compensation based on the taking of the original Enterprise Rancheria No. 2 parcel in 1964.

(b) PURPOSES.—The purposes of this Act are—

(1) to rectify an inequitable taking of land owned by Enterprise Rancheria, specifically that parcel known as Enterprise Rancheria No. 2 parcel, which comprised approximately 40.64 acres, in a manner that is consistent with the trust responsibility of the United States toward Federally recognized Indian tribes;

(2) to restore land to the Enterprise Rancheria and improve the socioeconomic, cultural, and traditional aspects of the Maidu people of the Enterprise Rancheria, through land that can be used for economic development to improve the social, cultural, governmental, educational, health, and general welfare of Enterprise Rancheria and members of the Enterprise Rancheria; and

(3) to require that land not to exceed 41 acres acquired by Enterprise Rancheria within the 40-mile radius of Enterprise Rancheria No. 2 parcel and within the Estom Yumeka Maidu aboriginal boundaries, if approved for trust status pursuant to part 151 of title 25, Code of Federal Regulations (or a successor regulation), be treated for all legal purposes as the restoration of land for an Indian tribe that is restored to Federal recognition.

SEC. 3. DEFINITIONS.

In this Act:

(1) ABORIGINAL BOUNDARIES.—The term ''aboriginal boundaries'' means the boundaries of the land occupied and possessed by the Maidu people prior to conquest, as a defined area of what is now California, designated as the land near and around the confluence of the Feather River within the Sacramento Valley.

(2) ACQUIRED LAND.—The term ''acquired land'' means that land purchased on or after the date of enactment of this Act to restore land taken from the Enterprise Rancheria for the State of California, pursuant to Public Law 88–453.

(3) ENTERPRISE RANCHERIA.—The term ''Enterprise Rancheria'' means the Rancheria Tribe that was federally recognized on April 20, 1915, with a governing constitution, approved April 12, 1995.

(4) ENTERPRISE RANCHERIA NO. 2 PARCEL.—The term ''Enterprise Rancheria No. 2 parcel'' means the original 40.64 acre land base parcel belonging to the Maidu Indians that was established and purchased by the United States and placed in trust status for the homeless Maidu people in the area of the parcel.

(5) FEATHER RIVER DRAINAGE AREA.—The term ''Feather River drainage area'' means the area near and around the confluence of the south, middle, north, and west branches of the Feather River and drainage area below the confluence.

(6) RANCHERIA ACT.—The term ''Rancheria Act'' means Public Law 85-671 (commonly known as the ''California Rancheria Act''), which terminated 38 California Rancherias.

(7) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior.

(8) TRUST STATUS.—The term ''trust status'' means the status of land, the title of which is held by the United States on behalf and for the beneficial use of recognized Indian tribes in accordance with part 151 of title 25, Code of Federal Regulations (or a successor regulation).

SEC. 4. PLACEMENT OF ACQUIRED LAND IN TRUST STATUS.

The Secretary may place into trust status not to exceed 41 acres of land of the Enterprise Rancheria, if the land is approved for trust status.

SEC. 5. REPLACEMENT LAND.

(a) PURCHASE.—To restore the Enterprise Rancheria No. 2 parcel, the Enterprise Rancheria may purchase not to exceed 41 acres of replacement land within the 40-mile radius of Enterprise Rancheria No. 2 parcel and within the aboriginal boundaries of the Estom Yumeka Maidu.

(b) TRUST STATUS.—The Secretary may place the replacement land into trust status, the title to which shall be held in trust by the United States for the benefit of Enterprise Rancheria, if all Federal requirements of placing the land into trust status are satisfied.

(c) TREATMENT OF REPLACEMENT LAND.—The acquisition of land under subsection (a) shall be treated as the restoration of land for an Indian tribe that is recognized by the Federal Government.

SEC. 6. EFFECT ON TRUST STATUS.

This Act does not limit the authority of the Secretary to approve or deny any land application for trust status.

SEC. 7. FULL SATISFACTION OF CLAIMS.

On the placement of the land described in section 5 into trust status, the Enterprise Rancheria shall be considered to have relinquished all equitable compensation claims the Enterprise Rancheria may have against the United States and the State of California arising from the sale of Enterprise Rancheria No. 2 parcel.

By Mr. DURBIN (for himself and Mr. REED):

S. 2937. A bill to amend the Public Health Service Act to establish a grant program to provide supportive services in permanent supportive housing for chronically homeless individuals, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. DEWINE. Mr. President, today I rise with my colleague, Senator JACK REED, to introduce the Services for Ending Long-Term Homelessness Act. I would like to thank Senator REED for his support in introducing this bill. I appreciate his dedication and commitment to this issue.

The chronically homeless are about 10 percent of the entire homeless population, but consume a majority of the services. There are approximately 200,000 to 250,000 people who experience chronic homelessness. Those numbers include the heads of families, as well.

Tragically, for these individuals, the periods of homelessness are measured in years—not weeks and months. They tend to have disabling health and behavioral health problems: 40 percent have substance abuse disorders, 25 percent have a physical disability, and 20 percent have serious mental illness. These factors often contribute to a person becoming homeless, in the first place, and are certainly an impediment to overcoming it.

The President has set a goal of ending chronic homelessness in 10 years. The President's New Freedom Commission on Mental Health, chaired by the Ohio Department of Mental Health Director, Mike Hogan, recommended that a comprehensive program be created to facilitate access to permanent supportive housing for individuals and families who are chronically homeless. This recommendation is so important because affordable housing, alone, is not enough for this hard to reach group. And, temporary shelter-housing does not provide the stability and services needed to provide long-term positive outcomes. Only supportive housing, where the chronically homeless can receive shelter and services, such as mental health and substance abuse treatment, has been effective in decreasing their chances of returning to the streets and increasing their chances for leading productive lives.

Not only is it right to help this group of hard to reach individuals, but it is also fiscally responsible. This group is one of the most expensive groups to serve. As I mentioned previously, they represent 10 percent of the overall homeless population, however they consume a majority of the services for the homeless. They consume the most emergency housing and health care services, which are also the most costly to provide. By encouraging supportive housing, we are providing the services necessary for these individuals and families to really get back on their feet. We can either continue to provide expensive emergency services to these needy people or we can give them the right kind of help—the type of help they need for their long-term well-being and long-term well-being of our communities.

Unfortunately, current programs for funding services in permanent supportive housing, other than those administered by the Department of Housing and Urban Development (HUD), were not designed to be coordinated with housing programs. These programs were also not designed to meet the challenging needs of this specific subgroup of the homeless. That is why the bill we are introducing today would provide the authorization to fund services to the chronically homeless in supportive housing by providing grants which can be used with existing programs through HUD and State and local communities.

This bill also would encourage those who provide services to the chronically homeless, such as SAMHSA within the Department of Health and Human Services, to work with and coordinate their efforts with those who provide the physical housing, such as HUD. Under the current administration, these two departments have started to truly coordinate their efforts and this bill would encourage and support that continued collaboration.

This is a good bill, and it could make a real difference in the lives of so many individuals in need. I ask my colleagues to join us in support.

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

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

S. 2937

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 ''Services for Ending Long-Term Homelessness Act''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Nationally, there are approximately 200,000 to 250,000 people who experience chronic homelessness, including some families with children. Chronically homeless people often live in shelters or on the streets for years at a time, experience repeated episodes of homelessness without achieving housing stability, or cycle between homelessness, jails, mental health facilities, and hospitals.

(2) The President's New Freedom Commission on Mental Health recommended the development and implementation of a comprehensive plan designed to facilitate access to 150,000 units of permanent supportive housing for consumers and families who are chronically homeless. The Commission found that affordable housing alone is insufficient for many people with severe mental illness, and that flexible, mobile, individualized support services are also necessary to support and sustain consumers in their housing.

(3) Congress and the President have set a goal of ending chronic homelessness in 10 years.

(4) Permanent supportive housing is a proven and cost effective solution to chronic homelessness. A recent study by the University of Pennsylvania found that each unit of supportive housing for homeless people with mental illness in New York City resulted in public savings of $16,281 per year in systems of care such as mental health, human services, health care, veterans' affairs, and corrections.

(5) Current programs for funding services in permanent supportive housing, other than those administered by the Department of Housing and Urban Development, were not designed to be closely coordinated with housing resources, nor were they designed to meet the multiple needs of people who are chronically homeless.

