S. 2292

At the request of Mr. VOINOVICH, the names of the Senator from Illinois (Mr. FITZGERALD) and the Senator from Georgia (Mr. CHAMBLISS) were added as cosponsors of S. 2292, a bill to require a report on acts of anti-Semitism around the world.

S. 2301

At the request of Mr. INOUYE, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 2301, a bill to improve the management of Indian fish and wildlife and gathering resources, and for other purposes.

S. 2365

At the request of Mr. COLEMAN, the names of the Senator from Missouri (Mr. BOND) and the Senator from Kansas (Mr. ROBERTS) were added as cosponsors of S. 2365, a bill to ensure that the total amount of funds awarded to a State under part A of title I of the Elementary and Secondary Act of 1965 for fiscal year 2004 is not less than the total amount of funds awarded to the State under such part for fiscal year 2003.

S. 2372

At the request of Mr. CORZINE, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 2372, a bill to amend the Trade Act of 1974 regarding identifying trade expansion priorities.

S. 2376

At the request of Mr. BUNNING, the name of the Senator from Tennessee (Mr. FRIST) was added as a cosponsor of S. 2376, a bill to amend the Internal Revenue Code of 1986 to repeal the scheduled restrictions in the child tax credit, marriage penalty relief, and 10 percent rate bracket, and for other purposes.

S. 2382

At the request of Mr. INOUYE, the name of the Senator from Colorado (Mr. CAMPBELL) was added as a cosponsor of S. 2382, a bill to establish grant programs for the development of telecommunications capacities in Indian country.

S.J. RES. 33

At the request of Mr. BROWNBACK, the name of the Senator from Georgia (Mr. CHAMBLISS) was added as a cosponsor of S.J. Res. 33, a joint resolution expressing support for freedom in Hong Kong.

S.J. RES. 36

At the request of Mrs. FEINSTEIN, the names of the Senator from Connecticut (Mr. LIEBERMAN), the Senator from Nebraska (Mr. NELSON), the Senator from New Jersey (Mr. LAUTENBERG) and the Senator from Maryland (Mr. SARBANES) were added as cosponsors of S.J. Res. 36, a joint resolution approving the renewal of import restrictions contained in Burmese Freedom and Democracy Act of 2003.

S. CON. RES. 90

At the request of Mr. LEVIN, the names of the Senator from New York (Mr. SCHUMER) and the Senator from California (Mrs. FEINSTEIN) were added as cosponsors of S. Con. Res. 90, a concurrent resolution expressing the Sense of the Congress regarding negotiating, in the United States-Thailand Free Trade Agreement, access to the United States automobile industry.

S. CON. RES. 99

At the request of Mr. BROWNBACK, the names of the Senator from Arizona (Mr. MCCAIN), the Senator from Maine (Ms. COLLINS), the Senator from New Jersey (Mr. LAUTENBERG), the Senator from North Dakota (Mr. DORGAN), the Senator from Ohio (Mr. DEWINE), the Senator from Wisconsin (Mr. KOHL), the Senator from New Mexico (Mr. BINGAMAN), the Senator from Pennsylvania (Mr. SANTORUM) and the Senator from Maryland (Ms. MIKULSKI) were added as cosponsors of S. Con. Res. 99, a concurrent resolution condemning the Government of the Republic of the Sudan for its participation and complicity in the attacks against innocent civilians in the impoverished Darfur region of western Sudan.

S. CON. RES. 102

At the request of Mr. BROWNBACK, the names of the Senator from New York (Mr. SCHUMER) and the Senator from New Jersey (Mr. LAUTENBERG) were added as cosponsors of S. Con. Res. 102, a concurrent resolution to express the sense of the Congress regarding the 50th anniversary of the Supreme Court decision in Brown v. Board of Education of Topeka.

S. RES. 202

At the request of Mr. CAMPBELL, the name of the Senator from Arizona (Mr. MCCAIN) was added as a cosponsor of S. Res. 202, a resolution expressing the sense of the Senate regarding the genocidal Ukraine Famine of 1932–33.

S. RES. 221

At the request of Mr. SARBANES, the names of the Senator from Delaware (Mr. BIDEN) and the Senator from Pennsylvania (Mr. SANTORUM) were added as cosponsors of S. Res. 221, a resolution recognizing National Historically Black Colleges and Universities and the importance and accomplishments of historically Black colleges and universities.

S. RES. 313

At the request of Mr. FEINGOLD, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. Res. 313, a resolution expressing the sense of the Senate encouraging the active engagement of Americans in world affairs and urging the Secretary of State to coordinate with implementing partners in creating an online database of international exchange programs and related opportunities.

S. RES. 322

At the request of Mr. HAGEL, the names of the Senator from Arkansas (Mrs. LINCOLN), the Senator from Rhode Island (Mr. REED) and the Senator from Illinois (Mr. DURBIN) were added as cosponsors of S. Res. 322, a resolution designating August 16, 2004, as ''National Airborne Day.''

S. RES. 332

At the request of Mr. FEINGOLD, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. Res. 332, a resolution observing the tenth anniversary of the Rwandan Genocide of 1994.

