amendment No. 891 proposed to H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy.

At the request of Mr. CORNYN, his name was added as a cosponsor of amendment No. 891 proposed to H.R. 6, supra.

AMENDMENT NO. 901

At the request of Ms. SNOWE, the name of the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of amendment No. 901 intended to be proposed to H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy.

AMENDMENT NO. 902

At the request of Mr. DURBIN, the names of the Senator from Connecticut (Mr. DODD), the Senator from Washington (Ms. CANTWELL), the Senator from New Jersey (Mr. LAUTENBERG), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Rhode Island (Mr. REED), the Senator from California (Mrs. BOXER) and the Senator from New Jersey (Mr. CORZINE) were added as cosponsors of amendment No. 902 proposed to H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy.

AMENDMENT NO. 925

At the request of Mr. INHOFE, his name was added as a cosponsor of amendment No. 925 proposed to H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy.

At the request of Mr. BOND, the name of the Senator from Missouri (Mr. TALENT) and the Senator from Kentucky (Mr. BUNNING) were added as cosponsors of amendment No. 925 proposed to H.R. 6, supra.

AMENDMENT NO. 977

At the request of Ms. SNOWE, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of amendment No. 977 intended to be proposed to H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

Mr. MCCAIN:

S. 1291. A bill to provide for the acquisition of subsurface mineral interests in land owned by the Pascua Yaqui Tribe and land held in trust for the Tribe; to the Committee on Indian Affairs.

Mr. MCCAIN. Mr. President, I am pleased to introduce the Pascua Yaqui Mineral Rights Act of 2005 to provide for acquisition of subsurface mineral interests in land owned by the Pascua Yaqui tribe and land held in trust for the Tribe.

The Pascua Yaqui tribe has purchased in fee four parcels of land, totaling approximately 436 acres, from the State of Arizona. These parcels are adjacent to the Tribe's reservation near Tucson, AZ. The Tribe subsequently applied to have these lands taken into trust pursuant to the 25 CFR Part 151 process. The Bureau of Indian Affairs approved the trust application. However, the State of Arizona objected because it still owns the subsurface mineral rights when it conveys its Trust lands. Based on the State of Arizona's objection, the Tribe's trust application was stayed pending resolution of the mineral rights title issue. Arizona law prevents the State from selling these mineral interests and I understand that the only way they can be acquired is through an act of condemnation brought by the United States pursuant to 40 U.S.C. §3113. The State of Arizona has conditionally consented to a condemnation action.

It has since been discovered that an additional 140 acres of the reservation was also former State of Arizona trust land that was purchased in fee by the Tribe and taken into trust without obtaining the mineral estate. The State of Arizona has also conditionally consented to a condemnation action with regard to these additional 140 acres.

In additional to the mineral interests condemnation, this legislation covers another subject. Under 360 acres of the reservation, the United States owns the mineral interests for itself, rather than in trust for the tribe. Although that acreage was originally purchased in fee, it was previously patented by the U.S. and the U.S. retained the mineral interests to that property for its own benefit, currently administered by the Bureau of Land Management. This legislation would authorize the Bureau of Land Management to transfer those mineral interests to the U.S., to be held in trust for the Pascua Yaqui tribe.

The result of the legislation I introduce today would be to allow the United States to obtain and/or consolidate ownership of the mineral interest only, in its name, in trust for the Pascua Yaqui tribe. These mineral interests are under the surface of land already either owned by the Pascua Yaqui tribe, or held in trust for the Tribe by the United States.

Finally, under the terms of its current gaming compact with the State of Arizona, the Tribe has already constructed the maximum number of casinos it can operate on its reservation at this time. This bill will not authorize additional reservation casinos.

I look forward to working with my colleagues to enact this 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. 1291

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 ''Pascua Yaqui Mineral Rights Act of 2005''.

SEC. 2. DEFINITIONS.

In this Act:

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

(2) STATE.—The term ''State'' means the State of Arizona.

(3) TRIBE.—The term ''Tribe'' means the Pascua Yaqui Tribe.

SEC. 3. ACQUISITION OF SUBSURFACE MINERAL INTERESTS.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary, in coordination with the Attorney General of the United States and with the consent of the State, shall acquire through eminent domain the following:

(1) All subsurface rights, title, and interests (including subsurface mineral interests) held by the State in the following tribally-owned parcels:

(A) Lot 2, sec. 13, T. 15 S., R. 12 E., Gila and Salt River Meridian, Pima County Arizona.

(B) Lot 4, W½SE¼, sec. 13, T. 15 S., R. 12 E., Gila and Salt River Base & Meridian, Pima County, Arizona.

(C) NW¼NW¼, N½NE¼NW¼, SW¼NE¼NW¼, sec. 24, T. 15 S., R. 12 E., Gila and Salt River Base & Meridian, Pima County Arizona.

(D) Lot 2 and Lots 45 through 76, sec. 19, T. 15 S., R. 13 E., Gila and Salt River Base & Meridian, Pima County, Arizona.

(2) All subsurface rights, title, and interests (including subsurface mineral interests) held by the State in the following parcels held in trust for the benefit of Tribe:

(A) Lots 1 through 8, sec. 14, T. 15 S., R. 12 E., Gila and Salt River Base & Meridian, Pima County, Arizona.