SEC. 3. DUTIES OF ADMINISTRATOR OF SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION.

Section 501(d) of the Public Health Service Act (42 U.S.C. 290aa(d)) is amended—

(1) in paragraph (17), by striking ''and'' at the end;

(2) in paragraph (18), by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(19) collaborate with Federal departments and programs that are part of the President's Interagency Council on Homelessness, particularly the Department of Housing and Urban Development, the Department of Labor, and the Department of Veterans Affairs, and with other agencies within the Department of Health and Human Services, particularly the Health Resources and Services Administration, the Administration on Children and Families, and the Centers for Medicare and Medicaid Services, to design national strategies for providing services in supportive housing that will assist in ending chronic homelessness and to implement programs that address chronic homelessness.''.

SEC. 4. GRANTS FOR SERVICES FOR CHRONICALLY HOMELESS INDIVIDUALS IN SUPPORTIVE HOUSING.

Title V of the Public Health Service Act (42 U.S.C. 290aa et seq.) is amended by adding at the end the following:

"PART J—GRANTS FOR SERVICES TO END CHRONIC HOMELESSNESS

"SEC. 596. GRANTS FOR SERVICES TO END CHRONIC HOMELESSNESS.

''(a) IN GENERAL.—

''(1) GRANTS.—The Secretary shall make grants to entities described in paragraph (2) for the purpose of carrying out projects to provide the services described in subsection (c) to chronically homeless individuals in permanent supportive housing.

''(2) ELIGIBLE ENTITIES.—For purposes of paragraph (1), an entity described in this paragraph is—

''(A) a State or political subdivision of a State, an Indian tribe or tribal organization, or a public or nonprofit private entity, including a community-based provider of homelessness services, health care, housing, or other services important to individuals experiencing chronic homelessness; or

''(B) a consortium composed of entities described in subparagraph (A), which consortium includes a public or nonprofit private entity that serves as the lead applicant and has responsibility for coordinating the activities of the consortium.

''(b) PRIORITIES.—In making grants under subsection (a), the Secretary shall give priority to applicants demonstrating that the applicants—

''(1) target funds to individuals or families who—

''(A) have been homeless for longer periods of time or have experienced more episodes of homelessness than are required to meet the definition of chronic homelessness under this section;

''(B) have high rates of utilization of emergency public systems of care; or

''(C) have a history of interactions with law enforcement and the criminal justice system;

''(2) have greater funding commitments from State or local government agencies responsible for overseeing mental health treatment, substance abuse treatment, medical care, and employment (including commitments to provide Federal funds in accordance with subsection (d)(2)(B)(ii)); and

''(3) will provide for an increase in the number of units of permanent supportive housing that would serve chronically homeless individuals in the community as a result of an award of a grant under subsection (a).

''(c) SERVICES.—The services referred to in subsection (a) are the following:

''(1) Services provided by the grantee or by qualified subcontractors that promote recovery and self-sufficiency and address barriers to housing stability, including but not limited to the following:

''(A) Mental health services, including treatment and recovery support services.

''(B) Substance abuse treatment and recovery support services, including counseling, treatment planning, recovery coaching, and relapse prevention.

''(C) Integrated, coordinated treatment and recovery support services for co-occurring disorders.

''(D) Health education, including referrals for medical and dental care.

''(E) Services designed to help individuals make progress toward self-sufficiency and recovery, including benefits advocacy, money management, life-skills training, self-help programs, and engagement and motivational interventions.

''(F) Parental skills and family support.

''(G) Case management.

''(H) Other supportive services that promote an end to chronic homelessness.

''(2) Services, as described in paragraph (1), that are delivered to individuals and families who are chronically homeless and who are scheduled to become residents of permanent supportive housing within 90 days pending the location or development of an appropriate unit of housing.

''(3) For individuals and families who are otherwise eligible, and who have voluntarily chosen to seek other housing opportunities after a period of tenancy in supportive housing, services, as described in paragraph (1), that are delivered, for a period of 90 days after exiting permanent supportive housing or until the individuals have transitioned to comprehensive services adequate to meet their current needs, provided that the purpose of the services is to support the individuals in their choice to transition into housing that is responsive to their individual needs and preferences.

''(d) MATCHING FUNDS.—

''(1) IN GENERAL.—A condition for the receipt of a grant under subsection (a) is that, with respect to the cost of the project to be carried out by an applicant pursuant to such subsection, the applicant agree as follows:

''(A) In the case of the initial grant pursuant to subsection (i)(1)(A), the applicant will, in accordance with paragraphs (2) and (3), make available contributions toward such costs in an amount that is not less than $1 for each $3 of Federal funds provided in the grant.

''(B) In the case of a renewal grant pursuant to subsection (i)(1)(B), the applicant will, in accordance with paragraphs (2) and (3), make available contributions toward such costs in an amount that is not less than $1 for each $1 of Federal funds provided in the grant.

''(2) SOURCE OF CONTRIBUTION.—For purposes of paragraph (1), contributions made by an applicant are in accordance with this paragraph if made as follows:

''(A) The contribution is made from funds of the applicant or from donations from public or private entities.

''(B) Of the contribution—

''(i) not less than 80 percent is from non-Federal funds; and

''(ii) not more than 20 percent is from Federal funds provided under programs that—

''(I) are not expressly directed at services for homeless individuals, but whose purposes are broad enough to include the provision of a service or services described in subsection (c) as authorized expenditures under such program; and

''(II) do not prohibit Federal funds under the program from being used to provide a contribution that is required as a condition for obtaining Federal funds.

''(3) DETERMINATION OF AMOUNT CONTRIBUTED.—Contributions required in paragraph (1) may be in cash or in kind, fairly evaluated, including plant, equipment, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of non-Federal contributions required in paragraph (2)(B)(i).

''(e) ADMINISTRATIVE EXPENSES.—A condition for the receipt of a grant under subsection (a) is that the applicant involved agree that not more than 6 percent of the grant will be expended for administrative expenses with respect to the grant.

''(f) CERTAIN USES OF FUNDS.—Notwithstanding other provisions of this section, a grantee under subsection (a) may expend not more than 20 percent of the grant to provide the services described in subsection (c) to homeless individuals who are not chronically homeless.

''(g) APPLICATION FOR GRANT.—A grant may be made under subsection (a) only if an application for the grant is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

''(h) CERTAIN REQUIREMENTS.—A condition for the receipt of a grant under subsection (a) is that the applicant involved demonstrate the following:

''(1) The applicant and all direct providers of services have the experience, infrastructure, and expertise needed to ensure the quality and effectiveness of services, which may be demonstrated by any of the following:

''(A) Compliance with all local, city, county, or State requirements for licensing, accreditation, or certification (if any) which are applicable to the proposed project.

''(B) A minimum of two years experience providing comparable services that do not require licensing, accreditation, or certification.

''(C) Certification as a Medicaid service provider, including health care for the homeless programs and community health centers.

''(D) An executed agreement with a relevant State or local government agency that will provide oversight over the mental health, substance abuse, or other services that will be delivered by the project.

''(2) There is a mechanism for determining whether residents are chronically homeless. Such a mechanism may rely on local data systems or records of shelter admission. If there are no sources of data regarding the duration or number of homeless episodes, or if such data are unreliable for the purposes of this subsection, an applicant must demonstrate that the project will implement appropriate procedures, taking into consideration the capacity of local homeless service providers to document episodes of homelessness and the challenges of engaging persons who have been chronically homeless, to verify that an individual or family meets the definition for being chronically homeless under this section.

''(3) The applicant participates in a local, regional, or statewide homeless management information system.

''(i) DURATION OF INITIAL AND RENEWAL GRANTS; ADDITIONAL PROVISIONS REGARDING RENEWAL GRANTS.—

''(1) IN GENERAL.—Subject to paragraphs (2) and (3), the period during which payments are made to a grantee under subsection (a) shall be in accordance with the following:

''(A) In the case of the initial grant, the period of payments shall be not less than three years and not more than five years.

''(B) In the case of a subsequent grant (referred to in this subsection as a 'renewal grant'), the period of payments shall be not more than five years.