S. RES. 348

At the request of Mr. BROWNBACK, the names of the Senator from Alaska (Mr. STEVENS), the Senator from Missouri (Mr. TALENT), the Senator from Minnesota (Mr. COLEMAN) and the Senator from Nebraska (Mr. HAGEL) were added as cosponsors of S. Res. 348, a resolution to protect, promote, and celebrate motherhood.

S. RES. 349

At the request of Mr. KENNEDY, the names of the Senator from New Jersey (Mr. LAUTENBERG) and the Senator from New York (Mr. SCHUMER) were added as cosponsors of S. Res. 349, a resolution recognizing and honoring May 17, 2004, as the 50th anniversary of the Supreme Court decision in Brown v. Board of Education of Topeka.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. COLEMAN (for himself, Mr. LEVIN, Ms. COLLINS, and Mr. REED):

S. 2383. A bill to amend title 10, United States Code, to require the registration of contractors' taxpayer identification numbers in the Central Contractor Registry database of the Department of Defense, and for other purposes; to the Committee on Armed Services.

Mr. COLEMAN. Mr. President, I rise today to introduce the Central Contractor Registry Act of 2004 whose purpose is to establish a centralized contractor database within the Department of Defense and to require federal contractors who register in that database to provide their taxpayer identification number and their consent to verifying that number with the Internal Revenue Service as a condition that must precede the awarding of a contract by the Department of Defense. This bill will close a $3 billion tax loophole and will help to recover over $100 million annually from federal contractors who have not filed federal tax returns or who have not paid the taxes they owe the government. I am joined by Senators CARL LEVIN, SUSAN COLLINS and JACK REED.

In a hearing before the Permanent Subcommittee on Investigations, the General Accounting Office testified that over 27,000 contractors at the Department of Defense owed over $3 billion in unpaid Federal taxes. Normally, these taxes could be collected through the Federal Payment Levy Program by levying fifteen percent of the contractors' payments. In fiscal year 2002, the Financial Management Service should have collected over $100 million from tax delinquent Department of Defense contractors. However, actual collections for the year were less than

$500,000. Further, in 2001, the Department of Defense provided the Internal Revenue Service with over 26,000 information returns that could not be used to determine contractors' tax liability. One of the principal reasons for this anemic state of collections and the large volume of unusable information returns has been and remains the inability of the Department of Defense and the Internal Revenue Service to reach an accord on verifying the taxpayer identification numbers of the contractors who have registered in the Department of Defenses's Central Contractor Registration database.

Under current law, the Department of Defense's authority to verify contractors' taxpayer identification numbers is limited to those contractors who have contracts with the Department of Defense and for whom the department is required to report miscellaneous income to the Internal Revenue Service on a Form 1099 information return. However, there are contractors who have registered in the Central Contractor Registration for whom the Department of Defense lacks authority to verify their taxpayer identification numbers including individuals and companies who would like to contract with the federal government and contractors who have contracts with agencies and departments other than the Department of Defense. On the other hand, current law also allows a taxpayer to consent to the verification of their taxpayer identification number with the Internal Revenue Service and allows the Internal Revenue Service to provide a validated taxpayer identification number.

My bill will resolve the impasse between the Department of Defense and the Internal Revenue Service by requesting contractors' consent to the validation of their taxpayer identification number as part of the registration process. Contractors will not be required to provide their consent. But if they do not, they will not be awarded a contract by the Department of Defense.

Further, my bill requires the Department of Defense to warn contractors as part of the registration process that if they do not provide a valid taxpayer identification number they may be subject to backup withholding. This would apply to those contractors who list an invalid taxpayer identification number, have a contract with the Department of Defense, and will earn miscellaneous income that is required to be reported to the Internal Revenue Service.

I would like to briefly summarize the major provisions of my bill. It provides a statutory basis for the Central Contractor Registration and renames the database as the Central Contractor Registry. It requires that the registry contain contractor's taxpayer identification numbers, their consent to verifying their numbers with the Internal Revenue Service and for the Internal Revenue Service to provide a corrected number if possible. It requires that registrants furnish this information as a condition for registration, and requires the Department of Defense to warn contractors who fail to provide a valid taxpayer identification number that they may be subject to backup withholding and requires implementation of backup withholding in cases where it is required. It precludes awarding a contract to any registrant who has not provided a valid taxpayer identification number and excludes from coverage any registrant who is not required to have a taxpayer identification number.

It directs the Secretary of Defense to apply to the Internal Revenue Service for inclusion in the Taxpayer Identification Number Matching Program and directs the Commissioner of Internal Revenue to provide response to the Department of Defense. It directs the Secretary of Defense to provide any registrant who is determined to have an invalid taxpayer identification number with an opportunity to provide a valid number. It further requires that the Central Contractor Registry clearly indicate whether a registrant's taxpayer identification number is valid, under review, invalid, or not required. Finally, it requires that contractors taxpayer identification numbers be treated as confidential by federal contract officers who have access to the Central Contractor Registry.

