S. 424, a bill to amend the Public Health Service Act to provide for arthritis research and public health, and for other purposes.

S. 450

At the request of Mr. DAYTON, his name was added as a cosponsor of S. 450, a bill to amend the Help America Vote Act of 2002 to require a voter-verified paper record, to improve provisional balloting, to impose additional requirements under such Act, and for other purposes.

S. 461

At the request of Mr. ROCKEFELLER, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor of S. 461, a bill to amend title 37, United States Code, to require that a member of the uniformed services who is wounded or otherwise injured while serving in a combat zone continue to be paid monthly military pay and allowances, while the member recovers from the wound or injury, at least equal to the monthly military pay and allowances the member received immediately before receiving the wound or injury, to continue the combat zone tax exclusion for the member during the recovery period, and for other purposes.

S. 471

At the request of Mr. SPECTER, the names of the Senator from California (Mrs. BOXER), the Senator from New Jersey (Mr. CORZINE), the Senator from Washington (Mrs. MURRAY) and the Senator from New Jersey (Mr. LAUTENBERG) were added as cosponsors of S. 471, a bill to amend the Public Health Service Act to provide for human embryonic stem cell research.

S. 485

At the request of Mr. CRAIG, the names of the Senator from Utah (Mr. BENNETT) and the Senator from Kansas (Mr. ROBERTS) were added as cosponsors of S. 485, a bill to reauthorize and amend the National Geologic Mapping Act of 1992.

S. 490

At the request of Mrs. CLINTON, the name of the Senator from Idaho (Mr. CRAPO) was added as a cosponsor of S. 490, a bill to direct the Secretary of Transportation to work with the State of New York to ensure that a segment of Interstate Route 86 in the vicinity of Corning, New York, is designated as the ''Amo Houghton Bypass''.

S. 495

At the request of Mr. KERRY, his name was added as a cosponsor of S. 495, a bill to impose sanctions against perpetrators of crimes against humanity in Darfur, Sudan, and for other purposes.

S. 507

At the request of Mr. DEWINE, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 507, a bill to establish the National Invasive Species Council, and for other purposes.

S. 516

At the request of Mr. MCCAIN, the names of the Senator from Pennsylvania (Mr. SANTORUM) and the Senator from Ohio (Mr. DEWINE) were added as cosponsors of S. 516, a bill to advance and strengthen democracy globally through peaceful means and to assist foreign countries to implement democratic forms of government, to strengthen respect for individual freedom, religious freedom, and human rights in foreign countries through increased United States advocacy, to strengthen alliances of democratic countries, to increase funding for programs of nongovernmental organizations, individuals, and private groups that promote democracy, and for other purposes.

S. CON. RES. 9

At the request of Mr. ENSIGN, the name of the Senator from Georgia (Mr. ISAKSON) was added as a cosponsor of S. Con. Res. 9, a concurrent resolution recognizing the second century of Big Brothers Big Sisters, and supporting the mission and goals of that organization.

S. RES. 43

At the request of Mr. REID, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of S. Res. 43, a resolution designating the first day of April 2005 as ''National Asbestos Awareness Day''.

S. RES. 44

At the request of Mr. ALEXANDER, the names of the Senator from Georgia (Mr. ISAKSON) and the Senator from Wisconsin (Mr. KOHL) were added as cosponsors of S. Res. 44, a resolution celebrating Black History Month.

S. RES. 71

At the request of Mr. CRAIG, the names of the Senator from Idaho (Mr. CRAPO), the Senator from Illinois (Mr. DURBIN) and the Senator from Georgia (Mr. ISAKSON) were added as cosponsors of S. Res. 71, a resolution designating the week beginning March 13, 2005 as ''National Safe Place Week''.

AMENDMENT NO. 44

At the request of Mr. KENNEDY, the names of the Senator from Connecticut (Mr. LIEBERMAN), the Senator from Illinois (Mr. DURBIN), the Senator from Maryland (Mr. SARBANES) and the Senator from Iowa (Mr. HARKIN) were added as cosponsors of amendment No. 44 proposed to S. 256, a bill to amend title 11 of the United States Code, and for other purposes.

At the request of Mr. CORZINE, his name was added as a cosponsor of amendment No. 44 proposed to S. 256, supra.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. FEINGOLD:

S. 534. A bill to amend the Internal Revenue Code of 1986 to repeal the percentage depletion allowance for certain hard rock mines, and for other purposes; to the Committee on Finance.

Mr. FEINGOLD. Mr. President, today I am reintroducing legislation to eliminate from the Federal tax code percentage depletion allowances for hardrock minerals mined on Federal public lands. I thank Senator CANTWELL for joining me as a cosponsor on this legislation.

President Clinton proposed the elimination of the percentage depletion allowance on public lands in his fiscal year 2001 budget. President Clinton's fiscal year 2001 budget estimated that, under this legislation, income to the Federal treasury from the elimination of percentage depletion allowances for hardrock mining on public lands would total $487 million over 5 years and $1.20 billion over 10 years. The Joint Committee on Taxation estimated that it would save $410 million over 5 years and $823 million over 10 years. Percentage depletion allowances are contained in the tax code for extracted fuel, minerals, metal and other mined commodities. These allowances have a combined value, according to estimates by the Joint Committee on Taxation, of $4.8 billion.

These percentage depletion allowances were initiated by the Corporation Excise Act of 1909. That's right, these allowances were initiated nearly one hundred years ago. Provisions for a depletion allowance based on the value of the mine were made under a 1912 Treasury Department regulation, but difficulty in applying this accounting principle to mineral production led to the initial codification of the mineral depletion allowance in the Tariff Act of 1913. The Revenue Act of 1926 established percentage depletion much in its present form for oil and gas. The percentage depletion allowance was then extended to metal mines, coal, and other hardrock minerals by the Revenue Act of 1932, and has been adjusted several times since.

Percentage depletion allowances were historically placed in the tax code to reduce the effective tax rates in the mineral and extraction industries far below tax rates on other industries, providing incentives to increase investment, exploration and output. Percentage depletion also makes it possible, however, to recover many times the amount of the original investment.

There are two methods of calculating a deduction to allow a firm to recover the costs of its capital investment: cost depletion and percentage depletion. Cost depletion allows for the recovery of the actual capital investment—the costs of discovering, purchasing, and developing a mineral reserve—over the period during which the reserve produces income. Under the cost depletion method, the total deductions cannot exceed the original capital investment.

Under percentage depletion, however, the deduction for recovery of a company's investment is a fixed percentage of ''gross income,'' namely, sales revenue from the sale of the mineral. Under this method, total deductions typically exceed the capital that the company invested.

The rates for percentage depletion are quite significant. Section 613 of the

U.S. Code contains depletion allowances for more than 70 metals and minerals, at rates ranging from 10 to 22 percent.

In addition to repealing the percentage depletion allowances for minerals mined on public lands, my bill would also create a new fund, called the Abandoned Mine Reclamation Fund. One-fourth of the revenue raised by the bill, or approximately $120 million, would be deposited into an interest-bearing fund in the Treasury to be used to clean up abandoned hardrock mines in States that are subject to the 1872 Mining Law. The Mineral Policy Center estimates that there are 557,650 abandoned hardrock mine sites nationwide and the cost of clearing them up will range from $32.7 billion to $71.5 billion.

There are currently no comprehensive Federal or State programs to address the need to clean up old mine sites. Reclaiming these sites requires the enactment of a program with explicit authority to clean up abandoned mine sites and the resources to do it. My legislation is a first step toward providing the needed authority and resources.

In today's budget climate, we are faced with the question of who should bear the costs of exploration, development, and production of natural resources: all taxpayers, or the users and producers of the resource? For more than a century, the mining industry has been paying next to nothing for the privilege of extracting minerals from public lands and then abandoning its mines. Now those mines are adding to the Nation's environmental and financial burdens. We face serious budget choices this fiscal year, and one of those choices is whether to continue the special tax breaks provided to the mining industry.

The measure I am introducing is straightforward. It eliminates the percentage depletion allowance for hardrock minerals mined on public lands while continuing to allow companies to recover reasonable cost depletion.

Though at one time there may have been an appropriate role for a government-driven incentive for enhanced mineral production, there is now sufficient reason to adopt a more reasonable depletion allowance that is consistent with depreciation rates given to other businesses. This corporate subsidy is simply not justified.

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

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

S. 534

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 ''Elimination of Double Subsidies for the Hardrock Mining Industry Act of 2005''.

SEC. 2. REPEAL OF PERCENTAGE DEPLETION ALLOWANCE FOR CERTAIN HARDROCK MINES.

(a) IN GENERAL.—Section 613(a) of the Internal Revenue Code of 1986 (relating to percentage depletion) is amended by inserting ''(other than hardrock mines located on lands subject to the general mining laws or on land patented under the general mining laws)'' after ''In the case of the mines''.

(b) GENERAL MINING LAWS DEFINED.—Section 613 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

''(f) GENERAL MINING LAWS.—For purposes of subsection (a), the term 'general mining laws' means those Acts which generally comprise chapters 2, 12A, and 16, and sections 161 and 162 of title 30 of the United States Code.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2004.

SEC. 3. ABANDONED MINE RECLAMATION FUND.

(a) IN GENERAL.—Subchapter A of chapter 98 of the Internal Revenue Code of 1986 (relating to establishment of trust funds) is amended by adding at the end the following:

''SEC. 9511. ABANDONED MINE RECLAMATION FUND.

''(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Abandoned Mine Reclamation Trust Fund' (in this section referred to as 'Trust Fund'), consisting of such amounts as may be appropriated or credited to the Trust Fund as provided in this section or section 9602(b).

''(b) TRANSFERS TO TRUST FUND.—There are hereby appropriated to the Trust Fund amounts equivalent to 25 percent of the additional revenues received in the Treasury by reason of the amendments made by section 2 of the Elimination of Double Subsidies for the Hardrock Mining Industry Act of 2005.

''(c) EXPENDITURES FROM TRUST FUND.—

''(1) IN GENERAL.—Amounts in the Trust Fund shall be available, as provided in appropriation Acts, to the Secretary of the Interior for—

''(A) the reclamation and restoration of lands and water resources described in paragraph (2) adversely affected by mineral (other than coal and fluid minerals) and mineral material mining, including—

''(i) reclamation and restoration of abandoned surface mine areas and abandoned milling and processing areas,

''(ii) sealing, filling, and grading abandoned deep mine entries,

''(iii) planting on lands adversely affected by mining to prevent erosion and sedimentation,

''(iv) prevention, abatement, treatment, and control of water pollution created by abandoned mine drainage, and

''(v) control of surface subsidence due to abandoned deep mines, and

''(B) the expenses necessary to accomplish the purposes of this section.

''(2) LANDS AND WATER RESOURCES.—

''(A) IN GENERAL.—The lands and water resources described in this paragraph are lands within States that have land and water resources subject to the general mining laws or lands patented under the general mining laws—

''(i) which were mined or processed for minerals and mineral materials or which were affected by such mining or processing, and abandoned or left in an inadequate reclamation status before the date of the enactment of this section,

''(ii) for which the Secretary of the Interior makes a determination that there is no continuing reclamation responsibility under State or Federal law, and

''(iii) for which it can be established to the satisfaction of the Secretary of the Interior that such lands or resources do not contain minerals which could economically be extracted through remining of such lands or resources.

''(B) CERTAIN SITES AND AREAS EXCLUDED.—The lands and water resources described in this paragraph shall not include sites and areas which are designated for remedial action under the Uranium Mill Tailings Radiation Control Act of 1978 (42 U.S.C. 7901 et seq.) or which are listed for remedial action under the Comprehensive Environmental Response Compensation and Liability Act of 1980 (42 U.S.C. 9601 et seq.).

''(3) GENERAL MINING LAWS.—For purposes of paragraph (2), the term 'general mining laws' means those Acts which generally comprise chapters 2, 12A, and 16, and sections 161 and 162 of title 30 of the United States Code.''.

(b) CONFORMING AMENDMENT.—The table of sections for subchapter A of chapter 98 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

''Sec. 9511. Abandoned Mined Reclamation Trust Fund.''.

By Mr. INOUYE (for himself and Ms. CANTWELL):

S. 535. A bill to establish grant programs for the development of telecommunications capacities in Indian country; to the Committee on Indian Affairs.

Mr. INOUYE. Mr. President, I rise today to introduce the Native American Connectivity Act. Senator CANTWELL joins me in sponsoring this measure.

Over 70 years ago, we passed the Communications Act of 1934 and committed ''to make available . . . to all the people of the United States . . . a rapid, efficient, Nationwide, and worldwide wire and radio communication service with adequate facilities at reasonable charges. . . .'' It is now 2005, and the Federal Government has yet to fulfill this commitment in Indian country.

Relying on 2000 Census data, the Federal Communications Commission, FCC, estimates that, on average, only 67.9 percent of Indian households located on Indian reservations have telephone service compared to a national average of 95 percent. Even more alarming is that household telephone rates for some tribes, such as the Kickapoo Reservation in Texas and the Navajo Nation, are as low as 33 percent and 38 percent, respectively. Available data also shows that many Native Americans lack access not only to basic telephone service but also to advanced telecommunications services and information technology.

As a result, many Native Americans lack access to emergency 911 services, are unable to secure employment because they do not have telephone service or Internet, and cannot otherwise participate in many daily activities that non-Native Americans take for granted. Moreover, the lack of telecommunications infrastructure impedes the economic development of tribal communities, educational opportunities, language retention and preservation, and access to adequate health care.

Tribal governments and their citizens must have access to the necessary resources to develop their telecommunications capacities. A recent report by the Harvard Project on American Indian Economic Development credited tribal self-governance for improvements in socioeconomic growth at rates that far exceed progress being made nationally. This bill will provide the resources necessary to enhance and strengthen tribal self-determination to address telecommunications needs. As a result, tribal governments should be able to make further gains in socioeconomic conditions.

I urge my colleagues to give their favorable consideration to this measure.

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. 535

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 ''Native American Connectivity Act''.

SEC. 2. FINDINGS.

Congress finds that—

(1)(A) disparities exist in the areas of education, health care, workforce training, commerce, and economic activity of Indians due to the rural nature of most Indian reservations; and

(B) access to basic and advanced telecommunications infrastructure is critical in eliminating those disparities;

(2) currently, only 67.9 percent of Indian homes have telephone service, compared with the national average of 95.1 percent;

(3) the telephone service penetration rate on some reservations is as low as 39 percent;

(4) even on reservations and trust land, non-Indian homes are more likely to have telephone service than Indian homes;

(5) only 10 percent of Indian households on tribal land have Internet access;

(6) only 17 percent of Indian tribes have developed comprehensive technology plans;

(7) training and technical assistance have been identified as the most significant needs for the development and effective use of telecommunications and information technology in Indian country;

(8) funding for telecommunications and information technology projects in Indian country remains inadequate to address the needs of Indian communities;

(9) many Indian tribes are located on or adjacent to Indian land in which unemployment rates exceed 50 percent;

(10) the lack of telecommunications infrastructure and low telephone and Internet penetration rates adversely affects the ability of Indian tribes to pursue economic development opportunities; and

(11) primary, secondary, and postsecondary education, job training, health care, disease prevention education, and cultural preservation are greatly enhanced with access to and use of telecommunications technology and electronic information.

SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to promote affordable and universal access among Indian tribal governments, tribal entities, reservation-based schools, tribal colleges and universities, and Indian households to telecommunications and information technology in Indian country;

(2) to encourage and promote tribal economic development, self-sufficiency, and strong tribal governments;

(3) to enhance the health of Indian tribal members through the availability and use of telemedicine and telehealth;

(4) to improve the quality of kindergarten, primary, secondary, postsecondary, and job-related training, through enhanced and sustained information technology infrastructure; and

(5) to assist in the retention and preservation of native languages and cultural traditions.

SEC. 4. DEFINITIONS.

In this Act:

(1) BLOCK GRANT.—The term ''block grant'' means a grant provided under section 5.

(2) ELIGIBLE ACTIVITY.—The term ''eligible activity'' means an activity carried out—

(A) to acquire or lease real property (including licensed spectrum, water rights, dark fiber, exchanges, and other related interests) to provide telecommunications services, facilities, and improvements;

(B) to acquire, construct, reconstruct, or install telecommunications facilities, sites, improvements (including design features), or utilities;

(C) to retain any real property acquired under this Act for tribal communications purposes;

(D) to pay the non-Federal share required by a Federal grant program undertaken as part of activities funded under this Act;

(E) to carry out activities necessary—

(i) to develop a comprehensive telecommunications development plan; and

(ii) to develop a policy, planning, and management capacity so that an eligible entity can more rationally and effectively—

(I) determine the needs of the entity;

(II) set long term and short term goals;

(III) devise programs and activities to meet the goals of the entity, including, if appropriate, telehealth;

(IV) evaluate the progress of the programs and activities in meeting the goals of the entity; and

(V) carry out management, coordination, and monitoring of activities necessary for effective planning implementation;

(F) to pay reasonable administrative costs and carrying charges related to the planning and execution of telecommunications development activities, including the provision of information and resources about the planning and execution of the activities to residents of areas in which telecommunications development activities are to be concentrated;

(G) to increase the capacity of an eligible entity to carry out telecommunications activities, including the development of telecommunications regulations and related regulatory matters;

(H) to provide assistance to institutions of higher education (including tribal colleges and universities) that have a demonstrated capacity to carry out eligible activities;

(I) to enable an eligible entity to facilitate telecommunications development by—

(i) providing technical assistance, advice, and business support services (including services for developing business plans, securing funding, and conducting marketing); and

(ii) providing general support (including peer support programs and mentoring programs) to Indian tribes in developing telecommunications projects;

(J) to evaluate eligible activities to ascertain and promote effective telecommunications and information technology deployment practices and usages among Indian tribes; or

(K) to provide research, analysis, data collection, data organization, and dissemination of information relevant to telecommunications and information technology in Indian country for the purpose of promoting effective telecommunications and information technology deployment practices and usages among tribes.

(3) ELIGIBLE ENTITY.—The term ''eligible entity'' means—

(A) an Indian tribe or consortium of Indian tribes;

(B) a tribally chartered organization; or

(C) an Indian organization, intertribal organization, tribal college or university, or a private or public institution of higher education acting under an agreement with an Indian tribe.

(4) INDIAN TRIBE.—The term ''Indian tribe'' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(5) INFORMATION TECHNOLOGY.—

(A) IN GENERAL.—The term ''information technology'' means any equipment or interconnected system or subsystem of equipment that is used in the automatic acquisition, storage, analysis, evaluation, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information.

(B) INCLUSIONS.—The term ''information technology'' includes computers, ancillary equipment (including imaging peripherals, input, output, and storage devices necessary for security and surveillance), peripheral equipment designed to be controlled by the central processing unit of a computer, software, firmware and similar procedures, services (including support services), and related resources.

(6) PLANNING.—The term ''planning'' means community-based planning developed in consultation with the local community based on the needs of the local community.

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

(8) TECHNICAL ASSISTANCE.—The term ''technical assistance'' means the facilitation of skills and knowledge in planning, developing, assessing, and administering eligible activities.

(9) TRAINING AND TECHNICAL ASSISTANCE GRANT.—The term ''training and technical assistance grant'' means a grant provided under section 6.

(10) TRIBAL COLLEGE OR UNIVERSITY.—The term ''tribal college or university'' has the meaning given the term ''tribally controlled college or university'' in section 2 of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1801), except that the term includes an institution listed in the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note).

(11) TELEHEALTH.—The term ''telehealth'' means the use of electronic information and telecommunications technologies to support long-distance clinical health care, patient and professional health-related education, public health, and health administration.

SEC. 5. BLOCK GRANT PROGRAM.

(a) ESTABLISHMENT.—There is established within the National Telecommunications and Information Administration a Native American telecommunications block grant program to provide grants on a competitive basis to eligible entities to carry out activities under subsection (c).

(b) BLOCK GRANTS.—The Secretary may provide a block grant to an eligible entity that submits a block grant application to the Secretary for approval.

(c) ELIGIBLE ACTIVITIES.—A grant under this section may only be used for an eligible activity.

(d) REGULATIONS.—Not later than 180 days after the date of enactment of this Act, the

Secretary shall promulgate regulations establishing specific criteria for the competition conducted to select eligible entities to receive grants under this section for each fiscal year.

SEC. 6. TRAINING AND TECHNICAL ASSISTANCE GRANTS.

(a) NOTIFICATION AND CRITERIA.—The Secretary—

(1) shall provide notice of the availability of training and technical assistance grants; and

(2) publish criteria for selecting recipients.

(b) GRANTS.—The Secretary may provide training and technical assistance grants to eligible entities with a demonstrated capacity to carry out eligible activities.

(c) USE OF FUNDS.—A training and technical assistance grant shall be used—

(1) to develop a training program to facilitate local use and maintenance of new telecommunications technologies;

(2) to develop and implement—

(A) telecommunications and information technology work study programs; and

(B) postsecondary telecommunications and information technology-related education, development, planning, and management programs;

(3) to develop a training program for telecommunications employees; or

(4) to provide assistance to students who—

(A) participate in telecommunications or information technology work study programs; and

(B) are enrolled in a full-time graduate or undergraduate program in telecommunications-related education, development, planning, or management.

(d) SETASIDE.—

(1) IN GENERAL.—For each fiscal year, the Secretary shall set aside 10 percent of the amount made available under section 12 for training and technical assistance grants, to remain available until expended.

