(Mr. REED) was added as a cosponsor of S. 39, a bill to establish a coordinated national ocean exploration program within the National Oceanic and Atmospheric Administration.

S. 132

At the request of Mr. SMITH, the name of the Senator from Nevada (Mr. ENSIGN) was added as a cosponsor of S. 132, a bill to amend the Internal Revenue Code of 1986 to allow a deduction for premiums on mortgage insurance.

S. 172

At the request of Mr. DEWINE, the name of the Senator from New Jersey (Mr. CORZINE) was added as a cosponsor of S. 172, a bill to amend the Federal Food, Drug, and Cosmetic Act to provide for the regulation of all contact lenses as medical devices, and for other purposes.

S. 313

At the request of Mr. LUGAR, the name of the Senator from Alaska (Ms. MURKOWSKI) was added as a cosponsor of S. 313, a bill to improve authorities to address urgent nonproliferation crises and United States nonproliferation operations.

S. 338

At the request of Mr. SMITH, the names of the Senator from Maryland (Ms. MIKULSKI) and the Senator from Hawaii (Mr. AKAKA) were added as cosponsors of S. 338, a bill to provide for the establishment of a Bipartisan Commission on Medicaid.

S. 339

At the request of Mr. REID, the name of the Senator from Wisconsin (Mr. KOHL) was added as a cosponsor of S. 339, a bill to reaffirm the authority of States to regulate certain hunting and fishing activities.

S. 418

At the request of Mrs. CLINTON, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 418, a bill to protect members of the Armed Forces from unscrupulous practices regarding sales of insurance, financial, and investment products.

S. 420

At the request of Mr. KYL, the name of the Senator from Missouri (Mr. BOND) was added as a cosponsor of S. 420, a bill to make the repeal of the estate tax permanent.

S. 440

At the request of Mr. BUNNING, the name of the Senator from Vermont (Mr. JEFFORDS) was added as a cosponsor of S. 440, a bill to amend title XIX of the Social Security Act to include podiatrists as physicians for purposes of covering physicians services under the medicaid program.

S. 471

At the request of Mr. SPECTER, the names of the Senator from Montana (Mr. BAUCUS) and the Senator from Indiana (Mr. BAYH) 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. 602

At the request of Ms. MIKULSKI, the names of the Senator from Pennsylvania (Mr. SANTORUM) and the Senator from Rhode Island (Mr. REED) were added as cosponsors of S. 602, a bill to amend the Public Health Service Act to fund breakthroughs in Alzheimer's disease research while providing more help to caregivers and increasing public education about prevention.

S. 609

At the request of Mr. BROWNBACK, the name of the Senator from Ohio (Mr. DEWINE) was added as a cosponsor of S. 609, a bill to amend the Public Health Service Act to increase the provision of scientifically sound information and support services to patients receiving a positive test diagnosis for Down syndrome or other prenatally diagnosed conditions.

S. 619

At the request of Mrs. MURRAY, her name was added as a cosponsor of S. 619, a bill to amend title II of the Social Security Act to repeal the Government pension offset and windfall elimination provisions.

S. 724

At the request of Mr. DODD, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 724, a bill to improve the No Child Left Behind Act of 2001, and for other purposes.

S. 776

At the request of Mr. JOHNSON, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S. 776, a bill to designate certain functions performed at flight service stations of the Federal Aviation Administration as inherently governmental functions, and for other purposes.

S. 827

At the request of Mr. FEINGOLD, the name of the Senator from Vermont (Mr. JEFFORDS) was added as a cosponsor of S. 827, a bill to prohibit products that contain dry ultra-filtered milk products, milk protein concentrate, or casein from being labeled as domestic natural cheese, and for other purposes.

S. 843

At the request of Mr. SANTORUM, the name of the Senator from New Jersey (Mr. CORZINE) was added as a cosponsor of S. 843, a bill to amend the Public Health Service Act to combat autism through research, screening, intervention and education.

S. 850

At the request of Mr. FRIST, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 850, a bill to establish the Global Health Corps, and for other purposes.

S. 876

At the request of Mr. HATCH, the names of the Senator from New Jersey (Mr. LAUTENBERG), the Senator from California (Mrs. BOXER), the Senator from Massachusetts (Mr. KERRY), the Senator from New Jersey (Mr. CORZINE), the Senator from Illinois (Mr. DURBIN), the Senator from Vermont (Mr. JEFFORDS) and the Senator from Washington (Mrs. MURRAY) were added as cosponsors of S. 876, a bill to prohibit human cloning and protect stem cell research.

S.J. RES. 15

At the request of Mr. BROWNBACK, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S.J. Res. 15, a joint resolution to acknowledge a long history of official depredations and ill-conceived policies by the United States Government regarding Indian tribes and offer an apology to all Native Peoples on behalf of the United States.

S. CON. RES. 16

At the request of Mr. BINGAMAN, the name of the Senator from Florida (Mr. NELSON) was added as a cosponsor of S. Con. Res. 16, a concurrent resolution conveying the sympathy of Congress to the families of the young women murdered in the State of Chihuahua, Mexico, and encouraging increased United States involvement in bringing an end to these crimes.

S. RES. 116

At the request of Mrs. DOLE, the names of the Senator from Hawaii (Mr. INOUYE) and the Senator from Florida (Mr. NELSON) were added as cosponsors of S. Res. 116, a resolution commemorating the life, achievements, and contributions of Frederick C. Branch.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOMENICI (for himself, Mr. BINGAMAN, Ms. MURKOWSKI, Mr. BENNETT, and Mr. JOHNSON):

S. 895. A bill to direct the Secretary of the Interior to establish a rural water supply program in the Reclamation States to provide a clear, safe affordable, and reliable water supply to rural residents; to the Committee on Environment and Public Works.

Mr. DOMENICI. Mr. President, in the 1746 Poor Richard's Almanac, Benjamin Franklin wrote, ''When the well is dry, we learn the worth of water.'' Nowhere is the bottom of the well approaching more quickly than in western United States. Nearly depleted aquifers and deteriorated infrastructure on which our small and rural communities rely coupled with their inability to raise large amounts of capital to afford water infrastructure has resulted in substantial want. When the water dries up, so will many of our communities. As such, the scarcity of water in rural western communities is a dire situation.

An article appearing on April 15, 2005 in the Wall Street Journal elucidates the breadth of our Nation's water infrastructure need. The article states that most water infrastructure and water treatment plants in the U.S. are more than 50 years old and, in many cases, are more than 100 years old. The huge capital outlays needed to rehabilitate this aging and, in many cases, deteriorated infrastructure far exceeds the ability of many rural communities to pay. Neither can these communities accommodate the costs in their rate structures nor are the necessary capital outlays within their bonding capacity. Exacerbating this problem is that, in many western states such as

my home state of New Mexico, ground water supplies for which many communities have relied on for water are nearly depleted. In many cases, the only practicable alternative for providing water to these communities is to build public works projects to transport water from other sources. This, too, requires large sums of money which rural and small communities can ill-afford.

Today, I rise to introduce the Rural Water Supply Act of 2005. This bill would begin the process of providing for the essential water needs of rural communities in the western United States. It establishes a federal loan guarantee program within the Bureau of Reclamation that would allow rural communities to obtain loans at interest rates far lower than had the loans not been guaranteed by the Federal Government. This allows rural communities access to the large sums of money required to construct water infrastructure while recognizing the significant demand on the Bureau's budget. The bill also expedites the appraisal and feasibility studies which allow these communities to assess how best to address their water supply needs and act accordingly. At present, rural communities have to wait for Congress to direct the Bureau of Reclamation to proceed with appraisal and feasibility studies. This bill expedites the appraisal and feasibility level process by requiring that, upon request of the community, the Bureau perform a study, provide funds to a rural water community to perform them, or accept and review studies undertaken independently by a community. This bill will provide much needed assistance to struggling communities.

I would like to thank Senator BINGAMAN, the ranking member of the Committee of Energy and Natural Resources who I have had the great pleasure of serving with for over two decades for being an original co-sponsor of this bill. In addition, I very much appreciate the willingness of the Bureau of Reclamation to work with my staff on this important matter.