My overall objective in introducing this bill is to ensure that tax cheats are not rewarded with federal contracts. If the Department of Defense and the Internal Revenue Service do not have accurate and reliable taxpayer identification numbers then we will not be able to stop this practice. My bill takes the necessary first step toward ensuring that the Department of Defense and the Internal Revenue Service have valid taxpayer identification numbers in the Central Contractor Registry database.

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. 2383

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Central Contractor Registry Act of 2004''.

**SEC. 2. CENTRAL CONTRACTOR REGISTRY DATABASE.**

(a) AUTHORITY.—Chapter 137 of title 10, United States Code, is amended by inserting after section 2302d the following new section:

**''§ 2302e. Central contractor registry**

''(a) ESTABLISHMENT.—The Secretary of Defense shall maintain a centralized, electronic database for the registration of sources of property and services who seek to participate in contracts and other procurements entered into by the various procurement officials of the United States. The database shall be known as the 'Central Contractor Registry'.

''(b) TAXPAYER INFORMATION.—(1) The Central Contractor Registry shall include the following tax-related information for each source registered in that registry:

''(A) Each of that source's taxpayer identification numbers.

''(B) The source's authorization for the Secretary of Defense to obtain from the Commissioner of Internal Revenue—

''(i) verification of the validity of each of that source's taxpayer identification numbers; and

''(ii) in the case of any of such source's registered taxpayer identification numbers that is determined invalid, the correct taxpayer identification number (if any).

''(2)(A) The Secretary of Defense shall require each source, as a condition for registration in the Central Contractor Registry, to provide the Secretary with the information and authorization described in paragraph (1).

''(B) The Secretary shall—

''(i) warn each source seeking to register in the Central Contractor Registry that the source may be subject to backup for a failure to submit each such number to the Secretary; and

''(ii) take the actions necessary to initiate the backup withholding in the case of a registrant who fails to register each taxpayer identification number valid for the registrant and is subject to the backup withholding requirement.

''(3) A source registered in the Central Contractor Registry is not eligible for a contract entered into under this chapter or title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.) if that source—

''(A) has failed to provide the authorization described in paragraph (1)(B);

''(B) has failed to register in that registry all valid taxpayer identification numbers for that source; or

''(C) has registered in that registry an invalid taxpayer identification number and fails to correct that registration.

''(4)(A) The Secretary of Defense shall make arrangements with the Commissioner of Internal Revenue for each head of an agency within the Department of Defense to participate in the taxpayer identification number matching program of the Internal Revenue Service.

''(B) The Commissioner of Internal Revenue shall cooperate with the Secretary of Defense to determine the validity of taxpayer identification numbers registered in the Central Contractor Registry. As part of the cooperation, the Commissioner shall promptly respond to a request of the Secretary of Defense or the head of an agency within the Department of Defense for electronic validation of a taxpayer identification number for a registrant by notifying the Secretary or head of an agency, respectively, of—

''(i) the validity of that number; and

''(ii) in the case of an invalid taxpayer identification number, any correct taxpayer identification number for such registrant that the Commissioner can promptly and reasonably determine.

''(C) The Secretary shall transmit to a registrant a notification of each of the registrant's taxpayer identification numbers, if any, that is determined invalid by the Commissioner of Internal Revenue and shall provide the registrant with an opportunity to substitute a valid taxpayer identification number.

''(5) The Secretary of Defense shall require that, at the place in the Central Contractor Registry where the taxpayer identification numbers of a registrant are to be displayed, the display bear (as applicable)—

''(A) for each taxpayer identification number of that registrant, an indicator of whether such number has been determined valid, is

being reviewed for validity, or has been determined invalid; or

''(B) an indicator that no taxpayer identification number is required for the registrant.

''(6) This subsection applies to each source who registers any information regarding that source in the Central Contractor Registry after December 31, 2004, except that paragraphs (1), (2), and (3) do not apply to a source who establishes to the satisfaction of the Secretary of Defense that such source is not required to have a taxpayer identification number.

''(c) CONFIDENTIALITY OF INFORMATION.—The Secretary of Defense shall ensure that taxpayer identification numbers in the Central Contractor Registry are not made available to the public. The Secretary shall prescribe a requirement for procurement officials of the United States having access to such numbers in that registry to maintain the confidentiality of those numbers.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2302d the following new item:

''2302e. Central Contractor Registry.''.

Mr. LEVIN. Mr. President, I rise today to join my colleagues, Senators NORM COLEMAN, SUSAN COLLINS and JACK REED, in introducing the Central Contractor Registry Act of 2004. The purpose of this bipartisan bill is to strengthen the ability of the Federal Government to stop tax cheats from obtaining Federal contracts or use a portion of their contract payments to repay their tax debts.

In February, the Permanent Subcommittee on Investigations, on which Senator COLEMAN and I sit, held a hearing on a report by the General Accounting Office which disclosed that over 27,000 contractors at the Department of Defense owe $3 billion in unpaid taxes, mostly from failing to transmit payroll taxes to the IRS. Think about that for a minute—27,000 DOD contractors—more than one in every ten DOD contractors—had outstanding tax debts at the same time they were holding out their hands for taxpayer dollars.