(B) NE¼SE¼, E½NW¼SE¼, SW¼NW¼SE¼, N½SE¼SE¼, SE¼SE¼SE¼, sec. 14, T. 15 S., R. 12 E., Gila and Salt River Base & Meridian, Pima County, Arizona.

(b) CONSIDERATION.—Subject to subsection (c), as consideration for the acquisition of subsurface mineral interests under subsection (a), the Secretary shall pay to the State an amount equal to the market value of the subsurface mineral interests acquired, as determined by—

(1) a mineral assessment that is—

(A) completed by a team of mineral specialists agreed to by the State and the Tribe; and

(B) reviewed and accepted as complete and accurate by a certified review mineral examiner of the Bureau of Land Management;

(2) a negotiation between the State and the Tribe to mutually agree on the price of the subsurface mineral interests; or

(3) if the State and the Tribe cannot mutually agree on a price under paragraph (2), an appraisal report that is—

(A)(i) completed by the State in accordance with subsection (d); and

(ii) reviewed by the Tribe; and

(B) on a request of the Tribe to the Bureau of Indian Affairs, reviewed and accepted as complete and accurate by the Office of the Special Trustee for American Indians of the Department of the Interior.

(c) CONDITIONS OF ACQUISITION.—The Secretary shall acquire subsurface mineral interests under subsection (a) only if—

(1) the payment to the State required under subsection (b) is accepted by the State in full consideration for the subsurface mineral interests acquired;

(2) the acquisition terminates all right, title, and interest of any party other than the United States in and to the acquired subsurface mineral interests; and

(3) the Tribe agrees to fully reimburse the Secretary for costs incurred by the Secretary relating to the acquisition, including payment to the State for the acquisition.

(d) DETERMINATION OF MARKET VALUE.—Notwithstanding any other provision of law, unless the State and the Tribe otherwise agree to the market value of the subsurface mineral interests acquired by the Secretary under this section, the market value of those subsurface mineral interests shall be determined in accordance with the Uniform Appraisal Standards for Federal Land Acquisition, as published by the Appraisal Institute in 2000, in cooperation with the Department of Justice and the Office of Special Trustee for American Indians of the Department of Interior.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions with respect to the acquisition of subsurface mineral interests under this section as the Secretary considers to be appropriate to protect the interests of the United States and any valid existing right.

SEC. 4. INTERESTS TAKEN INTO TRUST.

(a) LAND TRANSFERRED.—Subject to subsections (b) and (c), notwithstanding any other provision of law, not later than 180 days after the date on which the Tribe makes the payment described in subsection (c), the Secretary shall take into trust for the benefit of the Tribe the subsurface rights, title, and interests, formerly reserved to the United States, to the following parcels:

(1) E½NE¼, SW¼NE¼, sec. 14, T. 15 S., R. 12 E., Gila and Salt River Base & Meridian, Pima County, Arizona.

(2) W½SE¼, SW¼, sec. 24, T. 15 S., R. 12 E., Gila and Salt River Base & Meridian, Pima County, Arizona.

(b) EXCEPTIONS.—The parcels taken into trust under subsection (a) shall not include—

(1) NE¼SW¼, sec. 24, except the southerly 4.19 feet thereof;

(2) NW¼SE¼, sec. 24, except the southerly 3.52 feet thereof; or

(3) S½SE¼, sec. 23, T. 15 S., R. 12 E., Gila and Salt River Base & Meridian, Pima County, Arizona.

(c) CONSIDERATION AND COSTS.—The Tribe shall pay to the Secretary only the transaction costs relating to the assessment, review, and transfer of the subsurface rights, title, and interests taken into trust under subsection (a).

By Mr. SANTORUM:

S. 1292. A bill to amend the Internal Revenue Code of 1986 to allow a credit against income tax for expenses incurred in tele-working; to the Committee on Finance.

Mr. SANTORUM. Mr. President, I rise to introduce legislation that would help people who ''telework'' or work from home, to receive a tax credit. Teleworkers are people who work online from home—whether a few days a week or their entire work schedule—using computers and other information technology tools. Nearly 40 million Americans telework today, and according to experts, 40 percent of the nation's jobs are compatible with telework.

I am introducing the Telework Tax Incentive Act to provide a $500 tax credit for telework. The legislation provides an incentive to encourage more employers to consider telework for their employees. Telework should be a regular part of the 21st century workplace.

The best part of telework is that it improves the quality of life for everyone—both the employee, the employer and the community. Telework reduces traffic congestion and air pollution. It reduces gas consumption and our dependency on foreign oil. Encouraging telework is good for families—giving working parents the flexibility to meet everyday demands. Telework provides people with disabilities greater job opportunities. It can also be a good option for retirees and others who choose to work part-time.

A task force on telework initiated by former Virginia Governor James Gilmore recommended the establishment of a tax credit toward the purchase and installation of electronic and computer equipment that allow an employee to telework. For example, the cost of a computer, fax machine, modem, phone, printer, software, copier, and other expenses necessary to enable telework could count toward a tax credit, provided the person worked at home a minimum number of days per year.

My legislation would provide a $500 tax credit ''for expenses paid or incurred under a teleworking arrangement for furnishings and electronic information equipment which are used to enable an individual to telework.'' An employee must telework a minimum of 75 days per year to qualify for the tax credit. Both the employer and employee are eligible for the tax credit, but the tax credit goes to whomever absorbs the expense for setting up the at-home worksite.