(2) TREATMENT.—A training and technical assistance grant to an entity shall be in addition to any block grant provided to the entity.

(e) PROVISION OF TECHNICAL ASSISTANCE BY THE SECRETARY.—The Secretary may provide technical assistance, directly or through contracts, to—

(1) eligible entities; and

(2) persons or entities that assist tribal governments.

SEC. 7. COMPLIANCE.

(a) AUDIT BY THE COMPTROLLER GENERAL.—

(1) IN GENERAL.—The Comptroller General of the United States may audit any financial transaction involving grant funds that is carried out by a block grant recipient or training and technical assistance grant recipient.

(2) SCOPE OF AUTHORITY.—In conducting an audit under paragraph (1), the Comptroller General shall have access to all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by the grant recipient that relate to the financial transaction and are necessary to facilitate the audit.

(b) ENVIRONMENTAL PROTECTION.—

(1) IN GENERAL.—After consultation with Indian tribes, the Secretary may promulgate regulations to carry out this subsection that—

(A) ensure that the policies of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), and other laws that further the purposes of that Act (as specified by the regulations), are most effectively implemented in connection with the expenditure of funds under this Act; and

(B) assure the public of undiminished protection of the environment.

(2) SUBSTITUTE MEASURES.—Subject to paragraph (3), the Secretary may provide for the release of funds under this Act for eligible activities to grant recipients that assume all of the responsibilities for environmental review, decisionmaking, and related action under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), and other laws that further the purposes of that Act (as specified by the regulations promulgated under paragraph (1)), that would apply to the Secretary if the Secretary carried out the eligible activities as Federal projects.

(3) RELEASE.—

(A) IN GENERAL.—The Secretary shall approve the release of funds under paragraph (2) if, at least 15 days prior to approval, the grant recipient submits to the Secretary a request for release accompanied by a certification that meets the requirements of paragraph (4).

(B) APPROVAL.—The approval by the Secretary of a certification shall be deemed to satisfy the responsibilities of the Secretary under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and the laws specified by the regulations promulgated under paragraph (1), to the extent that those responsibilities relate to the release of funds for projects described in the certification.

(4) CERTIFICATION.—A certification shall—

(A) be in a form acceptable to the Secretary;

(B) be executed by the tribal government;

(C) specify that the grant recipient has fully assumed the responsibilities described in paragraph (2); and

(D) specify that the tribal officer—

(i) assumes the status of a responsible Federal official under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and each law specified by the regulations promulgated under paragraph (1), to the extent that the provisions of that Act or law apply; and

(ii) is authorized to consent, and consents, on behalf of the grant recipient and on behalf of the tribal officer to accept the jurisdiction of the Federal courts for enforcement of the responsibilities of the tribal officer as a responsible Federal official.

SEC. 8. REMEDIES FOR NONCOMPLIANCE.

(a) FAILURE TO COMPLY.—If the Secretary finds, on the record after opportunity for an agency hearing, that a block grant recipient or training and technical assistance grant recipient has failed to comply substantially with any provision of this Act, the Secretary, until satisfied that there is no longer a failure to comply, shall—

(1) terminate payments to the grant recipient;

(2) reduce payments to the grant recipient by an amount equal to the amount of payments that were not expended in accordance with this Act;

(3) limit the availability of payments under this Act to programs, projects, or activities not affected by the failure to comply; or

(4) refer the matter to the Attorney General with a recommendation that the Attorney General bring an appropriate civil action.

(b) ACTION BY THE ATTORNEY GENERAL.—After a referral by the Secretary under subsection (a)(4), the Attorney General may bring a civil action in United States district court for appropriate relief (including mandatory relief, injunctive relief, and recovery of the amount of the assistance provided under this Act that was not expended in accordance with this Act).

SEC. 9. REPORTING REQUIREMENTS.

(a) ANNUAL REPORT TO CONGRESS.—Not later than 180 days after the end of each fiscal year in which assistance under this Act is provided, the Secretary shall submit to Congress a report that includes—

(1) a description of the progress made in accomplishing the objectives of this Act;

(2) a summary of the use of funds under this Act during the preceding fiscal year; and

(3) an evaluation of the status of telephone, Internet, and personal computer penetration rates, by type of technology, among Indian households throughout Indian country on a tribe-by-tribe basis.

(b) REPORTS TO SECRETARY.—The Secretary may require grant recipients under this Act to submit reports and other information necessary for the Secretary to prepare the report under subsection (a).

SEC. 10. CONSULTATION.

In carrying out this Act, the Secretary shall consult with—

(1) other Federal agencies administering Federal grant programs relating to the development of telecommunications capacities or infrastructure; and

(2) the Government Accountability Office and Indian tribes to determine the proportion of grant funds necessary to address training and technical assistance and eligible activity needs.

SEC. 11. HISTORIC PRESERVATION REQUIREMENTS.

A telecommunications project funded under this Act shall comply with the National Historic Preservation Act (16 U.S.C. 470 et seq.) and the Native American Graves Protection and Repatriation Act (25 U.S.C. 3001 et seq.).

SEC. 12. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this Act—

(1) $20,000,000 for fiscal year 2006; and

(2) such sums as are necessary for each subsequent fiscal year.

(b) AVAILABILITY.—Funds made available under subsection (a) shall remain available until expended.

By Mr. MCCAIN:

S. 536. A bill to make technical corrections to laws relating to Native Americans, and for other purposes; to the Committee on Indian Affairs.

Mr. MCCAIN. Mr. President, I am pleased to introduce the Native American Omnibus Act of 2005 to amend a variety of Federal statutes affecting Indian tribes and Indian people. This Act contains nineteen provisions, including technical amendments to several laws, extensions of expiring authorizations, and provisions relating to particular Indian tribes, and certain Native American programs.

Section 101, amends the Indian finance act of 1974 to clarify that nonprofit tribal entities are eligible for the BIA Loan Guaranty program. It also raises the limit on the amount of loans to $1.5 billion from $500 million.

Section 102 extends the authorization for the Indian Tribal Justice Technical and Legal Assistance Act to through fiscal year 2010.

Section 103 extends the Indian Tribal Justice Act for three more years.

Section 104 cures a problem specific to New Mexico and the 1924 Indian Pueblo Lands Act. Recently, the New Mexico State Court of Appeals ruled that a change from Indian to non-Indian title for a parcel of land within a Pueblo land grant area eliminated that parcel's status as ''Indian Country.'' This ruling created a jurisdictional void for criminal acts occurring on

land within the original Pueblo land grant once its' title has changed. Consistent with existing law, this amendment clarifies that the state maintains jurisdiction over non-Indians, the tribe has jurisdiction over Indians and its members, and the federal government has jurisdiction pursuant to the Major Crimes Act. This amendment does not expand Indian civil jurisdiction and only applies to criminal jurisdiction. I understand that it is uniformly support by all affected parties.

Section 105, conveys approximately 1290 acres of the Lock and Dam #3 lands to the Prairie Island Tribe. The provision prohibits gaming or structures for human habitation on the conveyed lands.

Section 106 is a technical amendment to allow binding arbitration in all contracts and not just leases on the Gila River Indian Community reservation.

Section 107 conveys several parcels of land in the State of Washington to be held in trust for Puyallup Indian Tribes.

Section 108 amends Native American graves Protection and Repatriation Act by clarifying that the term ''Native American'' refers to a member of a tribe, a people, or a culture that is or was indigenous to the United States.

Section 109, the amends the Fallon Paiute Shoshone Tribe's water rights settlement act to permit the expenditure of six percent of the average market value of the Fund over three years.

Section 110, the Washoe Tribes Lake Tahoe Access Act, corrects the 1990 settlement and includes 24.3 acres of land near Lake Tahoe for the Tribes. The amendment does not affect the number of acres conveyed to the Tribe in the original settlement.

Section 111 amends the Indian Arts and Crafts Act. A major source of tribal and individual income comes from the sale of handmade Indian arts and crafts, but millions of dollars are diverted each year from these artists and tribes by those who reproduce and sell counterfeit Indian goods. Enforcing the criminal law that prohibits the sale of Indian arts and crafts misrepresented as an Indian product is often stalled by the other responsibilities of the FBI including investigating terrorism activity and violent crimes on Indian lands. This amendment supplements the existing federal investigative authority by authorizing other federal investigative bodies, such as the BIA, in addition to the FBI, to investigate these offenses.

Section 112, the Colorado River Indian Reservation Boundary Correction Act, corrects the south boundary of the Reservation by reestablishing the boundary as it was delineated in the original survey.

Section 113, reauthorizes the Native American Programs Act of 1974 and establishes the Inter-Departmental Council of Native American Affairs.

Section 114 amends the Native Hawaiian Education Act to include research and education activities relating to Native Hawaiian law.

Section 121 amends the Carl D. Perkins Vocational Act to include the registration of Indian students in the Spring semester.

Section 122, the Native Nations Leadership, Management and Policy Act of 2005 authorizes funding for leadership training, strategic and organizational development, and research and policy analysis to assist American Indian nations to achieve effective self-governance and sustainable economic development. This provision renews authorized funding for NNI's programs for a period of 10 years, beginning in fiscal year 2007. Dedicated funding for NNI is necessary to ensure the continuation of these important programs without further draining funds from the Udall Foundation's other educational activities.

Section 132 authorizes the Secretary of Homeland Security, to establish a pilot program to enhance an Indian tribe's response to border activity. Some Indian tribes that inhabit land on or easily accessible to the United States and Canada or Mexico, bear extraordinary costs in responding to illegal immigration crossing and drug smuggling and almost always divert funds intended for local services to do so. While Federal and State law enforcement resources may supplement tribal efforts, tribal police, fire and emergency services provide the first and often only response because of their access to the border. A tribe's proximity to the border and its responsibility to the community for public safety and welfare, requires that they respond. This program would enhance tribal first responder capabilities, provide assistance for aerial and ground surveillance technologies, and communication capabilities, and facilitate coordination and cooperation with Federal, State, local and tribal governments in protecting the border. The Secretary may establish the selection criteria for participation in the program including the tribes' proximity to the border and the extent to which border crossing activity impacts existing tribal resources.

Section 201, Authorization of 99 year leases, amends Title 25 USC Section 415 providing for leases of restricted lands by adding several additional tribes to the list of tribes that have requested 99-year lease authority.

Section 202, Certification of rental proceeds, amends Title 25 USC Section 488 to permit actual rental proceeds from a lease to constitute the rental value of that land, and to satisfy the requirement for appraisal of that land.

Section 211, will permit the Navajo Nation's Sage Memorial Hospital to be considered a tribal contractor under the Indian Self-Determination Act, which will allow the hospital to obtain the benefits of coverage under the Federal Tort Claims Act and secure VA drug discounts.

Section 221, amends the American Indian Probate Reform Act of 2004 by correcting provisions relating to non-testamentary disposition, partition of highly fractionated Indian land, and Tribal probate codes.

I look forward to working with my colleagues on both sides of the aisle to enact this important legislation.

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

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

S. 536

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 ''Native American Omnibus Act of 2005''.

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

SEC. 2. DEFINITION OF SECRETARY.

In this Act, the term ''Secretary'' means the Secretary of the Interior.

TITLE I—TECHNICAL AMENDMENTS TO LAWS RELATING TO NATIVE AMERICANS

Subtitle A—General Provisions

SEC. 101. INDIAN FINANCING ACT AMENDMENTS.

(a) LOAN GUARANTIES AND INSURANCE.—Section 201 of the Indian Financing Act of 1974 (25 U.S.C. 1481) is amended—

(1) by striking ''the Secretary is authorized (a) to guarantee'' and inserting ''the Secretary may—

''(1) guarantee'';

(2) by striking ''members; and (b) in lieu of such guaranty, to insure'' and inserting ''members; or

''(2) to insure'';

(3) by striking ''SEC. 201. In order'' and inserting the following:

''SEC. 201. LOAN GUARANTIES AND INSURANCE.

''(a) IN GENERAL.—In order''; and

(4) by adding at the end the following:

''(b) ELIGIBLE BORROWERS.—The Secretary may guarantee or insure loans under subsection (a) to both for-profit and nonprofit borrowers.''.

(b) LOAN APPROVAL.—Section 204 of the Indian Financing Act of 1974 (25 U.S.C. 1484) is amended by striking ''SEC. 204.'' and inserting the following:

''SEC. 204. LOAN APPROVAL.''.

(c) SALE OR ASSIGNMENT OF LOANS AND UNDERLYING SECURITY.—Section 205 of the Indian Financing Act of 1974 (25 U.S.C. 1485) is amended—

(1) by striking ''SEC. 205.'' and all that follows through subsection (b) and inserting the following:

''SEC. 205. SALE OR ASSIGNMENT OF LOANS AND UNDERLYING SECURITY.

''(a) IN GENERAL.—All or any portion of a loan guaranteed or insured under this title, including the security given for the loan—

''(1) may be transferred by the lender by sale or assignment to any person; and

''(2) may be retransferred by the transferee.

''(b) TRANSFERS OF LOANS.—With respect to a transfer described in subsection (a)—

''(1) the transfer shall be consistent with such regulations as the Secretary shall promulgate under subsection (h); and

''(2) the transferee shall give notice of the transfer to the Secretary.'';

(2) by striking subsection (c);

(3) by redesignating subsections (d), (e), (f), (g), (h), and (i) as subsections (c), (d), (e), (f), (g), and (h), respectively;

(4) in subsection (c) (as redesignated by paragraph (3))—

(A) by striking ''VALIDITY.—'' and all that follows through ''subparagraph (B),'' and inserting ''VALIDITY.—Except as provided by regulations in effect on the date on which a loan is made,''; and

(B) by striking ''incontestable'' and all that follows and inserting ''incontestable.'';

(5) in subsection (e) (as redesignated by paragraph (3))—

(A) by striking ''The Secretary'' and inserting the following:

''(1) IN GENERAL.—The Secretary''; and

(B) by adding at the end the following:

''(2) COMPENSATION OF FISCAL TRANSFER AGENT.—A fiscal transfer agent designated under subsection (f) may be compensated through any of the fees assessed under this section and any interest earned on any funds or fees collected by the fiscal transfer agent while the funds or fees are in the control of the fiscal transfer agent and before the time at which the fiscal transfer agent is contractually required to transfer such funds to the Secretary or to transferees or other holders.''; and

(6) in subsection (f) (as redesignated by paragraph (3))—

(A) by striking ''subsection (i)'' and inserting ''subsection (h)''; and

(B) in paragraph (2)(B), by striking '', and issuance of acknowledgments,''.

(d) LOANS INELIGIBLE FOR GUARANTY OR INSURANCE.—Section 206 of the Indian Financing Act of 1974 (25 U.S.C. 1486) is amended by inserting ''(not including an eligible Native American owned or operated Community Development Finance Institution)'' after ''Government''.

(e) AGGREGATE LOANS OR SURETY BONDS LIMITATION.—Section 217(b) of the Indian Financing Act of 1974 (25 U.S.C. 1497(b)) is amended by striking ''$500,000,000'' and inserting ''$1,500,000,000''.

SEC. 102. INDIAN TRIBAL JUSTICE TECHNICAL AND LEGAL ASSISTANCE.

Sections 106 and 201(d) of the Indian Tribal Justice Technical and Legal Assistance Act (25 U.S.C. 3666, 3681(d)) are amended by striking ''for fiscal years 2000 through 2004'' and inserting ''for fiscal years 2004 through 2010''.

SEC. 103. TRIBAL JUSTICE SYSTEMS.

Subsections (a), (b), (c), and (d) of section 201 of the Indian Tribal Justice Act (25 U.S.C. 3621) are amended by striking ''2007'' and inserting ''2010''.

SEC. 104. INDIAN PUEBLO LAND ACT AMENDMENTS.

(a) IN GENERAL.—The Act of June 7, 1924 (43 Stat. 636, chapter 331), is amended by adding at the end the following:

''SEC. 20. CRIMINAL JURISDICTION.

''(a) IN GENERAL.—Except as otherwise provided by Congress, jurisdiction over offenses committed anywhere within the exterior boundaries of any grant from a prior sovereign, as confirmed by Congress or the Court of Private Land Claims to a Pueblo Indian tribe of New Mexico, shall be as provided in this section.

''(b) JURISDICTION OF THE PUEBLO.—The Pueblo has jurisdiction, as an act of the Pueblos' inherent power as an Indian tribe, over any offense committed by a member of the Pueblo or of another Indian tribe, or by any other Indian-owned entity.

''(c) JURISDICTION OF THE UNITED STATES.—The United States has jurisdiction over any offense described in chapter 53 of title 18, United States Code, committed by or against an Indian or any Indian-owned entity, or that involves any Indian property or interest.

''(d) JURISDICTION OF THE STATE OF NEW MEXICO.—The State of New Mexico shall have jurisdiction over any offense committed by a person who is not a member of an Indian tribe, which offense is not subject to the jurisdiction of the United States.''.

SEC. 105. PRAIRIE ISLAND LAND CONVEYANCE.

(a) IN GENERAL.—The Secretary of the Army shall convey all right, title, and interest of the United States in and to the land described in subsection (b), including all improvements, cultural resources, and sites on the land, subject to the flowage and sloughing easement described in subsection (d) and to the conditions stated in subsection (f), to the Secretary, to be—

(1) held in trust by the United States for the benefit of the Prairie Island Indian Community in Minnesota; and

(2) included in the Prairie Island Indian Community Reservation in Goodhue County, Minnesota.

(b) LAND DESCRIPTION.—The land to be conveyed under subsection (a) is the approximately 1290 acres of land associated with the Lock and Dam #3 on the Mississippi River in Goodhue County, Minnesota, located in tracts identified as GO–251, GO–252, GO–271, GO–277, GO–278, GO–284, GO–301 through GO–313, GO–314A, GO–314B, GO–329, GO–330A, GO–330B, GO–331A, GO–331B, GO–331C, GO–332, GO–333, GO–334, GO–335A, GO–335B, GO–336 through GO–338, GO–339A, GO–339B, GO–339C, GO–339D, GO–339E, GO–340A, GO–340B, GO–358, GO–359A, GO–359B, GO–359C, GO–359D, and GO–360, as depicted on the map entitled ''United States Army Corps of Engineers survey map of the Upper Mississippi River 9-Foot Project, Lock & Dam No. 3 (Red Wing), Land & Flowage Rights'' and dated December 1936.

(c) BOUNDARY SURVEY.—Not later than 5 years after the date of conveyance under subsection (a), the boundaries of the land conveyed shall be surveyed as provided in section 2115 of the Revised Statutes (25 U.S.C. 176).

(d) EASEMENT.—

(1) IN GENERAL.—The Corps of Engineers shall retain a flowage and sloughing easement for the purpose of navigation and purposes relating to the Lock and Dam No. 3 project over the portion of the land described in subsection (b) that lies below the elevation of 676.0.

(2) INCLUSIONS.—The easement retained under paragraph (1) includes—

(A) the perpetual right to overflow, flood, and submerge property as the District Engineer determines to be necessary in connection with the operation and maintenance of the Mississippi River Navigation Project; and

(B) the continuing right to clear and remove any brush, debris, or natural obstructions that, in the opinion of the District Engineer, may be detrimental to the project.

(e) OWNERSHIP OF STURGEON LAKE BED UNAFFECTED.—Nothing in this section diminishes or otherwise affects the title of the State of Minnesota to the bed of Sturgeon Lake located within the tracts of land described in subsection (b).

(f) CONDITIONS.—The conveyance under subsection (a) is subject to the conditions that the Prairie Island Indian Community shall not—

(1) use the conveyed land for human habitation;

(2) construct any structure on the land without the written approval of the District Engineer; or

(3) conduct gaming (within the meaning of section 4 of the Indian Gaming Regulatory Act (25 U.S.C. 2703)) on the land.

(g) NO EFFECT ON ELIGIBILITY FOR CERTAIN PROJECTS.—Notwithstanding the conveyance under subsection (a), the land shall continue to be eligible for environmental management planning and other recreational or natural resource development projects on the same basis as before the conveyance.

(h) EFFECT OF SECTION.—Nothing in this section diminishes or otherwise affects the rights granted to the United States pursuant to letters of July 23, 1937, and November 20, 1937, from the Secretary to the Secretary of War and the letters of the Secretary of War in response to the Secretary dated August 18, 1937, and November 27, 1937, under which the Secretary granted certain rights to the Corps of Engineers to overflow the portions of Tracts A, B, and C that lie within the Mississippi River 9-Foot Channel Project boundary and as more particularly shown and depicted on the map entitled ''United States Army Corps of Engineers survey map of the Upper Mississippi River 9-Foot Project, Lock & Dam No. 3 (Red Wing), Land & Flowage Rights'' and dated December 1936.

SEC. 106. BINDING ARBITRATION FOR GILA RIVER INDIAN COMMUNITY RESERVATION CONTRACTS.

(a) AMENDMENTS.—Subsection (f) of the first section of the Act of August 9, 1955 (25 U.S.C. 415(f)), is amended—

(1) in the first sentence—

(A) by striking ''Any lease'' and all that follows through ''affecting land'' and inserting ''Any contract, including a lease, affecting land''; and

(B) by striking ''such lease or contract'' and inserting ''such contract''; and

(2) in the second sentence, by striking ''such leases or contracts entered into pursuant to such Acts'' and inserting ''Such contracts''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as if included in the Act of August 9, 1955 (69 Stat. 539, chapter 615) and Public 107–159 (116 Stat. 122).