Allowing tax cheats to bid on federal contracts is a disservice to all of the honest taxpayers out there who manage to meet their tax obligations. It is a disservice to all of the military men and women who put their lives on the line for us every day. It is a disservice to all of the honest companies that compete for the same DOD contracts, since companies that do not pay their taxes have lower costs and a competitive advantage over the companies that do.

Under current law, DOD has an obligation to identify any DOD contractor with unpaid taxes, to withhold up to 15 percent of their contract payments, and to forward that money to the IRS to be applied to the contractor's tax debt. The official title of the DOD program to carry out this obligation is the Federal Payment Levy Program, also sometimes referred to as the DOD tax levy program.

The first step in the program is for DOD to identify tax delinquent DOD contractors who are scheduled to get a contract payment in the near future. To identify these contractors, DOD participates in a computer matching program administered by the Treasury Department that cross-checks DOD lists of upcoming contractor payments with IRS lists of delinquent taxpayers. If a match occurs, DOD is supposed to withhold money from the identified contractor's upcoming contract payments.

The problem is that the DOD–IRS computer matching program has so far produced relatively few matches. In 2003, for example, DOD collected only about $680,000 of back taxes through its tax levy program instead of the $100 million that GAO estimates should have been collected. That means DOD collected less than 1 percent of the back taxes it should have.

On major impediment to the computer matching program has been that it depends upon DOD's providing the correct taxpayer identification number or TIN for each of its contractors, when many DOD contractors have either failed to submit a TIN or supplied an incorrect number.

When a TIN is incorrect or missing, the computer matching program is unable to determine whether the relevant DOD contractor is on the IRS list of delinquent taxpayers. Data indicates that, in one year, DOD sent the IRS over 26,000 invalid TINs that could not be used.

To increase the efficiency of the computer matching program, DOD and the IRS have tried to improve the accuracy of the TINs in DOD's contractor data. The IRS has, for example, set up a computer-based TIN validation system that can electronically verify a TIN number in seconds. This electronic system is available for use by DOD and all other Federal agencies. Unfortunately, the IRS has also interpreted certain tax laws as prohibiting DOD from obtaining TIN validations for many types of contracts. In addition, in the case of TIN numbers with clerical errors, the IRS has interpreted current taxpayer confidentiality laws as prohibiting it from supplying DOD with a corrected number.

The bill we are introducing today would eliminate this bureaucratic red tape and significantly increase the effectiveness of the tax levy program by increasing the accuracy of the TINs used by DOD.

The bill would strengthen TIN accuracy by focusing primarily on the TINs in the Central Contractor Registry, a government-wide database of persons wishing to bid on federal contracts. This registry is currently administered by DOD, and current Federal regulations require potential bidders to self-register in the system by supplying specified information. As part of the process, registrants are currently supposed to supply a TIN, but many either do not or supply an incorrect number. The bill would, for the first time, impose a legal requirement on registrants to supply a valid TIN and would also bar contracts from being awarded to contractors who fail to supply a valid TIN.

In addition, the bill would require registrants to authorize DOD to validate their TINs with the IRS and obtain a corrected TIN from the IRS, if needed and possible. This requirement would apply to all registrants in the Central Contractor Registry, no matter what type of contract is involved and whether the contract is with DOD or another Federal agency. It would also allow the IRS to supply corrected TINs where it can promptly and reasonably do so.

If, by chance, a registrant managed to obtain a DOD contract without having supplied a valid TIN, the bill would direct DOD to withhold a portion of their contract payments to satisfy their tax debt as specified under existing law. Although this backup holding requirement has been on the books for years, DOD has not implemented it. The bill would require DOD to start doing so.

Finally, the bill would provide a number of protections. It would require DOD and other federal procurement officials not to make TIN numbers available to the public, so that this information is kept confidential within the procurement community using the Central Contractor Registry. It would explicitly exempt from the TIN requirements any contractor, such as a foreign business, not required by U.S. law to have a taxpayer identification number. The bill would also require DOD to show in the registry database whether a particular TIN has been validated, is awaiting validation, has been found invalid, or is not required, so that procurement officials using the database will know the status of a contractor's TIN. If the IRS were to determine that a particular TIN was invalid, the bill would require DOD to give the relevant contractor an opportunity to correct the number. DOD would also be required to warn all registrants in the Central Contractor Registry of the possibility of backup withholding in the event they fail to provide a valid TIN.

It is common business sense for the Federal Government to require contractors who want to be paid with Federal taxpayer dollars to allow the United States to determine whether they owe any taxes and, if so, to offset a portion of their contract payments to reduce their tax debts. To accomplish that objective, the Federal Government has to do a better job in identifying federal contractors with unpaid taxes. Our bill, by improving the accuracy of taxpayer identification numbers in the Central Contractor Registry, will strengthen DOD's ability to identify tax delinquent contractors and either deny them new contracts or reduce their tax debts.

I hope all my colleagues will join us in supporting this legislation's enactment during this Congress.

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By Mr. BOND (for himself, Ms. SNOWE, and Mr. KENNEDY):

S. 2384. A bill to amend the Small Business Act to permit business concerns that are owned by venture capital operating companies or pension plans to participate in the Small Business Innovation Research Program; to the Committee on Small Business and Entrepreneurship.