Preserving our rural communities in the west requires that we address this instantly and vigorously. The U.S. Congress cannot sit idly by as water shortages cause death to our rural communities. I assure you that this bill will receive prompt consideration in the Energy and Natural Resources Committee and it is my sincere hope that the Senate will give this legislation its every consideration.

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. 895

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 ''Rural Water Supply Act of 2005''.

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

TITLE I—RECLAMATION RURAL WATER SUPPLY ACT OF 2005

SEC. 101. SHORT TITLE.

This title may be cited as the ''Reclamation Rural Water Supply Act of 2005''.

SEC. 102. DEFINITIONS.

In this title:

(1) FEDERAL RECLAMATION LAW.—The term ''Federal reclamation law'' means the Act of June 17, 1902 (32 Stat. 388, chapter 1093), and Acts supplemental to and amendatory of that Act (43 U.S.C. 371 et seq.).

(2) INDIAN.—The term ''Indian'' means an individual who is a member of an Indian tribe.

(3) 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).

(4) NON-FEDERAL PROJECT ENTITY.—The term ''non-Federal project entity'' means a State, regional, or local authority, Indian tribe or tribal organization, or other qualifying entity, such as a water conservation district, water conservancy district, or rural water district or association.

(5) OPERATIONS, MAINTENANCE, AND REPLACEMENT COSTS.—

(A) IN GENERAL.—The term ''operations, maintenance, and replacement costs'' means all costs for the operation of a rural water supply project that are necessary for the safe, efficient, and continued functioning of the project to produce the benefits described in a feasibility study.

(B) INCLUSIONS.—The term ''operations, maintenance, and replacement costs'' includes—

(i) repairs of a routine nature that maintain a rural water supply project in a well kept condition;

(ii) replacement of worn-out project elements; and

(iii) rehabilitation activities necessary to bring a deteriorated project back to the original condition of the project.

(C) EXCLUSION.—The term ''operations, maintenance, and replacement costs'' does not include construction costs.

(6) PROGRAM.—The term ''program'' means the rural water supply program established under section 103.

(7) RECLAMATION STATES.—The term ''reclamation States'' means the States and areas referred to in the first section of the Act of June 17, 1902 (43 U.S.C. 391).

(8) RURAL WATER SUPPLY PROJECT.—

(A) IN GENERAL.—The term ''rural water supply project'' means a project that is designed to serve a group of communities, which may include Indian tribes and tribal organizations, dispersed homesites, or rural areas with domestic, industrial, municipal, and residential water, each of which has a population of not more than 50,000 inhabitants.

(B) INCLUSION.—The term ''rural water supply project'' includes—

(i) incidental noncommercial livestock watering and noncommercial irrigation of vegetation and small gardens of less than 1 acre; and

(ii) a project to improve rural water infrastructure, including—

(I) pumps, pipes, wells, and other diversions;

(II) storage tanks and small impoundments;

(III) water treatment facilities for potable water supplies;

(IV) equipment and management tools for water conservation, groundwater recovery, and water recycling; and

(V) appurtenances.

(C) EXCLUSION.—The term ''rural water supply project'' does not include—

(i) commercial irrigation; or

(ii) major impoundment structures.

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

(10) TRIBAL ORGANIZATION.—The term ''tribal organization'' means—

(A) the recognized governing body of an Indian tribe; and

(B) any legally established organization of Indians that is controlled, sanctioned, or chartered by the governing body or democratically elected by the adult members of the Indian community to be served by the organization.

SEC. 103. RURAL WATER SUPPLY PROGRAM.

(a) IN GENERAL.—The Secretary, in cooperation with non-Federal project entities and consistent with this title, shall establish and carry out a rural water supply program in reclamation States to—

(1) investigate and identify opportunities to ensure safe and adequate rural water supply projects for municipal and industrial use in small communities and rural areas of the reclamation States; and

(2) plan the design and construction, through the conduct of appraisal investigations and feasibility studies, of rural water supply projects in reclamation States.

(b) NON-FEDERAL PROJECT ENTITY.—Any activity carried out under this title shall be carried out in cooperation with a qualifying non-Federal project entity, consistent with this title.

(c) ELIGIBILITY CRITERIA.—Not later than 1 year after the date of enactment of this Act, the Secretary shall, consistent with this title, develop and publish in the Federal Register criteria for—

(1) determining the eligibility of a rural community for assistance under the program; and

(2) prioritizing requests for assistance under the program.

(d) FACTORS.—The criteria developed under subsection (c) shall take into account such factors as whether—

(1) a rural water supply project—

(A) serves—

(i) rural areas and small communities; or

(ii) Indian tribes; or

(B) promotes and applies a regional or watershed perspective to water resources management;

(2) there is an urgent and compelling need for a rural water supply project that would—

(A) improve the health or aesthetic quality of water;

(B) result in continuous, measurable, and significant water quality benefits; or

(C) address current or future water supply needs;

(3) a rural water supply project helps meet applicable requirements established by law; and

(4) a rural water supply project is cost effective.

(e) INCLUSIONS.—The Secretary may include—

(1) to the extent that connection provides a reliable water supply, a connection to pre-existing infrastructure (including dams and conveyance channels) as part of a rural water supply project; and

(2) notwithstanding the limitation in section 102(8), a town or community with a population in excess of 50,000 inhabitants in an area served by a rural water supply project if, at the discretion of the Secretary, the town or community is considered to be a critical partner in the rural supply project.

SEC. 104. RURAL WATER PROGRAMS ASSESSMENT.

(a) IN GENERAL.—In consultation with the Secretary of Agriculture, the Administrator of the Environmental Protection Agency, and the Director of the Indian Health Service, the Secretary shall develop an assessment of—

(1) the status of all rural water supply projects under the jurisdiction of the Secretary authorized but not completed prior to the date of enactment of this Act, including appropriation amounts, the phase of development, total anticipated costs, and obstacles to completion;

(2) the current plan (including projected financial and workforce requirements) for the completion of the rural water supply projects within the time frames established under the provisions of law authorizing the projects or the final engineering reports for the projects;

(3) the demand for rural water supply projects;

(4) programs within other agencies that can, and a description of the extent to which the programs, provide support for rural water supply projects and water treatment programs in reclamation States, including an assessment of the requirements, funding levels, and conditions for eligibility for the programs assessed; and

(5) the extent of the unmet needs that the Secretary can meet with the program that complements activities undertaken under the authorities already within the jurisdiction of the Secretary and the heads of the agencies with whom the Secretary consults.

(b) REPORT.—Not later than 2 years after the date of enactment of this Act, the Secretary shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives a detailed report on the assessment conducted under subsection (a).

SEC. 105. APPRAISAL INVESTIGATIONS.

(a) IN GENERAL.—On request of a non-Federal project entity with respect to a proposed rural water supply project that meets the eligibility criteria published under section 103(c) and subject to the availability of appropriations, the Secretary may—

(1) receive and review an appraisal investigation that is—

(A) developed by the non-Federal project entity independent of support from the Secretary; and

(B) submitted to the Secretary by the non-Federal project entity;

(2) conduct an appraisal investigation; or

(3) provide a grant to, or enter into a cooperative agreement with, the non-Federal project entity to conduct an appraisal investigation, if the Secretary determines that—

(A) the non-Federal project entity is qualified to complete the appraisal investigation in accordance with the criteria published under section 103(c); and

(B) using the non-Federal project entity to conduct the appraisal investigation is the lowest cost alternative for completing the appraisal investigation.

(b) DEADLINE.—An appraisal investigation conducted under subsection (a) shall be scheduled for completion not later than 2 years after the date on which the appraisal investigation is initiated.