SEC. 107. PUYALLUP INDIAN TRIBE LAND CLAIMS SETTLEMENT AMENDMENTS.

(a) IN GENERAL.—The Secretary shall—

(1) accept the conveyance of the parcels of land within the Puyallup Reservation described in subsection (b); and

(2) hold the land in trust for the benefit of the Puyallup Indian Tribe.

(b) LAND DESCRIPTION.—The parcels of land referred to in subsection (a) are as follows:

(1) PARCEL A.—Lot B, boundary line adjustment 9508150496: according to the map thereof recorded August 15, 1995, records of Pierce County Auditor, situate in the city of Fife, county of Pierce, State of Washington.

(2) PARCEL B.—Lots 3 and 4, Pierce County Short Plat No. 8908020412: according to the map thereof recorded August 2, 1989, records of Pierce County Auditor, together with portion of SR 5 abutting lot 4, conveyed by deed recorded under recording number 9309070433, described as follows:

That portion of Government lot 1, sec. 07, T. 20 N., R. 4 E., of the Willamette Meridian, described as commencing at Highway Engineer's Station (hereinafter referred to as HES) AL 26 6+38.0 P.O.T. on the AL26 line survey of SR 5, Tacoma to King County line: Thence S88°54′30″ E., along the north line of said lot 1 a distance of 95 feet to the true point of beginning: Thence S01°05′30″ W87.4′ feet: Thence westerly to a point opposite HES AL26 5+50.6 P.O.T. on said AL26 line survey and 75 feet easterly therefrom; Thence northwesterly to a point opposite AL26 5+80.6 on said AL26 line survey and 55 feet easterly therefrom: Thence northerly parallel with said line survey to the north line of said lot 1: Thence N88°54′30″ E., to the true point of beginning.

Except that portion of lot 4 conveyed to the State of Washington by deed recorded under recording number 9308100165 and more particularly described as follows:

Commencing at the northeast corner of said lot 4: Thence N89°53′30″ W., along the north line of said lot 4 a distance of 147.44 feet to the true point of beginning and a point of curvature; thence southwesterly along a curve to the left, the center of which bears S0°06′30″ W., 55.00 feet distance, through a central angle of 89°01′00″, an arc distance of 85.45 feet; Thence S01°05′30″ W., 59.43 feet; Thence N88°54′30″ W., 20.00 feet to a point on the westerly line of said lot 4; Thence N0°57′10″ E., along said westerly line 113.15 feet to the northwest corner of said lot 4; Thence S89°53′30″ east along said north line, a distance of 74.34 feet to the true point of beginning.

Chicago Title Insurance Company Order No. 4293514 Lot A boundary line adjustment recorded under Recording No. 9508150496. According to the map thereof recorded August 15, 1995, records of Pierce County Auditor.

Situate in the city of Fife, county of Pierce, State of Washington.

(3) ADDITIONAL LOTS.—Any lots acquired by the Tribe located in block 7846, 7850, 7945, 7946, 7949, 7950, 8045, or 8049 in the Indian Addition to the city of Tacoma, State of Washington.

SEC. 108. DEFINITION OF NATIVE AMERICAN.

Section 2(9) of the Native American Graves Protection and Repatriation Act (25 U.S.C. 3001(9)) is amended—

(1) by inserting ''or was'' after ''is''; and

(2) by inserting after ''indigenous to'' the following: ''any geographic area that is now located within the boundaries of''.

SEC. 109. FALLON PAIUTE SHOSHONE TRIBES SETTLEMENT.

(a) SETTLEMENT FUND.—Section 102 of the Fallon Paiute Shoshone Indian Tribes Water Rights Settlement Act of 1990 (104 Stat. 3289) is amended—

(1) in subsection (C)—

(A) in paragraph (1)—

(i) by striking ''The income of the Fund may be obligated and expended only for the following purposes:'' and inserting the following: ''Notwithstanding any conflicting provision in the original Fund plan during Fund fiscal year 2004 and during each subsequent Fund fiscal year, 6 percent of the average quarterly market value of the Fund during the immediately preceding 3 Fund fiscal years (referred to in this title as the 'Annual 6 percent Amount'), plus any unexpended and unobligated portion of the Annual 6 percent Amount from any of the 3 immediately preceding Fund fiscal years that are subsequent to Fund fiscal year 2003, less any negative income that may accrue on that portion, may be expended or obligated only for the following purposes:''; and

(ii) by adding at the end the following:

''(g) Fees and expenses incurred in connection with the investment of the Fund, for investment management, investment consulting, custodianship, and other transactional services or matters.''; and

(B) by striking paragraph (4) and inserting the following:

''(4) No monies from the Fund other than the amounts authorized under paragraphs (1) and (3) may be expended or obligated for any purpose.

''(5) Notwithstanding any conflicting provision in the original Fund plan, during Fund fiscal year 2004 and during each subsequent Fund fiscal year, not more than 20 percent of the Annual 6 percent Amount for the Fund fiscal year (referred to in this title as the 'Annual 1.2 percent Amount') may be expended or obligated under paragraph (1)(c) for per capita distributions to tribal members, except that during each Fund fiscal year subsequent to Fund fiscal year 2004, any unexpended and unobligated portion of the Annual 1.2 percent Amount from any of the 3 immediately preceding Fund fiscal years that are subsequent to Fund fiscal year 2003, less any negative income that may accrue on that portion, may also be expended or obligated for such per capita payments.''; and

(2) in subsection (D), by adding at the end the following: ''Notwithstanding any conflicting provision in the original Fund plan, the Fallon Business Council, in consultation with the Secretary, shall promptly amend the original Fund plan for purposes of conforming the Fund plan to this title and making nonsubstantive updates, improvements, or corrections to the original Fund plan.''.

(b) DEFINITIONS.—Section 107 of the Fallon Paiute Shoshone Indian Tribes Water Rights Settlement Act of 1990 (104 Stat. 3293) is amended—

(1) by redesignating subsections (D), (E), (F), and (G) as subsections (F), (G), (H), and (I), respectively; and

(2) by striking subsections (B) and (C) and inserting the following:

''(B) the term 'Fund fiscal year' means a fiscal year of the Fund (as defined in the Fund plan);

''(C) the term 'Fund plan' means the plan established under section 102(F), including the original Fund plan (the 'Plan for Investment, Management, Administration and Expenditure dated December 20, 1991') and all amendments of the Fund plan under subsection (D) or (F)(1) of section 102;

''(D) the term 'income' means the total net return from the investment of the Fund, consisting of all interest, dividends, realized and unrealized gains and losses, and other earnings, less all related fees and expenses incurred for investment management, investment consulting, custodianship and transactional services or matters;

''(E) the term 'principal' means the total amount appropriated to the Fallon Paiute Shoshone Tribal Settlement Fund under section 102(B);''.

SEC. 110. WASHOE TRIBE OF NEVADA AND CALIFORNIA LAND CONVEYANCE.

Section 2 of Public Law 108–67 (117 Stat. 880) is amended by striking ''the parcel'' and all that follows and inserting ''a portion of Lots 3 and 4, as shown on the United States and Encumbrance Map revised January 10, 1991, for the Toiyabe National Forest, Ranger District Carson −1, located in the S½ of NW¼ and N½ of SW¼ of the SE¼ of sec. 27, T. 15N, R. 18E, Mt. Diablo Base and Meridian, comprising 24.3 acres.''.

SEC. 111. INDIAN ARTS AND CRAFTS.

(a) CRIMINAL PROCEEDINGS; CIVIL ACTIONS; MISREPRESENTATIONS.—Section 5 of the Indian Arts and Crafts Act of 1990 (25 U.S.C. 305d) is amended to read as follows:

''SEC. 5. CRIMINAL PROCEEDINGS; CIVIL ACTIONS.

''(a) DEFINITION OF FEDERAL LAW ENFORCEMENT OFFICER.—In this section, the term 'Federal law enforcement officer' has the meaning given the term in section 115(c) of title 18, United States Code.

''(b) CRIMINAL PROCEEDINGS.—

''(1) REFERRAL.—On receiving a complaint of a violation of section 1159 of title 18, United States Code, the Board may refer the complaint to any Federal law enforcement officer for appropriate investigation.

''(2) FINDINGS.—The findings of an investigation under paragraph (1) shall be submitted to—

''(A) the Attorney General; and

''(B) the Board.

''(3) RECOMMENDATIONS.—On receiving the findings of an investigation in accordance with paragraph (2), the Board may—

''(A) recommend to the Attorney General that criminal proceedings be initiated under section 1159 of that title; and

''(B) provide such support to the Attorney General relating to the criminal proceedings as the Attorney General determines appropriate.

''(c) CIVIL ACTIONS.—In lieu of, or in addition to, any criminal proceeding under subsection (a), the Board may recommend that the Attorney General initiate a civil action pursuant to section 6.''.

(b) Section 6 of the Indian Arts and Crafts Act of 1990 (25 U.S.C. 305e) is amended—

(1) by striking subsection (d);

(2) by redesignating subsections (a) through (c) as subsections (b) through (d), respectively;

(3) by inserting before subsection (b) (as redesignated by paragraph (2)) the following:

''(a) DEFINITIONS.—In this section:

''(1) INDIAN.—The term 'Indian' means an individual that—

''(A) is a member of an Indian tribe; or

''(B) is certified as an Indian artisan by an Indian tribe.

''(2) INDIAN PRODUCT.—The term 'Indian product' has the meaning given the term in any regulation promulgated by the Secretary.

''(3) INDIAN TRIBE.—

''(A) IN GENERAL.—The term 'Indian tribe' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

''(B) INCLUSION.—The term 'Indian tribe' includes an Indian group that has been formally recognized as an Indian tribe by—

''(i) a State legislature;

''(ii) a State commission; or

''(iii) another similar organization vested with State legislative tribal recognition authority.

''(4) SECRETARY.—The term 'Secretary' means the Secretary of the Interior.'';

(4) in subsection (c) (as redesignated by paragraph (2))—

(A) by striking ''of this section''; and

(B) by striking ''suit'' and inserting ''the civil action'';

(5) by striking subsection (d) (as redesignated by paragraph (2)) and inserting the following:

''(d) PERSONS THAT MAY INITIATE CIVIL ACTIONS.—

''(1) IN GENERAL.—A civil action under subsection (b) may be initiated by—

''(A) the Attorney General, at the request of the Secretary acting on behalf of—

''(i) an Indian tribe;

''(ii) an Indian; or

''(iii) an Indian arts and crafts organization;

''(B) an Indian tribe, acting on behalf of—

''(i) the tribe;

''(ii) a member of that tribe; or

''(iii) an Indian arts and crafts organization;

''(C) an Indian; or

''(D) an Indian arts and crafts organizaion.

''(2) DISPOSITION OF AMOUNTS RECOVERED.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), an amount recovered in a civil action under this section shall be paid to the Indian tribe, the Indian, or the Indian arts and crafts organization on the behalf of which the civil action was initiated.

''(B) EXCEPTIONS.—

''(i) ATTORNEY GENERAL.—In the case of a civil action initiated under paragraph (1)(A), the Attorney General may deduct from the amount—

''(I) the amount of the cost of the civil action and reasonable attorney's fees awarded under subsection (c), to be deposited in the Treasury and credited to appropriations available to the Attorney General on the date on which the amount is recovered; and

''(II) the amount of the costs of investigation awarded under subsection (c), to reimburse the Board for the activities of the Board relating to the civil action.

''(ii) INDIAN TRIBE.—In the case of a civil action intitated under paragraph (1)(B), the Indian tribe may deduct from the amount—

''(I) the amount of the cost of the civil action; and

''(II) reasonable attorney's fees.'';

(6) in subsection (e), by striking ''(e) In the event that'' and inserting the following:

''(e) SAVINGS PROVISION.—If''; and

(7) by striking subsection (f) and inserting the following:

''(f) REGULATIONS.—Not later than 180 days after the date of enactment of the Native American Omnibus Act of 2005, the Board shall promulgate regulations to include in the definition of the term 'Indian product' examples of each Indian product to provide guidance and notice to Indian artisans, suppliers of the artisans, and consumers of Indian arts and crafts.''.

(c) CONFORMING AMENDMENT.—Section 1159(c) of title 18, United States Code, is amended by striking paragraph (3) and inserting the following:

''(3) the term 'Indian tribe'—

''(A) has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b); and

''(B) includes an Indian group that has been formally recognized as an Indian tribe by—

''(i) a State legislature;

''(ii) a State commission; or

''(iii) another similar organization vested with State legislative tribal recognition authority; and''.

SEC. 112. COLORADO RIVER INDIAN RESERVATION BOUNDARY CORRECTION.

(a) FINDINGS.—Congress finds that—

(1) the Act of March 3, 1865, created the Colorado River Indian Reservation along the Colorado River in Arizona and California for the ''Indians of said river and its tributaries'';

(2) in 1873 and 1874, President Grant issued Executive orders to expand the Reservation southward and to secure the southern boundary of the Reservation at a clearly recognizable geographic location in order to forestall encroachment by non-Indians and conflicts with the Indians of the Reservation;

(3) in 1875, Chandler Robbins conducted the Robbins Survey, delineating the new southern boundary of the Reservation, which included the La Paz land as part of the Reservation;

(4) on May 15, 1876, President Grant issued an Executive order establishing the boundaries of the Reservation as the boundaries delineated by the Robbins Survey;

(5) in 1907, as a result of increasingly frequent trespasses by miners and cattle and at the request of the Bureau of Indian Affairs, the General Land Office provided for a resurvey of the southern and southeastern areas of the Reservation;

(6) in 1914, the General Land Office accepted and approved the Harrington Survey, which confirmed the boundaries that were delineated by the Robbins Survey and established by Executive order in 1876;

(7) on November 19, 1915, the Secretary of the Interior reversed the decision of the General Land Office to accept the Harrington Survey, and, on the recommendation of the Secretary on November 22, 1915, President Wilson issued Executive Order 2273 to correct the error in location of the southern boundary line of the Reservation, effectively excluding the La Paz land from the Reservation;

(8) historical evidence compiled by the Department of the Interior supports the conclusion that—

(A) the recommendation of the Secretary in 1915 that the President issue an Executive order to correct an error in locating the southern boundary was in error; and

(B) the La Paz land should not have been excluded from the Reservation; and

(9) the La Paz land continues to hold cultural and historical significance, as well as economic development potential, for the Tribe, which has consistently sought to have the La Paz land restored to the Reservation.

(b) PURPOSES.—The purposes of this section are—

(1) to correct the south boundary of the Reservation by reestablishing the boundary as the boundary was delineated by the Robbins Survey and affirmed by the Harrington Survey;

(2) to restore the La Paz land to the Reservation, subject to Federal law;

(3) to provide for continued public access to the La Paz land for recreational purposes; and

(4) to require the Secretary to ensure that the Reservation boundary, as corrected by this section, is resurveyed and marked in accordance with the public system of surveys extended over the land.

(c) DEFINITIONS.—In this section:

(1) HARRINGTON SURVEY.—The term ''Harrington Survey'' means the survey of the Reservation conducted by Guy Harrington in 1912.

(2) LA PAZ LAND.—The term ''La Paz land'' means the approximately 16,000 acres attributed to the Reservation by the Robbins Survey.

(3) MAP.—The term ''Map'' means the map prepared by the Secretary, acting through the Bureau of Land Management, entitled ''Colorado River Indian Reservation Boundary Correction'' and dated January 4, 2005.

(4) RESERVATION.—The term ''Reservation'' means the Colorado River Indian Reservation.

(5) ROBBINS SURVEY.—The term ''Robbins Survey'' means the survey of the Reservation conducted by Chandler Robbins in 1875.

(6) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior.

(7) TRIBE.—The term ''Tribe'' includes any tribe a member of which resides on the Reservation.

(d) BOUNDARY CORRECTION.—

(1) IN GENERAL.—The boundaries of the Reservation shall include the boundaries that were delineated by the Robbins Survey, affirmed by the Harrington Survey, including the approximately 15,375 acres of Federal land described as ''Land Identified for Transfer to Colorado River Indian Tribes'' on the Map.

(2) REVIEW.—The Map shall be available for review at the Bureau of Land Management.

(3) RESURVEY AND MARKING.—The Secretary shall ensure that the boundary described in paragraph (1) is surveyed and clearly marked in accordance with the public system of surveys extended over the land.

(e) RESTORATION OF RIGHTS, TITLE, AND INTEREST.—

(1) IN GENERAL.—Subject to paragraph (2) and other provisions of Federal law, all right, title, and interest of the United States to the land in the boundaries described in subsection (d)(1) that were excluded from the Reservation pursuant to Executive Order 2273 (relating to the southern boundary line of the Reservation)—

(A) are restored to the Reservation; and

(B) shall be held in trust by the United States on behalf of the Tribe.

(2) EXCLUSIONS.—

(A) STATE LAND.—The 2 parcels of land belonging to the State of Arizona (totaling 320 acres and 520 acres, respectively) that are identified on the Map as ''State Land'' shall be excluded from the land described in paragraph (1).

(B) WATER RIGHTS.—The land described in subsection (d)(1) shall not include any Federal reserve water right to surface water or ground water from any source.

(C) PUBLIC ACCESS.—The public shall have continued access to the land described in subsection (d)(1) for hunting and other recreational purposes in existence on the date of enactment of this Act, in accordance with any rule or regulation promulgated by the Tribe.

(D) ECONOMIC ACTIVITY.—

(i) IN GENERAL.—The land described in subsection (d)(1) shall be subject to any right-of-way, easement, lease, or mining claim in existence on the date of enactment of this Act.

(ii) RECLAMATION PROJECTS.—The United States reserves the right to continue any reclamation project relating to the land described in subsection (d)(1) in existence on the date of enactment of this Act, including the right to access and remove mineral materials for maintenance of the Colorado River.

(iii) ADDITIONAL RIGHTS-OF-WAY.—Notwithstanding any other provision of law, the Secretary, in consultation with the Tribe, shall grant any additional right-of-way (including an expansion or renewal of an existing right-of-way) for a road, utility, or another accommodation to an adjoining landowner or holder of a right-of-way (or their successors and assigns) if the Secretary determines that—

(I) the proposed right-of-way is necessary to the applicant;

(II) the acquisition of the proposed right-of-way will not cause significant harm to the Tribe; and

(III) the proposed right-of-way—

(aa) complies with part 169 of title 25, Code of Federal Regulations; and

(bb) is consistent with this subsection and other generally applicable Federal laws unrelated to the acquisition of interests on trust land.

(iv) EXCEPTION FOR ROADS AND UTILITIES.—Section 169.3 of title 25, Code of Federal Regulations, shall not apply to the expansion or renewal of a right-of-way in existence on the date of enactment of this Act for a road or utility.

(v) FEES.—If the holder of a lease, easement, or right-of-way substantially complies with all terms of the lease, easement, or right-of-way, the fees charged for the renewal of the lease, easement, or right-of-way under this section shall be not greater than the applicable Federal rate for such a lease, easement, or right-of-way at the time of the renewal.

(e) GAMING.—Land taken into trust under this section shall not—

(1) be considered to have been taken into trust for gaming; or

(2) be used for gaming (as that term is used in the Indian Gaming Regulatory Act (25 U.S.C. 2701 et seq.)).

SEC. 113. NATIVE AMERICAN PROGRAMS ACT OF 1974.

(a) INTRA-DEPARTMENTAL COUNCIL ON NATIVE AMERICAN AFFAIRS.—Section 803B(d)(1) of the Native American Programs Act of 1974 (42 U.S.C. 2991b–2(d)(1)) is amended by striking ''There'' and all that follows and inserting the following: ''There is established in the Office of the Secretary the Intra-Departmental Council on Native American Affairs. The Commissioner and the Director of the Indian Health Service shall serve as co-chairpersons of the Council. The co-chairpersons shall advise the Secretary on all matters affecting Native Americans that involve the Department.''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 816 of the Native American Programs Act of 1974 (42 U.S.C. 2992d) is amended—

(1) by striking subsections (a) through (c) and inserting the following:

''(a) IN GENERAL.—There are authorized to be appropriated—

''(1) to carry out section 803(d), $8,000,000 for each of fiscal years 2006 through 2010; and

''(2) to carry out provisions of this title other than section 803(d) and any other provision having an express authorization of appropriations, such sums as are necessary for each of fiscal years 2006 through 2010.

''(b) LIMITATION.—Not less than 90 percent of the funds made available to carry out this title for a fiscal year (other than funds made available to carry out sections 803(d), 803A, 803C, and 804, and any other provision of this title having an express authorization of appropriations) shall be expended to carry out section 803(a).'';

(2) by redesignating subsection (d) as subsection (c); and

(3) by striking subsection (e).

(c) REPORTS.—Section 811A of the Native American Programs Act of 1974 (42 U.S.C. 2992–1) is amended—

(1) by striking the section heading and all that follows through ''each year,'' and inserting the following:

''SEC. 811A. REPORTS.

''Every 5 years, the Secretary shall''; and

(2) by striking ''an annual report'' and inserting ''a report''.

SEC. 114. RESEARCH AND EDUCATIONAL ACTIVITIES.