Mr. BOND. Mr. President, the United States biotechnology industry is the world leader in innovation. This is due, in large part, to the Federal Government's partnership with the private sector to foster growth and commercialization in the hope that one day we will uncover a cure for unmet medical needs such as cystic fibrosis, heart disease, various cancers, multiple sclerosis, and AIDS.

However, the industry was dealt a major set-back when the Small Business Administration (SBA) determined that venture-backed biotechnology companies can no longer participate in the Small Business Innovation Research (SBIR) program. Until recently, the SBIR program was an example of a highly successful Federal initiative to encourage economic growth and innovation in the biotechnology industry by funding the critical start-up and development stages of a company.

Traditionally, to qualify for an SBIR grant a small-business applicant had to meet two requirements; one, that the company have less than 500 employees; and two, that the business be 51 percent owned by one or more individuals. Recently, however, the SBA determined that the term ''individuals'' only means natural persons, whereas for the past 20 years the term ''individual'' has included venture-capital companies. As a result, biotech companies backed by venture-capital funding in Missouri and throughout our Nation, who are on the cutting edge of science, can no longer participate in the program.

The biotech industry is like no other in the world because it takes such a long span of time and intense capital expenditures to bring a successful product to market. In fact, according to a recent study completed by the Tufts Center for the Study of Drug Development, it takes roughly 10–15 years and $800 million dollars for a company to bring just one product to market. As you can imagine, the industry's entrepreneurs are seeking financial assistance wherever they can find it.

For the past 20 years, the SBIR program has been a catalyst for developing our Nation's most successful biotechnology companies. In addition to these important government grants, venture-capital funding plays a vital role in the financial support of these same companies. The strength of our biotechnology industry is a direct result of government grants and venture-capital working together.

However, some have argued that a biotech firm with a majority of venture-capital backing is a large business. This is simply a bogus conclusion. Venture-capital firms solely invest in biotech start-ups for the possibility of a future innovation and financial return and generally do not seek to take control over the management functions or day-to-day operations of the company. Venture-capital firms that seek to invest in small biotech businesses do not, simply by their investment, turn a small business into a large business. These are legitimate, small, start-up businesses. Let's not punish them.

Instead, we must work together to avoid stifling innovation. Let me be clear. Our impact today will foster cures and medicines tomorrow that were once thought to be inconceivable. However, the industry cannot do it alone. We must nurture biotechnology and help the industry grow for the future of our economy and for our well-being.

This bill that I am introducing today will do just that. It will ensure that the biotechnology industry has access to SBIR grants, as it has had for 20 years. It will level the playing field to ensure that SBIR grants are given to small businesses based on fruitful science and nothing else. This is still a young and fragile industry, and we are on the cusp of great scientific advances. However, there will be profound consequences if biotechnology companies continue to be excluded from the SBIR program.

I ask unanimous consent that the full 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. 2384

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

**SECTION 1. SBIR AWARDS TO BUSINESS CONCERNS OWNED BY VENTURE CAPITAL OPERATING COMPANIES OR EMPLOYEE BENEFIT OR PENSION PLANS.**

(a) IN GENERAL.—Section 9(f) of the Small Business Act (15 U.S.C. 638(f)) is amended by adding at the end the following:

''(4) ELIGIBILITY.—A business concern shall not be prevented from participating in the Small Business Innovation Research Program solely because such business concern is owned in part by—

''(A) a venture capital operating company that is managed and controlled by 1 or more United States citizens or permanent resident aliens; or

''(B) an employee benefit or pension plan.''.

(b) RULEMAKING AUTHORITY.—Not later than 180 days after the date of enactment of this Act, the Administrator of the Small Business Administration shall issue regulations to—

(1) carry out the amendment made by subsection (a);

(2) ensure that a Small Business Innovation Research award is not given to a business concern that is majority owned by—

(A) another business concern that is ineligible to participate in the Small Business Innovation Research Program; or

(B) a venture capital operating company or an employee benefit or pension plan that is the alter ego, instrumentality, or identity of another business concern that is ineligible to participate in the Small Business Innovation Research Program.

By Mr. BINGAMAN:

S. 2385. A bill to designate the United States courthouse at South Federal Place in Santa Fe, New Mexico, as the ''Santiago E. Campos United States Courthouse''; to the Committee on Environment and Public Works.

Mr. BINGAMAN. Mr. President, I rise today with my colleague Senator DOMENICI to introduce a bill to designate the United States Courthouse in Santa Fe, NM as the ''Honorable Santiago E. Campos United States Courthouse.'' Santiago Campos was appointed to the Federal Bench in 1978 by President Jimmy Carter and was the first Hispanic Federal judge in New Mexico. He held the title of Chief U.S. District Judge from February 5, 1987 to December 31, 1989 and took senior status in 1992.