On October 9, 1999, President Clinton signed into law legislation that I introduced in coordination with Representative FRANK WOLF from Virginia as part of the annual Department of Transportation appropriations bill for Fiscal Year 2000. S. 1521, the National Telecommuting and Air Quality Act, created a pilot program to study the feasibility of providing incentives for companies to allow their employees to telework in five major metropolitan areas including Philadelphia, Washington, D.C., Los Angeles, Houston and Denver.

President Bush signed legislation on July 14, 2000, that included an additional $2 million to continue telework efforts in the 5 pilot cities, including Philadelphia, to market, implement, and evaluate strategies for awarding telecommuting, emissions reduction, and pollution credits established through the National Telecommuting and Air Quality Act. I am excited that Philadelphia continues to use this opportunity to help to get the word out about the benefits of telecommuting for many employees and employers.

Telecommuting improves air quality by reducing pollutants, provides employees and families flexibility, reduces traffic congestion, and increases productivity and retention rates for businesses while reducing their overhead costs. It's a growing opportunity and option which we should all include in our effort to maintain and improve quality of life issues in Pennsylvania and around the Nation. According to statistics available from 1996, the Greater Philadelphia area ranked number 10 in the country for annual person-hours of delay due to traffic congestion. Because of this reality, all options including telecommuting should be pursued to address this challenge.

The 1999 Telework America National Telework Survey, conducted by Joan H. Pratt Associates, found that today's 19.6 million teleworkers typically work 9 days per month at home with an average of 3 hours per week during normal business hours. Teleworkers seek a blend of job-related and personal benefits to enable them to better handle their work and life responsibilities; however these research findings demonstrate the impact on the bottom line for employers as well. Employers may save more than $10,000 per telework employee simply from reduced absenteeism and increased employee retention. Thus an organization with 100 employees, 20 of whom telework, could potentially realize a savings of $200,000 annually, or more, when productivity gains are added.

When I introduced this legislation in the 107th Congress, it was endorsed by a number of groups including including the International Telework Association and Council (ITAC), Covad Communications, National Town Builders Association, Litton Industries, Orbital Sciences Corporation, Consumer Electronic Association, Capnet, BTG Corporation, Electonic Industries Alliance, Telecommunications Industry Association, American Automobile Association Mid-Atlantic, Dimensions International Inc., Capunet, TManage, Science Applications International Corporation, AT&T, Northern Virginia Technology Council, Computer Associates Incorporated, and Dyn Corp.

Work is something you do, not someplace you go. There is nothing magical about strapping ourselves into a car and driving sometimes up to an hour and a half, arriving at a workplace and sitting before a computer, when we can access the same information from a computer in our homes. Wouldn't it be great if we could replace the evening rush hour commute with time spent with the family, coaching little league or volunteering at a local charity?

I urge my colleagues to consider cosponsoring this legislation that promotes telework and helps encourage additional employee choices for the workplace.

By Mr. BUNNING (for himself, Mr. CONRAD, Mr. LOTT, Mr. SMITH, and Mrs. LINCOLN):

S. 1293. A bill to amend the Internal Revenue Code of 1986 to permit the consolidation of life insurance companies with other companies; to the Committee on Finance.

Mr. BUNNING. Mr. President, I rise today to introduce legislation to allow affiliated life and non-life insurance companies to file consolidated tax returns. The current outdated rules do not allow such consolidation.

Consolidated return provisions under current law were enacted so that the members of an affiliated group of corporations could file a single tax return. The right to file a ''consolidated'' return is generally available to businesses of all natures conducted by the affiliated corporations. The purpose behind consolidated returns is simply to tax a complete business as a whole rather than its component parts individually. Whether an enterprise's businesses are operated as divisions within

one corporation or as subsidiary corporations with a common parent company, a business entity should generally be taxed as a single entity and be allowed to file its return accordingly.

Corporate groups which include life insurance companies are denied the ability to file a single consolidated return until they have been affiliated for at least 5 years. Even after this 5-year period, they are subject to two additional limitations that are not applicable to any other type of group. First, non-life insurance companies must be members of the affiliated group for five years before their losses may be used to offset life insurance company income. Second, non-life insurance affiliate losses, including current year losses and any carryover losses, that may offset life insurance company taxable income are limited to the lesser of 35 percent of life insurance company's taxable income or 35 percent of the non-life insurance company's losses.

There are no clear reasons why affiliated groups that include life insurance companies are denied the same unrestricted ability to file consolidated returns that is available to other financial intermediaries, and corporations in general. Allowing members of an affiliated group of corporations to file a consolidated return prevents the business enterprise's structure from obscuring the fact that the true gain or loss of the business enterprise is the conglomeration of each of the members of the affiliated group. The limitations contained in current law are clearly without policy justification and should be repealed.

Our legislation will repeal the two 5-year limitations for taxable years beginning after this year, and it will phase out the 35 percent limitation over 7 years. The staff of the Joint Committee on Taxation has recommended repeal of two of the three limitations addressed by my bill on the grounds of needless complexity. The third limitation is, in effect, merely a minimum tax on life insurance company income. That limitation should have been repealed when the alternative minimum tax was enacted, and certainly has no place in the current tax laws. I should also note that Congress included in the tax cut vetoed by then-President Clinton in 1999 much of what is contained in this legislation.