Section 7205(a)(3) of the Native Hawaiian Education Act (20 U.S.C. 7515(a)(3)) is amended—

(1) by redesignating subparagraphs (K) and (L) as subparagraphs (L) and (M), respectively; and

(2) by inserting after subparagraph (J) the following:

''(K) research and educational activities relating to Native Hawaiian law;''.

Subtitle B—Indian Education Provisions

SEC. 121. DEFINITION OF INDIAN STUDENT COUNT.

Section 117(h) of the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2327(h)) is amended by striking paragraph (2) and inserting the following:

''(2) INDIAN STUDENT COUNT.—

''(A) IN GENERAL.—The term 'Indian student count' means a number equal to the total number of Indian students enrolled in each tribally-controlled postsecondary vocational and technical institution, as determined in accordance with subparagraph (B).

''(B) DETERMINATION.—

''(i) ENROLLMENT.—For each academic year, the Indian student count shall be determined on the basis of the enrollments of Indian students as in effect at the conclusion of—

''(I) in the case of the fall term, the third week of the fall term; and

''(II) in the case of the spring term, the third week of the spring term.

''(ii) CALCULATION.—For each academic year, the Indian student count for a tribally-controlled postsecondary vocational and technical institution shall be the quotient obtained by dividing—

''(I) the sum of the credit-hours of all Indian students enrolled in the tribally-controlled postsecondary vocational and technical institution (as determined under clause (i)); divided by

''(II) 12.

''(iii) SUMMER TERM.—Any credit earned in a class offered during a summer term shall be counted in the determination of the Indian student count for the succeeding fall term.

''(iv) STUDENTS WITHOUT SECONDARY SCHOOL DEGREES.—

''(I) IN GENERAL.—A credit earned at a tribally-controlled postsecondary vocational and technical institution by any Indian student that has not obtained a secondary school degree (or the recognized equivalent of such a degree) shall be counted toward the determination of the Indian student count if the institution at which the student is enrolled has established criteria for the admission of the student on the basis of the ability of the student to benefit from the education or training of the institution.

''(II) PRESUMPTION.—The institution shall be presumed to have established the criteria described in subclause (I) if the admission procedures for the institution include counseling or testing that measures the aptitude of a student to successfully complete a course in which the student is enrolled.

''(III) CREDITS TOWARD SECONDARY SCHOOL DEGREE.—No credit earned by an Indian student for the purpose of obtaining a secondary school degree (or the recognized equivalent of such a degree) shall be counted toward the determination of the Indian student count under this clause.

''(v) CONTINUING EDUCATION PROGRAMS.—Any credit earned by an Indian student in a continuing education program of a tribally-controlled postsecondary vocational and technical institution shall be included in the determination of the sum of all credit hours of the student if the credit is converted to a credit-hour basis in accordance with the system of the institution for providing credit for participation in the program.''.

SEC. 122. NATIVE NATIONS LEADERSHIP, MANAGEMENT, AND POLICY.

(a) FINDINGS.—Congress finds that—

(1) the policy of the United States favors self-determination for Indian tribes;

(2) consistent with the policy described in paragraph (1), Indian tribes are increasingly taking control of the affairs of the tribes in order to realize in practice most of the status afforded the tribes in treaties, court decisions, and legislation;

(3) as a result of the increasing control of the tribes, tribes require enhanced leadership preparation and greater access to information relating to research and analysis of successful models for tribal government and business operations, similar to the information regularly available to Federal, State, and local government agencies;

(4) enabling Indian tribes to develop strong leadership and governing policy is consistent with Federal policy supporting tribal self-determination and increases the likelihood that tribal governments will achieve political and economic self-determination; and

(5) during the last 5 years, the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation, in cooperation with the Native Nations Institute at the University of Arizona, pursuant to section 6(7) of the Morris K. Udall Scholarship and Excellence in National Environmental and Native American Public Policy Act of 1992 (20 U.S.C. 5604(7)), has provided to Indian tribes the leadership and management training, policy analysis, and research of the quality and type required to assist Indian tribes to achieve self-determination.

(b) DEFINITIONS.—Section 4 of the Morris K. Udall Scholarship and Excellence in National Environmental and Native American Public Policy Act of 1992 (20 U.S.C. 5602) is amended—

(1) by redesignating paragraphs (6) through (9) as paragraphs (7) through (10), respectively; and

(2) by inserting after paragraph (5) the following:

''(6) the terms 'Indian tribe' and 'tribe' have the meaning given the term 'Indian tribe' in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b);''.

(c) AUTHORITY OF FOUNDATION.—Section 7(a)(1) of the Morris K. Udall Scholarship and Excellence in National Environmental and Native American Public Policy Act of 1992 (20 U.S.C. 5605(a)(1)) is amended by striking subparagraph (C) and inserting the following:

''(C) FIELDS OF STUDY.—

''(i) IN GENERAL.—The Foundation may award scholarships, fellowships, internships, and grants to eligible individuals in accordance with this Act for study in fields relating to the environment and Native American and Alaska Native health care and tribal public policy.

''(ii) MINIMUM CRITERIA.—A scholarship, fellowship, internship, or grant awarded under this section shall be awarded to an eligible individual that meets the minimum criteria established by the Foundation.

''(iii) STATE-RECOGNIZED TRIBES, BANDS, NATIONS, AND GROUPS.—Notwithstanding the definition of 'Indian tribe' under section 4, the Foundation may make an award under this section to an individual that is a member of a Native American tribe, band, nation, or other organized group or community that is recognized by a State.''.

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 13 of the Morris K. Udall Scholarship and Excellence in National Environmental and Native American Public Policy Act of 1992 (20 U.S.C. 5609) is amended by striking subsection (c) and inserting the following:

''(c) TRAINING IN TRIBAL LEADERSHIP, MANAGEMENT, AND POLICY.—

''(1) IN GENERAL.—There is authorized to be appropriated to carry out section 6(7)—

''(A) $2,500,000 for each of fiscal years 2007 and 2008;

''(B) $4,000,000 for each of fiscal years 2009 and 2010; and

''(C) $13,500,000 for each of fiscal years 2011 through 2016.

''(2) LIMITATIONS.—An appropriation made pursuant to this subsection shall not be subject to section 7(c).''.

Subtitle C—Border Preparedness

SEC. 132. BORDER PREPAREDNESS ON INDIAN LAND.

Subtitle D of title IV of the Homeland Security Act of 2002 (6 U.S.C. 251 et seq.) is amended by adding at the end the following:

''SEC. 447. BORDER PREPAREDNESS PILOT PROGRAM ON INDIAN LAND.

''(a) DEFINITIONS.—In this section:

''(1) INDIAN LAND.—The term 'Indian land' means—

''(A) all land within the boundaries of any Indian reservation; and

''(B) any land the title to which is—

''(i) held in trust by the United States for the benefit of an Indian tribe or individual; or

''(ii) held by any Indian tribe or individual—

''(I) subject to a restriction by the United States against alienation; and

''(II) over which an Indian tribe exercises governmental authority.

''(2) INDIAN TRIBE.—The term 'Indian tribe' means any Indian tribe, band, nation, or other organized group or community that is recognized by the Secretary as—

''(A) eligible for the special programs and services provided by the United States to Indians because of their status as Indians; and

''(B) possessing powers of self-government.

''(3) TRIBAL GOVERNMENT.—The term 'tribal government' means the governing body of an Indian tribe.

''(b) PURPOSE.—The purpose of this section is to require the Secretary, acting through the Under Secretary for Border and Transportation Security, to establish a pilot program for tribal governments on Indian land located on or near the border of the United States with Canada or Mexico in order to—

''(1) facilitate the coordination of the response of an Indian tribe to a threat to the security of an international border of the United States with the responses of Federal, State, and local governments;

''(2) enhance the capability of an Indian tribe as a first responder to an illegal crossing of an immigrant over an international border of the United States; and

''(3) provide assistance to Indian tribes in the use by the tribes of effective aerial and ground surveillance technologies, integrated communication systems and equipment, and personnel training.

''(c) PILOT PROGRAM.—

''(1) IN GENERAL.—Not later than 180 days after the date of enactment of this section, the Secretary, acting through the Undersecretary for Border and Transportation Security, shall provide funds and other assistance to tribal governments in accordance with the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.).

''(2) USE OF FUNDS AND ASSISTANCE.—

''(A) IN GENERAL.—A tribal government shall use any funds or assistance provided under paragraph (1) consistent with the purposes of this section.

''(B) ADMINISTRATION BY TRIBAL GOVERNMENTS.—A tribal government that receives any funds or assistance under paragraph (1) shall administer the funds or assistance in accordance with the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.).

''(3) SELECTION CRITERIA.—In selecting a tribal government to receive funds or assistance under paragraph (1), the Secretary may take into consideration—

''(A) the distance between the Indian land in the jurisdiction of the tribal government and an international border of the United States;

''(B) the extent to which a border enforcement effort effects the resources of the Indian tribe; and

''(C) the interests of the Indian tribe.

''(d) REPORTS.—

''(1) TRIBAL GOVERNMENTS.—

''(A) IN GENERAL.—Not later than 1 year after receiving funds or assistance under subsection (c), a tribal government shall submit to the Secretary a report in such a manner and containing such information as the Secretary may require.

''(B) INCLUSION.—A report under subparagraph (A) shall include a description of—

''(i) any funds or assistance received by the tribal government under this section;

''(ii) the use of the funds or assistance by the tribal government; and

''(iii) any obstacle encountered by the tribal government in administering the funds or assistance.

''(2) SECRETARY.—Not later than 2 years after the date of enactment of this Act, the Secretary shall submit to Congress a report describing—

''(A) the information contained in the reports under paragraph (1);

''(B) the degree of success of the Secretary in implementing the pilot program; and

''(C) any recommendation, including a legislative recommendation, of the Secretary relating to the pilot program.

''(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2006 through 2008.''.

TITLE II—OTHER AMENDMENTS TO LAWS RELATING TO NATIVE AMERICANS

Subtitle A—Indian Land Leasing

SEC. 201. AUTHORIZATION OF 99-YEAR LEASES.

(a) IN GENERAL.—Subsection (a) of the first section of the Act of August 9, 1955 (25 U.S.C. 415(a)), is amended in the second sentence—

(1) by striking ''Moapa Indian reservation'' and inserting ''Moapa Indian Reservation,'';

(2) by inserting ''the reservation of the Confederated Tribes of the Umatilla Indian Reservation,'' before ''the Burns Paiute Reservation,'';

(3) by inserting ''the'' before ''Yavapai-Prescott'';

(4) by inserting ''the Muckleshoot Indian Reservation and land held in trust for the Muckleshoot Indian Tribe,'' after ''the Cabazon Indian reservation,'';

(5) by striking ''Washington,,'' and inserting ''Washington,'';

(6) by inserting ''land held in trust for the Prairie Band Potawatomi Nation,'' before ''land held in trust for the Cherokee Nation of Oklahoma'';

(7) by inserting ''land held in trust for the Fallon Paiute Shoshone Tribes,'' before ''land held in trust for the Pueblo of Santa Clara''; and

(8) by inserting ''land held in trust for the Yurok Tribe, land held in trust for the Hopland Band of Pomo Indians of the Hopland Rancheria,'' after ''Pueblo of Santa Clara,''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to any lease entered into or renewed after the date of enactment of this Act.

SEC. 202. CERTIFICATION OF RENTAL PROCEEDS.

Notwithstanding any other provision of law, any actual rental proceeds from the lease of land acquired under section 1 of Public Law 91–229 (25 U.S.C. 488) certified by the Secretary of the Interior shall be deemed—

(1) to constitute the rental value of that land; and

(2) to satisfy the requirement for appraisal of that land.

Subtitle B—Navajo Health Contracting

SEC. 211. NAVAJO HEALTH CONTRACTING.

The Navajo Health Foundation/Sage Memorial Hospital in Ganado, Arizona, shall be considered to be a tribal contractor under the Indian Self-Determination and Education Assistance Act for the purposes of section 102(d) and subsections (k) and (o) of section 105 of that Act (25 U.S.C. 450f(d), 450j) provided that the Hospital remains the authorized tribal organization (as defined in section 4 of that Act (25 U.S.C. 450b)) of the Navajo Nation.

Subtitle C—Probate Technical Correction

SEC. 221. PROBATE REFORM.

(a) NONTESTAMENTARY DISPOSITION.—Subsection (a)(2)(D)(iv)(I)(aa) of section 207 of the Indian Land Consolidation Act (25 U.S.C. 2206) (as amended by section 3(a) of the American Indian Probate Reform Act of 2004 (Public Law 108–374)) is amended—

(1) by striking ''clause (iii)'' and inserting ''this subparagraph''; and

(2) in subitem (BB), by striking ''any co-owner'' and inserting ''not more than 1 co-owner''.

(b) APPLICABLE FEDERAL LAW.—Subsection (h)(2) of section 207 of the Indian Land Consolidation Act (25 U.S.C. 2206) (as amended by section 3(d) of the American Indian Probate Reform Act of 2004 (Public Law 108–374)) is amended—

(1) by inserting ''specifically'' after ''pertains''; and

(2) in subparagraph (B), by striking ''allotted lands'' and inserting ''trust or restricted allotments''.

(c) PARTITION OF HIGHLY FRACTIONATED INDIAN LAND.—Subsection (d) of section 205 of the Indian Land Consolidation Act (25 U.S.C. 2204) (as amended by section 4 of the American Indian Probate Reform Act of 2004 (Public Law 108–374)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (G)(ii)(I), by striking ''a higher value of the land'' and inserting ''a value of the land that is equal to or greater than that of the earlier appraisal''; and

(B) in subparagraph (I)(iii)—

(i) in subclause (III), by inserting ''(if any)'' after ''this section''; and

(ii) in subclause (IV)(bb), by striking ''to implement this section'' and inserting ''under paragraph (5)''; and

(2) in the second sentence of paragraph (5), by striking ''shall'' and inserting ''may''.

(d) PURCHASE OPTION AT PROBATE.—Subsection (p)(6) of section 207 of the Indian Land Consolidation Act (25 U.S.C. 2206) (as added by section 6(a)(2) of the American Indian Probate Reform Act of 2004 (Public Law 108–374)) is amended—

(1) in the first sentence, by striking ''Proceeds'' and inserting the following:

''(A) IN GENERAL.—Proceeds''; and

(2) by striking the second sentence and inserting the following:

''(B) HOLDING IN TRUST.—Proceeds described in subparagraph (A) shall be deposited and held in an account as trust personalty if the interest sold would otherwise pass to—

''(i) the heir, by intestate succession under subsection (a); or

''(ii) the devisee in trust or restricted status under subsection (b)(1).''.

(e) TRIBAL PROBATE CODES.—Section 206 of the Indian Land Consolidation Act (25 U.S.C. 2205) is amended—

(1) in subsection (b)(3), by striking subparagraph (A) and inserting the following:

''(A) the date that is 1 year after the date on which the Secretary makes the certification required under section 8(a)(4) of the American Indian Probate Reform Act of 2004; or''; and

(2) in paragraph (2)(A)(i)(II)(bb) of subsection (c) (as amended by section 6(a)(3) of

the American Indian Probate Reform Act of 2004 (Public Law 108–374)), by inserting ''in writing'' after ''agrees''.

(f) EFFECTIVE DATE.—The amendments made by this section take effect as if included in the American Indian Probate Reform Act of 2004 (Public Law 108–374).

By Mr. BINGAMAN:

S. 537. A bill to increase the number of well-trained mental health service professionals (including those based in schools) providing clinical mental health care to children and adolescents, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. BINGAMAN. Mr. President, the landmark report Mental Health: A Report of the Surgeon General brought the hidden mental health crisis to the attention of the U.S. public. According to that report, 13.7 million of the Nation's children and adolescents, twenty percent, have a diagnosable mental disorder, the most common of which include Anxiety Disorder, Attention Deficit/Hyperactivity Disorder (ADHD) and Depression. Unfortunately, only one out of five of those in need will receive mental health care. One of the primary reasons for this across the Nation is that mental health services to help treat children are in short supply. Long waiting lists for children seeking care, even those in crisis, are not uncommon. In New Mexico, it's estimated that 56,000 children and adolescents have a mental or emotional disorder. Of these, almost 20,000 have serious emotional disorders. As of June 2003, there were only 13 licensed child and adolescent psychiatrists to serve the entire State of New Mexico. In addition, there are fewer trained psychologists and social workers per 100,000 population in New Mexico than the country as a whole. Children with untreated mental disorders are at a higher risk for school failure and dropping out, violence, drug abuse, suicide, and criminal activity. A 2002 report documented that approximately one in seven youth in New Mexico detention centers incarcerated because mental health care is not available. From January to December 2001, 718 New Mexico youth were collectively incarcerated for 31.3 years just to wait for a mental health treatment opening. Clearly, something needs to be done to address this growing shortage of these important health professionals.

The Surgeon General states that there is a dearth of child psychiatrists, appropriately trained clinical child psychologists, or social workers. Nationwide, 3,543 urban, suburban, and rural localities have been designated Mental Health Professional Shortage Areas by the Federal Government due to their severe lack of psychiatrists, psychologists, social workers and other professionals to serve children and adults. According to the U.S. Bureau of Health Professions, the demand for the services of child and adolescent psychiatrists is projected to increase by 100 percent by 2020, while the number of these professionals is expected to increase by only 30 percent resulting in a shortage of over 4,000 child and adolescent psychiatrists by that year. The National Center for Education Statistics within the U.S. Department of Education reports that the national average student-to-school counselor ratio in U.S. schools is 513:1, more than double the recommended ratio of 250:1.

In the United States, there are approximately 7,000 child and adolescent psychiatrists and only 300 new child and adolescent psychiatrists are trained each year. In 2000, the Bureau of Health Professions projected that between 1995 and 2020, the use of child and adolescent psychiatrists will increase by 100 percent.

While the Nation as a whole is experiencing a shortage of mental health professionals, the problem is most acute in the rural areas. In NM for example, 4/5 of the psychiatrists in NM are located in Bernalillo and Santa Fe Counties. This area is also home to 70 percent of the psychologists, 53 percent of counselors and 47 percent of the social workers—leaving the rest of the State at a severe disadvantage.

It is in response to the mental health workforce crisis that I rise with my colleagues Senator COLLINS of Maine, Senator HARKIN of Iowa, Senator DODD of Connecticut, Senator KENNEDY from Massachusetts, Senator REED from Rhode Island and Senator SARBANES of Maryland, to offer The Child Healthcare Crisis Relief Act. This bill creates incentives to help recruit and retain child mental health professionals providing direct clinical care, and to improve, expand, or help create programs to train child mental health professionals. It provides loan repayment and scholarships for child mental health and school-based service professionals as well as internships and field placements in child mental health services and training for paraprofessionals who work in children's mental health clinical settings. This bill also provides grants to graduate schools to help develop and expand child and adolescent mental health programs. It allows for an increase in the number of Child and Adolescent Psychiatrists permitted under the Medicare Graduate Medical Education Program and, extends the Board Eligibility period for residents and fellows from four years to six years.

Finally, this bill asks the Secretary to prepare a report on the distribution and need for child mental health and school-based professionals with respect to specialty certifications, practice characteristics, professional licensure, practice types, locations, education, and training, broken down by State so that we may better comprehend the mental health workforce needs that are facing our Nation.

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

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

S. 537

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 ''Child Health Care Crisis Relief Act''.

SEC. 2. FINDINGS.

Congress finds the following:

(1) The Center for Mental Health Services estimates that 20 percent or 13,700,000 of the Nation's children and adolescents have a diagnosable mental health disorder, and about ⅔ of these children and adolescents do not receive mental health care.

(2) According to ''Mental Health: A Report of the Surgeon General'' in 1999, there are approximately 6,000,000 to 9,000,000 children and adolescents in the United States (accounting for 9 to 13 percent of all children and adolescents in the United States) who meet the definition for having a serious emotional disturbance.

(3) According to the Center for Mental Health Services, approximately 5 to 9 percent of children and adolescents in the United States meet the definition for extreme functional impairment.

(4) According to the Surgeon General's Report, there are particularly acute shortages in the numbers of mental health service professionals serving children and adolescents with serious emotional disorders.

(5) According to the National Center for Education Statistics in the Department of Education, there are approximately 513 students for each school counselor in United States schools, which ratio is more than double the recommended ratio of 250 students for each school counselor.

(6) According to a year 2000 estimate of the Bureau of Health Professions, the demand for the services of child and adolescent psychiatry is projected to increase by 100 percent by 2020.

(7) The development and application of knowledge about the impact of disasters on children, adolescents, and their families has been impeded by critical shortages of qualified researchers and practitioners specializing in this work.

(8) According to the Bureau of the Census, the population of children and adolescents in the United States under the age of 18 is projected to grow by more than 40 percent, from 70,000,000 to more than 100,000,000 by 2050.

SEC. 3. LOAN REPAYMENTS, SCHOLARSHIPS, AND GRANTS TO IMPROVE CHILD AND ADOLESCENT MENTAL HEALTH CARE.

Subpart 2 of part E of title VII of the Public Health Service Act (42 U.S.C. 295 et seq.) is amended by adding at the end the following:

''SEC. 771. LOAN REPAYMENTS, SCHOLARSHIPS, AND GRANTS TO IMPROVE CHILD AND ADOLESCENT MENTAL HEALTH CARE.