''(2) ANNUAL APPROVAL; AVAILABILITY OF APPROPRIATIONS; NUMBER OF GRANTS.—The provision of payments under an initial or renewal grant is subject to annual approval by the Secretary of the payments and to the availability of appropriations for the fiscal year involved to make the payments. This subsection may not be construed as establishing a limitation on the number of grants under subsection (a) that may be made to an entity.

''(3) ADDITIONAL PROVISIONS REGARDING RENEWAL GRANTS.—

''(A) PRIORITY IN MAKING GRANTS.—In making grants under subsection (a), the Secretary shall give priority to renewal grants.

''(B) COMPLIANCE WITH MINIMUM STANDARDS.—A renewal grant may be made by the Secretary only if the Secretary determines that the applicant involved has, in the project carried out with the grant, maintained compliance with minimum standards for quality and successful outcomes for housing retention, as determined by the Secretary.

''(C) AMOUNT.—The maximum amount of a renewal grant under this subsection shall not exceed an amount equal to—

''(i) 75 percent of the amount of Federal funds provided in the final year of the initial grant period; or

''(ii) 50 percent of the total costs of sustaining the program funded under the grant at the level provided for in the year preceding the year for which the renewal grant is being awarded;

as determined by the Secretary.

''(j) STRATEGIC PERFORMANCE OUTCOMES AND REPORTS.—

''(1) IN GENERAL.—The Secretary shall, as a condition of the receipt of grants under subsection (a), require grantees to report data regarding the performance outcomes of the projects carried out pursuant to such subsection. Consistent with the requirement of the preceding sentence, each applicant shall measure and report specific performance outcomes related to the long-term goals of increasing stability within the community for individuals who have been chronically homeless, and decreasing recurrence of periods of homelessness.

''(2) PERFORMANCE OUTCOMES.—The performance outcomes identified by a grantee under paragraph (1) shall include, with respect to individuals who have been chronically homeless, improvements in—

''(A) housing stability;

''(B) employment and education;

''(C) problems related to substance abuse;

''(D) participation in mental health services; and

''(E) other areas as the Secretary determines appropriate.

''(3) COORDINATION AND CONSISTENCY WITH OTHER HOMELESS ASSISTANCE PROGRAMS.—

''(A) PROCEDURES.—In establishing strategic performance outcomes and reporting requirements under paragraph (1), the Secretary shall develop and implement procedures that minimize the costs and burdens to grantees and program participants, and that are practical, streamlined, and designed for consistency with the requirements of the homeless assistance programs administered by the Secretary of Housing and Urban Development.

''(B) APPLICANT COORDINATION.—Applicants under this section shall coordinate with community stakeholders, including participants in the local homeless management information system, concerning the development of systems to measure performance outcomes and with the Secretary for assistance with data collection and measurements activities.

''(4) REPORT.—A grantee shall submit an annual report to the Secretary that—

''(A) identifies the grantee's progress towards achieving its strategic performance outcomes; and

''(B) describes other activities conducted by the grantee to increase the participation, housing stability, and other improvements in outcomes for individuals who have been chronically homeless.

''(k) TRAINING AND TECHNICAL ASSISTANCE.—The Secretary, directly or through awards of grants or contracts to public or nonprofit private entities, shall provide training and technical assistance regarding the planning, development, and provision of services in projects under subsection (a).

''(l) BIENNIAL REPORTS TO CONGRESS.—Not later than two years after the date of the enactment of the Services for Ending Long-Term Homelessness Act, and biennially thereafter, the Secretary shall submit to the Congress a report on projects under subsection (a) that includes a summary of information received by the Secretary under subsection (j), and that describes the impact of the program under subsection (a) as part of a comprehensive strategy for ending long term homelessness and improving outcomes for individuals with mental illness and substance abuse problems.

''(m) DEFINITIONS.—For purposes of this section:

''(1) The term 'chronically homeless' means an individual or family who—

''(A) is currently homeless;

''(B) has been homeless continuously for at least one year or has been homeless on at least four separate occasions in the last three years; and

''(C) has an adult head of household with a disabling condition, defined as a diagnosable substance use disorder, serious mental illness, developmental disability, or chronic physical illness or disability, including the co-occurrence of two or more of these conditions.

''(2) The term 'disabling condition' means a condition that limits an individual's ability to work or perform one or more activities of daily living.

''(3) The term 'homeless' means sleeping in a place not meant for human habitation or in an emergency homeless shelter.

''(4)(A) The term 'permanent supportive housing' means permanent, affordable housing with flexible support services that are available and designed to help the tenants stay housed and build the necessary skills to live as independently as possible. Such term does not include housing that is time-limited. Supportive housing offers residents assistance in reaching their full potential, which may include opportunities to secure other housing that meets their needs and preferences, based on individual choice instead of the requirements of time-limited transitional programs. Under this section, permanent affordable housing includes but is not limited to permanent housing funded or assisted through title IV of the McKinney-Vento Homeless Assistance Act and section (8) of the United States Housing Act of 1937.

''(B) For purposes of subparagraph (A), the term 'affordable' means within the financial means of individuals who are extremely low income, as defined by the Secretary of Housing and Urban Development.

''(n) FUNDING.—

''(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 2005 through 2009.

''(2) ALLOCATION FOR TRAINING AND TECHNICAL ASSISTANCE.—Of the amount appropriated under paragraph (1) for a fiscal year, the Secretary may reserve not more than 3 percent for carrying out subsection (k).''.

Mr. REED. Mr. President, I am proud to join my colleague from Ohio, the Chairman of the Substance Abuse and Mental Health Subcommittee of the Senate HELP Committee, to introduce a bill that we believe will bring us closer to helping people who experience chronic homelessness get off the streets, out of shelters and into permanent housing. The Services for Ending Long-Term Homelessness Act (SELHA) will help local communities provide health care, mental health and substance abuse services in conjunction with safe, decent and affordable housing. This bill is another essential component in the continuum of housing and supportive service programs geared towards people who have become homeless in our society.

Nationwide, as many as 3.5 million people experience homelessness every year. Between 200,000 and 250,000 of them—including at least 12,000 children—experience chronic homelessness. They live on the streets and in emergency shelters for years on end or cycle between homelessness, jails, emergency rooms, and other institutions. Many also confront mental illness, substance addiction or other serious chronic health conditions. Moreover, because they don't get appropriate and regular care, these people exact a substantial toll on our public health systems.

The legislation the Senior Senator from Ohio and I are proposing today would authorize funding for grants to state and local entities to offer services to individuals and families in supportive housing to help bring them out of the downward spiral of homelessness and onto the road to recovery and self-sufficiency. Permanent supportive housing combines safe, decent and affordable housing with needed services such as mental health, substance abuse, employment, health care, and other services.

Research indicates that supportive housing represents a cost-effective investment toward the goal of ending long-term homelessness. In one California supportive housing program, residents experienced a 57 percent decline in emergency room visits, a 58 percent decline in the number of inpatient hospital days, and a near elimination of their need for residential mental-health facilities. A study in New York City found that each unit of supportive housing saved $16,282 per person per year in public expenditures for emergency care, court and jail costs, and other public services. After deducting the public benefits, the average supportive housing unit in New York City cost only $995 per year. In other words, it costs little more to house and offer supportive services to people than it does to leave them homeless.

These remarkable findings have led the bipartisan Millennial Housing Commission, the President's New Freedom Mental Health Commission, the U.S. Conference of Mayors and the National League of Cities to endorse the goal of creating 150,000 units of permanent supportive housing.

As the Ranking Member of the Senate Subcommittee on Housing of the Senate Banking Committee, I am deeply interested in tackling the challenge of homelessness on several fronts. I have been working on a bill to reauthorize the McKinney-Vento Homeless Assistance Act. My legislation would realign the incentives behind HUD's homelessness assistance programs, while more funding would flow to communities that actually demonstrate a commitment to accomplishing the goals of preventing and ending homelessness. It would also simplify and consolidate the three competitive HUD homeless assistance programs into one program and provide new flexibility in using McKinney-Vento funds.

The Services for Ending Long-Term Homelessness Act perfectly compliments these efforts by making sure that communities offering permanent housing are also able to provide health, education and other supportive services that are so critical to the ultimate success of these efforts.

I believe we have the ingenuity and dedication to ensure that everyone has a safe decent and affordable place to call home. We need to support innovative solutions, and this bill does just that. It gives communities some of the resources they need to develop more supportive housing and move towards ending chronic homelessness, and I am proud to join my colleague from Ohio in spearheading this initiative.