(c) APPRAISAL REPORT.—As soon as practicable after an appraisal investigation is submitted to the Secretary under subsection (a)(1) or completed under paragraph (2) or (3) of subsection (a), the Secretary shall prepare an appraisal report that—

(1) considers—

(A) whether the project meets—

(i) the appraisal criteria developed under subsection (d); and

(ii) the eligibility criteria developed under section 103(c);

(B) whether viable water supplies and water rights exist to supply the project, including all practicable water sources such as lower quality waters, nonpotable waters, and water reuse-based water supplies;

(C) whether the project has a positive effect on public health and safety;

(D) whether the project will meet water demand, including projected future needs;

(E) the extent to which the project provides environmental benefits, including source water protection;

(F) the ability of the project to supply water consistent with Indian trust responsibilities, as appropriate;

(G) whether the project applies a regional or watershed perspective and promotes benefits in the region in which the project is carried out;

(H) whether the project—

(i)(I) implements an integrated resources management approach; or

(II) enhances water management flexibility, including providing for—

(aa) local control to manage water supplies under varying water supply conditions; and

(bb) participation in water banking and markets for domestic and environmental purposes; and

(ii) promotes long-term protection of water supplies;

(I) preliminary cost estimates for the project; and

(J) whether the non-Federal project entity has the capability to pay 100 percent of the costs associated with the operations, maintenance, and replacement of the facilities constructed or developed as part of the rural water supply project; and

(2) provides recommendations on whether a feasibility study should be initiated under section 106(a).

(d) APPRAISAL CRITERIA.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary shall promulgate criteria (including appraisal factors listed under subsection (c)) against which the appraisal investigations shall be assessed for completeness and appropriateness for a feasibility study.

(2) INCLUSIONS.—To minimize the cost of a rural water supply project to a non-Federal project entity, the Secretary shall include in the criteria methods to scale the level of effort needed to complete the appraisal investigation relative to the total size and cost of the proposed rural water supply project.

(e) REVIEW OF APPRAISAL INVESTIGATION.—Not later than 180 days after the date of submission of an appraisal investigation under subsection (a)(1) or the completion of an appraisal investigation under paragraph (2) or (3) of subsection (a), the Secretary shall—

(1) with respect to an appraisal investigation conducted by a non-Federal project entity under subsection (a)(1), provide to the non-Federal entity an evaluation of whether the appraisal investigation satisfies the criteria promulgated under subsection (d);

(2) make available to the public, on request, the results of each appraisal investigation conducted under this title; and

(3) promptly publish in the Federal Register a notice of the availability of the results.

(f) COSTS.—

(1) FEDERAL SHARE.—The Federal share of an appraisal investigation conducted under subsection (a) shall be 100 percent of the total cost of the appraisal investigation, up to $200,000.

(2) NON-FEDERAL SHARE.—

(A) IN GENERAL.—Except as provided in subparagraph (B), if the cost of conducting an appraisal investigation is more than $200,000, the non-Federal share of the costs in excess of $200,000 shall be 50 percent.

(B) EXCEPTION.—The Secretary may reduce the non-Federal share required under subparagraph (A) if the Secretary determines that there is an overwhelming Federal interest in the appraisal investigation.

(g) CONSULTATION; IDENTIFICATION OF FUNDING SOURCES.—In conducting an appraisal investigation under subsection (a)(2), the Secretary shall—

(1) consult and cooperate with the non-Federal project entity and appropriate State, tribal, regional, and local authorities;

(2) consult with the heads of appropriate Federal agencies to—

(A) ensure that the proposed rural water supply project does not duplicate a project carried out under the authority of the agency head; and

(B) if a duplicate project is being carried out, identify the authority under which the duplicate project is being carried out; and

(3) identify what funding sources are available for the proposed rural water supply project.

SEC. 106. FEASIBILITY STUDIES.

(a) IN GENERAL.—On completion of an appraisal report under section 105(c) that recommends undertaking a feasibility study and subject to the availability of appropriations, the Secretary shall—

(1) in cooperation with a non-Federal project entity, carry out a study to determine the feasibility of the proposed rural water supply project;

(2) receive and review a feasibility study that is—

(A) developed by the non-Federal project entity independent of support from the Secretary; and

(B) submitted to the Secretary by the non-Federal project entity; or

(3) provide a grant to, or enter into a cooperative agreement with, a non-Federal project entity to conduct a feasibility study, for submission to the Secretary, if the Secretary determines that—

(A) the non-Federal entity is qualified to complete the feasibility study in accordance with the criteria promulgated under subsection (d); and

(B) using the non-Federal project entity to conduct the feasibility study is the lowest cost alternative for completing the appraisal investigation.

(b) REVIEW OF NON-FEDERAL FEASIBILITY STUDIES.—

(1) IN GENERAL.—In conducting a review of a feasibility study submitted under paragraph (2) or (3) of subsection (a), the Secretary shall—

(A) in accordance with the feasibility factors described in subsection (c) and the criteria promulgated under subsection (d), assess the completeness of the feasibility study; and

(B) if the Secretary determines that a feasibility study is not complete, notify the non-Federal entity of the determination.

(2) REVISIONS.—If the Secretary determines under paragraph (1)(B) that a feasibility study is not complete, the non-Federal entity shall pay any costs associated with revising the feasibility study.

(c) FEASIBILITY FACTORS.—Feasibility studies authorized or reviewed under this title shall include an assessment of—

(1) near- and long-term water demand in the region to be served by the rural water supply project;

(2) advancement of public health and safety of any existing rural water supply project and other benefits of the proposed rural water supply project;

(3) alternative new water supplies in the study area, including any opportunities to treat and use low-quality water, nonpotable water, water reuse-based supplies, and brackish and saline waters through innovative and economically viable treatment technologies;

(4) environmental quality and source water protection issues related to the rural water supply project;

(5) innovative opportunities for water conservation in the study area to reduce water use and water system costs, including—

(A) nonstructural approaches to reduce the need for the project; and

(B) demonstration technologies;

(6) the extent to which the project and alternatives take advantage of economic incentives and the use of market-based mechanisms;

(7)(A) the construction costs and projected operations, maintenance, and replacement costs of all alternatives; and

(B) the economic feasibility and lowest cost method of obtaining the desired results of each alternative, taking into account the Federal cost-share;

(8) the availability of guaranteed loans for a proposed rural water supply project;

(9) the financial capability of the non-Federal project entity to pay the non-Federal project entity's proportionate share of the design and construction costs and 100 percent of operations, maintenance, and replacement costs, including the allocation of costs to each non-Federal project entity in the case of multiple entities;

(10) whether the non-Federal project entity has developed an operations, management, and replacement plan to assist the non-Federal project entity in establishing rates and fees for beneficiaries of the rural water supply project;

(11)(A) the non-Federal project entity administrative organization that would implement construction, operations, maintenance, and replacement activities; and

(B) the fiscal, administrative, and operational controls to be implemented to manage the project;

(12) the extent to which the project addresses Indian trust responsibilities, as appropriate;

(13) the extent to which assistance for rural water supply is available under other Federal authorities;

(14) the engineering, environmental, and economic activities to be undertaken to carry out the study;

(15) the extent to which the project involves partnerships with other State, local, or tribal governments or Federal entities; and

(16) in the case of a project intended for Indian tribes and tribal organizations, the extent to which the project addresses the goal of economic self-sufficiency.

(d) FEASIBILITY STUDY CRITERIA.—

(1) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, the Secretary shall promulgate criteria (including the feasibility factors listed under subsection (c)) under which the feasibility studies shall be assessed for completeness and appropriateness.

(2) INCLUSIONS.—The Secretary shall include in the criteria promulgated under paragraph (1) methods to scale the level of effort needed to complete the feasibility assessment relative to the total size and cost of the proposed rural water supply project and reduce total costs to non-Federal entities.

(e) FEASIBILITY REPORT.—

(1) IN GENERAL.—After completion of appropriate feasibility studies for rural water supply projects that address the factors described in subsection (c) and the criteria promulgated under subsection (d), the Secretary shall—

(A) develop a feasibility report that includes—

(i) a recommendation of the Secretary on—

(I) whether the rural water supply project should be authorized for construction; and

(II) the appropriate non-Federal share of construction costs, which shall be—

(aa) at least 25 percent of the total construction costs; and

(bb) determined based on an analysis of the capability-to-pay information considered under subsections (c)(9) and (f); and

(ii) if the Secretary recommends that the project should be authorized for construction—

(I) what amount of grants, loan guarantees, or combination of grants and loan guarantees should be used to provide the Federal cost share;

(II) a schedule that identifies the annual operations, maintenance, and replacement costs that should be allocated to each non-Federal entity participating in the rural water supply project; and

(III) an assessment of the financial capability of each non-Federal entity participating in the rural water supply project to pay the allocated annual operation, maintenance, and replacement costs for the rural water supply project;

(B) submit the report to the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives;

(C) make the report publicly available, along with associated study documents; and

(D) publish in the Federal Register a notice of the availability of the results.