I thank Senators CONRAD, LOTT, SMITH and LINCOLN for joining me in sponsoring this legislation. We hope you will join us as cosponsors of this bipartisan, much-needed legislation.

By Mr. LAUTENBERG (for himself and Mr. MCCAIN):

S. 1294. A bill to amend the Telecommunications Act of 1996 to preserve and protect the ability of local governments to provide broadband capability and services; to the Committee on Commerce, Science, and Transportation.

Mr. LAUTENBERG. Mr. President, I rise to introduce the ''Community Broadband Act of 2005.'' I am pleased to be joined in this effort by Senator MCCAIN of Arizona.

This legislation will promote economic development, enhance public safety, increase educational opportunities, and improve the lives of citizens in areas of the country that either do not have access to broadband or live in a location where the cost for broadband is simply not affordable.

A recent study by the Organization for Economic Cooperation and Development shows that the United States has dropped to 12th place worldwide in the percentage of people with broadband connections. Many of the countries ahead of the United States have successfully combined public and private efforts to deploy municipal networks that connect their citizens and businesses with high-speed Internet services.

It is in this context that President Bush has called for universal and affordable broadband in the United States by the year 2007. If we are going to meet President Bush's goals, we must not enact barriers to broadband development and access. Unfortunately, fourteen States have passed legislation to prohibit or significantly restrict the ability of local municipalities and communities to offer high-speed Internet to their citizens. More States are considering such legislation. The ''Community Broadband Act'' is in response to those efforts by States to tell local communities that they cannot establish networks for their citizens even in communities that either have no access to broadband or where access is prohibitively expensive.

The ''Community Broadband Act'' is a simple bill. It says that no State can prohibit a municipality from offering high-speed Internet to its citizens; and when a municipality is a provider, it cannot abuse its governmental authority as regulator to discriminate against private competitors. Furthermore, a municipality must comply with Federal and state telecommunications laws.

Mr. President, this bill will allow communities to make broadband decisions that could: Improve their economy and create jobs by serving as a medium for development, particularly in rural and underserved urban areas; aid public safety and first responders by ensuring access to network services while on the road and in the community; strengthen our country's international competitiveness by giving businesses the means to compete more effectively locally, nationally, and internationally; encourage long-distance education through video conferencing and other means of sharing knowledge and enhancing learning via the Internet; and create incentives for public-private partnerships.

A century ago, there were efforts to prevent local governments from offering electricity. Opponents argued that local governments didn't have the expertise to offer something as complex as electricity. They also argued that businesses would suffer if they faced competition from cities and towns. But local community leaders recognized that their economic survival depended on electrifying their communities. They knew that it would take both private investment and public investment to bring electricity to all Americans.

We face a similar situation today. Municipal networks can play an essential role in making broadband access universal and affordable. We must not put up barriers to this possibility of municipal involvement in broadband deployment.

Some local governments will decide to do this; others will not. Let me be clear this is not going to be the right decision for every municipality. But there are clearly examples of municipalities that need to provide broadband, and those municipalities should have the power to do so.

Today's Wall Street Journal notes the small town of Granbury, TX, population 6,400, that initiated a wireless network after waiting years for private industry to take an interest. In Scottsburg, IN, a city and its 6000 residents north of Louisville, KY, could not get broadband from an incumbent telephone company. When two important businesses threatened to leave unless they could obtain broadband connectivity, municipal officials stepped forward to provide wireless broadband throughout the town. The town retained the two businesses and gained much more. There are many Granburys and Scottsburgs across the country.

There are also underserved urban areas, where private providers may exist, but many in the community simply cannot afford the high prices. Dianah Neff, Philadelphia's chief information officer, knows this all too well. ''The digital divide is local,'' Neff has said, commenting that while 90 percent Philadelphia's affluent neighborhoods have broadband, just 25 percent in low-income areas have broadband. When the city of Philadelphia announced plans for wireless access, it immediately faced opposition and the Pennsylvania legislature passed legislation to counter this municipal power.

Community broadband networks have the potential to create jobs, spur economic development, and bring a 21st century utility to everyone. I hope my colleagues will join Senator MCCAIN and me in our effort to enact the Community Broadband 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. 1294

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Community Broadband Act of 2005''.

SEC. 2. COMMUNITY BROADBAND CAPABILITY AND SERVICES.

Section 706 of the Telecommunications Act of 1996 (47 U.S.C. 157 note) is amended—

(1) by redesignating subsection (c) as subsection (d) and inserting after subsection (b) the following:

''(c) LOCAL GOVERNMENT PROVISION OF ADVANCED TELECOMMUNICATIONS CAPABILITY AND SERVICES.—

''(1) IN GENERAL.—No State statute, regulation, or other State legal requirement may prohibit or have the effect of prohibiting any public provider from providing, to any person or any public or private entity, advanced telecommunications capability or any service that utilizes the advanced telecommunications capability provided by such provider.

''(2) ANTIDISCRIMINATION SAFEGUARDS.—To the extent any public provider regulates competing private providers of advanced telecommunications capability or services, it shall apply its ordinances and rules without discrimination in favor of itself or any advanced telecommunications services provider that it owns.