By Mr. DASCHLE (for himself, Mr. CAMPBELL, Mr. INOUYE, Mr. JOHNSON, Mr. BINGAMAN, and Ms. LANDRIEU):

S. 2938. A bill to grant a Federal charter to the National American Indian Veterans, Incorporated; read the first time.

FEDERAL CHARTER FOR NATIONAL AMERICAN INDIAN VETERANS ASSOCIATION

Mr. DASCHLE. Mr. President, every American knows this photograph. It is one of the great iconic images of American courage and determination: the Marines raising the flag at Iwo Jima. What many Americans probably do not know is that one of the six Marines in this photo was a Native American. His name was Ira Hayes. He was a full-blooded Pima Indian, raised on a small farm on the Gila River Indian Community in Arizona.

Raising the flag with Ira Hayes that day on Iwo Jima were: a coal miner's son from Pennsylvania who came to America as an infant from Czechoslovakia; a farm boy from the Rio Grande Valley of Texas; a mill worker's son from New Hampshire; a former altar boy from Wisconsin, and a poor kid from eastern Kentucky.

One writer has called this photo '' a triumphant metaphor for the very soul of the (Marine) Corps.'' It is also something else. It is a reflection of every war our Nation has ever fought. In every major military conflict in our Nation's history, Indians have fought side-by-side with non-Indians. Native Americans served with honor and distinction in the Revolutionary War and the War of 1812. They served on both sides in the Civil War. Stand Watie, a Cherokee, was the last Confederate brigadier general to surrender to the Union troops. And Eli Parker, a Seneca from New York, was at Appomattox, serving as an aide to General Ulysses S. Grant when Robert E. Lee surrendered.

Native American soldiers rode with Teddy Roosevelt's Rough Riders in the charge on San Juan Hill in the Spanish-American War. Twelve-thousand Indians served in World War I. Even though Native Americans were denied U.S. citizenship at the time, many were so eager to serve that they went to Canada to enlist before the U.S. even entered the war. Their tremendous demonstration of patriotism finally moved Congress to pass the Indian Citizenship Act in 1924.

In World War II, more than one-third of all able-bodied Indian men between the ages of 18 and 50 served. The most famous were the ''Code Talkers'' from the Navajo Nation and other tribes—including the Lakota, Dakota and Nakota tribes of the Great Sioux Nation. During the Korean War, two Native American soldiers were awarded posthumous Congressional Medals of Honor. Another Korean War veteran, a Northern Cheyenne from Colorado, served with distinction in the Air Force and later in the United States Senate. He is our friend and colleague, the chairman of the Senate Indian Affairs Committee, Senator BEN NIGHTHORSE CAMPBELL.

In Vietnam, nearly 42,000 Native Americans served—90 percent of them volunteers. Native Americans served with honor in Grenada, Panama, the Persian Gulf war, Somalia, Bosnia and Kosovo. And they are serving our Nation today in Afghanistan and Iraq.

Given the tragic history between Indian tribes and the U.S. military, some might regard it as remarkable that Native Americans choose to serve in the military at all. Yet, not only do Native Americans serve, they have the highest rate of military service of any ethnic group in America. Today, one in four Native American men is a military veteran, as are nearly half of all tribal leaders.

Incredibly, despite this extraordinary history of service and sacrifice for our Nation, there has never been a national American Indians veterans organization. Until now.

Last week, a new organization, the National American Indian Veterans Association, held its first annual meeting in Arizona. At that meeting, members voted unanimously to approve the organization's charter. Today, I am introducing a bipartisan proposal to grant the National American Indian Veterans Association a Federal charter. I am proud to sponsor this proposal, along with four great champions of Indian people and tribes: my fellow South Dakotan, Senator JOHNSON; Senator BINGAMAN; Senator CAMPBELL, the distinguished chairman of the Indian Affairs Committee; and the committee's ranking member, Senator INOUYE, a noble warrior himself and a Medal of Honor recipient.

The National American Indian Veterans Association is long overdue, and it is desperately needed. Native Americans are the most likely of all Americans to volunteer for military service. But they are the least likely of all veterans to apply for the benefits they have earned. When they do try to claim those benefits, too often, the First Americans find themselves last in line.

Too many Native American veterans go without urgently needed medical care because they can't get appointments or they can't overcome bureaucratic hurdles at the VA or the nearest clinic is too far away. Too many Native American veterans are living in crowded apartments and crumbling houses and trailers, partly because homeownership assistance programs that work for most veterans don't take into account the specific needs of many Indian veterans. Many Native American veterans don't claim the education benefits they have earned. Too many Native American veterans don't get the retirement benefits they deserve. And when they die, too many of their families don't get the survivors' benefits they should.

A Federal charter does not grant the National American Indian Veterans Association any special legal status or favors. It will simply enable Native American veterans from all tribes to speak with one voice to Congress and to the Nation.

The National Commander of the National American Indian Veterans Association is a man I am proud to know. Don Loudner is from Mitchell, SD. He is a member of the Crow Creek Sioux Tribe and a Korean War veteran with 35 years in the Army Reserves. He is also a member of the VA's Advisory Committee on Minority Veterans, a former Commissioner of Indian Affairs for the State of South Dakota, a former superintendent of the Crow Creek Sioux Reservation, and one of the most tireless, articulate advocates for Native American veterans I have ever known.

Congress has chartered many veterans organizations representing specific groups: the American War Mothers, the Blinded Veterans Association, Catholic War Veterans, Italian American War Veterans of the USA, Jewish War Veterans of the USA, the National Association for Black Veterans, Polish Legion of American Veterans.

I believe the guidance and collected wisdom of the National American Indian Veterans Association will enable America to better honor its commitments to Native American veterans and their families. In doing so, it will strengthen Native Americans' long and exceptional tradition of military service to our Nation. And that will make America even safer and stronger.

Five Native American warriors have already given their lives in Iraq. They include three members of the Navajo Nation: Army Private First Class Lori Piestewa, a young Hopi mother and the first Native American woman soldier ever killed in combat; and a young Army Private First Class from the Cheyenne River Sioux Reservation in South Dakota. Sheldon Hawk Eagle was a member of the Army's 101st Airborne Division, the famed ''Screaming Eagles,'' the same unit that parachuted into Normandy on D-Day. He was also a descendant of the legendary Lakota warrior leader, Crazy Horse.

There are many reasons that these young warriors and so many other Native Americans have risked—and

given—their lives for this Nation. Clarence Wolf Guts may have said it best. Mr. Wolf Guts is from the Oglala Sioux Tribe and one of the last two surviving Lakota Code Talkers from World War II. Two weeks ago, he testified before the Senate Committee on Indian Affairs about a bill I am sponsoring to honor all Native American Code Talkers, from all tribes. In Clarence Wolf Guts' words, ''Indian people love America, and we will do whatever it takes to protect our freedom from all aggressors.''

By formally recognizing the National American Indian Veterans Association—America's first and only Native American veterans organization—America will be better able to honor the extraordinary patriotism of these heroes and provide them with the respect and benefits they have earned. I urge my colleagues to join us. Let's pass this bill this year.

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. 2938

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

SECTION 1. RECOGNITION AS CORPORATION AND GRANT OF FEDERAL CHARTER FOR NATIONAL AMERICAN INDIAN VETERANS, INCORPORATED.

(a) IN GENERAL.—Part B of subtitle II of title 36, United States Code, is amended by inserting after chapter 1503 the following new chapter:

''CHAPTER 1504—NATIONAL AMERICAN INDIAN VETERANS, INCORPORATED

''§ 150401. Organization

''The National American Indian Veterans, Incorporated, a nonprofit corporation organized in the United States (in this chapter referred to as the 'corporation'), is a federally chartered corporation.