(f) CAPABILITY-TO-PAY.—

(1) IN GENERAL.—In evaluating a proposed rural water supply project under this section, the Secretary shall—

(A) consider the financial capability of any non-Federal project entities participating in the rural water supply project to pay the capital construction costs of the rural water supply project; and

(B) recommend an appropriate Federal share and non-Federal share of the capital construction costs, as determined by the Secretary.

(2) FACTORS.—In determining the financial capability of non-Federal project entities to pay for a rural water supply project under paragraph (1), the Secretary shall evaluate factors for the project area, relative to the State and county average, including—

(A) per capita income;

(B) median household income;

(C) the poverty rate;

(D) the ability of the non-Federal project entity to raise tax revenues or assess fees;

(E) the strength of the balance sheet of the non-Federal project entity; and

(F) the existing cost of water in the region.

(3) INDIAN TRIBES.—In determining the capability-to-pay of Indian tribe project beneficiaries, the Secretary may consider deferring the collection of all or part of the non-Federal construction costs apportioned to Indian tribe project beneficiaries unless or until the Secretary determines that the Indian tribe project beneficiaries should pay—

(A) the costs allocated to the beneficiaries; or

(B) an appropriate portion of the costs.

(g) COST-SHARING REQUIREMENT.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the Federal share of the cost of a feasibility study carried out under this section shall not exceed 50 percent of the study costs.

(2) FORM.—The non-Federal share under paragraph (1) may be in the form of any in-kind services that the Secretary determines would contribute substantially toward the conduct and completion of the study.

(3) FINANCIAL HARDSHIP.—The Secretary may increase the Federal share of the costs of a feasibility study if the Secretary determines, based on a demonstration of financial hardship, that the non-Federal participant is unable to contribute at least 50 percent of the costs of the study.

(4) LARGER COMMUNITIES.—In conducting a feasibility study of a rural water supply system that includes a community with a population in excess of 50,000 inhabitants, the Secretary may require the community to pay a greater percentage of the non-Federal share than that required for communities with less than 50,000 inhabitants.

(h) CONSULTATION AND COOPERATION.—In addition to the non-Federal project entity, the Secretary shall consult and cooperate with appropriate Federal, State, tribal, regional, and local authorities during the conduct of each feasibility assessment and development of the feasibility report conducted under this title.

SEC. 107. MISCELLANEOUS.

(a) AUTHORITY OF SECRETARY.—The Secretary may enter into contracts, financial assistance agreements, and such other agreements, and promulgate such regulations, as are necessary to carry out this title.

(b) TRANSFER OF PROJECTS.—Nothing in this title authorizes the transfer of pre-existing facilities or pre-existing components of any water system from Federal to private ownership or from private to Federal ownership.

(c) FEDERAL RECLAMATION LAW.—Nothing in this title supersedes or amends any Federal law associated with a project, or portion of a project, constructed under Federal reclamation law.

(d) INTERAGENCY COORDINATION.—The Secretary shall coordinate the program carried out under this title with existing Federal and State rural water and wastewater programs to facilitate the most efficient and effective solution to meeting the water needs of the non-Federal project sponsors.

(e) MULTIPLE INDIAN TRIBES.—In any case in which a contract is entered into with, or a grant is made, to an organization to perform services benefitting more than 1 Indian tribe under this title, the approval of each such Indian tribe shall be a prerequisite to entering into the contract or making the grant.

(f) OWNERSHIP OF FACILITIES.—Title to any facility planned, designed, and recommended for construction under this title is intended to be held by the non-Federal project entity.

(g) EFFECT ON STATE WATER LAW.—

(1) IN GENERAL.—Nothing in this title preempts or affects State water law or an interstate compact governing water.

(2) COMPLIANCE REQUIRED.—The Secretary shall comply with State water laws in carrying out this title.

(h) NO ADDITIONAL REQUIREMENTS.—Nothing in this title requires a feasibility study for, or imposes any other additional requirements with respect to, rural water supply

projects or programs that are authorized before the date of enactment of this Act.

SEC. 108. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated to carry out this title $20,000,000 for the period of fiscal years 2006 through 2015, to remain available until expended.

(b) RURAL WATER PROGRAMS ASSESSMENT.—Of the amounts made available under subsection (a), not more than $1,000,000 may be made available to carry out section 104 for each of fiscal years 2006 and 2007.

(c) LIMITATION.—No amounts made available under this section shall be used to pay construction costs associated with any rural water supply project.

TITLE II—TWENTY-FIRST CENTURY WATER WORKS ACT

SEC. 201. SHORT TITLE.

This title may be cited as the ''Twenty-First Century Water Works Act''.

SEC. 202. DEFINITIONS.

In this title:

(1) 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).

(2) LENDER.—The term ''lender'' means any non-Federal qualified institutional buyer (as defined in section 230.144A(a) of title 17, Code of Federal Regulation (or any successor regulation), known as Rule 144A(a) of the Securities and Exchange Commission and issued under the Securities Act of 1933 (15 U.S.C. 77a et seq.)).

(3) LOAN GUARANTEE.—The term ''loan guarantee'' means any guarantee, insurance, or other pledge by the Secretary to pay all or part of the principal of, and interest on, a loan or other debt obligation of a non-Federal borrower to a lender.

(4) NON-FEDERAL BORROWER.—The term ''non-Federal borrower'' means—

(A) a State (including a department, agency, or political subdivision of a State); or

(B) a conservancy district, irrigation district, canal company, water users' association, Indian tribe, an agency created by interstate compact, or any other entity that has the capacity to contract with the United States under Federal reclamation law.

(5) PROJECT.—The term ''project'' means—

(A) a rural water supply project (as defined in section 102(8)); or

(B) an extraordinary operation and maintenance activity for, or the rehabilitation of, a facility—

(i) that is authorized by Federal reclamation law and constructed by the United States under such law; or

(ii) in connection with which there is a repayment or water service contract executed by the United States under Federal reclamation law.

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

SEC. 203. PROJECT ELIGIBILITY.

(a) ELIGIBILITY CRITERIA.—

(1) IN GENERAL.—The Secretary shall develop and publish in the Federal Register criteria for determining the eligibility of a project for financial assistance under section 204.

(2) INCLUSIONS.—Eligibility criteria shall include—

(A) submission of an application by the lender to the Secretary;

(B) demonstration of the creditworthiness of the project, including a determination by the Secretary that any financing for the project has appropriate security features to ensure repayment;

(C) demonstration by the non-Federal borrower, to the satisfaction of the Secretary, of the ability of the non-Federal borrower to repay the project financing from user fees or other dedicated revenue sources;

(D) demonstration by the non-Federal borrower, to the satisfaction of the Secretary, of the ability of the non-Federal borrower to pay all operations, maintenance, and replacement costs of the project facilities; and

(E) such other criteria as the Secretary determines to be appropriate.

(b) WAIVER.—The Secretary may waive any of the criteria in subsection (a)(2) that the Secretary determines to be duplicative or rendered unnecessary because of an action already taken by the United States.

(c) PROJECTS PREVIOUSLY AUTHORIZED.—A project that was authorized for construction under Federal reclamation laws prior to the date of enactment of this Act shall be eligible for assistance under this title, subject to the criteria established by the Secretary under subsection (a).

(d) CRITERIA FOR RURAL WATER SUPPLY PROJECTS.—A rural water supply project that is determined to be feasible under section 106 is eligible for a loan guarantee under section 204.

SEC. 204. LOAN GUARANTEES.

(a) AUTHORITY.—Subject to the availability of appropriations, the Secretary may make available to lenders for a project meeting the eligibility criteria established in section 203 loan guarantees to supplement private-sector or lender financing for the project.