''(a) LOAN REPAYMENTS FOR CHILD AND ADOLESCENT MENTAL HEALTH SERVICE PROFESSIONALS.—

''(1) ESTABLISHMENT.—The Secretary, acting through the Administrator of the Health Resources and Services Administration, may establish a program of entering into contracts on a competitive basis with eligible individuals (as defined in paragraph (2)) under which—

''(A) the eligible individual agrees to be employed full-time for a specified period of at least 2 years in providing mental health services to children and adolescents; and

''(B) the Secretary agrees to make, during the period of employment described in subparagraph (A), partial or total payments on behalf of the individual on the principal and

interest due on the undergraduate and graduate educational loans of the eligible individual.

''(2) ELIGIBLE INDIVIDUAL.—For purposes of this section, the term 'eligible individual' means an individual who—

''(A) is receiving specialized training or clinical experience in child and adolescent mental health in psychiatry, psychology, school psychology, psychiatric nursing, social work, school social work, marriage and family therapy, school counseling, or professional counseling and has less than 1 year remaining before completion of such training or clinical experience; or

''(B)(i) has a license in a State to practice allopathic medicine, osteopathic medicine, psychology, school psychology, psychiatric nursing, social work, school social work, marriage and family therapy, school counseling, or professional counseling; and

''(ii)(I) is a mental health service professional who completed (but not before the end of the calendar year in which this section is enacted) specialized training or clinical experience in child and adolescent mental health services described in subparagraph (A); or

''(II) is a physician who graduated from (but not before the end of the calendar year in which this section is enacted) an accredited child and adolescent psychiatry residency or fellowship program in the United States.

''(3) ADDITIONAL ELIGIBILITY REQUIREMENTS.—The Secretary may not enter into a contract under this subsection with an eligible individual unless the individual—

''(A) is a United States citizen or a permanent legal United States resident; and

''(B) if enrolled in a graduate program (including a medical residency or fellowship), has an acceptable level of academic standing as determined by the Secretary.

''(4) PRIORITY.—In entering into contracts under this subsection, the Secretary shall give priority to applicants who—

''(A) are or will be working with high priority populations;

''(B) have familiarity with evidence-based methods in child and adolescent mental health services;

''(C) demonstrate financial need; and

''(D) are or will be—

''(i) working in the publicly funded sector;

''(ii) working in organizations that serve underserved populations; or

''(iii) willing to provide patient services—

''(I) regardless of the ability of a patient to pay for such services; or

''(II) on a sliding payment scale if a patient is unable to pay the total cost of such services.

''(5) MEANINGFUL LOAN REPAYMENT.—If the Secretary determines that funds appropriated for a fiscal year to carry out this subsection are not sufficient to allow a meaningful loan repayment to all expected applicants, the Secretary shall limit the number of contracts entered into under paragraph (1) to ensure that each such contract provides for a meaningful loan repayment.

''(6) AMOUNT.—

''(A) MAXIMUM.—For each year of the employment period described in paragraph (1)(A), the Secretary shall not, under a contract described in paragraph (1), pay more than $35,000 on behalf of an individual.

''(B) CONSIDERATION.—In determining the amount of payments to be made on behalf of an eligible individual under a contract described in paragraph (1), the Secretary shall consider the income and debt load of the eligible individual.

''(7) APPLICABILITY OF CERTAIN PROVISIONS.—The provisions of sections 338E and 338F shall apply to the program established under paragraph (1) to the same extent and in the same manner as such provisions apply to the National Health Service Corps Loan Repayment Program established in subpart III of part D of title III.

''(8) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $10,000,000 for each of fiscal years 2006 through 2010.

''(b) SCHOLARSHIPS FOR STUDENTS STUDYING TO BECOME CHILD AND ADOLESCENT MENTAL HEALTH SERVICE PROFESSIONALS.—

''(1) ESTABLISHMENT.—The Secretary, acting through the Administrator of the Health Resources and Services Administration, may establish a program to award scholarships on a competitive basis to eligible students who agree to enter into full-time employment (as described in paragraph (4)(C)) as a child and adolescent mental health service professional after graduation or completion of a residency or fellowship.

''(2) ELIGIBLE STUDENT.—For purposes of this subsection, the term 'eligible student' means a United States citizen or a permanent legal United States resident who—

''(A) is enrolled or accepted to be enrolled in a graduate program that includes specialized training or clinical experience in child and adolescent mental health in psychology, school psychology, psychiatric nursing, social work, school social work, marriage and family therapy, school counseling, or professional counseling; or

''(B) is enrolled or accepted to be enrolled in an accredited graduate training program of allopathic or osteopathic medicine in the United States and intends to complete an accredited residency or fellowship in child and adolescent psychiatry.

''(3) PRIORITY.—In awarding scholarships under this subsection, the Secretary shall give—

''(A) highest priority to applicants who previously received a scholarship under this subsection and satisfy the criteria described in subparagraph (B); and

''(B) second highest priority to applicants who—

''(i) demonstrate a commitment to working with high priority populations;

''(ii) have familiarity with evidence-based methods in child and adolescent mental health services;

''(iii) demonstrate financial need; and

''(iv) are or will be—

''(I) working in the publicly funded sector;

''(II) working in organizations that serve underserved populations; or

''(III) willing to provide patient services—

''(aa) regardless of the ability of a patient to pay for such services; or

''(bb) on a sliding payment scale if a patient is unable to pay the total cost of such services.

''(4) REQUIREMENTS.—The Secretary may award a scholarship to an eligible student under this subsection only if the eligible student agrees—

''(A) to complete any graduate training program, internship, residency, or fellowship applicable to that eligible student under paragraph (2);

''(B) to maintain an acceptable level of academic standing (as determined by the Secretary) during the completion of such graduate training program, internship, residency, or fellowship; and

''(C) to be employed full-time after graduation or completion of a residency or fellowship, for at least the number of years for which a scholarship is received by the eligible student under this subsection, in providing mental health services to children and adolescents.

''(5) USE OF SCHOLARSHIP FUNDS.—A scholarship awarded to an eligible student for a school year under this subsection may be used to pay for only tuition expenses of the school year, other reasonable educational expenses (including fees, books, and laboratory expenses incurred by the eligible student in the school year), and reasonable living expenses, as such tuition expenses, reasonable educational expenses, and reasonable living expenses are determined by the Secretary.

''(6) AMOUNT.—The amount of a scholarship under this subsection shall not exceed the total amount of the tuition expenses, reasonable educational expenses, and reasonable living expenses described in paragraph (5).

''(7) APPLICABILITY OF CERTAIN PROVISIONS.—The provisions of sections 338E and 338F shall apply to the program established under paragraph (1) to the same extent and in the same manner as such provisions apply to the National Health Service Corps Scholarship Program established in subpart III of part D of title III.

''(8) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $5,000,000 for each of fiscal years 2006 through 2010.

''(c) CLINICAL TRAINING GRANTS FOR PROFESSIONALS.—

''(1) ESTABLISHMENT.—The Secretary, acting through the Administrator of the Health Resources and Services Administration, and in cooperation with the Administrator of the Substance Abuse and Mental Health Services Administration, may establish a program to award grants on a competitive basis to accredited institutions of higher education to establish or expand internships or other field placement programs for students receiving specialized training or clinical experience in child and adolescent mental health in the fields of psychiatry, psychology, school psychology, psychiatric nursing, social work, school social work, marriage and family therapy, school counseling, or professional counseling.

''(2) PRIORITY.—In awarding grants under this subsection, the Secretary shall give priority to applicants that—

''(A) have demonstrated the ability to collect data on the number of students trained in child and adolescent mental health and the populations served by such students after graduation;

''(B) have demonstrated familiarity with evidence-based methods in child and adolescent mental health services; and

''(C) have programs designed to increase the number of professionals serving high priority populations.

''(3) REQUIREMENTS.—The Secretary may award a grant to an applicant under this subsection only if the applicant agrees that—

''(A) any internship or other field placement program assisted under the grant will prioritize cultural competency;

''(B) students benefitting from any assistance under this subsection will be United States citizens or permanent legal United States residents;

''(C) the institution will provide to the Secretary such data, assurances, and information as the Secretary may require; and

''(D) with respect to any violation of the agreement between the Secretary and the institution, the institution will pay such liquidated damages as prescribed by the Secretary by regulation.

''(4) APPLICATION.—Each institution of higher education desiring a grant under this section shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require including a description of the experience of such institution in working with child and adolescent mental health issues.

''(5) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $10,000,000 for each of fiscal years 2006 through 2010.

''(d) PROGRESSIVE EDUCATION GRANTS FOR PARAPROFESSIONALS.—

''(1) ESTABLISHMENT.—The Secretary, acting through the Administrator of the Health Resources and Services Administration, and in cooperation with the Administrator of the Substance Abuse and Mental Health Services Administration, may establish a program to award grants on a competitive basis to State-licensed mental health nonprofit and for-profit organizations, including accredited institutions of higher education, (in this subsection referred to as 'organizations') to enable such organizations to pay for programs for preservice or in-service training of paraprofessional child and adolescent mental health workers.

''(2) DEFINITION.—For purposes of this subsection, the term 'paraprofessional child and adolescent mental health worker' means an individual who is not a mental health service professional, but who works at the first stage of contact with children and families who are seeking mental health services.

''(3) PRIORITY.—In awarding grants under this subsection, the Secretary shall give priority to organizations that—

''(A) have demonstrated the ability to collect data on the number of paraprofessional child and adolescent mental health workers trained by the applicant and the populations served by these workers after the completion of the training;

''(B) have familiarity with evidence-based methods in child and adolescent mental health services; and

''(C) have programs designed to increase the number of paraprofessional child and adolescent mental health workers serving high priority populations.

''(4) REQUIREMENTS.—The Secretary may award a grant to an organization under this subsection only if the organization agrees that—

''(A) any training program assisted under the grant will prioritize cultural competency;

''(B) the organization will provide to the Secretary such data, assurances, and information as the Secretary may require; and

''(C) with respect to any violation of the agreement between the Secretary and the organization, the organization will pay such liquidated damages as prescribed by the Secretary by regulation.

''(5) APPLICATION.—Each organization desiring a grant under this subsection shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require including a description of the experience of the organization in working with paraprofessional child and adolescent mental health workers.

''(6) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $5,000,000 for each of fiscal years 2006 through 2010.

''(e) CHILD AND ADOLESCENT MENTAL HEALTH PROGRAM DEVELOPMENT GRANTS.—

''(1) ESTABLISHMENT.—The Secretary, acting through the Administrator of the Health Resources and Services Administration, may establish a program to increase the number of well-trained child and adolescent mental health service professionals in the United States by awarding grants on a competitive basis to accredited institutions of higher education to enable such institutions to establish or expand accredited graduate child and adolescent mental health programs.

''(2) PRIORITY.—In awarding grants under this subsection, the Secretary shall give priority to applicants that—

''(A) demonstrate familiarity with the use of evidence-based methods in child and adolescent mental health services;

''(B) provide experience in and collaboration with community-based child and adolescent mental health services;

''(C) have included normal child development education in their curricula; and

''(D) demonstrate commitment to working with high priority populations.

''(3) USE OF FUNDS.—Funds awarded under this subsection may be used to establish or expand any accredited graduate child and adolescent mental health program in any manner deemed appropriate by the Secretary, including improving the coursework, related field placements, or faculty of such program.

''(4) REQUIREMENTS.—The Secretary may award a grant to an accredited institution of higher education under this subsection only if the institution agrees that—

''(A) any child and adolescent mental health program assisted under the grant will prioritize cultural competency;

''(B) the institution will provide to the Secretary such data, assurances, and information as the Secretary may require; and

''(C) with respect to any violation of the agreement between the Secretary and the institution, the institution will pay such liquidated damages as prescribed by the Secretary by regulation.

''(5) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $15,000,000 for each of fiscal years 2006 through 2010.

''(f) DEFINITIONS.—In this section:

''(1) HIGH PRIORITY POPULATION.—The term 'high priority population' means a population that has a significantly greater incidence than the national average of children who have serious emotional disturbances, children who are racial and ethnic minorities, or children who live in underserved urban or rural areas.

''(2) MENTAL HEALTH SERVICE PROFESSIONAL.—The term 'mental health service professional' means an individual with a graduate or postgraduate degree from an accredited institution of higher education in psychiatry, psychology, school psychology, psychiatric nursing, social work, school social work, marriage and family counseling, school counseling, or professional counseling.

''(3) SPECIALIZED TRAINING OR CLINICAL EXPERIENCE IN CHILD AND ADOLESCENT MENTAL HEALTH.—The term 'specialized training or clinical experience in child and adolescent mental health' means training and clinical experience that—

''(A) is part of or occurs after completion of an accredited graduate program in the United States for training mental health service professionals;

''(B) consists of at least 500 hours of training or clinical experience in treating children and adolescents; and

''(C) is comprehensive, coordinated, developmentally appropriate, and of high quality to address the unique ethnic and cultural diversity of the United States population.''.

SEC. 4. AMENDMENTS TO SOCIAL SECURITY ACT TO IMPROVE CHILD AND ADOLESCENT MENTAL HEALTH CARE.

(a) INCREASING NUMBER OF CHILD AND ADOLESCENT PSYCHIATRY RESIDENTS PERMITTED TO BE PAID UNDER THE MEDICARE GRADUATE MEDICAL EDUCATION PROGRAM.—Section 1886(h)(4)(F) of the Social Security Act (42 U.S.C. 1395ww(h)(4)(F)) is amended by adding at the end the following:

''(iii) INCREASE ALLOWED FOR TRAINING IN CHILD AND ADOLESCENT PSYCHIATRY.—In applying clause (i), there shall not be taken into account such additional number of full-time equivalent residents in the field of allopathic or osteopathic medicine who are residents or fellows in child and adolescent psychiatry as the Secretary determines reasonable to meet the need for such physicians as demonstrated by the 1999 report of the Department of Health and Human Services entitled 'Mental Health: A Report of the Surgeon General'.''.

(b) EXTENSION OF MEDICARE BOARD ELIGIBILITY PERIOD FOR RESIDENTS AND FELLOWS IN CHILD AND ADOLESCENT PSYCHIATRY.—

(1) IN GENERAL.—Section 1886(h)(5)(G) of the Social Security Act (42 U.S.C. 1395ww(h)(5)(G)) is amended—

(A) in clause (i), by striking ''and (v)'' and inserting ''(v), and (vi)''; and

(B) by adding at the end the following:

''(vi) CHILD AND ADOLESCENT PSYCHIATRY TRAINING PROGRAMS.—In the case of an individual enrolled in a child and adolescent psychiatry residency or fellowship program approved by the Secretary, the period of board eligibility and the initial residency period shall be the period of board eligibility for the specialty of general psychiatry, plus 2 years for the subspecialty of child and adolescent psychiatry.''.

(2) CONFORMING AMENDMENT.—Section 1886(h)(5)(F) of the Social Security Act (42 U.S.C. 1395ww(h)(5)(F)) is amended by striking ''subparagraph (G)(v)'' and inserting ''clauses (v) and (vi) of subparagraph (G)''.

(3) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply to residency training years beginning on or after July 1, 2006.

SEC. 5. CHILD MENTAL HEALTH PROFESSIONAL REPORT.

(a) STUDY.—The Administrator of the Health Resources and Services Administration (in this section referred to as the ''Administrator'') shall study and make findings and recommendations on the distribution and need for child mental health service professionals, including—

(1) the need for specialty certifications;

(2) the breadth of practice types;

(3) the adequacy of locations;

(4) the adequacy of education and training; and

(5) an evaluation of best practice characteristics.

(b) DISAGGREGATION.—The results of the study required by subsection (a) shall be disaggregated by State.

(c) REPORT.—Not later than 2 years after the date of enactment of this Act, the Administrator shall submit to the appropriate committees of Congress and make publicly available a report on the study, findings, and recommendations required by subsection (a).

SEC. 6. REPORTS.

(a) TRANSMISSION.—The Secretary of Health and Human Services shall transmit a report described in subsection (b) to Congress—

(1) not later than 3 years after the date of the enactment of this Act; and

(2) not later than 5 years after the date of the enactment of this Act.

(b) CONTENTS.—The reports transmitted to Congress under subsection (a) shall address each of the following:

(1) The effectiveness of the amendments made by, and the programs carried out under, this Act in increasing the number of child and adolescent mental health service professionals and paraprofessional child and adolescent mental health workers.

(2) The demographics of the individuals served by such increased number of child and adolescent mental health service professionals and paraprofessional child and adolescent mental health workers.

By Mr. BIDEN:

S. 538. A bill to educate health professionals concerning substance use disorders and addiction; to the Committee on Health, Education, Labor, and Pensions.

Mr. BIDEN. Mr. President, I rise today to introduce legislation to address the problem of substance abuse in our country.

The Robert Wood Johnson Foundation has called substance abuse America's No. 1 health problem. I don't think that overstates it.

Most of us knows someone—a family member, maybe a neighbor, a colleague, or a friend—who is addicted to drugs or alcohol. In fact, nearly 15 million people in this country abuse alcohol or are alcoholics. More than 19 million use drugs, and an estimated 4 million are in need of treatment but not receiving it.

Drug and alcohol abuse has far-reaching consequences. It exacerbates social ills. It is a public safety problem. It is a public health problem. It is a public expenditure problem. There is an undeniable correlation between substance abuse and crime. Eighty percent of the 2 million men and women behind bars today have a history of drug and alcohol abuse or addiction or were arrested for a drug-related crime. Illegal drugs are responsible for thousands of deaths each year. They fuel the spread of AIDS and hepatitis C. They contribute to child abuse, domestic violence, and sexual assault. And we all pay the price.

It costs this Nation almost $275 billion in law enforcement, criminal justice expenses, medical bills, and lost earnings each year. That means that preventing and treating substance abuse makes sense. It makes good criminal justice sense. It makes public health sense. It makes budgetary sense. Not to mention the fact that it is the right thing to do.

Yet there remains a reluctance to recognize substance abuse as a health issue. There is a reluctance to accept addiction as a disease. It is a reluctance that has kept public policy from asserting that addicts should be in treatment. Whether addicts are in prison or out, it seems to me, treatment is the only legitimate choice.

But it is not only about increasing access to treatment. It is also about moving treatment into the medical mainstream. Unless family doctors, nurses, physician assistants, and social workers can identify addiction when they see it, unless they know how to intervene, we will never make any real progress.

That aspect of the challenge came into sharp focus for me when I read a report a few years ago by the National Center on Addiction and Substance Abuse at Columbia University, CASA.

That report said that fewer than 1 percent of doctors presented with the classic profile of an alcoholic older woman could diagnose it properly. Eighty-two percent misdiagnosed it as depression, some treatments for which are dangerous when taken with alcohol. A follow-up study showed that 94 percent of primary care physicians fail to diagnose substance abuse when presented with the classic symptoms, and 41 percent of pediatricians fail to diagnose illegal drug use in teenage patients.

No one recognizes this problem better than the doctors themselves. Fewer than one in five—only 19 percent—feel confident about diagnosing alcoholism. And only 17 percent feel qualified to identify illegal drug use. Having said that, even if they diagnose it, most doctors don't believe that treatment works.

Among practitioners, as well as policymakers, we need to get the message out loud and clear: Addiction is a chronic relapsing disease, and as with other such diseases, while there may not be a cure, medical treatment can help control it.

The medical professionals have to be educated to recognize the signs of substance abuse and to pursue the effective therapies that are available. That is why I am introducing legislation to help train medical professionals to prevent and recognize addiction and refer patients to treatment if they need it. Representative PATRICK KENNEDY will introduce companion legislation in the House of Representatives.

Like treatment, training works. According to a study published in the Brown University Digest of Addiction Theory and Application, 91 percent of health professionals who took part in training on addiction at Boston University were using the techniques they learned 1 to 5 years later.

Every family doctor does not need to be an addiction specialist, but they do need to be able to recognize the signs. And they need to know what help is available.

My legislation does the following three things: authorizes $9 million in grants to train medical generalists to recognize substance abuse in their patients and their families and know how to properly refer them for treatment; authorizes $6 million to fund substance abuse faculty fellows at educational institutions to teach courses on substance abuse, incorporate substance abuse issues into to required courses at the institution, and educate health professionals about issues related to non-therapeutic uses of prescription medications; and establishes centers of excellence at medical centers or universities across the United States to (1) initiate, promote and implement training, research and clinical activities related to special areas of substance abuse and (2) provide opportunities for interdisciplinary collaboration in curriculum development, clinical practice, research and policy analysis. The bill authorizes $6 million for this purpose.

These are additional steps—and, in my view, crucial ones to help bridge the divide between research and practice. They will help chip away at the incredible substance abuse-related costs we face each year in human as well as monetary terms.

I hope my colleagues will join me to support this important legislation.

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

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

S. 538

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 ''Health Professionals Substance Abuse Education Act''.

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress makes the following findings:

(1) Illegal drugs and alcohol are responsible for thousands of deaths each year, and they fuel the spread of a number of communicable diseases, including AIDS and Hepatitis C, as well as some of the worst social problems in the United States, including child abuse, domestic violence, and sexual assault.

(2) There are an estimated 19,500,000 current drug users in America, nearly 4,000,000 of whom are addicts. An estimated 14,800,000 Americans abuse alcohol or are alcoholic.

(3) There are nearly 27,000,000 children of alcoholics in America, almost 11,000,000 of whom are under 18 years of age. Countless other children are affected by substance abusing parents or other caretakers. Health professionals are uniquely positioned to help reduce or prevent alcohol and other drug-related impairment by identifying affected families and youth and by providing early intervention.