''§ 150402. Purposes

''The purposes of the corporation are those stated in its articles of incorporation, constitution, and bylaws, and include a commitment—

''(1) to uphold and defend the Constitution of the United States while respecting the sovereignty of the American Indian, Alaska Native, and Native Hawaiian Nations;

''(2) to unite under one body all American Indian, Alaska Native, and Native Hawaiian veterans who served in the Armed Forces of United States;

''(3) to be an advocate on behalf of all American Indian, Alaska Native, and Native Hawaiian veterans without regard to whether they served during times of peace, conflict, or war;

''(4) to promote social welfare (including educational, economic, social, physical, cultural values, and traditional healing) in the United States by encouraging the growth and development, readjustment, self-respect, self-confidence, contributions, and self-identity of American Indian veterans;

''(5) to serve as an advocate for the needs of American Indian, Alaska Native, and Native Hawaiian veterans, their families, or survivors in their dealings with all Federal and State government agencies;

''(6) to promote, support, and utilize research, on a nonpartisan basis, pertaining to the relationship between the American Indian, Alaska Native, and Native Hawaiian veterans and American society; and

''(7) to provide technical assistance to the 12 regional areas without veterans committees or organizations and programs by—

''(A) providing outreach service to those Tribes in need; and

''(B) training and educating Tribal Veterans Service Officers for those Tribes in need.

''§ 150403. Membership

''Subject to section 150406 of this title, eligibility for membership in the corporation, and the rights and privileges of members, shall be as provided in the constitution and by-laws of the corporation.

''§ 150404. Board of directors

''Subject to section 150406 of this title, the board of directors of the corporation, and the responsibilities of the board, shall be as provided in the constitution and bylaws of the corporation and in conformity with the laws under which the corporation is incorporated.

''§ 150405. Officers

''Subject to section 150406 of this title, the officers of the corporation, and the election of such officers, shall be as provided in the constitution and bylaws of the corporation and in conformity with the laws of the jurisdiction under which the corporation is incorporated.

''§ 150406. Nondiscrimination

''In establishing the conditions of membership in the corporation, and in determining the requirements for serving on the board of directors or as an officer of the corporation, the corporation may not discriminate on the basis of race, color, religion, sex, national origin, handicap, or age.

''§ 150407. Powers

''The corporation shall have only those powers granted the corporation through its articles of incorporation and its constitution and bylaws which shall conform to the laws of the jurisdiction under which the corporation is incorporated.

''§ 150408. Exclusive right to name, seals, emblems, and badges

''(a) IN GENERAL.—The corporation shall have the sole and exclusive right to use the names 'National American Indian Veterans, Incorporated' and 'National American Indian Veterans', and such seals, emblems, and badges as the corporation may lawfully adopt.

''(b) CONSTRUCTION.—Nothing in this section shall be construed to interfere or conflict with established or vested rights.

''§ 150409. Restrictions

''(a) STOCK AND DIVIDENDS.—The corporation shall have no power to issue any shares of stock nor to declare or pay any dividends.

''(b) DISTRIBUTION OF INCOME OR ASSETS.—(1) No part of the income or assets of the corporation shall inure to any person who is a member, officer, or director of the corporation or be distributed to any such person during the life of the charter granted by this chapter.

''(2) Nothing in this subsection shall be construed to prevent the payment of reasonable compensation to the officers of the corporation, or reimbursement for actual and necessary expenses, in amounts approved by the board of directors.

''(c) LOANS.—The corporation shall not make any loan to any officer, director, member, or employee of the corporation.

''(d) NO FEDERAL ENDORSEMENT.—The corporation shall not claim congressional approval or Federal Government authority by virtue of the charter granted by this chapter for any of its activities.

''§ 150410. Duty to maintain tax-exempt status

''The corporation shall maintain its status as an organization exempt from taxation as provided in the Internal Revenue Code of 1986.

''§ 150411. Records and inspection

''(a) RECORDS.—The corporation shall keep—

''(1) correct and complete books and records of accounts;

''(2) minutes of any proceeding of the corporation involving any of its members, the board of directors, or any committee having authority under the board of directors; and

''(3) at its principal office, a record of the names and addresses of all members having the right to vote.

''(b) INSPECTION.—(1) All books and records of the corporation may be inspected by any member having the right to vote, or by any agent or attorney of such member, for any proper purpose, at any reasonable time.

''(2) Nothing in this section shall be construed to contravene the laws of the jurisdiction under which the corporation is incorporated or the laws of those jurisdictions within which the corporation carries on its activities in furtherance of its purposes within the United States and its territories.

''§ 150412. Service of process

''With respect to service of process, the corporation shall comply with the laws of the jurisdiction under which the corporation is incorporated and those jurisdictions within which the corporation carries on its activities in furtherance of its purposes within the United States and its territories.

''§ 150413. Liability for acts of officers and agents

''The corporation shall be liable for the acts of the officers and agents of the corporation when such individuals act within the scope of their authority.

''§ 150414. Failure to comply with requirements

''If the corporation fails to comply with any of the restrictions or provisions of this chapter, including the requirement under section 150410 of this title to maintain its status as an organization exempt from taxation, the charter granted by this chapter shall expire.

''§ 150415. Annual report

''(a) IN GENERAL.—The corporation shall report annually to Congress concerning the activities of the corporation during the preceding fiscal year.

''(b) SUBMITTAL DATE.—Each annual report under this section shall be submitted at the same time as the report of the audit of the corporation required by section 10101(b) of this title.

''(c) REPORT NOT PUBLIC DOCUMENT.—No annual report under this section shall be printed as a public document.''.

(b) CLERICAL AMENDMENT.—The table of chapters at the beginning of subtitle II of

title 36, United States Code, is amended by insert after the item relating to chapter 1503 the following new item:

"1504. National American Indian Veterans, Incorporated ..... 150401".

By Mr. LUGAR (for himself, Mrs. BOXER, Mr. CHAFEE, Mr. FEINGOLD, and Mr. COLEMAN):

S. 2939. A bill to amend the Foreign Assistance Act of 1961 to provide assistance for orphans and other vulnerable children in developing countries, and for other purposes; to the Committee on Foreign Relations.

Mr. LUGAR. Mr. President, I rise to introduce the Assistance for Orphans and Other Vulnerable Children in Developing Countries Act of 2004.

The unprecedented AIDS orphan crisis in sub-Saharan Africa has profound implications for political stability, development, and human welfare that extend far beyond the region. Sub-Saharan African nations stand to lose generations of educated and trained professionals who can contribute meaningfully to their countries' development. Orphaned children, many of whom are homeless, are more likely to resort to prostitution and other criminal behavior to survive. Most frighteningly, these uneducated, poorly socialized, and stigmatized young adults are extremely vulnerable to being recruited into criminal gangs, rebel groups, or extremist organizations that offer shelter and food and act as ''surrogate'' families. It is imperative that the international community respond to this crisis that threatens stability within individual countries, the region, and around the world.

An estimated 110 million orphans live in sub-Saharan Africa, Asia, Latin America, and the Caribbean. The HIV/AIDS pandemic is rapidly expanding the orphan population. Currently an estimated 14 million children have been orphaned by AIDS, most of whom live in sub-Saharan Africa. This number is projected to soar to more than 25 million by 2010. The pandemic is orphaning generations of African children and is compromising the overall development prospects of their countries.

Most orphans in the developing world live in extremely disadvantaged circumstances. Poor communities in the developing world struggle to meet the basic food, clothing, health care, and educational needs of orphans. Experts recommend supporting community-based organizations to assist these children. Such an approach enables the children to remain connected to their communities, traditionals, rituals, and extended families.

My bill seeks to improve assistance to orphans and other vulnerable children in developing countries. It would require the United States Government to develop a comprehensive strategy for providing such assistance and would authorize the President to support community-based organizations that provide basic care for orphans and vulnerable children.

Orphans are less likely to be in school, and more likely to be working full time. Yet only education can help children acquire the knowledge and develop the skills they need to build a better future. Studies have shown that school food programs provide an incentive for children to stay in school. School meals provide basic nutrition to children who otherwise do not have access to reliable food.

For many children, the primary barrier to an education is the expense of school fees, uniforms, supplies, and other costs. My bill aims to improve enrollment and access to primary school education by supporting programs that reduce the negative impact of school fees and other expenses. It also would affirm our commitment to international school lunch programs.

Many children who lose one or both parents often face difficulty in asserting their inheritance rights. Even when the inheritance rights of women and children are spelled out in law, such rights are difficult to claim and are seldom enforced. In many countries it is difficult or impossible for a widow—even if she has small children—to claim property after the death of her husband. This often leaves the most vulnerable children impoverished and homeless. My bill seeks to support programs that protect the inheritance rights of orphans and widows with children.