(b) TERMS AND LIMITATIONS.—

(1) IN GENERAL.—Loan guarantees under this section for a project shall be on such terms and conditions and contain such covenants, representations, warranties, and requirements as the Secretary determines to be appropriate to protect the financial interests of the United States.

(2) MAXIMUM AMOUNT.—The amount of a loan guarantee shall not exceed 90 percent of the reasonably anticipated eligible project costs.

(3) INTEREST RATE.—The interest rate on a loan guarantee shall be negotiated between the non-Federal borrower and the lender with the consent of the Secretary.

(4) AMORTIZATION.—A loan guarantee under this section shall provide for complete amortization of the loan guarantee within not more than 40 years.

(5) NON-SUBORDINATION.—In case of bankruptcy, insolvency, or liquidation of the non-Federal borrower, a loan guarantee shall not be subordinated to the claims of any holder of project obligations.

(c) PREPAYMENT AND REFINANCING.—Any prepayment or refinancing terms on a loan guarantee shall be negotiated between the non-Federal borrower and the lender with the consent of the Secretary.

SEC. 205. OPERATIONS, MAINTENANCE, AND REPLACEMENT COSTS.

(a) IN GENERAL.—The non-Federal share of operations, maintenance, and replacement costs for a project receiving Federal assistance under this title shall be 100 percent.

(b) PLAN.—On request of the non-Federal borrower, the Secretary may assist in the development of an operation, maintenance, and replacement plan to provide the necessary framework to assist the non-Federal borrower in establishing rates and fees for project beneficiaries.

SEC. 206. TITLE TO NEWLY CONSTRUCTED FACILITIES.

(a) NEW PROJECTS AND FACILITIES.—All new projects or facilities constructed in accordance with this title shall remain under the jurisdiction and control of the non-Federal borrower subject to the terms of the repayment agreement.

(b) EXISTING PROJECTS AND FACILITIES.—Nothing in this title affects the title of—

(1) reclamation projects authorized prior to the date of enactment of this Act;

(2) works supplemental to existing reclamation projects; or

(3) works constructed to rehabilitate existing reclamation projects.

SEC. 207. WATER RIGHTS.

(a) IN GENERAL.—Nothing in this title preempts or affects State water law or an interstate compact governing water.

(b) COMPLIANCE REQUIRED.—The Secretary shall comply with State water laws in carrying out this title. Nothing in this title affects or preempts State water law or an interstate compact governing water.

SEC. 208. INTERAGENCY COORDINATION AND COOPERATION.

The Secretary and the Secretary of Agriculture shall enter into a memorandum of agreement providing for Department of Agriculture financial appraisal functions and loan guarantee administration for activities carried out under this title.

SEC. 209. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this title, to remain available until expended.

BY Mr. FEINGOLD:

S. 896. A bill to modify the optional method of computing net earnings from self-employment; to the Committee on Finance.

Mr. FEINGOLD. Mr. President, today I am introducing legislation to address an injustice in the Tax Code that is threatening family farmers and other self-employed individuals. Some of my constituents, primarily Wisconsin farmers, have requested Congress's assistance to correct the Tax Code so they can protect their families. The legislation I introduce today, the Farmer Tax Fairness Act of 2005, is similar to legislation I introduced last Congress and will solve the problem for today and into the future.

Farming is vital to Wisconsin. Wisconsin's agricultural industry plays a large and important role in the growth and prosperity of the entire State. Wisconsin's status as ''America's Dairyland,'' is central to our State's agriculture industry. Wisconsin's dairy farmers produce approximately 23 billion pounds of milk and 25 percent of the country's butter a year. But Wisconsin's farmers produce much more than milk; they also are national leaders in the production of cheese, potatoes, ginseng, cranberries, various processing vegetables, and many organic foods. So when the hard-working farmers of Wisconsin need help, I will do all I can to assist.

One concern that I have heard from Wisconsin farmers is that the Tax Code can limit their eligibility for social safety net programs, including old age, survivors, and disability insurance, OASDI, under Social Security and the hospital insurance HI part of Medicare. These programs are paid for through payroll taxes on workers and through the self-employment tax on the income of self-employed individuals. To be eligible for OSADI and HI benefits an individual must be fully insured and must have earned a minimum amount of income in the years immediately preceding the need for coverage. Every year, the Social Security Administration, SSA, sets the amount of earned

income that individuals must pay taxes on to earn quarters of coverage, QCs, and maintain their benefits. An individual's eligibility requirements depend upon the age at which death or disability occurs, but for workers over 31 years of age, they must have earned at least 20 QCs within the past 10 years.

Self-employed individuals can have highly variable income, and, particularly for farmers who are at the whim of Mother Nature, not every year is a good year. During lean years, individuals may not earn enough income to maintain adequate coverage under OASDI and HI. Therefore, the Tax Code provides options to allow self-employed individuals to maintain eligibility for benefits. These options allow individuals to choose to pay taxes based on $1,600 of earned income, thus allowing self-employed entrepreneurs to maintain the same Federal protections even when their income varies.

Unfortunately, both the options for farmers and nonfarmers—Social Security Act 211(a) and I.R.C. §1402(a)—have not kept pace with inflation, and they no longer provide security to families across the country. Decades ago, self-employment income of $1,600 earned an individual four QCs under SSA's calculations. In 2001, the amount needed to earn a QC rose to $830 of earned income, so individuals electing the optional methods were only able to earn one QC per year, making it much harder for them to remain eligible for benefits because they must average 2 QCs per year to be eligible.

Congress's failure to address this problem threatens the ability of self-employed individuals to maintain eligibility for OASDI and HI. I have heard from several of my constituent who want these options to be fixed so they can make sure their families will be taken care of in the event that something unforeseen occurs.

Therefore, I am introducing the Farmer Tax Fairness Act of 2005 in order to provide farmers and self-employed individuals with a fair choice. Under this bill, they will continue to be able to elect the optional method if they so choose. When individuals do elect the option, this legislation provides an update to the Tax Code so farmers and self-employed individuals can retain full eligibility for OASDI and HI benefits. It indexes the optional income levels to SSA's QC calculations, allowing these farmers and self-employed individuals to claim enough earned income to qualify for four OCs annually. In addition, by linking the earned income level to SSA's requirements for QCs, the bill will ensure that the amount of income deemed to be earned under the optional methods will not need to be adjusted by Congress again.

Along with providing security to self-employed individuals and farmers across the country, this solution is fiscally responsible. It actually provides a short run increase in U.S. Treasury revenues while having negligible impact upon the Social Security trust fund in the long run.

Let me take a moment to acknowledge the efforts of the Senator from Iowa, Mr. GRASSLEY, to address this problem in the 107th Congress. As chairman of the Senate Finance Committee, he included similar legislative language in the chairman's mark for the Small Business and Farm Economic Recovery Act of 2002. The Senate Finance Committee held a markup on the legislation on September 19, 2002, but the changes to the optional methods did not become law.

When incomes fall, the Tax Code provides optional methods for calculating net earnings to ensure that farmers and self-employed individuals maintain eligibility for social safety net programs. When these provisions were developed, Congress intended self-employed individuals to have the ability to pay enough to earn a full 4 QCs. Unfortunately the Tax Code has not kept up with the times and due to inflation many farmers are losing eligibility for some of Social Security's programs. Congress needs to provide security to farm families and other self-employed individuals. I urge my colleagues to support the Farmer Tax Fairness Act of 2005.

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. 896

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 ''Farmer Tax Fairness Act of 2005''.

SEC. 2. MODIFICATION TO OPTIONAL METHOD OF COMPUTING NET EARNINGS FROM SELF-EMPLOYMENT.

(a) AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986.—

(1) IN GENERAL.—The matter following paragraph (15) of section 1402(a) of the Internal Revenue Code of 1986 is amended—

(A) by striking ''$2,400'' each place it appears and inserting ''the upper limit'', and

(B) by striking ''$1,600'' each place it appears and inserting ''the lower limit''.

(2) DEFINITIONS.—Section 1402 of such Code is amended by adding at the end the following new subsection:

''(l) UPPER AND LOWER LIMITS.—For purposes of subsection (a)—

''(1) LOWER LIMIT.—The lower limit for any taxable year is the sum of the amounts required under section 213(d) of the Social Security Act for a quarter of coverage in effect with respect to each calendar quarter ending with or within such taxable year.