Judge Campos was a dedicated and passionate public servant who spent most of his life committed to working for the people of New Mexico and our Nation. He served as a seaman first class in the United States Navy from 1944 to 1946, as the Assistant Attorney General and then First Assistant Attorney General of New Mexico from 1954 to 1957, and as a district court judge from 1971 to 1978 in the First Judicial District in the state of New Mexico. He was the prime mover in reestablishing Federal court judicial activity in Santa Fe and had his chambers in the courthouse there for over 22 years. For his dedication to the State, Judge Campos received distinguished achievement awards in 1993 from both the State Bar of New Mexico and the University of New Mexico.

Sadly, Judge Campos passed away January 20, 2001 after a long battle with cancer. Judge Campos was an extraordinary jurist and served as a role model and mentor to others in New Mexico. He was admired and respected by all that knew him. I believe that it would be an appropriate tribute to Judge Campos to have the courthouse in Santa Fe bear his name.

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

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

S. 2385

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

**SECTION 1. DESIGNATION OF SANTIAGO E. CAMPOS UNITED STATES COURTHOUSE.**

The United States courthouse at South Federal Place in Santa Fe, New Mexico, shall be known and designated as the ''Santiago E. Campos United States Courthouse''.

**SEC. 2. REFERENCES.**

Any reference in a law, map, regulation, document, paper, or other record of the United States to the United States courthouse referred to in section 1 shall be deemed to be a reference to the ''Santiago E. Campos United States Courthouse''.

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By Mr. CONRAD (for himself and Mr. DORGAN):

S. 2387. A bill to amend the Water Resources Development Act of 1999 to direct the Secretary of the Army to provide assistance to design and construct a project to provide a continued safe and reliable municipal water supply system for Devils Lake, North Dakota; to the Committee on Environment and Public Works.

Mr. CONRAD. Mr. President, I rise today to introduce legislation to authorize the U.S. Army Corps of Engineers to construct a new municipal water supply system for the city of Devils Lake, ND. This project is very important to the reliability of the water supply for the residents of Devils Lake and is needed to mitigate long-term consequences from the rising flood waters of Devils Lake.

As many of my colleagues know, the Devils Lake region has been plagued by a flooding disaster since 1993. During that time, Devils Lake, a closed basin lake, has risen 25 feet, consuming land, destroying homes, and impacting vital infrastructure. As a result of this disaster, the city of Devils Lake faces a significant risk of losing its water supply. Currently, six miles or approximately one-third of the city's 40-year-old water transmission line is covered by the rising waters of Devils Lake. The submerged section of the water line includes numerous gate valves, air relief valves, and blow-off discharges.

All of the water for the city's residents and businesses must flow through this single transmission line. It is also the only link between the water source and the city's water distribution system. Since the transmission line is operated under relatively low pressures and is under considerable depths of water, a minor leak could cause significant problems. If a failure in the line were to occur, it would be almost impossible to identify the leak and make necessary repairs, and the city would be left without a water supply.

The city is in the process of accessing a new water source due both to the threat of a transmission line failure and the fact that its current water source exceeds the new arsenic standard that will take effect in 2006. The city has worked closely with the North Dakota State Water Commission in identifying a new water source that will not be affected by the rising flood waters and will provide the city with adequate water to meet its current and future needs.

The bill I am introducing today will authorize the Corps to construct a new water supply system for the city. I believe the Federal Government has a responsibility to assist communities mitigate the adverse consequences resulting from this ongoing flooding disaster. In my view, the Corps should be responsible for addressing the unintended consequences of this flood and mitigate its long-term consequences. This bill will help the Federal Government live up to its responsibility and ensure that the residents of Devils Lake have a safe and reliable water supply. I urge my colleagues to review this legislation quickly so we can pass it this year.

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By Mr. ENSIGN (for himself, Mr. MILLER, Mr. SMITH, Mr. GRAHAM of South Carolina, Mr. SESSIONS, Mr. KYL, Mr. BROWNBACK, Mr. THOMAS, Mr. BURNS, Mr. LOTT, Mr. COLEMAN, Mr. SANTORUM, Mr. CORNYN, Mr. CRAIG, and Mr. ALLARD):

S. 2389. A bill to require the withholding of United States contributions to the United Nations until the President certifies that the United Nations is cooperating in the investigation of the United Nations Oil-for-Food Program; to the Committee on Foreign Relations.

Mr. ENSIGN. Mr. President, I rise today to introduce legislation in the hopes that it will correct a grave injustice committed against the people of Iraq as well as the honest and law-abiding citizens of the world community.

We now believe that Saddam Hussein, corrupt U.N. officials, and corrupt well-connected countries were the real benefactors of the Oil-for-Food Program. Their benefits came from illegal oil shipments, financial transactions, kickbacks, and surcharges and allowed Saddam Hussein to build up his armed forces and live in the lap of luxury.

The evidence in this far-reaching scandal tells an unbelievable story. In January of this year, the Iraqi Governing Council (IGC) released a list of 270 former government officials, businessmen, political parties, and foreign cronies of Hussein from more than 46 countries suspected of profiting from illegal oil sales that were part of the U.N.'s Oil-for-Food Program.

Our own U.S. General Accounting Office estimates that Saddam Hussein siphoned off $4.4 billion through oil sale surcharges. Saddam Hussein also demanded kickbacks on the humanitarian relief side from suppliers which amounted to 10–20 percent on many contracts.