The AIDS orphan crisis in sub-Saharan Africa has implications for political stability, development, and human welfare that extend far beyond the region, affecting governments and people worldwide. Every 14 seconds another child is orphaned by AIDS. Turning the tide on this crisis will require a coordinated, comprehensive, and swift response. I am hopeful that Senators will join me in backing this legislation, and I ask 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. 2939

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 ''Assistance for Orphans and Other Vulnerable Children in Developing Countries Act of 2004''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) More than 110,000,000 orphans live in sub-Saharan Africa, Asia, Latin America, and the Caribbean. These children often are disadvantaged in numerous and devastating ways and most households with orphans cannot meet the basic needs of health care, food, clothing, and educational expenses.

(2) It is estimated that 121,000,000 children worldwide do not attend school and that the majority of such children are young girls. According to the United Nations Children's Fund (UNICEF), orphans are less likely to be in school and more likely to be working full time.

(3) School food programs, including take-home rations, in developing countries provide strong incentives for children to remain in school and continue their education. School food programs can reduce short-term hunger, improve cognitive functions, and enhance learning, behavior, and achievement.

(4) Financial barriers, such as school fees and other costs of education, prevent many orphans and other vulnerable children in developing countries from attending school. Providing children with free primary school education, while simultaneously ensuring that adequate resources exist for teacher training and infrastructure, would help more orphans and other vulnerable children obtain a quality education.

(5) The trauma that results from the loss of a parent can trigger behavior problems of aggression or emotional withdrawal and negatively affect a child's performance in school and the child's social relations. Children living in families affected by HIV/AIDS or who have been orphaned by AIDS often face stigmatization and discrimination. Providing culturally appropriate psychosocial support to such children can assist them in successfully accepting and adjusting to their circumstances.

(6) Orphans and other vulnerable children in developing countries routinely are denied their inheritance or encounter difficulties in claiming the land and other property which they have inherited. Even when the inheritance rights of women and children are spelled out in law, such rights are difficult to claim and are seldom enforced. In many countries it is difficult or impossible for a widow, even if she has young children, to claim property after the death of her husband.

(7) The HIV/AIDS pandemic has had a devastating affect on children and is deepening poverty in entire communities and jeopardizing the health, safety, and survival of all children in affected areas.

(8) The HIV/AIDS pandemic has increased the number of orphans worldwide and has exacerbated the poor living conditions of the world's poorest and most vulnerable children. AIDS has created an unprecedented orphan crisis, especially in sub-Saharan Africa, where children have been hardest hit. An estimated 14,000,000 orphans have lost 1 or both parents to AIDS. By 2010, it is estimated that over 25,000,000 children will have been orphaned by AIDS.

(9) Approximately 2,500,000 children under the age of 15 worldwide have HIV/AIDS. Every day another 2,000 children under the age of 15 are infected with HIV. Without treatment, most children born with HIV can expect to die by age two, but with sustained drug treatment through childhood, the chances of long-term survival and a productive adulthood improve dramatically.

(10) Few international development programs specifically target the treatment of children with HIV/AIDS in developing countries. Reasons for this include the perceived low priority of pediatric treatment, a lack of pediatric health care professionals, lack of expertise and experience in pediatric drug dosing and monitoring, the perceived complexity of pediatric treatment, and mistaken beliefs regarding the risks and benefits of pediatric treatment.

(11) Although a number of organizations seek to meet the needs of orphans or other vulnerable children, extended families and local communities continue to be the primary providers of support for such children.

(12) The HIV/AIDS pandemic is placing huge burdens on communities and is leaving many orphans with little support. Alternatives to traditional orphanages, such as community-based resource centers, continue to evolve in response to the massive number of orphans that has resulted from the pandemic.

(13) The AIDS orphans crisis in sub-Saharan Africa has implications for political stability, human welfare, and development that extend far beyond the region, affecting governments and people worldwide, and this crisis requires an accelerated response from the international community.

(14) Although section 403(b) of the United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003 (22 U.S.C. 7673(b)) establishes the requirement that not less than 10 percent of amounts appropriated for HIV/AIDS assistance for each of fiscal years 2006 through 2008 shall be expended for assistance for orphans and other vulnerable children affected by HIV/AIDS, there is an urgent need to provide assistance to such children prior to 2006.

(15) Numerous United States and indigenous private voluntary organizations, including faith-based organizations, provide assistance to orphans and other vulnerable children in developing countries. Many of these organizations have submitted applications for grants to the Administrator of the United States Agency for International Development to provide increased levels of assistance for orphans and other vulnerable children in developing countries.

(16) Increasing the amount of assistance that is provided by the Administrator of the United States Agency for International Development through United States and indigenous private voluntary organizations, including faith-based organizations, will provide greater protection for orphans and other vulnerable children in developing countries.

(17) It is essential that the United States Government adopt a comprehensive approach for the provision of assistance to orphans and other vulnerable children in developing countries. A comprehensive approach would ensure that important services, such as basic care, psychosocial support, school food programs, increased educational opportunities and employment training and related services, the protection and promotion of inheritance rights for such children, and the treatment of orphans and other vulnerable children with HIV/AIDS, are made more accessible.

(18) Assistance for orphans and other vulnerable children can best be provided by a comprehensive approach of the United States Government that—

(A) ensures that Federal agencies and the private sector coordinate efforts to prevent and eliminate duplication of efforts and waste in the provision of such assistance; and

(B) to the maximum extent possible, focuses on community-based programs that allow orphans and other vulnerable children to remain connected to the traditions and rituals of their families and communities.

SEC. 3. ASSISTANCE FOR ORPHANS AND OTHER VULNERABLE CHILDREN IN DEVELOPING COUNTRIES.

Chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended by adding at the end the following section:

''SEC. 135. ASSISTANCE FOR ORPHANS AND OTHER VULNERABLE CHILDREN.

''(a) FINDINGS.—Congress finds the following:

''(1) There are more than 110,000,000 orphans living in sub-Saharan Africa, Asia, Latin America, and the Caribbean.

''(2) The HIV/AIDS pandemic has created an unprecedented orphan crisis, especially in sub-Saharan Africa, where children have been hardest hit. The pandemic is deepening poverty in entire communities, and is jeopardizing the health, safety, and survival of all children in affected countries. It is estimated that 14,000,000 children have lost one or both parents to AIDS.

''(3) The orphans crisis in sub-Saharan Africa has implications for human welfare, development, and political stability that extend far beyond the region, affecting governments and people worldwide.

''(4) Extended families and local communities are struggling to meet the basic needs of orphans and vulnerable children by providing food, health care including treatment of children living with HIV/AIDS, education expenses, and clothing.

''(5) Providing assistance to such children is an important expression of the humanitarian concern and tradition of the people of the United States.

''(b) DEFINITIONS.—In this section:

''(1) AIDS.—The term 'AIDS' has the meaning given the term in section 104A(g)(1) of this Act.

''(2) CHILDREN.—The term 'children' means persons who have not attained the age of 18.

''(3) HIV/AIDS.—The term 'HIV/AIDS' has the meaning given the term in section 104A(g)(3) of this Act.

''(4) ORPHAN.—The term 'orphan' means a child deprived by death of one or both parents.

''(5) PSYCHOSOCIAL SUPPORT.—The term 'psychosocial support' includes care that addresses the ongoing psychological and social problems that affect individuals, their partners, families, and caregivers in order to alleviate suffering, strengthen social ties and integration, provide emotional support, and promote coping strategies.

''(c) ASSISTANCE.—The President is authorized to provide assistance, including providing such assistance through international or nongovernmental organizations, for programs in developing countries to provide basic care and services for orphans and other vulnerable children. Such programs should provide assistance—

''(1) to support families and communities to mobilize their own resources through the establishment of community-based organizations to provide basic care for orphans and other vulnerable children;

''(2) for school food programs, including the purchase of local or regional foodstuffs where appropriate;

''(3) to increase primary school enrollment through the elimination of school fees, where appropriate, or other barriers to education while ensuring that adequate resources exist for teacher training and infrastructure;

''(4) to provide employment training and related services for orphans and other vulnerable children who are of legal working age;

''(5) to protect and promote the inheritance rights of orphans, other vulnerable children, and widows;

''(6) to provide culturally appropriate psychosocial support to orphans and other vulnerable children; and

''(7) to treat orphans and other vulnerable children with HIV/AIDS through the provision of pharmaceuticals, the recruitment and training of individuals to provide pediatric treatment, and the purchase of pediatric-specific technologies.