''(2) UPPER LIMIT.—The upper limit for any taxable year is the amount equal to 150 percent of the lower limit for such taxable year.''.

(b) AMENDMENTS TO THE SOCIAL SECURITY ACT.—

(1) IN GENERAL.—The matter following paragraph (15) of section 211(a) of the Social Security Act is amended—

(A) by striking ''$2,400'' each place it appears and inserting ''the upper limit'', and

(B) by striking ''$1,600'' each place it appears and inserting ''the lower limit''.

(2) DEFINITIONS.—Section 211 of such Act is amended by adding at the end the following new subsection:

''Upper and Lower Limits

''(k) For purposes of subsection (a)—

''(1) The lower limit for any taxable year is the sum of the amounts required under section 213(d) for a quarter of coverage in effect with respect to each calendar quarter ending with or within such taxable year.

''(2) The upper limit for any taxable year is the amount equal to 150 percent of the lower limit for such taxable year.''.

(3) CONFORMING AMENDMENT.—Section 212 of such Act is amended—

(A) in subsection (b), by striking ''For'' and inserting ''Except as provided in subsection (c), for''; and

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

''(c) For the purpose of determining average indexed monthly earnings, average monthly wage, and quarters of coverage in the case of any individual who elects the option described in clause (ii) or (iv) in the matter following section 211(a)(15) for any taxable year that does not begin with or during a particular calendar year and end with or during such year, the self-employment income of such individual deemed to be derived during such taxable year shall be allocated to the two calendar years, portions of which are included within such taxable year, in the same proportion to the total of such deemed self-employment income as the sum of the amounts applicable under section 213(d) for the calendar quarters ending with or within each such calendar year bears to the lower limit for such taxable year specified in section 211(k)(1).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

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

S. 897. A bill to amend the Internal Revenue Code of 1986 to clarify the calculation of the reserve allowance for medical benefits of plans sponsored by bona fide associations; to the Committee on Finance.

Mr. HATCH. Mr. President, I rise today to introduce a bill to clarify the tax treatment of a narrow range of health plans sponsored by associations. I am joined in this effort by my good friends and colleagues, the Chairman and the Ranking Democratic Member of the Finance Committee respectively, Senator GRASSLEY and Senator BAUCUS.

For many years, trade associations of small businesses have sponsored plans for their member companies to provide health care coverage to their employees. These plans have helped thousands of small businesses across the country control rising health care costs and keep administrative costs to a minimum.

Unfortunately, final regulations issued by the Internal Revenue Service in 2003 concerning ''10-or-more'' employer health benefit plans that use the experience-rating method threaten to shut down the health plans of many associations. Essentially, these regulations state that health plans that utilize experience rating are not allowed to accumulate reserves, forcing them into the untenable position of either

operating on a break-even basis or losing money.

These regulations were not aimed directly at association health plans, but at certain other employer-provided benefits, such as life and disability insurance, where the IRS has found a pattern of abuse among some companies. However, the proposed implementation of the regulations make it impossible for an association to continue operating a health plan for the group's small business members, even where no abuse of the rules has occurred.

For example, in my home State of Utah, at least one association of small businesses has already been negatively affected by these regulations. This association has dozens of small business members that are dependent upon the health plan the association has had in place for decades. Compliance with the regulations will very likely lead to increased costs for health coverage for the 1,300 employees and their 2,200 dependents of these small businesses. If the trust is not able to properly reserve funds for the future, some of these businesses could be forced to drop out as premiums rise higher and higher and the plan is unable to offset those increases with the reserves.

The legislation we are introducing today would correct this problem by providing that medical benefit plans of bona fide associations may have a reserve of up to 35 percent. This amount is designed to give association health plans the flexibility they need without raising the potential for abuse.

In the face of rising health care costs, employers that offer health coverage to their employees are struggling to maintain these benefits, and those who do not offer coverage find the cost of providing this important advantage increasingly out of reach. With the recent 59 percent spike in health care costs over the past five years, employers have had to resort to various cost-cutting moves in order to keep providing health care benefits. The IRS regulations affecting 10-or-more employer health benefit plans could strike a devastating blow to many small businesses, forcing them to stop providing health care benefits altogether, or at least making the coverage more expensive and/or less available to employees.

This legislation was developed with bipartisan support. It is noncontroversial. It corrects a problem created by a well-meaning regulation that inadvertently overreached its target. I urge all of my colleagues to help us correct this error and not allow medical benefit health plans offered by small business associations to be forced to shut down, leaving thousands of employees facing higher costs for medical coverage, or worse, no coverage at all.

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. 897

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

SECTION 1. ALLOWANCE OF RESERVE FOR MEDICAL BENEFITS OF PLANS SPONSORED BY BONA FIDE ASSOCIATIONS.

(a) IN GENERAL.—Section 419A(c) of the Internal Revenue Code of 1986 (relating to account limit) is amended by adding at the end the following new paragraph:

''(6) ADDITIONAL RESERVE FOR MEDICAL BENEFITS OF BONA FIDE ASSOCIATION PLANS.—

''(A) IN GENERAL.—An applicable account limit for any taxable year may include a reserve in an amount not to exceed 35 percent of the sum of—

''(i) the qualified direct costs, and

''(ii) the change in claims incurred, but unpaid, for such taxable year with respect to medical benefits (other than post-retirement medical benefits).

''(B) APPLICABLE ACCOUNT LIMIT.—For purposes of this subsection, the term 'applicable account limit' means an account limit for a qualified asset account with respect to medical benefits provided through a plan maintained by a bona fide association (as defined in section 2791(d)(3) of the Public Health Service Act (42 U.S.C. 300gg–91(d)(3))''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years ending after December 31, 2004.

Mr. BAUCUS. Mr. President, I am pleased to join my colleagues, Senators HATCH and GRASSLEY, in introducing legislation that will allow associations to make health insurance available to employers without either wondering if the full premium is deductible, or holding minimal reserves.

Across this country, many associations sponsor health insurance plans for member employers—plans that provide health coverage for thousands of working Americans. These arrangements allow smaller employers to get a better deal on insurance than they could on their own. As we struggle to improve the number of Americans who have health insurance coverage, we surely want to encourage an arrangement that provides cost-effective health benefits.

In order to smooth the cost of these medical benefits, these plans often hold reserves that are more than is necessary to cover unpaid claims that have been incurred at the end of the year. We should encourage that practice. But current law discourages these plans from holding more than the bare minimum in reserve.

The problem is that these plans use welfare trusts as a vehicle to fund the benefits. Under current law, if a state trade association sponsors a health welfare trust, and that trust does not charge every participant the same premium, then that plan may have to go back to employers after the end of the year and say ''Sorry. You can't deduct all of that premium we asked you to pay last year.'' Either that, or the association has to keep premiums low enough to avoid non-deductible contributions, and risk under-funding the benefits. That is not a good outcome.

So we have a simple solution here. This bill allows these association health plans to maintain reserves of thirty-five percent of annual costs without jeopardizing the deductibility of employer contributions to the trust. With current technology, claims are usually processed in a matter of days, not months, so thirty-five percent of annual costs is more than is normally needed to cover unpaid claims at the end of the year. That will leave a cushion to cover adverse experience, and help smooth future premium fluctuations.

This simple change will allow bona fide associations all over this country to not only continue providing health benefits, but to secure those benefits with adequate reserves. Plans like the State Bankers Association Group Benefits Trust that has been operating out of my home town of Helena, Montana, since 1978. This Trust provides health insurance to employees of banks in Montana, Wyoming, and Idaho. Forty-nine Montana banks provide coverage for nearly 3,000 Montanans through this program.

This bill is important to the employers and employees who get health insurance coverage through the State Bankers' trust, and the many other association health trusts in Montana and around the country. We encourage our colleagues to join us in helping associations continue to provide health benefits to tens of thousands of American workers and their families.