Saddam used this revenue to rebuild Iraq's military capabilities, to maintain lavish palaces, buy loyalty, oppress his people and financially support terrorism. And as Claude Hankes-Drielsma, an IGC consultant investigating the scandal testified, the secret payments ''provided Saddam Hussein and his corrupt regime with a convenient vehicle through which he bought support internationally by bribing political parties, companies and journalists . . . This secured the cooperation and support of countries that included members of the Security Council of the United Nations.''

The United Nations should be embarrassed.

What resulted from the goodwill gesture was international scandal, corruption at the highest levels, and suffering Iraqi citizens. Not exactly a model U.N. program.

Contrary to its protestations, the United Nations Secretariat had a critical role in the implementation and management of the program. It kept the contract records. It controlled the bank accounts and was the only entity allowed to release Saddam Hussein's oil earnings. And it arranged for the audits. As Secretary General Kofi Annan noted, ''under the program, the [U.N.] Secretary General was required to supervise the sale of Iraqi oil, and to monitor the spending of the proceeds on specific goods and services for the benefit of the Iraqi people.''

Well, he did a lousy job.

Tasked by the international community to deny Saddam Hussein the ability to rebuild his military apparatus while providing humanitarian needs, the United Nations allowed the corrupt to become richer and innocent Iraqis to be oppressed.

Today we have a chance to rectify that injustice. We must demand that the United Nations cooperate completely with efforts to extrapolate the truth from this scandal and punish the guilty. We know that the Volker panel does not have subpoena power.

And we've now learned that officials acting on behalf of Benon Sevan, the Executive Director of the Oil-for-Food Program, who is personally implicated in the scandal, are asking contractors not to release documents relating to the program to congressional investigators without getting U.N. authorization. An April 2, 2004, U.N. letter to a Swiss firm Cotecna reminded the firm that according to its contract all documents: ''shall be property of the United Nations, shall be treated as confidential and shall be delivered only to United Nations authorized officials.'' Cotecna, was in charge of inspecting the humanitarian goods shipped to Iraq under Oil-for-Food. It had Kofi Annan's son Kojo on its payroll until the month it won its U.N. contract. And an April 14 letter reminded a Dutch company called Saybolt of its confidentiality agreements with the U.N., demanding ''that Saybolt address any further requests for documentation or information concerning these matters to us.'' Saybolt was in charge of making sure oil invoices matched shipments.

The United Nations should be more interested in bringing the truth to light then trying to protect its tattered reputation and its corrupt officials.

The legislation I am introducing today will hold the United Nations' feet to the fire on this scandal. It calls for transparency and accountability. Under this bill, the United Nations must allow GAO and law enforcement agencies access to its Oil-for-Food records. U.N. officials must waive their immunity for any crimes committed on United States soil and repay their ill-gotten gains.

If not, 10 percent of our assessed U.N. regular budget contributions will be withheld the first year and 20 percent the second year. Granted, the withholding of $36 million in the first year is no where near the more than $1 billion that the United Nations skimmed

off the top of Iraqi oil sales for administrative costs or the billions that were stolen from the Iraqi people through corruption and mismanagement. But the 10 percent withholding worked in the past when the 103rd Congress used it to compel the United Nations to create an inspector general. And I believe it can work again.

But we have to make an important choice first. We can do nothing and allow the word ''humanitarianism'' to be the new code word for corruption scandal from here on out. Or we can stand up and make the United Nations rightfully accountable for the corruption that harmed innocent Iraqis. The answer is clear. We must act.

The U.N. is broken. This scandal revealed that the U.N. Security Council is unable to do its job when some members are more interested in lining their pockets than preserving security. I contend that there was no way that the U.S. could get France and Russia to enforce Security Council resolutions on Iraq and go to war when so many of their politically connected individuals, companies, and institutions received Iraqi oil contracts. Victory brought their corruption to light. And I am deeply worried that the ability of the United Nations to convey ''legitimacy'' to the new Iraqi government and assist in postwar Iraq is hampered by its history of corruption and mismanagement in the Oil-for-Food program.

The U.N. needs to come clean and start over. The first step toward doing that is to accept the terms and conditions of the Oil-for-Food Accountability Act.

## SUBMITTED RESOLUTIONS

### SENATE RESOLUTION 352—URGING THE GOVERNMENT OF UKRAINE TO ENSURE A DEMOCRATIC, TRANSPARENT, AND FAIR ELECTION PROCESS FOR THE PRESIDENTIAL ELECTION ON OCTOBER 31, 2004

Mr. CAMPBELL (for himself, Mr. DODD, and Mr. BIDEN) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 352

Whereas the establishment of a democratic, transparent, and fair election process for the 2004 presidential election in Ukraine and of a genuinely democratic political system are prerequisites for that country's full integration into the Western community of nations as an equal member, including into organizations such as the North Atlantic Treaty Organization (NATO);

Whereas the Government of Ukraine has accepted numerous specific commitments governing the conduct of elections as a participating State of the Organization for Security and Cooperation in Europe (OSCE), including provisions of the Copenhagen Document;