''(d) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There is authorized to be appropriated to the President to carry out this section such sums as may be necessary for each of the fiscal years 2005 and 2006.

''(2) AVAILABILITY OF FUNDS.—Amounts made available under paragraph (1) are authorized to remain available until expended and are in addition to amounts otherwise available for such purposes.

''(3) RELATIONSHIP TO OTHER LAWS.—Amounts made available for assistance pursuant to this subsection, and amounts made available for such assistance pursuant to any other provision of law, may be used to provide such assistance notwithstanding any other provision of law.''.

SEC. 4. STRATEGY OF THE UNITED STATES.

(a) REQUIREMENT FOR STRATEGY.—Not later than 180 days after the date of enactment of this Act, the President shall develop, and submit to the appropriate congressional committees, a strategy for coordinating, implementing, and monitoring assistance programs for orphans and vulnerable children.

(b) CONSULTATION.—The President should consult with employees of the field missions of the United States Agency for International Development in developing the strategy required by subsection (a) to ensure that such strategy—

(1) will not impede the efficiency of implementing assistance programs for orphans and vulnerable children; and

(2) addresses the specific needs of indigenous populations.

(c) CONTENT.—The strategy required by subsection (a) shall include—

(1) the identity of each agency or department of the Federal Government that is providing assistance for orphans and vulnerable children in foreign countries;

(2) a description of the efforts of the head of each such agency or department to coordinate the provision of such assistance with other agencies or departments of the Federal Government or nongovernmental entities;

(3) a description of a coordinated strategy, including coordination with other bilateral and multilateral donors, to provide the assistance authorized in section 135 of the Foreign Assistance Act of 1961, as added by section 3 of this Act;

(4) an analysis of additional coordination mechanisms or procedures that could be implemented to carry out the purposes of such section;

(5) a description of a monitoring system that establishes performance goals for the provision of such assistance and expresses such goals in an objective and quantifiable form, to the extent feasible; and

(6) a description of performance indicators to be used in measuring or assessing the achievement of the performance goals described in paragraph (5).

SEC. 5. ANNUAL REPORT.

Not later than one year after the date on which the President submits the strategy required by section 4(a) to the appropriate congressional committees, and annually thereafter, the President shall submit a report to the appropriate congressional committees on the implementation of this Act.

SEC. 6. APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.

In this Act, the term ''appropriate congressional committees'' means the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on International Relations of the House of Representatives.

By Mr. PRYOR (for himself, Mrs. LINCOLN, Mr. AKAKA, Mr. BAUCUS, Mr. BAYH, Mr. BINGAMAN, Mrs. BOXER, Ms. CANTWELL, Mrs. CLINTON, Mr. CORZINE, Mr. DASCHLE, Mr. DAYTON, Mr. DODD, Mr. DORGAN, Mr. DURBIN, Mr. FEINGOLD, Mrs. FEINSTEIN, Mr. GRAHAM of Florida, Mr. JEFFORDS, Mr. JOHNSON, Mr. KENNEDY, Ms. LANDRIEU, Mr. LAUTENBERG, Mr. LEAHY, Mr. LEVIN, Mr. LIEBERMAN, Ms. MIKULSKI, Mr. MILLER, Mrs. MURRAY, Mr. NELSON of Florida, Mr. NELSON of Nebraska, Mr. REID, Mr. ROCKEFELLER, Mr. SARBANES, Mr. SCHUMER, and Ms. STABENOW):

S. 2942. A bill to amend the Internal Revenue Code of 1986 to provide that

combat pay be treated as earned income for purposes of the earned income credit; to the Committee on Finance.

Mr. PRYOR. Mr. President, I know the hour is late, and I will try to keep my comments fairly brief. I promise I will not take more than an hour or two.

What I am showing tonight is a picture of some American heroes. Oftentimes we look at a person in uniform and say: That's a hero. Certainly, the folks injured and killed in combat we see them as heroes. But you are really just a hero if you serve, if you put on your uniform and do your duty to your country.

The other heroes in this picture are this soldier's family. We can see they are hugging him and supporting him, and that is really part of the definition of a hero as well. Certainly, the folks who are not pictured here—this man's employer because he is probably in the Guard or Reserve, and folks in the community, people in his church or his neighborhood—whatever the circumstances may be—they are heroes in this picture.

We thank all of our soldiers who are serving bravely for our country, wherever they may be tonight. I want to thank the conferees, who worked so hard on the Working Families Tax Relief Act last week, for including the provisions of S. 2417, the Tax Relief for Americans in Combat Act or, as some people call it, TRAC.

One thing that TRAC was designed to do was eliminate the combat pay penalty. I introduced TRAC back in May of this year. The rationale for introducing TRAC was to help our men and women in combat. In fact, in my work on the Armed Services Committee, and with the help of Chairman GRASSLEY and Ranking Member BAUCUS, the committee requested a GAO report. We became concerned in the Armed Services Committee about the tax package that is available to our soldiers, Marines, airmen and seamen. So Chairman GRASSLEY and Ranking Member BAUCUS were gracious enough to request a GAO report.

In essence, what the GAO report found was a glitch in the Tax Code, an unintended consequence. Basically, what they found is that if one is a soldier and receives combat pay, which means they are in theater and they are in harm's way every day, they receive their combat pay and they want to claim their earned income tax credit, which many of these individuals are entitled to under our Tax Code, they actually can lose money on their taxes by receiving their combat pay. That is why I call it the ''combat pay penalty,'' because it really does disadvantage some people on their taxes.

I have a chart that illustrates what I am talking about. If someone is working in a hardware store 12 months out of the year, let's say they were making $16,000 a year annually, under the earned income tax system that we have on our books right now, $4,100 may possibly come back to him under the EITC. If that same person works in a hardware store, say, for 4 months, and he is in the guard or reserve and he gets 8 months for his military service and he makes the same $16,000, by the time he does the math and he fills out his tax form he is only entitled to $2,100 under the earned income tax credit.

What we are doing is, inadvertently we are putting our soldiers at a disadvantage. In other words, this soldier in this example has lost on his taxes about $2,000. Clearly, this is not the intent of Congress.

The way I feel about it—and I know a lot of my colleagues on both sides of the aisle feel about this—is while our brave soldiers are overseas fighting for us, we need to be in Washington fighting for them and their families. I think it is just incumbent upon us to recognize the principle that we need to take care of those who take care of us. There is no one in the world who is doing a better job taking care of us than our men and women in combat.

Under the provisions of a bill that I will file this evening, the provisions are very simple. What it will do is allow men and women in uniform serving in combat to include combat pay for the purpose of calculating their earned income and their child tax credit benefits. If that calculation works in their best interest, it gives them control over their taxes and allows them to make the determination for what is in their best interest on their taxes.

Again, I want to thank the conference, and the Senate, House, and the President for signing it, because we did win a short-term victory on this. We got this provision on the earned income tax credit for 2 years. Everything else in the bill was 5 years, but we did get 2 years. It is a short-term victory, something I hope we will be able to go back and change and make it a long-term solution for these brave Americans.

I do not want to speak to all the intricacies of the earned income tax credit because I have heard Senators in this Chamber say that it is basically a Tax Code for a welfare program. I disagree with that. We may have an honest disagreement about that. Clearly, our men and women in uniform receiving combat pay are working hard. We know this is not a welfare program for them. We know they are not going to abuse this or they are not going to miscalculate it. We have a high degree of confidence that this is going to be good for them and good for all of us.

Anyway, I want to draw the attention of my colleagues to the next chart, which is the earned income tax credit. This chart shows how it is structured. Depending on a person's situation, if they have no child, one child, two or more children, it shows a sort of range of possibilities, depending on what one's income is. Obviously, it is like a formula where the numbers have to be plugged in. It is different for different people.

As we can see, a soldier who is making, say, about $6,300 ought to get about $390 from the earned income tax credit. Whereas a soldier who is down on the income scale, making $1,400, should get about $2,600 in earned income tax credit. So, again, this will change depending on the situation.

What we are proposing would allow our soldiers, our men and women in uniform, to take advantage of an existing provision of the Tax Code and maximize it to their full advantage.

I am not saying that we can get this done this week. We certainly understand that we are out of legislative days, but I hope sincerely that we can come back in the lame duck session or whenever we reconvene and really get serious about helping our men and women in uniform.