By Mrs. HUTCHISON (for herself, Mr. BINGAMAN, Mr. BROWNBACK, Mr. KENNEDY, and Mr. COCHRAN):

S. 898. A bill to amend the Public Health Service Act to authorize a demonstration grant program to provide patient navigator services to reduce barriers and improve health care outcomes, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

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

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

S. 898

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 ''Patient Navigator Outreach and Chronic Disease Prevention Act of 2005''.

SEC. 2. PATIENT NAVIGATOR GRANTS.

Subpart V of part D of title III of the Public Health Service Act (42 U.S.C. 256) is amended by adding at the end the following:

''SEC. 340A. PATIENT NAVIGATOR GRANTS.

''(a) GRANTS.—The Secretary, acting through the Administrator of the Health Resources and Services Administration, may make grants to eligible entities for the development and operation of demonstration programs to provide patient navigator services to improve health care outcomes. The Secretary shall coordinate with, and ensure the participation of, the Indian Health Service, the National Cancer Institute, the Office of Rural Health Policy, and such other offices and agencies as deemed appropriate by

the Secretary, regarding the design and evaluation of the demonstration programs.

''(b) USE OF FUNDS.—The Secretary shall require each recipient of a grant under this section to use the grant to recruit, assign, train, and employ patient navigators who have direct knowledge of the communities they serve to facilitate the care of individuals, including by performing each of the following duties:

''(1) Acting as contacts, including by assisting in the coordination of health care services and provider referrals, for individuals who are seeking prevention or early detection services for, or who following a screening or early detection service are found to have a symptom, abnormal finding, or diagnosis of, cancer or other chronic disease.

''(2) Facilitating the involvement of community organizations in assisting individuals who are at risk for or who have cancer or other chronic diseases to receive better access to high-quality health care services (such as by creating partnerships with patient advocacy groups, charities, health care centers, community hospice centers, other health care providers, or other organizations in the targeted community).

''(3) Notifying individuals of clinical trials and, on request, facilitating enrollment of eligible individuals in these trials.

''(4) Anticipating, identifying, and helping patients to overcome barriers within the health care system to ensure prompt diagnostic and treatment resolution of an abnormal finding of cancer or other chronic disease.

''(5) Coordinating with the relevant health insurance ombudsman programs to provide information to individuals who are at risk for or who have cancer or other chronic diseases about health coverage, including private insurance, health care savings accounts, and other publicly funded programs (such as Medicare, Medicaid, health programs operated by the Department of Veterans Affairs or the Department of Defense, the State children's health insurance program, and any private or governmental prescription assistance programs).

''(6) Conducting ongoing outreach to health disparity populations, including the uninsured, rural populations, and other medically underserved populations, in addition to assisting other individuals who are at risk for or who have cancer or other chronic diseases to seek preventative care.

''(c) PROHIBITIONS.—

''(1) REFERRAL FEES.—The Secretary shall require each recipient of a grant under this section to prohibit any patient navigator providing services under the grant from accepting any referral fee, kickback, or other thing of value in return for referring an individual to a particular health care provider.

''(2) LEGAL FEES AND COSTS.—The Secretary shall prohibit the use of any grant funds received under this section to pay any fees or costs resulting from any litigation, arbitration, mediation, or other proceeding to resolve a legal dispute.

''(d) GRANT PERIOD.—

''(1) IN GENERAL.—Subject to paragraphs (2) and (3), the Secretary may award grants under this section for periods of not more than 3 years.

''(2) EXTENSIONS.—Subject to paragraph (3), the Secretary may extend the period of a grant under this section. Each such extension shall be for a period of not more than 1 year.

''(3) LIMITATIONS ON GRANT PERIOD.—In carrying out this section, the Secretary—

''(A) shall ensure that the total period of a grant does not exceed 4 years; and

''(B) may not authorize any grant period ending after September 30, 2010.

''(e) APPLICATION.—

''(1) IN GENERAL.—To seek a grant under this section, an eligible entity shall submit an application to the Secretary in such form, in such manner, and containing such information as the Secretary may require.

''(2) CONTENTS.—At a minimum, the Secretary shall require each such application to outline how the eligible entity will establish baseline measures and benchmarks that meet the Secretary's requirements to evaluate program outcomes.

''(f) UNIFORM BASELINE MEASURES.—The Secretary shall establish uniform baseline measures in order to properly evaluate the impact of the demonstration projects under this section.

''(g) PREFERENCE.—In making grants under this section, the Secretary shall give preference to eligible entities that demonstrate in their applications plans to utilize patient navigator services to overcome significant barriers in order to improve health care outcomes in their respective communities.

''(h) DUPLICATION OF SERVICES.—An eligible entity that is receiving Federal funds for activities described in subsection (b) on the date on which the entity submits an application under subsection (e), may not receive a grant under this section unless the entity can demonstrate that amounts received under the grant will be utilized to expand services or provide new services to individuals who would not otherwise be served.

''(i) COORDINATION WITH OTHER PROGRAMS.—The Secretary shall ensure coordination of the demonstration grant program under this section with existing authorized programs in order to facilitate access to high-quality health care services.

''(j) STUDY; REPORTS.—

''(1) FINAL REPORT BY SECRETARY.—Not later than 6 months after the completion of the demonstration grant program under this section, the Secretary shall conduct a study of the results of the program and submit to the Congress a report on such results that includes the following:

''(A) An evaluation of the program outcomes, including—

''(i) quantitative analysis of baseline and benchmark measures; and

''(ii) aggregate information about the patients served and program activities.

''(B) Recommendations on whether patient navigator programs could be used to improve patient outcomes in other public health areas.

''(2) REPORTS BY SECRETARY.—The Secretary may provide interim reports to the Congress on the demonstration grant program under this section at such intervals as the Secretary determines to be appropriate.

''(3) INTERIM REPORTS BY GRANTEES.—The Secretary may require grant recipients under this section to submit interim and final reports on grant program outcomes.

''(k) RULE OF CONSTRUCTION.—This section shall not be construed to authorize funding for the delivery of health care services (other than the patient navigator duties listed in subsection (b)).

''(l) DEFINITIONS.—In this section:

''(1) The term 'eligible entity' means a public or nonprofit private health center (including a Federally qualified health center (as that term is defined in section 1861(aa)(4) of the Social Security Act)), a health facility operated by or pursuant to a contract with the Indian Health Service, a hospital, a cancer center, a rural health clinic, an academic health center, or a nonprofit entity that enters into a partnership or coordinates referrals with such a center, clinic, facility, or hospital to provide patient navigator services.

''(2) The term 'health disparity population' means a population that, as determined by the Secretary, has a significant disparity in the overall rate of disease incidence, prevalence, morbidity, mortality, or survival rates as compared to the health status of the general population.

''(3) The term 'patient navigator' means an individual who has completed a training program approved by the Secretary to perform the duties listed in subsection (b).

''(m) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—To carry out this section, there are authorized to be appropriated $2,000,000 for fiscal year 2006, $5,000,000 for fiscal year 2007, $8,000,000 for fiscal year 2008, $6,500,000 for fiscal year 2009, and $3,500,000 for fiscal year 2010.

''(2) AVAILABILITY.—The amounts appropriated pursuant to paragraph (1) shall remain available for obligation through the end of fiscal year 2010.''.

By Mr. BURNS:

S. 899. A bill to direct the Secretary of Agriculture to convey certain land in the Beaverhead-Deerlodge and Kootenai National Forests, Montana, to Jefferson County and Sanders County, Montana, for use as cemeteries and other purposes; to the Committee on Energy and Natural Resources.

Mr. BURNS. Mr. President, this bill conveys 3.4 acres on the Beaverhead-Deerlodge National Forest to Jefferson County, MT and 10 acres on the Kootenai National Forest to Sanders County, MT for continued use as cemeteries.

The Elkhorn Cemetery in Jefferson County has been used as a cemetery since the 1860's. Due to surveying errors and limited information when the National Forest boundaries were surveyed in the early 1900's, the cemetery was included as National Forest lands. The cemetery is still in use by local families who homesteaded and worked the mines in the area. However, Forest Service manual direction strongly discourages burials on National Forest lands, placing both the families and Forest Service in an awkward position.