Whereas the election on October 31, 2004, of Ukraine's next president will provide an unambiguous test of the extent of the Ukrainian authorities' commitment to implement these standards and build a democratic society based on free elections and the rule of law;

Whereas this election takes place against the backdrop of previous elections that did not fully meet international standards and of disturbing trends in the current pre-election environment;

Whereas it is the duty of government and public authorities at all levels to act in a manner consistent with all laws and regulations governing election procedures and to ensure free and fair elections throughout the entire country, including preventing activities aimed at undermining the free exercise of political rights;

Whereas a genuinely free and fair election requires a period of political campaigning conducted in an environment in which neither administrative action nor violence, intimidation, or detention hinder the parties, political associations, and the candidates from presenting their views and qualifications to the citizenry, including organizing supporters, conducting public meetings and events throughout the country, and enjoying unimpeded access to television, radio, print, and Internet media on a non-discriminatory basis;

Whereas a genuinely free and fair election requires that citizens be guaranteed the right and effective opportunity to exercise their civil and political rights, including the right to vote and the right to seek and acquire information upon which to make an informed vote, free from intimidation, undue influence, attempts at vote buying, threats of political retribution, or other forms of coercion by national or local authorities or others;

Whereas a genuinely free and fair election requires government and public authorities to ensure that candidates and political parties enjoy equal treatment before the law and that government resources are not employed to the advantage of individual candidates or political parties;

Whereas a genuinely free and fair election requires the full transparency of laws and regulations governing elections, multiparty representation on election commissions, and unobstructed access by candidates, political parties, and domestic and international observers to all election procedures, including voting and vote-counting in all areas of the country;

Whereas increasing control and manipulation of the media by national and local officials and others acting at their behest raise grave concerns regarding the commitment of the Ukrainian authorities to free and fair elections;

Whereas efforts by the national authorities to limit access to international broadcasting, including Radio Liberty and the Voice of America, represent an unacceptable infringement on the right of the Ukrainian people to independent information;

Whereas efforts by national and local officials and others acting at their behest to impose obstacles to free assembly, free speech, and a free and fair political campaign have taken place in Donetsk, Sumy, and elsewhere in Ukraine without condemnation or remedial action by the Ukrainian Government;

Whereas numerous substantial irregularities have taken place in recent Ukrainian parliamentary by-elections in the Donetsk region and in mayoral elections in Mukacheve, Romny, and Krasniy Luch; and

Whereas the intimidation and violence during the April 18, 2004, mayoral election in Mukacheve, Ukraine, represent a deliberate attack on the democratic process: Now, therefore, be it

*Resolved,* That the Senate—

(1) acknowledges and welcomes the strong relationship formed between the United States and Ukraine since the restoration of Ukraine's independence in 1991;

(2) recognizes that a precondition for the full integration of Ukraine into the Western community of nations, including as an equal member in institutions such as the North Atlantic Treaty Organization (NATO), is its establishment of a genuinely democratic political system;

(3) expresses its strong and continuing support for the efforts of the Ukrainian people to establish a full democracy, the rule of law, and respect for human rights in Ukraine;

(4) urges the Government of Ukraine to guarantee freedom of association and assembly, including the right of candidates, members of political parties, and others to freely assemble, to organize and conduct public events, and to exercise these and other rights free from intimidation or harassment by local or national officials or others acting at their behest;

(5) urges the Government of Ukraine to meet its Organization for Security and Cooperation in Europe (OSCE) commitments on democratic elections and to address issues previously identified by the Office of Democratic Institutions and Human Rights (ODIHR) of the OSCE in its final reports on the 2002 parliamentary elections and the 1999 presidential elections, such as illegal interference by public authorities in the campaign and a high degree of bias in the media;

(6) urges the Ukrainian authorities to ensure—

(A) the full transparency of election procedures before, during, and after the 2004 presidential elections;

(B) free access for Ukrainian and international election observers;

(C) multiparty representation on all election commissions;

(D) unimpeded access by all parties and candidates to print, radio, television, and Internet media on a non-discriminatory basis;

(E) freedom of candidates, members of opposition parties, and independent media organizations from intimidation or harassment by government officials at all levels via selective tax audits and other regulatory procedures, and in the case of media, license revocations and libel suits, among other measures;

(F) a transparent process for complaint and appeals through electoral commissions and within the court system that provides timely and effective remedies; and

(G) vigorous prosecution of any individual or organization responsible for violations of election laws or regulations, including the application of appropriate administrative or criminal penalties;

(7) further calls upon the Government of Ukraine to guarantee election monitors from the ODIHR, other participating States of the OSCE, Ukrainian political parties, candidates' representatives, nongovernmental organizations, and other private institutions and organizations, both foreign and domestic, unobstructed access to all aspects of the election process, including unimpeded access to public campaign events, candidates, news media, voting, and post-election tabulation of results and processing of election challenges and complaints; and

(8) pledges its enduring support and assistance to the Ukrainian people's establishment of a fully free and open democratic system, their creation of a prosperous free market economy, their establishment of a secure independence and freedom from coercion, and their country's assumption of its rightful place as a full and equal member of the Western community of democracies.