''(3) SAVINGS CLAUSE.—Nothing in this section shall exempt a public provider from any Federal or State telecommunications law or regulation that applies to all providers of advanced telecommunications capability or services using such advanced telecommunications capability.''; and

(2) by adding at the end of subsection (d), as redesignated, the following:

''(3) PUBLIC PROVIDER.—The term 'public provider' means a State or political subdivision thereof, any agency, authority, or instrumentality of a State or political subdivision thereof, or an Indian tribe (as defined in section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e)), that provides advanced telecommunications capability, or any service that utilizes such advanced telecommunications capability, to any person or public or private entity.''.

Mr. MCCAIN. Mr. President, I am pleased to join in sponsoring the Community Broadband Act of 2005. In the simplest of terms, this bill would ensure that any town, city, or county that wishes to offer high-speed Internet services to its citizens can do so. The bill also would ensure fairness by requiring municipalities that offer high-speed Internet services do so in compliance with all Federal and State telecommunications laws and in a nondiscriminatory manner.

This bill is needed if we are to meet President Bush's call for ''universal, affordable access for broadband technology by the year 2007.'' When President Bush announced this nationwide goal in 2004, the country was ranked 10th in the world for high-speed Internet penetration. Today, the country is ranked 16th. This is unacceptable for a country that should lead the world in technical innovation, economic development, and international competitiveness.

Many of the countries outpacing the United States in the deployment of high-speed Internet services, including Canada, Japan, and South Korea, have successfully combined municipal systems with privately deployed networks to wire their countries. As a country, we cannot afford to cut off any successful strategy if we want to remain internationally competitive.

I recognize that our Nation has a long and successful history of private investment in critical communications infrastructure. That history must be respected, protected, and continued. However, when private industry does not answer the call because of market failures or other obstacles, it is appropriate and even commendable, for the people acting through their local governments to improve their lives by investing in their own future. In many rural towns, the local government's high-speed Internet offering may be its citizens only option to access the World Wide Web.

Despite this situation, a few incumbent providers of traditional telecommunications services have attempted to stop local government deployment of community high speed Internet services. The bill would do nothing to limit their ability to compete. In fact, the bill would provide them an incentive to enter more rural areas and deploy services in partnership with local governments. This partnership will not only reduce the costs to private firms, but also ensure wider deployment of rural services. Additionally, the bill would aid private providers by prohibiting a municipality when acting as both ''regulator'' and ''competitor'' from discriminating against competitors in favor of itself.

Several newspapers have endorsed the concept of allowing municipalities to choose whether to offer high speed Internet services. USA Today rightfully questioned in an editorial, ''Why shouldn't citizens be able to use their own resources to help themselves?'' The Washington Post editorialized that the offering of high speed Internet services by localities is, ''. . . the sort of municipal experiment we hope will spread.'' The San Jose Mercury News stated that a ban on localities ability to offer such services is ''bad for consumers, bad for technology and bad for America's hopes of catching up to other countries in broadband deployment.'' Finally, the Tampa Tribune lectured Federal and State legislators, ''don't prohibit local elected officials from providing a service their communities need.''

My home State of Arizona boasts the largest approved municipal broadband system in the United States, for example. The city of Tempe's wireless system will serve all of the city's 40 square miles and a population of 159,000, including the campus of Arizona State University. Citizens will have Internet access from anywhere at any time, and police, fire, water and traffic services personnel will use the system to enhance their efficiency.

In addition to Tempe, several Native American tribal governments offer high-speed Internet access services to their citizens. This bill would ensure that such offerings could continue to assist Indian country and their ability to connect to the Internet.

Our country faces some real challenges. We need to find ways to use technology to help our citizens better compete. We need to help our businesses capitalize on their ingenuity so that they can become more internationally competitive. That is why we need to do all we can to eliminate barriers to competition and create incentives for the delivery of high-speed Internet services for public suppliers of broadband services, private suppliers of broadband services, and public-private partnerships as well.

I hope my colleagues will join us in sponsoring the Community Broadband Act of 2005.

By Mr. MCCAIN:

S. 1295. A bill to amend the Indian Gaming Regulatory Act to provide for accountability and funding of the National Indian Gaming Commission; to the Committee on Indian Affairs.

Mr. MCCAIN. Mr. President, I am pleased to introduce the National Indian Gaming Commission Accountability Act of 2005 to amend provisions of the Indian Gaming Regulatory Act regarding NIGC funding and accountability.

The Indian gaming industry has undergone tremendous growth since the enactment of the Indian Gaming Regulatory Act in 1988. The regulatory responsibilities of the NIGC, the Federal agency responsible for oversight of the industry, has likewise grown. In recent years the NIGC's budgeting needs have consistently exceeded the $8 million statutory cap, necessitating short-term authorizations to exceed the cap to enable it to adequately enforce the Act.

Rather than merely raising the cap on funding, this legislation amends IGRA's equation for funding the NIGC by allowing the funding to adjust in direct proportion to the revenues of the Indian gaming industry, with funding expanding or contracting as the Indian gaming industry grows or recedes. Under that equation—which provides that fees cannot exceed .08 percent of gross gaming revenues—the NIGC's budget for fiscal 2007 would be capped at approximately $14.5 million.