The Noxon Cemetery is part of a Kootenai National Forest administrative site that is currently for sale. The cemetery has been used since at least 1910 and contains over 300 graves. Sanders County wants to protect the cemetery from potential damage, and the Forest Service wants to remove the encumbrance of the cemetery from the administrative site sale or future Federal ownership.

In both locations, it is clear the cemeteries should not have been included as part of the National Forest. The County Commissioners and the local public strongly support the conveyance.

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. 899

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 ''Montana Cemetery Act of 2005''.

SEC. 2. CONVEYANCE TO JEFFERSON COUNTY AND SANDERS COUNTY, MONTANA.

(a) CONVEYANCE.—Not later than 180 days after the date of enactment of this Act and subject to valid existing rights, the Secretary of Agriculture (referred to in this Act as the ''Secretary''), acting through the Chief of the Forest Service, shall convey to Jefferson County, Montana, the Elkhorn Cemetery and to Sanders County, Montana, the Noxon Cemetery, for no consideration, all right, title, and interest of the United States in and to the parcels of land as described in subsection (b).

(b) DESCRIPTION OF LAND.—The parcels of land referred to in subsection (a) are the parcels of National Forest System land (including any improvements on the land) known as—

(1) the Elkhorn Cemetery, which consists of 10 acres in Jefferson County located in SW1/4 Sec. 14, T. 6 N., R. 3 W.; and

(2) the Noxon Cemetery, which consists of 3.4 acres in Sanders County located in SE1/4, Sec. 24, T. 26 N., R. 33 W.

(c) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions for the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 119—DESIGNATING APRIL 21, 2005, AS ''NATIONAL KINDERGARTEN RECOGNITION DAY''

Mr. SALAZAR (for himself, Ms. LANDRIEU, and Mr. BINGAMAN) submitted the following resolution; which was considered and agreed to:

S. RES. 119

Whereas Friedrich Froebel, known as the ''Father of Kindergarten'', opened the first kindergarten classroom on April 21, 1837, with the goal of shaping young children in a nurturing, educational, and protected environment;

Whereas kindergarten has a long history of enhancing children's cognitive, physical, and social development in the United States and throughout the world;

Whereas Margarethe Meyer Schurz opened the first German-speaking kindergarten in the United States in 1856, Elizabeth Peabody opened the first English-speaking kindergarten in Boston, Massachusetts, in 1873, and the first public school kindergarten classrooms were established under the leadership of Susan Blow and William Torrey Harris in St. Louis, Missouri, in the early 1870s;

Whereas kindergarten is a critical year in children's formal education, as well as in their continued physical, social, and emotional development, that prepares them for later school success and lifelong learning;

Whereas quality kindergarten programs use developmentally, culturally, and linguistically appropriate curricula, teaching practices, and assessments to support each child's learning and development progress to reach his or her maximum potential;

Whereas teachers who teach kindergarten need to have specialized knowledge and skills in working with young children to respond to the unique interests, learning styles, and developmental characteristics of children in their kindergarten year;

Whereas kindergarten programs need to be ready for all children who are eligible, including children with disabilities and children who are not native English speakers, and their families;

Whereas kindergarten programs should collaborate and coordinate with preschools and with the other early elementary grades in order to provide a continuum of appropriate, effective early learning for all children as they transition to and through the early grades of school;

Whereas in 2001, more than more 3,700,000 children between the ages of 4 and 6 years old attended kindergarten, including full-day, half-day, or alternate day programs;

Whereas the percentage of children attending full-day kindergarten programs has grown from 28 percent in 1977 to 60 percent in 2001; and

Whereas establishment of a ''National Kindergarten Recognition Day'' will help draw attention to the critical role kindergarten plays as the transitional year from early education programs to the elementary and secondary education system: Now, therefore, be it

Resolved, That the Senate—

(1) designates April 21, 2005, as ''National Kindergarten Recognition Day'' to raise public awareness about the impact of the kindergarten year on the development of our nation's children; and

(2) urges the people of the United States to recognize the historic tradition of kindergarten in the United States and its contribution to preparing children for their elementary and secondary educational achievement and experiences.

SENATE RESOLUTION 120—HONORING SMALL BUSINESSES DURING THE SMALL BUSINESS ADMINISTRATION'S NATIONAL SMALL BUSINESS WEEK, THE WEEK BEGINNING APRIL 24, 2005.

Ms. SNOWE (for herself, Mr. KERRY, Mr. TALENT, Mr. VITTER, Mr. CORNYN, Mr. COLEMAN, Mr. BURNS, Mr. BOND, Mr. ALLEN, Mr. ISAKSON, and Ms. LANDRIEU) submitted the following resolution; which was considered and agreed to:

S. RES. 120

Whereas America's 25,000,000 small businesses have fueled the Nation's economy, creating more than ¾ of all new jobs and accounting for more than 50 percent of the Nation's gross domestic product;

Whereas small businesses are the Nation's innovators, advancing technology and fueling the economic growth and productivity;

Whereas the Small Business Administration has been a critical partner in the success of the Nation's small businesses and these businesses' continued economic growth;

Whereas the mission of the Small Business Administration is to maintain and strengthen the Nation's economy by aiding, counseling, assisting, and protecting the interests of small businesses and by helping families and small businesses recover from natural disasters;

Whereas the Small Business Administration has helped small businesses access critical lending opportunities, protected small businesses from excessive Federal regulatory enforcement, played a key role in ensuring full and open competition for government contracts, and improved the economic environment in which small businesses compete;

Whereas the Small Business Administration, which was established in 1953, has also provided valuable service to small businesses through financial assistance, technical assistance, procurement assistance, small business advocacy, and disaster recovery assistance;

Whereas for over 50 years the Small Business Administration has helped approximately 22,000,000 Americans start, grow, and expand their businesses and has placed almost $250,000,000,000 in loans and venture capital financing into the hands of entrepreneurs;

Whereas the Small Business Administration has helped millions of entrepreneurs achieve the American dream of owning a small business; and

Whereas the Small Business Administration will mark National Small Business Week, the week beginning April 24, 2005: Now, therefore, be it

Resolved, That the Senate—

(1) honors small businesses during the Small Business Administration's National Small Business Week, the week beginning April 24, 2005;

(2) supports the purpose and goals of National Small Business Week; and

(3) commends the Small Business Administration and the Small Business Administration's resource partners—

(A) for their work, which has been critical in helping the Nation's small businesses grow and develop; and

(B) for being key players in the Nation's economic vitality.

SENATE RESOLUTION 121—SUPPORTING MAY 2005 AS ''NATIONAL BETTER HEARING AND SPEECH MONTH'' AND COMMENDING THOSE STATES THAT HAVE IMPLEMENTED ROUTINE HEARING SCREENING FOR EVERY NEWBORN BEFORE THE NEWBORN LEAVES THE HOSPITAL

Mr. COLEMAN (for himself, Mr. LIEBERMAN, and Ms. SNOWE) submitted the following resolution; which was referred to the Committee on Health, Education, Labor, and Pensions:

S. RES. 121

Whereas the National Institute on Deafness and Other Communication Disorders reports that approximately 28,000,000 people in the United States experience hearing loss or have a hearing impairment;

Whereas 1 out of every 3 people in the United States over the age of 65 have hearing loss;

Whereas the overwhelming majority of people in the United States with hearing loss would benefit from the use of a hearing aid and fewer than 7,000,000 people in the United States use a hearing aid;

Whereas 30 percent of people in the United States suffering from hearing loss cite financial constraints as an impediment to hearing aid use;

Whereas hearing loss is among the most common congenital birth defects;

Whereas a delay in diagnosing the hearing loss of a newborn can affect the social, emotional, and academic development of the child;

Whereas the average age at which newborns with hearing loss are diagnosed is between the ages of 12 to 25 months; and

Whereas May 2005 is National Better Hearing and Speech Month, providing Federal, State, and local governments, members of the private and nonprofit sectors, hearing and speech professionals, and all people in the United States an opportunity to focus on preventing, mitigating, and treating hearing impairments: Now, therefore, be it

Resolved, That the Senate—

(1) supports the goals and ideals of National Better Hearing and Speech Month, May 2005;