(5) Drug addiction is a chronic relapsing disease. As with other chronic relapsing diseases (such as diabetes, hypertension and asthma), there is no cure, although a number of treatments can effectively control the disease. According to an article published in the Journal of the American Medical Association, treatment for addiction works as well as treatment for other chronic relapsing diseases.

(6) Drug treatment is cost effective, even when compared with residential treatment, the most expensive type of treatment. Residential treatment for cocaine addiction costs between $15,000 and $20,000 a year, a substantial savings compared to incarceration (costing nearly $40,000 a year), or untreated addiction (costing more than $43,000 a year). Also, in 1998, substance abuse and addiction accounted for approximately $10,000,000,000 in Federal, State, and local government spending simply to maintain the child welfare system. The economic costs associated with fetal alcohol syndrome were estimated at $54,000,000,000 in 2003.

(7) Many doctors and other health professionals are unprepared to recognize substance abuse in their patients or their families and intervene in an appropriate manner. Only 56 percent of residency programs have a required curriculum in preventing or treating substance abuse.

(8) Fewer than 1 in 5 doctors (only 19 percent) feel confident about diagnosing alcoholism, and only 17 percent feel qualified to identify illegal drug use.

(9) Most doctors who are in a position to make a diagnosis of alcoholism or drug addiction do not believe that treatment works (less than 4 percent for alcoholism and only 2 percent for drugs).

(10) According to a survey by the National Center on Addiction and Substance Abuse at Columbia University (referred to in this section as ''CASA''), 94 percent of primary care physicians and 40 percent of pediatricians presented with a classic description of an alcoholic or drug addict, respectively, failed to properly recognize the problem.

(11) Another CASA report revealed that fewer than 1 percent of doctors presented with the classic profile of an alcoholic older woman could diagnose it properly. Eighty-two percent misdiagnosed it as depression, some treatments for which are dangerous when taken with alcohol.

(12) Training can greatly increase the degree to which medical and other health professionals screen patients for substance abuse. It can also increase the manner by which such professionals screen children and youth who may be impacted by the addiction of a parent or other primary caretaker. Boston University Medical School researchers designed and conducted a seminar on detection and brief intervention of substance abuse for doctors, nurses, physician's assistants, social workers and psychologists. Follow-up studies reveal that 91 percent of those who participated in the seminar report that they are still using the techniques up to 5 years later.

(13) The total economic costs of untreated addiction is estimated to be $274,800,000,000. Arming health care professionals with the information they need in order to intervene and prevent further substance abuse could lead to a significant cost savings.

(14) A study conducted by doctors at the University of Wisconsin found a $947 net savings per patient in health care, accident, and criminal justice costs for each individual screened and, if appropriate, for whom intervention was made, with respect to alcohol problems.

(b) PURPOSE.—It is the purpose of this Act to—

(1) improve the ability of health care professionals to identify and assist their patients in obtaining appropriate treatment for substance abuse;

(2) improve the ability of health care professionals to identify and refer children and youth affected by substance abuse in their families for effective treatment; and

(3) help establish an infrastructure to train health care professionals about substance abuse issues and the impact on families.

SEC. 3. HEALTH PROFESSIONALS SUBSTANCE ABUSE EDUCATION.

Part D of title V of the Public Health Service Act (42 U.S.C. 290dd et seq.) is amended by adding at the end the following:

"SEC. 544. SUBSTANCE ABUSE EDUCATION FOR GENERALIST HEALTH PROFESSIONALS.

''(a) SECRETARY OF HEALTH AND HUMAN SERVICES.—The Secretary shall carry out activities to train health professionals (who are generalists and not already specialists in substance abuse) so that they are competent to—

''(1) recognize substance abuse in their patients or the family members of their patients;

''(2) intervene, treat, or refer for treatment those individuals who are affected by substance abuse;

''(3) identify and assist children of substance abusing parents;

''(4) serve as advocates and resources for community-based substance abuse prevention programs; and

''(5) appropriately address the non-therapeutic use of prescription medications.

''(b) USE OF FUNDS.—Amounts received under this section shall be used—

''(1) to continue grant support through cooperative agreements to the Association for Medical Education and Research in Substance Abuse (AMERSA) Interdisciplinary Faculty Development Project;

''(2) to continue grants to the Association for Medical Education and Research in Substance Abuse (AMERSA) Interdisciplinary Faculty Development Project; and

''(3) to support the Addiction Technology Transfer Centers counselor training programs to train substance abuse counselors and other health professionals such as dental assistants, allied health professionals including dietitians and nutritionists, occupational therapists, physical therapists, respiratory therapists, speech-language pathologists and audiologists, and therapeutic recreation specialists.

''(c) COLLABORATION.—The Secretary shall participate in interdisciplinary collaboration and collaborate with other nongovernmental organizations with respect to activities carried out under this section.

''(d) ACADEMIC CREDITS.—The Secretary shall encourage community colleges and other academic institutions determined appropriate by the Secretary to recognize classes offered by the Addiction Technology Transfer Centers for purposes of academic credit.

''(e) EVALUATIONS.—The Secretary shall conduct a process and outcome evaluation of the programs and activities carried out with funds received under this section, and shall provide annual reports to the Secretary and the Director of the Office of National Drug Control Policy.

''(f) DEFINITIONS.—In this section—

''(1) the term 'health professional' means a allopathic or osteopathic physician, advanced practice nurse, physician assistant, social worker, psychologist, pharmacist, dental health professional, psychiatrist, allied health professional, drug and alcohol counselor, or other individual who is licensed, accredited, or certified under State law to provide specified health care services and who is operating within the scope of such licensure, accreditation, or certification; and

''(2) the terms 'allopathic or osteopathic physician', 'nurse', 'physician assistant', 'advanced practice nurse', 'social worker', 'psychologist', 'pharmacist', 'dental health professional', and 'allied health professional' shall have the meanings given such terms for purposes of titles VII and VIII of the Public Health Service Act (42 U.S.C. 292 et seq and 296 et seq.).

''(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, $9,000,000 for each of fiscal years 2006 through 2010. Amounts made available under this subsection shall be used to supplement and not supplant amounts being used on the date of enactment of this section for activities of the types described in this section.

"SEC. 545. SUBSTANCE ABUSE INTERDISCIPLINARY EXPERT EDUCATOR.

''(a) ESTABLISHMENT.—The Secretary shall establish and administer a substance abuse faculty fellowship program through grants and contacts under which the Secretary shall provide assistance to eligible institutions to enable such institutions to employ interdisciplinary faculty who will serve as advanced level expert educators (referred to in this section as 'expert educators').

''(b) ELIGIBILITY.—

''(1) INSTITUTIONS.—To be eligible to receive assistance under this section, an institution shall—

''(A) be an accredited medical school or undergraduate or graduate nursing school, or be an institution of higher education that offers one or more of the following—

''(i) an accredited physician assistant program;

''(ii) an accredited dental health professional program;

''(iii) a graduate program in pharmacy;

''(iv) a graduate program in public health;

''(v) a graduate program in social work;

''(vi) a graduate program in psychology;

''(vii) a graduate program in marriage and family therapy; or

''(viii) a graduate program in counseling; 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.

''(2) QUALIFICATIONS FOR EXPERT EDUCATORS.—To be eligible to receive an advanced level expert educator faculty appointment from an eligible institution under this section, an individual shall prepare and submit to the institution an application at such time, in such manner, and containing such information as the institution may require. Expert educators should have advanced level training in education about substance use disorders and expertise in such areas as culturally competent and gender specific prevention and treatment strategies for vulnerable populations (such as adults and adolescents with dual diagnosis, older individuals, children in families affected by substance abuse, and individuals and families involved in the criminal justice system) and will serve as resources and advisors for health professional training institutions.

''(c) USE OF FUNDS.—

''(1) IN GENERAL.—An eligible institution shall utilize assistance received under this section to provide one or more fellowships to eligible individuals. Such assistance shall be used to pay a sum of not to exceed 50 percent of the annual salary of the individual under such a fellowship for a 5-year period.

''(2) FELLOWSHIPS.—Under a fellowship under paragraph (1), an individual shall—

''(A) devote a substantial number of teaching hours to substance abuse issues (as part of both required and elective courses) at the institution involved during the period of the fellowship;

''(B) incorporate substance abuse issues, including the impact on children and families, into the required curriculum of the institution in a manner that is likely to be sustained after the period of the fellowship ends (courses described in this subparagraph should be provided as part of several different health care training programs at the institution involved); and

''(C) educate health professionals about issues related to the nontherapeutic use of prescription medications.

''(3) EVALUATIONS.—The Secretary shall conduct a process and outcome evaluation of the programs and activities carried out with amounts appropriated under this section and shall provide annual reports to the Director of the Office of National Drug Control Policy and the appropriate committees of Congress.

''(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, $6,000,000 for each of the fiscal years 2006 through 2010. Amounts made available under this subsection shall be used to supplement and not supplant amounts being used on the date of enactment of this section for activities of the types described in this section.

"SEC. 546. CENTER OF EXCELLENCE.

''(a) IN GENERAL.—The Secretary shall establish centers of excellence at medical centers or universities throughout the United States to—

''(1) initiate, promote, and implement training, research, and clinical activities related to targeted issues or special areas of focus such as brief intervention in general health settings, children and families affected by substance abuse, older individuals, maternal and child health issues, individuals with dual diagnosis, prevention in the general health setting, and clinical practice standards for primary care providers; and

''(2) provide opportunities for interdisciplinary collaboration in curriculum development, course development, clinical practice,

research and translation of research into practice, and policy analysis and formulation.

''(b) USE OF FUNDS.—Centers of excellence established under subsection (a) shall use funds provided under this section to—

''(1) disseminate information on evidence-based approaches concerning the prevention and treatment of substance use disorders; and

''(2) assist health professionals and alcohol and drug treatment counselors to incorporate the latest research into their treatment practices.

''(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, $6,000,000 for each of the fiscal years 2006 through 2010.''.

By Mr. HAGEL:

S. 540. A bill to strengthen and permanently preserve social security; to the Committee on Finance.

Mr. HAGEL. Mr. President, when I began my first campaign for the U.S. Senate in 1995, I published a booklet entitled ''Where I Stand.'' I wrote it because the first obligation of a candidate is to tell voters what you believe. In that booklet, I wrote:

The Social Security system must be preserved, protected, and improved. We have made this covenant with our senior citizens. However, the long-term future of the Social Security system is in peril. If we do not get this issue resolved soon, this Nation faces an entitlement disaster, eroding the trust between grandchildren and grandparents. We must explore every option in order to fix and strengthen our Social Security system. This will require bold leadership.

A decade later, those words still define my position on Social Security. Social Security has been one of the most important and successful Government programs in the history of America. Almost every American family over the last 70 years has been touched by Social Security. In signing the Social Security Act of 1935, Franklin Roosevelt said:

None of the sums of money paid out to individuals in assistance or insurance will spell anything approaching abundance. But they will furnish that minimum necessity to keep a foothold, and that is the kind of protection Americans want.

A fundamental point that President Roosevelt made was that Social Security was not intended to replace the personal responsibility of individuals saving for and preparing for their own retirements. Social Security was never intended to be a substitute for a retirement or savings plan. It is a safety net for people. Social Security is an insurance contract that protects the most vulnerable in our society from falling into poverty. But Social Security is actuarially unsustainable with its present commitments to future generations.

Today, I am introducing comprehensive Social Security reform legislation. I began my day in Nebraska this morning with some of the people who would be most affected by my bill—America's next generation. It is their generation that will be asked to sustain the future of Social Security.

My generation, the baby boom generation, has been the largest and most productive workforce in the history of man. The impending retirement of the 77 million-strong baby boom generation will impact every aspect of our economy, Government, and society—Medicare and Medicaid, health care, our workforce, and our competitive position in a world filled with countries much younger than ours. The next generation of Americans will respond to these challenges as every generation of Americans has responded to challenges—with innovation and hard work.

However, my generation has a moral obligation to ensure that future generations do not have to bear an increasingly heavy burden of providing retirement resources for future generations. That is why we must reform Social Security. It is a 1935 model trying to operate in a 21st century world. It will soon be incapable of delivering the promises and resources that it was built to provide 70 years ago.

Last week, in testimony before the House Budget Committee, Federal Reserve Chairman Alan Greenspan urged Congress to act on modernizing entitlement programs sooner rather than later. He warned that, unless we act now to meet the huge unfunded liabilities facing our entitlement programs, there will be severe economic consequences for our Nation. Chairman Greenspan is right.

America's largest entitlement programs—Social Security, Medicare, and Medicaid—are on a trajectory that cannot be sustained. For fiscal year 2006, the Congressional Budget Office tells us that 64 percent of the $2.5 trillion Federal budget will be obligated to mandatory spending, of which 42 percent is for Medicare, Medicaid, and Social Security. Those are tax dollars that are committed—money that cannot be used for anything else.

Each year, the percentage of the Federal budget obligated to funding entitlement programs grows larger and larger. The current unfunded liability for Social Security over the next 75 years—this is the horizon that the Social Security Administration uses to calculate benefits and expenditures—is $3.7 trillion. That means over the next 75 years, we are obligated to make the commitments of the retiree benefits a reality. Yet we have $3.7 trillion of debt. We don't know where and how we are going to get that $3.7 trillion. We are now $3.7 trillion in debt in the current obligations over the next 75 years for Social Security. Medicare's unfunded liability is nearly $28 trillion. These liabilities are in addition to America's current national debt of $7.5 trillion.

Medicare costs are growing faster than any other Government or entitlement program. As we see health care costs continue to rise, coupled with the growing number of retirees, it will only continue to put more and more pressure on our Federal budget and squeeze out money for important discretionary Government programs such as education, roads, parks, and housing.

Last Congress, we passed an enormous expansion of Medicare. I voted against it. I thought it was bad policy and would add hundreds of billions of dollars to an already unsustainable program. I am supportive of efforts to reopen the Medicare reform bill and fix it. But for political reasons, I doubt that will happen soon, although we will be forced to deal with it in the future.

The Social Security system is not in crisis today, but there is clearly a crisis on the horizon. In 2018, more money will be paid out of Social Security than comes in. In 2042, the Social Security trust fund will be insolvent. Beyond the next 75 years, there is only a black hole of unfunded liability for future generations. The longer we do nothing, the more difficult it will be to protect Social Security and the promise our Government made to future generations of Americans.

This reality is daunting, but there is good news in all of this. The system can be fixed. It is within our power to preserve the Social Security net for this Nation. It has been done before. In 1983, President Reagan worked with congressional Democrats and Republicans to make tough choices and extend the life of Social Security. Dealing with this problem now means less dramatic and difficult choices later. The earlier we confront the reality of the coming crisis, the more options we will have to come up with a wise and sustainable course of action.

Allow me to now lay out the main points of the Social Security reform bill that I will introduce today.

My bill would ensure the vitality of Social Security for future generations. There are no easy choices to fix the demographic challenges and realities facing Social Security. Understanding this, we must make choices that address the problem responsibly and fairly.

My bill would make changes to Social Security only—only—for those Americans under the age of 45. No American age 45 or older will see a change in Social Security or their benefits. For Americans under 45, my bill would provide the option of voluntary personal accounts. Providing personal accounts is good policy for both the long-term viability of Social Security and for individuals. Government should be about empowering individuals and enhancing personal freedoms and their futures. Personal accounts help do this for those under 45.

My bill would continue to provide a guaranteed Social Security benefit from the Social Security trust fund. Under my plan—under any plan—Americans still need the security of knowing that the portion of their Social Security benefits that comes from the traditional Social Security system will be guaranteed. My bill will continue to guarantee survivor and disability benefits as they currently are.

Social Security provides benefits for more than 6 million spouses and children of breadwinners who have died

prematurely or have become disabled. For these families, their benefits should not be touched.

I know something about this. When I was 16 years old, my father died. The Social Security benefits my mother received were critical in helping her raise four young boys in Nebraska. I well remember my mother's relief when that Social Security check arrived each month.

We must remember that the first obligation of Social Security is to the most needy Americans. My bill does not raise taxes. I believe we can fix Social Security without raising taxes. We need to begin reforming Government programs so they do not become so large and so expensive that future taxpayers will be unable to pay for them. Young wage earners and small businesses are the most vulnerable to tax increases, and they would be the ones most adversely affected by higher taxes to save Social Security.

Additionally, whenever we increase the cost of labor, we hurt our competitive position in the world and make job creation more difficult. This is not abstract economic theory; it is reality that has an impact on every future American.

Those are the principles that form the foundation of the bill I will introduce today. Here is how it would work.

Upon passage of the bill, Americans 44 and younger would be given two voluntary options. One, they can invest 4 percent of their payroll tax into a personal investment account modeled on the same accounts now offered to all Federal Government employees. I participate and my staff participates in this program. The remainder of their payroll tax contribution would continue to go into the traditional Social Security system. Option 2, individuals can continue to invest their entire payroll tax in the traditional Social Security system.

If they choose the personal account option, then individuals will be able to invest in the same five funds that collectively make up the current Federal Thrift Savings Plan—again, the program that I am in, Members of Congress are in, and Federal Government employees are in.

The first is the common stock index fund. Over the last 10 years, this fund has earned an average annual rate of return of 11.99 percent.

The second fund is the fixed income index investment fund. Over the last 10 years, this fund has earned an average annual rate of return of 7.72 percent.

The third is the Government securities investment fund, and over the last 10 years, it has earned an average annual rate of return of 5.75 percent.

The fourth is the small capitalization index. Over the last 10 years, it has earned an average annual rate of return of 11.84 percent.

Fifth is the international stock index fund. Over the last 10 years, it has earned an average annual rate of return of 5.45 percent.

These five funds provide a range of excellent investment options.

My bill would also provide a default account for those Americans who, for whatever reason, do not want to deal with choosing a fund or funds for their accounts. This fund would invest differently in an individual's early working years than in their later working years.

The Thrift Savings Plan has been a success for Government employees. Last year, returns on the different accounts ranged from just over 4 percent to 20 percent, and in the last 10 years, the returns have been between 5.5 and 12 percent. Compare this with the 3-percent return provided by Treasury bonds that Social Security now invests in today.

These private accounts are in addition to the guaranteed Social Security benefits and personal savings pensions and retirement account programs individuals build up during their working years.

Under my bill, personal accounts would be administered by a board within the Social Security Administration called the Social Security investment board. The board would be composed of the Secretary of the Treasury, the Chairman of the Federal Reserve Board, the Chairman of the Securities and Exchange Commission, and two Senate-confirmed appointments nominated by the President. One of the President's appointments would serve as chairman of the board.

Upon retirement, those who choose to enroll in a personal account will have two accounts: their personal account and their traditional Social Security benefits account. They will be required to convert a portion of their personal account to an annuity which, when added to their guaranteed Social Security, would be at least 135 percent of poverty. There is no such guarantee in our Social Security system today. The remainder of the personal account will be theirs to spend as they wish. It could be used to help with health care costs and retirement living costs, or it could even help an account holder's children or grandchildren put a down-payment on a home or pay college tuition.

There are those who say that allowing individuals to invest through personal accounts is too risky. Their concerns are serious, and they deserve a serious response. Under my plan, no person is required to have a personal account. An individual who does not want to invest can keep all of their money in the traditional Social Security system.

I believe the policies which enhance personal freedom and responsibility encourage the ethic of saving and limit the role of Government in their lives. These are the policies which will be more flexible and successful for America's future.

It is true that there is no guarantee with market-based investments; however, the historic success of markets is not a theory, it is a fact. Columnist George Will pointed out in a recent Washington Post column that in no 15-year period over the past eight decades has the growth of stocks ever been negative. In no 20-year period has the average growth been less than 3 percent, which exceeds the rate of return on Social Security assets today. This includes down times, significant down periods in the stock market.

We are blessed in America. We are blessed in America because the vast majority of Americans live healthier, longer lives than they did a few decades ago. Continued advances in medicine, education, and personal health will continue to increase not only the length of our lives, but also the quality of our lives, providing opportunities for older Americans to remain healthy, vital, and productive members of the workforce.

When Social Security was created in 1935, there were too many workers and not enough jobs. According to the Social Security Administration, in 1950, there were 16.5 workers per retiree. Incentives were created to move people out of the workforce. This dynamic is changing. Today there are 3.3 workers for every retiree. In 25 years, there will be about 2 workers for each retiree.

Why is this important? This is important because Social Security is a transfer program. The money comes in and the payroll taxes from the workers go out at the end of the month to the retirees.

So when there are less workers, there is less money coming into the system. My bill makes three adjustments to Social Security that will make it solvent for future generations. First, my bill would raise the current full benefit retirement age by 1 year from 67 to 68. Second, my bill would maintain the current earlier retirement age at 62 but would adjust benefits for those who choose to retire early.

Currently, workers who retire early today receive 70 percent of their full retirement benefits. My bill will provide these early retirees with 63 percent of the traditional benefits.

Third, currently an individual's base Social Security benefit is determined by two factors: their average income over 35 years and the wage index. My bill adds a third component, life expectancy. We are living longer. That means as we live longer, we will draw more from the Social Security fund.

Over the life of the program Social Security benefit calculations have never been adjusted to reflect increased life expectancy. By factoring increased life expectancy into the base benefit calculation, the rate of increase in benefit payments will be slow. No other changes will be made to the annual consumer price indexing of benefit increases.