As the agency's needs have grown, so has the scrutiny of the regulated community and affected parties. It is therefore appropriate that the agency's budgetary choices and program plans be subject to transparency. Therefore, this legislation increases not only the agency's funding, but also its accountability by directing that the NIGC be subject to the Government Performance and Results Act (GPRA). As a result, the agency would be required to develop a Strategic Plan, and annual performance plans and performance reports, all of which will provide critical information to the regulated stakeholders.

I look forward to working with my colleagues on both sides of the aisle to enact this timely and balanced legislation. I ask unanimous consent that the full text of the bill be printed in the RECORD.

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

S. 1295

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 ''National Indian Gaming Commission Accountability Act of 2005''.

SEC. 2. COMMISSION ACCOUNTABILITY AND FUNDING.

(a) POWERS OF THE COMMISSION.—Section 7 of the Indian Gaming Regulatory Act (25 U.S.C. 2706) is amended by adding at the end the following:

''(d) APPLICATION OF GOVERNMENT PERFORMANCE AND RESULTS ACT.—

''(1) IN GENERAL.—In carrying out any action under this Act, the Commission shall be subject to the Government Performance and Results Act of 1993 (Public Law 1030962; 107 Stat. 285).

''(2) PLANS.—In addition to any plan required under the Government Performance and Results Act of 1993 (Public Law 1030962; 107 Stat. 285), the Commission shall submit a plan to provide technical assistance to tribal gaming operations in accordance with that Act.''.

(b) COMMISSION FUNDING.—Section 18(a)(2) of the Indian Gaming Regulatory Act (25 U.S.C. 2717(a)(2)) is amended by striking subparagraph (B) and inserting the following:

''(B) The total amount of all fees imposed during any fiscal year under the schedule established under paragraph (1) shall not exceed 0.080 percent of the gross gaming revenues of all gaming operations subject to regulation under this Act.''.

By Ms. MURKOWSKI (for herself, Mr. STEVENS, Mr. BURNS, Mr. CRAIG, Mr. CRAPO, Mr. KYL, and Mr. SMITH):

S. 1296. A bill to amend title 28, United States Code, to provide for the appointment of additional Federal circuit judges, to divide the Ninth Judicial Circuit of the United States into 2 circuits, and for other purposes; to the Committee on the Judiciary.

Ms. MURKOWSKI. Mr. President, I ask unanimous consent that my bill, the Ninth Circuit Judgeship and Reorganization Act of 2005, be printed in the RECORD.

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

S, 1296

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 ''Ninth Circuit Judgeship and Reorganization Act of 2005''.

SEC. 2. DEFINITIONS.

In this Act:

(1) FORMER NINTH CIRCUIT.—The term ''former ninth circuit'' means the ninth judicial circuit of the United States as in existence on the day before the effective date of this Act.

(2) NEW NINTH CIRCUIT.—The term ''new ninth circuit'' means the ninth judicial circuit of the United States established by the amendment made by section 3(2)(A).

(3) TWELFTH CIRCUIT.—The term ''twelfth circuit'' means the twelfth judicial circuit of the United States established by the amendment made by section 3(2)(B).

SEC. 3. NUMBER AND COMPOSITION OF CIRCUITS.

Section 41 of title 28, United States Code, is amended—

(1) in the matter preceding the table, by striking ''thirteen'' and inserting ''fourteen''; and

(2) in the table—

(A) by striking the item relating to the ninth circuit and inserting the following:

''Ninth	California, Guam, Hawaii, Northern Marianas Islands.'';

and

(B) by inserting after the item relating to the eleventh circuit the following:

''Twelfth	Alaska, Arizona, Idaho, Montana, Nevada, Oregon, Washington.''.

SEC. 4. JUDGESHIPS.

(a) NEW JUDGESHIPS.—The President shall appoint, by and with the advice and consent of the Senate, 5 additional circuit judges for the new ninth circuit court of appeals, whose official duty station shall be in California. The judges authorized by this paragraph shall not be appointed before January 21, 2006.

(b) TEMPORARY JUDGESHIPS.—

(1) APPOINTMENT OF JUDGES.—The President shall appoint, by and with the advice and consent of the Senate, 2 additional circuit judges for the former ninth circuit court of appeals, whose official duty stations shall be in California.

(2) EFFECT OF VACANCIES.—The first 2 vacancies occurring on the new ninth circuit court of appeals 10 years or more after judges are first confirmed to fill both temporary circuit judgeships created by this subsection shall not be filled.

(c) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 5. NUMBER OF CIRCUIT JUDGES.

The table contained in section 44(a) of title 28, United States Code, is amended—

(1) by striking the item relating to the ninth circuit and inserting the following:

''Ninth	19'';

and

(2) by inserting after the item relating to the eleventh circuit the following:

''Twelfth	14''.

SEC. 6. PLACES OF CIRCUIT COURT.

The table contained in section 48(a) of title 28, United States Code, is amended—

(1) by striking the item relating to the ninth circuit and inserting the following:

''Ninth	Honolulu, San Francisco.'';

and

(2) by inserting after the item relating to the eleventh circuit the following:

''Twelfth	Phoenix, Portland, Missoula.''

SEC. 7. LOCATION OF TWELFTH CIRCUIT HEADQUARTERS.