We fixed the earned income tax credit for 2004 and 2005.

Here is another chart showing some of the numbers and how it would work, again, depending on how many months one is in combat. Just depending on the various losses that one might have, we can see based on this chart and the numbers here, the soldiers who are impacted the most are the enlisted men. Officers can be penalized under this, but the enlisted men and women are the ones who are probably at the greatest danger of losing their tax benefit.

One reason that Senators have decided to help me on this—we have, I believe 36 cosponsors now who have signed up to help out on this—is because it is a cheap fix. When we look at the numbers for 2 years, 2006 and 2007, we are only talking about $15 million. When we talk about taxes in this country, we talk about billions or trillions, but over 2 years this is only $15 million. Over 10 years it is only $68 million. That is not a lot of money. That is really peanuts in the grand scheme of things when we are talking about our Tax Code and other numbers that we talk about, when we talk about fixing our taxes in this country. This is real money for these soldiers in uniform.

I close with another picture of some heroes to remind us what this is all about, who we are trying to help. These soldiers, most of them, are relatively low-income because one has to be relatively low-income to even qualify for the earned income tax credit. They are leaving their families behind. Many of them are leaving jobs, homes, all kinds of economic security. Like I said, these are the folks who are taking care of us, and I think in the Senate and in the Congress we ought to do our part to take care of them.

Mrs. LINCOLN: Mr. President, I rise to join my colleagues Senators PRYOR and BAUCUS in introducing legislation to ensure members of the military who serve in combat are not treated unfairly under the tax code. I believe strongly that we have an obligation in Congress to take care of the brave men and women in uniform who risk their lives to take care of us.

As my friend and colleague Senator PRYOR mentioned, the provision in the Tax Code we are seeking to amend affects the ability of military personnel who serve in combat zones to benefit from the Earned Income Tax Credit. Due to an unintended consequence in the tax code, those affected may loose up to $4,000 in tax relief simply because they have volunteered to defend our freedom.

This is wrong.

We corrected the problem for 2 years—until 2006—in the Working Families Tax Relief Act which Congress recently approved but we didn't resolve the matter appropriately in my judgement. I offered an amendment during the conference report to bring tax relief for military families in line with the other provisions in the bill but that amendment was rejected.

I hope my colleagues will reconsider.

The men and women in uniform who serve in harm's way and their families here at home are the last people we should burden with uncertainty in the Tax Code. I think we should fix this problem without delay and that is why l am proud to join in this effort.

I applaud Senator PRYOR for his leadership and hard work on this issue, and I yield the floor.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 451—EXPRESSING THE SENSE OF THE SENATE THAT A POSTAGE STAMP SHOULD BE ISSUED HONORING OSKAR SCHINDLER

Mr. LAUTENBERG submitted the following resolution; which was referred to the Committee on Governmental Affairs:

S. RES. 451

Whereas during the Nazi occupation of Poland, Oskar Schindler personally risked his life and that of his wife to provide food and medical care and saved the lives of over 1,000 Jews, many of whom later made their homes in the United States;

Whereas Oskar Schindler also rescued about 100 Jewish men and women from the Golezow concentration camp, who lay trapped and partly frozen in 2 sealed train cars stranded near Brunnlitz;

Whereas millions of Americans have been made aware of the story of Schindler's bravery;

Whereas on April 28, 1962, Oskar Schindler was named a ''Righteous Gentile'' by Yad Vashem; and

Whereas Oskar Schindler is a true hero and humanitarian deserving of honor by the United States Government: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Postal Service should issue a stamp honoring the life of Oskar Schindler.

Mr. LAUTENBERG. Mr. President, I rise today to ask the Senate to honor an individual who stands in high esteem in America and throughout the world. I am pleased to submit a resolution calling on the Postal Service to issue a stamp commemorating the life of Oskar Schindler. Postage stamps are often reserved for individuals who have offered especially significant contributions—Oskar Schindler demonstrates how one person truly can make a difference in the world.

The stories of Oskar Schindler and his heroism are well-documented and must never be forgotten. To speak against Hitler's genocide during the Holocaust was rare; to help Jews escape from persecution was perilous. Yet Oskar Schindler selflessly risked his own life to save the lives of over 1200 Jewish men, women, and children. He also rescued from the Golezow concentration camp approximately 100 Jewish men and women who were trapped in a sealed and freezing railroad car.

I have had the benefit of learning about these heroics first-hand from a New Jersey resident and friend of mine, Abraham Zuckerman. In 1942, Abraham was sent to the Plaszow concentration camp, where he faced certain death—until the day he was told that he was on Schindler's List. He attests: ''I am one of the Survivors and I owe my life to the courage and strength of this great man. His life was always in danger but still he persisted to do what he knew to be the right thing, he saved the Jews anyway he could.'' Since the day Abraham immigrated to the United States, he has made it a mission to keep Oskar Schindler's contributions alive in the minds of Americans, and I thank him for his efforts.

A ''general policy'' of the Citizens' Stamp Advisory Committee, which decides the subject matter of postage stamps, is that U.S. postage stamps and stationery ''primarily will feature Americans or American-related subjects.'' Oskar Schindler rescued many Jewish people who fled areas ruled by Hitler and made America their home. His valor and selflessness exhibit attributes that parallel the founding principles of America and all democracies. He devoted much of his life in the pursuit of freedom and humanitarianism. That is the ultimate American-related subject.

Oskar Schindler's bravery and contributions make him worthy of honor and recognition. Issuing a stamp in his memory would assure that his story is told to a new generation.

SENATE RESOLUTION 452—DESIGNATING DECEMBER 13, 2004, AS ''NATIONAL DAY OF THE HORSE'' AND ENCOURAGING THE PEOPLE OF THE UNITED STATES TO BE MINDFUL OF THE CONTRIBUTION OF HORSES TO THE ECONOMY, HISTORY, AND CHARACTER OF THE UNITED STATES

Mr. CAMPBELL submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 452

Whereas the horse is a living link to the history of the United States;

Whereas without horses, the economy, history, and character of the United States would be profoundly different;

Whereas horses continue to permeate the society of the United States, as witnessed on movie screens, on open land, and in our own backyards;

Whereas horses are a vital part of the collective experience of the United States and deserve protection and compassion;

Whereas because of increasing pressure from modern society, wild and domestic horses rely on humans for adequate food, water, and shelter; and

Whereas the Congressional Horse Caucus estimates that the horse industry contributes much more than $100,000,000,000 each year to the economy of the United States: Now, therefore, be it

Resolved, That the Senate—

(1) designates December 13, 2004, as ''National Day of the Horse'', in recognition of the importance of horses to the security, economy, recreation, and heritage of the United States;

(2) encourages all people of the United States to be mindful of the contribution of horses to the economy, history, and character of the United States; and

(3) requests that the President issue a proclamation calling on the people of the United States and interested organizations to observe the day with appropriate programs and activities.

Mr. CAMPBELL. Mr. President, I am today submitting a resolution to designate December 13, 2004 as ''The National Day of the Horse.''

The image of the horse is a fixture of American society, an icon whose role has changed greatly through the history of our Nation, but whose status has never wavered. Even for the very forefathers of our country, the horse has meant not only transportation and utility, but companionship and a way of life.

Who can forget the indelible images to which horses have given rise? Mere mention of the American West conjures pictures of Plains Indians hunting buffalo, dusty ranchers and cowboys on the trail for the great cattle drives, and vast herds of wild mustangs roaming free across the undiscovered frontier. Horses have been used in military campaigns, police operations, to say nothing of their roles in agricultural labor as beasts of burden.

Modern interest in horses ranges from the serious thoroughbred horse breeders, trainers, and jockeys whose work we enjoy at events such as the Breeder's Cup, which will be run later this month, to the thousands of Americans who enjoy riding horses with no concern for ribbons or money, but as a welcome respite from their otherwise hectic lives and a link to the past.

The horse industry is highly diverse, and supports a wide variety of activities in all regions of the country; from the pastoral activities of breeding, training, and riding horses to more urban pursuits such as horse shows and competitive racing.

In terms of economic impact, the horse industry directly employs more people than railroads, radio and television broadcasting, petroleum and coal, and tobacco. In fact, the industry's contribution to the U.S. Gross Domestic Product is estimated at over $100 billion, only slightly less than the