In addition to making Social Security solvent, these adjustments can help confront the challenges of increasing Medicare costs and shortages in the workforce. It is important to protect

the option of early retirement, but our laws need to encourage individuals to stay in the workforce, not leave it.

Medicare costs, Medicaid costs, and labor shortages can be significantly reduced by keeping people healthy, vital, happy, and productive in the workforce. My bill pays for these changes in Social Security by using the existing $3.7 trillion unfunded liability to ensure the long-term health of the Social Security system. Doing nothing will mean at the end of 75 years, Social Security will have chewed up $3.7 trillion in taxpayer money to help keep Social Security solvent, but it will not, and we will still have an insolvent program with trillions of dollars more of unfunded liabilities staring us in the face.

In recent testimony before the Senate, Alan Greenspan said Social Security's total unfunded liability could be as high as $10 trillion over the life of the program. I have introduced this bill because I believe that leaders have a responsibility to deal with the great challenges of their time, not defer them, not make excuses for them, but to try to fix them and come up with solutions.

I do not hold my bill up as the only way to address the solvency of Social Security. It is one way. There may be better ways. No comprehensive bill will be immune from critical evaluation, nor should it be. However, I think my bill is a commonsense, responsible, and fiscally accountable place to start.

All Americans need to ask tough questions about the future of Social Security. We need to begin the process of refining ideas to forge the best, most responsible policy for the future of Social Security.

President Bush deserves great credit for making the modernization of Social Security a central part of his second-term agenda. There is no possibility for success in modernizing Social Security without strong Presidential leadership.

As I said at the beginning of my speech, Social Security is one of the most important and successful Government programs in American history. Since 1935, it has provided a safety net for our society's most vulnerable. We have a high moral obligation to ensure that future generations continue to benefit from this safety net and social contract we have with our citizens. But in order to do this, we must fix the system.

This is a personal issue for me. Forty years from now a young mother in Columbus, NE, may be left to raise four children on her own. I want her family to have the same access to the same safety net that my family had, and the promise that no matter where one starts in life, with a little help they can finish where they want.

I am 58 years old. I am at the front of the baby boom generation. My daughter is 14 years old. My son is 12 years old. I do not want to fail their generation. That means addressing these entitlement program issues now, while we have time to do it in a wise, careful, and responsible way. This is a defining debate for today's leaders. Doing nothing is irresponsible and cowardly. It is in America's interest to deal with our challenge today. We have it in us to do what needs to be done. We can preserve, protect, and improve Social Security for all future generations of Americans.

I send my bill to the desk and ask that it be assigned to the appropriate committee.

I yield the floor.

The PRESIDING OFFICER. The bill will be received and appropriately dealt with.

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. 540

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 ''Saving Social Security Act of 2005''.

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

TITLE I—INVESTMENT-BASED SOCIAL SECURITY

SEC. 101. ESTABLISHMENT OF AN INVESTMENT-BASED OPTION FOR SOCIAL SECURITY BENEFITS.

(a) IN GENERAL.—Title II of the Social Security Act (42 U.S.C. 401 et seq.) is amended—

(1) by inserting before section 201 the following:

''PART A—DEBT-BASED SOCIAL SECURITY'';

and

(2) by adding at the end the following:

''PART B—INVESTMENT-BASED SOCIAL SECURITY

''SEC. 250. DEFINITIONS.

''For purposes of this part—

''(1) INVESTING WORKER.—The term 'investing worker' means any individual—

''(A) who after the date of enactment of this part—

''(i) receives wages on which there is imposed a tax under section 3101(a) of the Internal Revenue Code of 1986; or

''(ii) derives self-employment income on which there is imposed a tax under section 1401(a) of the Internal Revenue Code of 1986; and

''(B) who was born on or after January 1, 1961, and does not make an election to waive investment-based social security under this part as provided under section 251(a).

''(2) SOCIAL SECURITY SAVINGS ACCOUNTS FOR EMPLOYEES (SAFE ACCOUNT).—The term 'social security savings accounts for employees' or 'SAFE Account' means an account established for an investing worker within the SAFE Investment Fund under section 252.

''(3) SAFE INVESTMENT FUND.—The term 'SAFE Investment Fund' or 'Fund' means the fund established under section 253.

''(4) SOCIAL SECURITY INVESTMENT BOARD.—The term 'Social Security Investment Board' or 'Board' means the board established under section 254.

''(5) COMMISSIONER.—The term 'Commissioner' means the Commissioner of Social Security.

''SEC. 251. ELECTION TO WAIVE ELIGIBILITY.

''(a) ELECTION TO WAIVE ELIGIBILITY FOR SAFE ACCOUNTS.—

''(1) IN GENERAL.—Any individual may elect to waive eligibility under this part in such form and manner as prescribed by the Board at any time after such individual attains the age of 18 and before such individual attains the age of 25. Such election shall be irrevocable.

''(2) INDIVIDUAL BORN BEFORE JANUARY 1, 1981.—Notwithstanding paragraph (1), in the case of any individual born after December 31, 1960, and before January 1, 1981, such individual may elect to waive eligibility under this part in such form and manner as prescribed by the Board at any time before January 1, 2007. Such election shall be irrevocable.

''(b) DISPOSITION OF SAFE ACCOUNT.—In the case of any individual who makes an election under paragraph (1), any assets in such individual's SAFE Account shall be paid to the Federal Old-Age and Survivors Insurance Trust Fund, and such individual's eligibility for benefits under part A shall be determined as if such Account had never been established.

''SEC. 252. SOCIAL SECURITY SAVINGS ACCOUNTS FOR EMPLOYEES (SAFE ACCOUNTS).

''(a) ESTABLISHMENT OF SAFE ACCOUNTS.—Not later than 30 days after the date on which an individual first becomes an investing worker, the Social Security Investment Board shall establish a SAFE Account for such individual in the SAFE Investment Fund.

''(b) CONTRIBUTIONS.—

''(1) IN GENERAL.—The Secretary of the Treasury shall transfer from the Federal Old-Age and Survivors Insurance Trust Fund to the SAFE Investment Fund, for crediting by the Social Security Investment Board to the SAFE Account of an investing worker, an amount equal to the SAFE Account contribution amount with respect to each investing worker.

''(2) SAFE ACCOUNT CONTRIBUTION AMOUNT.—For purposes of paragraph (1), the term 'SAFE Account contribution amount' means, with respect to an investing worker for a calendar year, the product derived by multiplying—

''(A) the sum of the total wages paid to, and self-employment income derived by, such individual during such calendar year; by

''(B) 4 percent.

''(c) DESIGNATION OF INVESTMENTS.—

''(1) INITIAL DESIGNATION.—

''(A) IN GENERAL.—Not later than 10 days after an account is established for an investing worker under subsection (a), the investing worker shall designate to which investment funds within the SAFE Investment Fund contributions to such account under subsection (b) shall be allocated.

''(B) DEFAULT ALLOCATION.—

''(i) IN GENERAL.—If no designation is made pursuant to paragraph (1), the Board shall allocate such contributions in accordance with the life-span investment option.

''(ii) LIFE-SPAN INVESTMENT OPTION.—For purposes of this section, the life-span investment option shall provide for the management and investment of funds within an investing worker's SAFE account on the basis of the age of the investing worker in accordance with regulations established by the Board. In establishing regulations with respect to the life-span investment option under this subparagraph, the Board shall consider—

''(I) with respect to the youngest investing workers, investing 80 percent of such funds in stocks and 20 percent of such funds in bonds; and

''(II) with respect to the oldest investing workers, investing 35 percent of such funds in stocks and 65 percent of such funds in bonds.

''(2) SUBSEQUENT DESIGNATIONS.—At least twice each year, an investing worker may redesignate the allocation of investments funds within the SAFE Investment Fund to which contributions with respect to such investing worker are allocated.

''(d) TIME DESIGNATION TAKES EFFECT.—A designation under subsection (c) shall take effect with respect to contributions made beginning more than 14 days after the date of the designation.

''(e) INVESTING WORKER'S PROPERTY RIGHT IN THE SAFE ACCOUNT.—Each SAFE Account designated by an investing worker is the sole property of the worker.

''(f) FORM OF DESIGNATIONS.—Designations under this section shall be made—

''(1) on W–4 forms (or any successor forms); or

''(2) in such other manner as the Social Security Investment Board may prescribe in order to ensure ease of administration.

''SEC. 253. SAFE INVESTMENT FUND.

''(a) IN GENERAL.—There shall be established and maintained in the Treasury of the United States a SAFE Investment Fund in the same manner as the Thrift Savings Fund under sections 8437 (excluding paragraphs (4) and (5) of subsection (c) thereof), 8438, and 8439 of title 5, United States Code, insofar as such sections are not inconsistent with the provisions of this part.

''(b) INVESTMENT EARNINGS REPORT.—

''(1) IN GENERAL.—At least annually, the SAFE Investment Fund shall provide to each investing worker a SAFE Investment Status Report. Such report may be transmitted electronically upon the agreement of the investing worker under the terms and conditions established by the Social Security Investment Board.

''(2) CONTENTS OF REPORT.—The SAFE Investment Status Report, with respect to a SAFE Account, shall provide the following information:

''(A) The total SAFE Account contributions made in the last quarter, the last year, and since the Account was established.

''(B) The amount and rate of return earned for each period described in subparagraph (A).

''(C) A projection of how much the investing worker will have available on the date the worker attains normal retirement age if such contributions and earnings continue at the same rate during the remaining period ending with such date.

''(c) MAXIMUM ADMINISTRATIVE FEE.—The SAFE Investment Fund shall charge each investing worker in the Fund a single, uniform annual administrative fee not to exceed 0.57 percent of the value of the assets invested in the worker's SAFE Account.

''SEC. 254. DISTRIBUTIONS.

''(a) DATE OF INITIAL DISTRIBUTION.—Except as provided in subsection (b)(4), distributions may only be made from a SAFE Account of an investing worker on and after the earliest of—

''(1) the date the investing worker attains normal retirement age, as determined under section 216; or

''(2) the date on which funds in the investing worker's SAFE Account are sufficient to transfer to the Federal Old-Age and Survivors Insurance Trust Fund—

''(A) an amount equal to the old-age insurance amount (as calculated under subsection (b)(1)(B)); and

''(B) an amount equal to the survivor's insurance amount (as calculated under subsection (b)(2)(B)).

''(b) FORM OF DISTRIBUTION.—

''(1) FEDERAL ANNUITY PAYMENT.—

''(A) IN GENERAL.—On the date determined under subsection (a), so much of the balance in an investing worker's SAFE Account as does not exceed the old-age insurance amount shall be transferred to the Federal Old-Age and Survivors Insurance Trust Fund and the investing worker shall be entitled to a Federal annuity payment.

''(B) OLD-AGE INSURANCE AMOUNT.—For purposes of this section, the old-age insurance amount is an amount which is sufficient to provide a Federal annuity payment which, when added to the investing worker's monthly benefit under part A, is equal to one-twelfth of 135 percent of the poverty line (as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))).

''(C) FEDERAL ANNUITY PAYMENT.—For purposes of this section, the term 'Federal annuity payment' means a monthly payment from the Federal Old-Age and Survivors Insurance Trust Fund in an amount determined by the Social Security Investment Board based on the amount transferred to the Federal Old-Age and Survivors Insurance Trust Fund under subparagraph (A) and the life expectancy of the investing worker (determined under reasonable actuarial assumptions).

''(2) FAMILY OR SURVIVOR BENEFITS FOR RELATED INDIVIDUALS.—

''(A) IN GENERAL.—On the date determined under subsection (a), in the case of an investing worker whose SAFE Account has funds in excess of the amount required to be transferred under paragraph (1)(A), so much of such excess funds as does not exceed the survivor's insurance amount shall be transferred to the Federal Old-Age and Survivors Insurance Trust Fund and any related individual shall be entitled to a survivor's payment at the time such related individual meets the applicable requirements for a monthly payment under section 202.

''(B) SURVIVOR'S INSURANCE AMOUNT.—For purposes of this section, the survivor's insurance amount is an amount, determined by the Social Security Investment Board under rules established by such Board, which is sufficient to provide survivor's payments to all related individuals.

''(C) SURVIVOR'S PAYMENT.—For purposes of this section, the term 'survivor's payment' means a monthly payment from the Federal Old-Age and Survivors Insurance Trust Fund in an amount which, when added to such related individual's monthly benefit (or projected monthly benefit) under this title, is equal to the benefit such related individual would be entitled to under section 202 if the investing worker had waived the application of this part.

''(D) RELATED INDIVIDUAL.—For purposes of this section, the term 'related individual' means, with respect to an investing worker, any individual entitled to benefits under section 202 based on the wages or self-employment income of such worker.

''(3) PAYMENT OF EXCESS SAFE ACCOUNT FUNDS.—To the extent funds remain in an investing worker's SAFE Account after the transfer required under paragraphs (1) and (2), such excess assets shall be payable to the worker in such manner and in such amounts as determined by the worker.

''(4) DISTRIBUTION IN THE EVENT OF DEATH.—If the investing worker dies before the date determined under subsection (a), the balance in the worker's SAFE Account shall be distributed in the following manner:

''(A) Not more than an amount equal to the survivor's insurance amount shall be transferred to the Federal Old-Age and Survivors Insurance Trust Fund.

''(B) The remainder (if any) shall be distributed in a lump sum, under rules established by the Social Security Investment Board, to the investing worker's estate, subject to applicable State laws.

''SEC. 255. SOCIAL SECURITY INVESTMENT BOARD.

''(a) ESTABLISHMENT.—There is established within the Social Security Administration a Social Security Investment Board (in this Act referred to as the 'Board').

''(b) COMPOSITION.—The Board shall be composed of—

''(1) 2 members from the private sector appointed by the President, of whom 1 shall be designated by the President as Chairman;

''(2) the Secretary of the Treasury;

''(3) the Chairman of the Federal Reserve Board; and

''(4) the Chairman of the Securities and Exchange Commission.

''(c) ADVICE AND CONSENT.—Appointments under subsection (b)(1) shall be made by and with the advice and consent of the Senate.

''(d) MEMBERSHIP REQUIREMENTS.—Members of the Board appointed under subsection (b)(1) shall have substantial experience, training, and expertise in finance, investments, or insurance.

''(e) LENGTH OF APPOINTMENTS.—

''(1) TERMS.—A member of the Board appointed under subsection (b)(1) shall be appointed for a term of 6 years, except that of the members first appointed under subsection (b)(1)—

''(A) the Chairman shall be appointed for a term of 6 years; and

''(B) the remaining member shall be appointed for a term of 3 years.

''(2) VACANCIES.—

''(A) IN GENERAL.—A vacancy on the Board shall be filled in the manner in which the original appointment was made and shall be subject to any conditions that applied with respect to the original appointment.

''(B) COMPLETION OF TERM.—An individual chosen to fill a vacancy shall be appointed for the unexpired term of the member replaced.

''(3) EXPIRATION.—The term of any member shall not expire before the earlier of—

''(A) the date on which the member's successor takes office; or

''(B) 1 year after the member's term is scheduled to expire.

''(f) DUTIES.—The Board shall—

''(1) maintain SAFE Accounts and the SAFE Investment Fund in the same manner as the Thrift Savings Accounts and the Thrift Savings Fund are maintained by the Thrift Savings Board;

''(2) review and approve the budget of the Board;

''(3) establish policies for the administration of this part; and

''(4) carry out any other duties specified under this part.

''(g) ADMINISTRATIVE PROVISIONS.—

''(1) IN GENERAL.—The Board may—

''(A) adopt, alter, and use a seal;

''(B) direct the Executive Director to take such action as the Board considers appropriate to carry out the provisions of this part and the policies of the Board;

''(C) upon the concurring votes of 4 members, remove the Executive Director from office for good cause shown; and

''(D) take such other actions as may be necessary to carry out the functions of the Board.

''(2) MEETINGS.—The Board shall meet—

''(A) not less than once each month; and

''(B) at additional times at the call of the Chairman.

''(3) EXERCISE OF POWERS.—

''(A) IN GENERAL.—Except as provided in paragraph (1)(C), the Board shall perform the functions and exercise the powers of the Board on a majority vote of a quorum of the Board. Three members of the Board shall constitute a quorum for the transaction of business.

''(B) VACANCIES.—A vacancy on the Board shall not impair the authority of a quorum of the Board to perform the functions and exercise the powers of the Board.

''(h) COMPENSATION.—

''(1) IN GENERAL.—Each member of the Board who is not an officer or employee of the Federal Government shall be compensated at the daily rate of basic pay for level IV of the Executive Schedule for each day during which such member is engaged in performing a function of the Board.

''(2) EXPENSES.—A member of the Board shall be paid travel, per diem, and other necessary expenses under subchapter I of chapter 57 of title 5, United States Code, while traveling away from such member's home or regular place of business in the performance of the duties of the Board.

''(i) APPOINTMENT OF EXECUTIVE DIRECTOR.—

''(1) IN GENERAL.—The Board shall appoint, without regard to the provisions of law governing appointments in the competitive service, an Executive Director by action agreed to by a majority of the members of the Board.

''(2) REQUIREMENTS.—The Executive Director shall have substantial experience, training, and expertise in finance, investments, and insurance.

''(3) DUTIES.—The Executive Director shall—

''(A) carry out the policies established by the Board;

''(B) invest and manage the SAFE Investment Fund in accordance with the investment policies established by the Board;

''(C) administer the provisions this part; and

''(D) prescribe such regulations (other than regulations relating to fiduciary responsibilities) as may be necessary for the administration of this part.

''(4) ADMINISTRATIVE AUTHORITY.—The Executive Director may—

''(A) appoint such personnel as may be necessary to carry out the provisions of this part;

''(B) subject to approval by the Board, procure the services of experts and consultants under section 3109 of title 5, United States Code;

''(C) secure directly from an executive agency, the United States Postal Service, or the Postal Rate Commission any information necessary to carry out the provisions of such part and the policies of the Board;

''(D) make such payments out of sums described in subsection (l) as the Executive Director determines are necessary to carry out the provisions of such part and the policies of the Board;

''(E) accept and use the services of individuals employed intermittently in the Government service and reimburse such individuals for travel expenses, as authorized by section 5703 of title 5, United States Code, including per diem as authorized by section 5702 of such title;

''(F) except as otherwise expressly prohibited by law or the policies of the Board, delegate any of the Executive Director's functions to such employees under the Board as the Executive Director may designate and authorize such successive redelegations of such functions to such employees under the Board as the Executive Director may consider to be necessary or appropriate; and

''(G) take such other actions as are appropriate to carry out the functions of the Executive Director.

''(j) DISCHARGE OF RESPONSIBILITIES.—The members of the Board shall discharge their responsibilities solely in the interest of SAFE Account holders and beneficiaries under this part.

''(k) ANNUAL INDEPENDENT AUDIT.—The Board shall annually engage an independent qualified public accountant to audit the activities of the Board.

''(l) SOURCE OF FUNDS.—Payments authorized under this section shall be paid from administrative fees charged in accordance with section 253(c).

''(m) SUBMISSION OF BUDGET TO CONGRESS.—The Board shall prepare and submit to the President, and, at the same time, to the appropriate committees of Congress, an annual budget of the expenses and other items relating to the Board which shall be included as a separate item in the budget required to be transmitted to Congress under section 1105 of title 31, United States Code.

''(n) SUBMISSION OF LEGISLATIVE RECOMMENDATIONS.—The Board may submit to the President, and, at the same time, shall submit to each House of Congress, any legislative recommendations of the Board relating to any of its functions under this part or any other provision of law.''.

(b) EFFECTIVE DATE AND NOTICE REQUIREMENTS.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to designations of accounts made with respect to payroll periods beginning on or after January 1, 2007.

(2) NOTICE REQUIREMENTS.—

(A) IN GENERAL.—Not later than January 1, 2007, the Commissioner of Social Security shall—

(i) send to the last known address of each eligible individual a description of the program established by the amendments made by this section, that shall be written in the form of a pamphlet in language that may be readily understood by the average worker;

(ii) provide for toll-free access by telephone from all localities in the United States and access by the Internet to the Social Security Administration through which individuals may obtain information and answers to questions regarding such program; and

(iii) provide information to the media in all localities of the United States about such program and such toll-free access by telephone and access by Internet.

(B) ELIGIBLE INDIVIDUAL.—For purposes of this paragraph, the term ''eligible individual'' means an individual who, as of the date of the pamphlet sent pursuant to subparagraph (A), is indicated within the records of the Social Security Administration as being credited with 1 or more quarters of coverage under section 213 of the Social Security Act (42 U.S.C. 413).

(C) MATTERS TO BE INCLUDED.—The Commissioner of Social Security shall include with the pamphlet sent to each eligible individual pursuant to subparagraph (A)—

(i) a statement of the number of quarters of coverage indicated in the records of the Social Security Administration as of the date of the description as credited to such individual under section 213 of such Act and the date as of which such records may be considered accurate; and

(ii) the number for toll-free access by telephone established by the Commissioner pursuant to subparagraph (A)(ii).

SEC. 102. ADJUSTMENTS TO PRIMARY INSURANCE AMOUNTS UNDER PART A OF TITLE II OF THE SOCIAL SECURITY ACT FOR INVESTING WORKERS WITH SAFE ACCOUNTS.