The offices of the Circuit Executive of the Twelfth Circuit and the Clerk of the Court of the Twelfth Circuit shall be located in Phoenix, Arizona.

SEC. 8. ASSIGNMENT OF CIRCUIT JUDGES.

Each circuit judge of the former ninth circuit who is in regular active service and whose official duty station on the day before the effective date of this Act—

(1) is in California, Guam, Hawaii, or the Northern Marianas Islands shall be a circuit judge of the new ninth circuit as of such effective date; and

(2) is in Alaska, Arizona, Idaho, Montana, Nevada, Oregon, or Washington shall be a circuit judge of the twelfth circuit as of such effective date.

SEC. 9. ELECTION OF ASSIGNMENT BY SENIOR JUDGES.

Each judge who is a senior circuit judge of the former ninth circuit on the day before the effective date of this Act may elect to be assigned to the new ninth circuit or the twelfth circuit as of such effective date and shall notify the Director of the Administrative Office of the United States Courts of such election.

SEC. 10. SENIORITY OF JUDGES.

The seniority of each judge—

(1) who is assigned under section 8, or

(2) who elects to be assigned under section 9,

shall run from the date of commission of such judge as a judge of the former ninth circuit.

SEC. 11. APPLICATION TO CASES.

The following apply to any case in which, on the day before the effective date of this Act, an appeal or other proceeding has been filed with the former ninth circuit:

(1) Except as provided in paragraph (3), if the matter has been submitted for decision, further proceedings with respect to the matter shall be had in the same manner and with the same effect as if this Act had not been enacted.

(2) If the matter has not been submitted for decision, the appeal or proceeding, together with the original papers, printed records, and record entries duly certified, shall, by appropriate orders, be transferred to the court to which the matter would have been submitted had this Act been in full force and effect at the time such appeal was taken or other proceeding commenced, and further proceedings with respect to the case shall be had in the same manner and with the same effect as if the appeal or other proceeding had been filed in such court.

(3) If a petition for rehearing en banc is pending on or after the effective date of this Act, the petition shall be considered by the court of appeals to which it would have been submitted had this Act been in full force and effect at the time that the appeal or other proceeding was filed with the court of appeals.

SEC. 12. TEMPORARY ASSIGNMENT OF CIRCUIT JUDGES AMONG CIRCUITS.

Section 291 of title 28, United States Code, is amended by adding at the end the following:

''(c) The chief judge of the Ninth Circuit may, in the public interest and upon request by the chief judge of the Twelfth Circuit, designate and assign temporarily any circuit judge of the Ninth Circuit to act as circuit judge in the Twelfth Circuit.

''(d) The chief judge of the Twelfth Circuit may, in the public interest and upon request by the chief judge of the Ninth Circuit, designate and assign temporarily any circuit judge of the Twelfth Circuit to act as circuit judge in the Ninth Circuit.''.

SEC. 13. TEMPORARY ASSIGNMENT OF DISTRICT JUDGES AMONG CIRCUITS.

Section 292 of title 28, United States Code, is amended by adding at the end the following:

''(f) The chief judge of the United States Court of Appeals for the Ninth Circuit may in the public interest—

''(1) upon request by the chief judge of the Twelfth Circuit, designate and assign 1 or more district judges within the Ninth Circuit to sit upon the Court of Appeals of the Twelfth Circuit, or a division thereof, whenever the business of that court so requires; and

''(2) designate and assign temporarily any district judge within the Ninth Circuit to hold a district court in any district within the Twelfth Circuit.

''(g) The chief judge of the United States Court of Appeals for the Twelfth Circuit may in the public interest—

''(1) upon request by the chief judge of the Ninth Circuit, designate and assign 1 or more

district judges within the Twelfth Circuit to sit upon the Court of Appeals of the Ninth Circuit, or a division thereof, whenever the business of that court so requires; and

''(2) designate and assign temporarily any district judge within the Twelfth Circuit to hold a district court in any district within the Ninth Circuit.

''(h) Any designations or assignments under subsection (f) or (g) shall be in conformity with the rules or orders of the court of appeals of, or the district within, as applicable, the circuit to which the judge is designated or assigned.''.

SEC. 14. ADMINISTRATION.

The court of appeals for the ninth circuit as constituted on the day before the effective date of this Act may take such administrative action as may be required to carry out this Act and the amendments made by this Act. Such court shall cease to exist for administrative purposes 2 years after the date of enactment of this Act.

SEC. 15. EFFECTIVE DATE.

Except as provided in section 4(c), this Act and the amendments made by this Act shall take effect 12 months after the date of enactment of this Act.

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

S. 1297. A bill to amend title XVIII of the Social Security Act to reduce the work hours and increase the supervision of resident physicians to ensure the safety of patients and resident-physicians themselves; to the Committee on Finance.

Mr. CORZINE. Mr. President, I rise today to reintroduce my legislation, the Patient and Physician Safety and Protection Act of 2005, to limit medical resident work hours to 80 hours a week and to provide real protections for patients and resident physicians who are negatively affected by excessive work hours. I feel strongly that as Congress begins to consider proposals to reduce medical malpractice premiums and improve quality of care, we must consider the role that excessive work hours play in exacerbating medical liability problems and reducing quality of care.