(a) IN GENERAL.—Section 215 of the Social Security Act (42 U.S.C. 415) is amended by adding at the end the following:

''Adjustment of Primary Insurance Amount in Relation to Deposits Made to SAFE Accounts

''(j)(1) Except as provided in paragraph (2), an individual's primary insurance amount as determined in accordance with this section (before adjustments made under subsection (i)) shall be equal to—

''(A) the amount which would be so determined without the application of this subsection, multiplied by

''(B) 1 minus the ratio of—

''(i) the sum of—

''(I) the total of all amounts which have been credited pursuant to section 252(b) to the SAFE Account held by such individual; plus

''(II) accrued interest on such amounts compounded annually up to the date of initial benefit entitlement based on the earning of the individual's SAFE Account, assuming an interest rate equal to the projected interest rate of the Federal Old-Age and Survivors Trust Fund; to

''(ii) the expected present value of all future benefits paid based on the individual's earnings, as of the date of initial benefit entitlement based on such earnings, assuming future mortality and interest rates for the Federal Old-Age and Survivors Trust Fund used in the intermediate projections of the most recent Board of Trustees report under section 201.

''(2) In the case of an individual who becomes entitled to disability insurance benefits under section 223, such individual's primary insurance amount shall be determined without regard to paragraph (1).''.

(b) CONFORMING AMENDMENT TO RAILROAD RETIREMENT ACT OF 1974.—Section 1 of the Railroad Retirement Act of 1974 (45 U.S.C. 231) is amended by adding at the end the following:

''(s) In applying applicable provisions of the Social Security Act for purposes of determining the amount of the annuity to which an individual is entitled under this Act, section 215(j) of the Social Security Act and part B of title II of such Act shall be disregarded.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to computations and recomputations of primary insurance amounts occurring after December 31, 2006.

SEC. 103. TAX TREATMENT OF INVESTMENT-BASED SOCIAL SECURITY.

(a) IN GENERAL.—

(1) IN GENERAL.—Subchapter F of chapter 1 of the Internal Revenue Code of 1986 (relating to exempt organizations) is amended by adding at the end the following new part:

"PART IX—INVESTMENT-BASED SOCIAL SECURITY

''Sec. 530A. Investment-based social security.

"SEC. 530A. INVESTMENT-BASED SOCIAL SECURITY.

''(a) GENERAL RULE.—The SAFE Investment Fund and each SAFE Account are exempt from taxation under this subtitle. Notwithstanding the preceding sentence, a personal social security savings account is subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable, etc. organizations).

''(b) DISTRIBUTIONS.—

''(1) FEDERAL ANNUITY PAYMENT.—Any Federal annuity payment (as defined under section 254(b)(1) of the Social Security Act) shall be treated as a social security benefit for purposes of section 86.

''(2) DISTRIBUTION OF EXCESS ASSETS.—Any distribution from a SAFE Account under section 254(b)(3) of the Social Security Act shall be includible in gross income under rules under section 72.

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

''(1) SAFE ACCOUNT.—The term 'SAFE Account' means an account established under section 252(a) of the Social Security Act.

''(2) SAFE INVESTMENT FUND.—The term 'SAFE Investment Fund' means the fund established under section 253 of the Social Security Act.''.

(2) CLERICAL AMENDMENT.—The table of parts for subchapter F of chapter 1 of such Code is amended by adding after the item relating to part VIII the following new item:

''PART IX. INVESTMENT-BASED SOCIAL SECURITY.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006

SEC. 104. STUDY ON USE OF PRIVATE ANNUITIES FOR SAFE ACCOUNT DISTRIBUTIONS.

(a) IN GENERAL.—The Social Security Investment Board shall conduct a study on the use of annuities provided by private-sector financial institutions for the distribution of SAFE account funds under section 254 of the Social Security Act.

(b) REPORT.—Not later than 3 years after the date of the enactment of this Act, the Social Security Investment Board shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report describing the results of the study under subsection (a).

SEC. 105. STUDY REGARDING FINANCIAL LITERACY.

(a) STUDY.—

(1) IN GENERAL.—The Social Security Investment Board shall conduct a thorough study of all matters relating to programs to increase the financial literacy of Americans.

(2) MATTERS STUDIED.—The matters studied by the Social Security Investment Board shall include—

(A) existing Federal and non-Federal financial literacy programs, including a review and performance evaluation of such programs;

(B) the coordination of existing Federal and non-Federal financial education efforts; and

(C) ideas for new public initiatives to increase the financial literacy of all Americans.

(b) RECOMMENDATIONS.—The Social Security Investment Board shall develop recommendations on—

(1) streamlining existing financial literacy programs;

(2) increasing financial literacy for all Americans; and

(3) new avenues for public-private partnerships in financial literacy.

(c) REPORT.—Not later than 6 months after the date of the enactment of this Act, the Social Security Investment Board shall submit a report to the President and to Congress which shall contain a detailed statement of the findings and conclusions of the Social Security Investment Board, together with its recommendations for such legislation and administrative actions as it considers appropriate.

TITLE II—DEBT-BASED SOCIAL SECURITY

Subtitle A—Adjustments

SEC. 201. MODIFICATION TO RETIREMENT AGE.

Section 215(l)(1) of the Social Security Act (42 U.S.C. 416(l)(1)) is amended—

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

(2) by inserting ''and before January 1, 2023,'' after ''December 31, 2021,'' in subparagraph (E);

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

(4) by adding at the end the following:

''(F) with respect to an individual who attains early retirement age after December 31, 2022, 68 years of age.''.

SEC. 202. MODIFICATION OF PIA FACTORS TO REFLECT CHANGES IN LIFE EXPECTANCY.

Section 215(a)(1) of the Social Security Act (42 U.S.C. 415(a)(1)(B)) is amended by redesignating subparagraph (D) as subparagraph (F) and by inserting after subparagraph (C) the following:

''(D)(i) For individuals who initially become eligible for old-age insurance benefits in any calendar year after 2023, each of the percentages under clauses (i), (ii), and (iii) of subparagraph (A) shall be multiplied by the applicable factor for such year with respect to each year after 2023 and before the year following the year of initial eligibility.

''(ii) For purposes of clause (i), the term 'applicable factor' means the actuarial number, expressed as a percentage and determined by the Commissioner of Social Security after taking into account the actuarial reduction under section 202(q) (without regard to the amendments made by section 203 of the Saving Social Security Act of 2005), representing the historical increase in longevity of life for the most recent year .

''(E) For any individual who initially becomes eligible for disability insurance benefits in any calendar year after 2023, the primary insurance amount for such individual shall be equal to the greater of—

''(i) such amount as determined under this paragraph, or

''(ii) such amount as determined under this paragraph without regard to subparagraph (D) thereof.''.

SEC. 203. ACTUARIAL ADJUSTMENT FOR RETIREMENTS.

(a) IN GENERAL.—Section 202(q) of the Social Security Act (42 U.S.C. 402(q)) is amended—

(1) in paragraph (1)(A), by striking ''5/9'' and inserting ''the applicable old-age benefit fraction (determined under paragraph (12)(A))'', and by striking ''25/36'' and inserting ''the applicable spousal benefit fraction (determined under paragraph (12)(B))''; and

(2) by adding at the end the following:

''(12) For purposes of paragraph (1)(A)—

''(A) the 'applicable old-age benefit fraction' for an individual who attains the age of 62 in—

''(i) any year before 2024, is 5/9;

''(ii) 2024, is 7/12;

''(iii) 2025, is 11/18;

''(iv) 2026, is 23/36;

''(v) 2027, is 2/3; and

''(vi) 2028 or any succeeding year, is 25/36; and

''(B) the 'applicable spousal benefit fraction' for an individual who becomes eligible for wife's or husband's insurance benefits in—

''(i) any year before 2024, is 25/36;

''(ii) 2024, is 13/18;

''(iii) 2025, is 27/36;

''(iv) 2026, is 7/9;

''(v) 2027, is 29/36; and

''(vi) 2028 or any succeeding year, is 5/6.''.

(b) MONTHS BEYOND FIRST 36 MONTHS.—Section 202(q) of such Act (42 U.S.C. 402(q)) (as amended by subsection (a)) is amended—

(1) in paragraph (9)(A), by striking ''five-twelfths'' and inserting ''the applicable fraction (determined under paragraph (13))''; and

(2) by adding at the end the following:

''(13) For purposes of paragraph (9)(A), the 'applicable fraction' for an individual who becomes eligible for old-age, wife's, or husband's insurance benefits in—

''(A) any year before 2024, is 5/12;

''(B) 2024, is 16/36;

''(C) 2025, is 16/36;

''(D) 2026, is 17/36;

''(E) 2027, is 17/36; and

''(F) 2028 or any succeeding year, is 1/2.''.

(c) ELIGIBILITY.—Section 202(q) of such Act (as amended by the preceding provisions of this section) is amended further by adding at the end the following new paragraph:

''(14) For purposes of this subsection, an individual shall be deemed eligible for a benefit for a month if, upon filing application therefor in such month, such individual would be entitled to such benefit for such month.''.

(d) EFFECTIVE DATE.—The amendments made by this subsection shall apply to individuals who, in connection with old-age, wife's, and husband's insurance benefits under title II of the Social Security Act, become eligible for such benefits (within the meaning of section 202(q)(14) of such Act (as amended by this subsection)) in years after 2023.

Subtitle B—Maintenance of Social Security Trust Funds

SEC. 211. MAINTENANCE OF ADEQUATE BALANCES IN THE SOCIAL SECURITY TRUST FUNDS.

(a) IN GENERAL.—Section 201 of the Social Security Act (42 U.S.C. 401) is amended by adding at the end the following new subsection:

''(o) In addition to amounts otherwise appropriated under the preceding provisions of this section to the Trust Funds established under this section, there is hereby appropriated for each fiscal year to each of such Trust Funds, from amounts in the general fund of the Treasury not otherwise appropriated, such sums as may be necessary from time to time to maintain the balance ratio (as defined in section 709(b)) of such Trust Fund, for the calendar year commencing during such fiscal year, at not less than 100 percent. The sums to be appropriated under the preceding sentence shall be determined by the Commissioner of Social Security and certified by the Commissioner to each House of the Congress not later than October 1 of such fiscal year. In making such determination and certification, the Commissioner shall use the intermediate actuarial assumptions used by the Board of Trustees of the

Trust Funds in its most recent annual report to the Congress prepared pursuant to subsection (c)(2). The Commissioner shall also transmit a copy of any such certification to the Secretary of the Treasury, and upon receipt thereof, such Secretary shall promptly take appropriate actions in accordance with the certification.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to fiscal years beginning after the date of the enactment of this Act.

By Mr. DORGAN (for himself, Mr. SMITH, Mrs. MURRAY, Ms. CANTWELL, Mr. JOHNSON, and Mr. HARKIN):

S. 542. A bill to amend the Internal Revenue code of 1986 to extend for 5 years the credit for electricity produced from certain renewable resources, and for other purposes; to the Committee on Finance.

Mr. DORGAN. Mr. President, today I am joined by Senator SMITH of Oregon and several of our colleagues in introducing legislation to extend the soon-to-expire tax credits in Federal law that incentivize the development and use of renewable energy.

Mr. President, as you know, Federal policymakers have been working over the past couple of years to pass comprehensive energy reforms that will encourage greater domestic energy production, increase energy efficiency and improve the nation's overall energy security by reducing our dependence on imported sources of energy.

This country imports more than 60 percent of its oil from abroad, and Americans have watched as oil and gas prices—and their energy bills—have skyrocketed, in large part due to the threat of disruptions to energy supplies in volatile regions of the Middle East. The evidence also suggests that the United States is ramping up its demand for imported natural gas. At a recent Senate Energy Subcommittee hearing, for example, we heard about plans to build thirty-one new liquefied natural gas terminals in this country. The reason for this activity is that the United States is projected to import about 28 percent of our natural gas supply by the year 2025. Clearly, something must be done to reduce our reliance on energy imports. I hope that we will complete work on a comprehensive energy bill in this Congress that will help us do so.

However, there are some fiscal policies already in place that will help us move toward greater energy independence and diversity. Current law's Federal income tax credit for facilities producing electricity from wind and other renewable energy sources is among the most important of these polices. In fact, we are told by energy developers year after year that the renewable energy production tax credit, PTC, is absolutely essential for bringing renewable energy-generated electricity to the marketplace at a competitive rate. Today, for example, our country has over 6,700 megawatts of wind energy capacity, or enough electric capacity to serve about 1.6 million homes. And all that electricity is generated on U.S. soil, producing U.S. jobs.

Last year, Congress extended the availability of the PTC and expanded it to cover other forms of renewable energy—including geothermal and solar. I supported this effort. However, I am frustrated that Congress continues to undermine its own effort to develop domestic renewable energy resources by failing to ensure that the PTC is available for a longer term.

In North Dakota, we have abundant renewable energy resources including wind. In fact, North Dakota's wind development potential is so great that many energy experts call North Dakota the ''Saudi Arabia'' of wind energy. And the PTC is critical for the continued growth of this industry in North Dakota, Oregon, and elsewhere. But the PTC, which is found in Section 45 of the Tax Code, is also scheduled to expire at the end of this year.

That is why Senator SMITH and I are introducing a bipartisan bill today to extend the Section 45 tax credits for producers who place new renewable energy facilities in service before January 1, 2011. Our five-year extension bill also continues the indexing of the credits for inflation and extends alternative minimum tax relief as provided under current law. Finally, the bill includes provisions to ensure that tax-exempt cooperatives, municipal utilities and Indian tribes can receive the benefit of the tax credits for their investments in renewable energy.

Billions of dollars of expected investments by the renewable energy industry will, once again, be put on hold if we fail to extend the credit. Inexplicably, Congress has allowed the PTC to expire three times since its inception in 1992. When this happens, the industry suffers a huge drop in investment and many good-paying jobs are lost. Failing to promptly extend the credit this year will prevent new renewable energy facilities from coming on line and lead to layoffs by the businesses that support this industry, including wind tower and turbine blade manufacturers.

The bottom line is that short-term extensions of the renewable energy tax credit creates a boom and bust cycle of short-term planning, painful layoffs and higher than necessary project costs. Financial lenders stop providing the capital needed for wind energy projects about 4 to 6 months before the credit is scheduled to expire because of the uncertainty surrounding the future availability of the credit. This uncertainty inevitably leads to a rush to complete projects at higher costs, and those costs are passed along to consumers.

In conclusion, I will be working hard with Senator SMITH and others to get this legislation passed by the Senate as soon as possible. Unless we act quickly, renewable energy developers will, once again, be forced to suspend or cancel new projects that move us toward energy independence and create significant economic opportunities for a rural state like North Dakota.

Mr. President, I am pleased that this legislation has already been endorsed by the American Wind Energy Association, the American Corn Growers Association and others interested in renewable energy development. I urge my colleagues to work with us to get this measure enacted into law early in this session of the 109th Congress.

By Ms. SNOWE:

S. 543. A bill to amend the Internal Revenue Code of 1986 to expand the availability of the cash method of accounting for small businesses, and for other purposes; to the Committee on Finance.

Ms. SNOWE. Mr. President, I rise today to re-introduce a bill that I offered last year that I hope will be the first in a series of proposals to simplify the Tax Code for small business owners. Once enacted, these provisions will reduce not only the amount of taxes that small businesses pay, but I believe they also will reduce the administrative burden that saddles small companies in trying to satisfy their tax obligation.

Let me begin by saying how pleased I am that the President has made simplifying the Tax Code one of his top priorities for his second term. Clearly, a world-class economy such as that of the United States requires a world-class revenue collection system, meaning we need a Tax Code that is simple, consistent, and fair. For that reason, I look forward to seeing the recommendations that the President's tax reform panel will offer on how best we can reform the current Tax Code to improve its efficiency and strengthen our overall economy.

In the interim, the proposal that I am re-introducing today will simplify the code by permitting small business owners to use the cash method of accounting for reporting their income if they generally earn fewer than $10 million during the tax year. Currently, only those taxpayers that earn less than $5 million per year are able to use the cash method. By increasing this threshold to $10 million, more small businesses will be relieved of the burdensome record-keeping requirements that they must deal with currently in paying their income taxes.

Before I talk about the specifics of this particular provision, let me first explain why it is so critical that we simplify the Tax Code. As you know, Mr. President, small businesses are the backbone of our nation's economy. According to the Small Business Administration, small businesses represent 99 percent of all employers, employ 51 percent of the private-sector workforce, and contribute 51 percent of the private-sector output.

Yet, the despite the fact that small businesses are the engine that drives our improving economy, the current tax system imposes entirely unreasonable burdens on them when they try to

satisfy their tax obligations. As you know, the current tax code imposes a large, and expensive, burden on all taxpayers in terms of satisfying their reporting and recordkeeping obligations. The problem, though, is that small companies are disadvantaged most in terms of the money and time spent in satisfying their tax obligation vis-a-vis larger firms.

For example, according to the Small Business Administration's Office of Advocacy, small businesses spend more than 8 billion hours each year filling-out government reports, and they spend more than 80 percent of this time on completing tax forms. What's even more troubling is that companies that employ fewer than 20 employees spend nearly $6,975 per employee in tax compliance costs, and this amount is nearly 60 percent more than companies spend with more than 500 employees.

These statistics are disconcerting for several reasons. First, the fact that small businesses are being required to spend so much money on compliance costs means they have fewer earnings to reinvest into their business. This, in turn, means that they have less money to spend on new equipment or on worker training, which unfortunately has an adverse effect on their overall production and the economy as a whole.

Second, the fact that small business owners are required to make such a sizeable investment of their time into completing paperwork means they have less time to spend on doing what they do best—namely running their business and creating jobs.

Let me be clear, however, that I am in no way suggesting that small business owners are unique in having to pay income taxes, and I am certainly not expecting them to receive a free pass. In order to benefit from the freedoms and protections that our great country provides, individuals and businesses alike are required to pay taxes, and this duty inevitably imposes some minimum administrative and opportunity cost. What I am asking for, though, is a fairer, simpler Tax Code that allows small companies to satisfy this obligation without having to expend the amount of resources that they do currently.

For that reason, the package of proposals that I hope to introduce will provide not only targeted, affordable tax relief to small business owners, but they also will simplify the rules that exist currently. By simplifying the Tax Code, small business owners will be able to satisfy their tax obligation in a cheaper, more efficient manner, and they consequently will be able to invest more time and resources into their business.

As I mentioned earlier, the provision that I am introducing today will permit more taxpayers to use the cash method of accounting rather than the accrual method. Generally, current law permits only those taxpayers that earn fewer than $5 million in gross receipts during the tax year to use the cash method in reporting their income. In addition, current law precludes taxpayers that have inventory from using the cash method. This means that thousands of small businesses that should be entitled to report their income and expenses under the cash method of accounting are required to follow the accrual method, which tends to impose additional financial and administrative costs that should be eliminated.

My bill changes these existing rules so that more small businesses will be able to use the cash method. In short, my bill increases the gross receipts test under current law to $10 million and indexes this higher threshold to account for inflation. As the current $5 million threshold is clearly outdated, it makes little sense to have such an obsolete standard for this most important provision.

My bill also changes current law to permit those taxpayers with inventory to qualify for the cash method of accounting. Notably, however, my bill will not give these taxpayers an opportunity to simply recover costs associated with these otherwise inventoriable assets in the year of purchase. Rather, my bill will require these taxpayers to account for such costs as if they are a material or supply that is not incidental. This standard already exists under current law, and it is one with which many small businesses are already familiar. As such, this less-burdensome standard should ease the existing compliance burden for eligible taxpayers and allow them to devote more time and resources to their business.

Importantly, these changes will not reduce the amount of taxes a small business pays by even one dollar. Indeed, the overall amount of taxes a qualifying small business pays will remain the same. Rather, this bill simply permits more taxpayers to report income and account for costs in the year of the receipt or expenditure. Clearly, this method is much easier and simpler for small taxpayers, and it will reduce both their time and monetary expenditures spent on complying with the Tax Code.

AMENDMENTS SUBMITTED & PROPOSED

SA 58. Mr. STEVENS submitted an amendment intended to be proposed by him to the bill S. 256, to amend title 11 of the United States Code, and for other purposes; which was ordered to lie on the table.

SA 59. Mr. STEVENS submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 60. Mr. CORNYN submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 61. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill S. 256, supra; which was ordered to lie on the table.

SA 62. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill S. 256, supra; which was ordered to lie on the table.

SA 63. Mr. LEVIN (for himself and Mr. PRYOR) submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 64. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 256, supra; which was ordered to lie on the table.

SA 65. Mr. ROCKEFELLER (for himself and Mr. OBAMA) submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 66. Mr. HARKIN (for himself, Mr. ROCKEFELLER, Mr. LEAHY, Mr. DAYTON, and Mr. KENNEDY) submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 67. Mr. DODD submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 68. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 69. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 70. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 71. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 72. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 256, supra.

SA 73. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 74. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 75. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 76. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 77. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 78. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 79. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 80. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 81. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 82. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 83. Mr. KENNEDY (for Mr. LEAHY (for himself and Mr. SARBANES)) proposed an amendment to the bill S. 256, supra.

SA 84. Mr. KERRY submitted an amendment intended to be proposed by him to the bill S. 256, supra; which was ordered to lie on the table.

SA 85. Ms. CANTWELL (for herself, Mr. ENSIGN, and Mrs. MURRAY) submitted an amendment intended to be proposed by her