It is very troubling that hospitals across the Nation are requiring young doctors to work 36 hour shifts and as many as 120 hours a week in order to complete their residency programs. These long hours lead to a deterioration of cognitive function similar to the effects of blood alcohol levels of 0.1 percent. This is a level of cognitive impairment that would make these doctors unsafe to drive—yet these physicians are not only allowed but in fact are required to care for patients and perform procedures on patients under these conditions. In fact, a study by Harvard Medical School researchers published in the October 28, 2004 issue of the New England Journal of Medicine found that medical residents made 35.9 percent more serious medical errors when they worked extended shifts of more than 24 hours.

The Patient and Physician Safety and Protection Act of 2005 will limit medical resident work hours to 80 hours a week. Not 40 hours or 60 hours—80 hours a week. It is hard to argue that this standard is excessively strict. In fact, it is unconscionable that we now have resident physicians, or any physicians for that matter, caring for very sick patients 120 hours a week and 36 hours straight with fewer than 10 hours between shifts. This is an outrageous violation of a patient's right to quality care.

In addition to limiting work hours to 80 hours week, my bill limits the length of any one shift to 24 consecutive hours, while allowing for up to three hours of patient transition time, and limits the length of an emergency room shift to 12 hours. The bill also ensures that residents have at least one out of seven days off and 'on-call' shifts no more often than every third night.

Since I first introduced the Patient and Physician Safety and Protection Act in the 107th Congress, the medical community and the Accreditation Council for Graduate Medical Education, ACGME, specifically have taken critical steps to address the problem of excessive work hours. On July 1, 2003, the ACGME issued resident work-hour guidelines aimed at addressing this important issue. While I commend ACGME leadership for taking the initiative, I remain very concerned that the ACGME's policy lacks the enforcement mechanisms that are essential to ensure compliance with the new work hour rules. The ACGME's only sanction against hospitals that overwork residents or provide inadequate supervision is the threat of lost accreditation of residency programs. Medical residents who have already ''matched'' into a program and invested years there are understandably reluctant to report violations that might result in the closure of their residency. Furthermore, the ACGME usually gives hospital administrators 90–100 days notice before inspecting a residency program. While the ACGME policy establishes more stringent work hours regulations, it fails to create effective enforcement and oversight tools. These rules are meaningless without enforcement mechanisms.

That is why Federal legislation is necessary. The Patient and Physician Safety and Protection Act of 2005 not only recognizes the problem of excessive work hours, but also creates strong enforcement mechanisms. The bill also provides funding support to teaching hospitals to implement new work hour standards. Without enforcement and financial support, efforts to reduce work hours are not likely to be successful.

Finally, my legislation provides meaningful enforcement mechanisms that will protect the identity of resident physicians who file complaints about work hour violations. The ACGME's guidelines do not contain any whistleblower protections for residents that seek to report program violations. Without this important protection, residents will be reluctant to report these violations, which in turn will weaken enforcement.

My legislation also makes compliance with these work hour requirements a condition of Medicare participation. Each year, Congress provides $8 billion to teaching hospitals to train new physicians. While Congress must continue to vigorously support adequate funding so that teaching hospitals are able to carryout this important public service, these hospitals must also make a commitment to ensuring safe work conditions for these physicians and providing the highest quality of care to the patients they treat.

In closing I would like to read a quote from an Orthopedic Surgery Resident from Northern California, which I think illustrates why we need this legislation.

I quote, ''I was operating post-call after being up for over 36 hours and was holding retractors. I literally fell asleep standing up and nearly faceplanted into the wound. My upper arm hit the side of the gurney, and I caught myself before I fell to the floor. I nearly put my face in the open wound, which would have contaminated the entire field and could have resulted in an infection for the patient.''

This is a very serious problem that must be addressed before medical errors like this occur. I hope every member of the Senate will consider this legislation and the potential it has to reduce medical errors, improve patient care, and create a safer working environment for the backbone of our Nation's healthcare system.

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. 1297

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 and Physician Safety and Protection Act of 2005''.

SEC. 2. FINDINGS.

Congress finds the following:

(1) The Federal Government, through the medicare program, pays approximately $8,000,000,000 per year solely to train resident-physicians in the United States, and as a result, has an interest in assuring the safety of patients treated by resident-physicians and the safety of resident-physicians themselves.

(2) Resident-physicians spend as much as 30 to 40 percent of their time performing activities not related to the educational mission of training competent physicians.

(3) The excessive numbers of hours worked by resident-physicians is inherently dangerous for patient care and for the lives of resident-physicians.

(4) The scientific literature has consistently demonstrated that the sleep deprivation of the magnitude seen in residency training programs leads to cognitive impairment.

(5) A substantial body of research indicates that excessive hours worked by resident-physicians lead to higher rates of medical error, motor vehicle accidents, depression, and pregnancy complications.

(6) The medical community has not adequately addressed the issue of excessive resident-physician work hours.

(7) The Federal Government has regulated the work hours of other industries when the safety of employees or the public is at risk.

(8) The Institute of Medicine has found that as many as 98,000 deaths occur annually due to medical errors and has suggested that 1 necessary approach to reducing errors in hospitals is reducing the fatigue of resident-physicians.

SEC. 3. REVISION OF MEDICARE HOSPITAL CONDITIONS OF PARTICIPATION REGARDING WORKING HOURS OF MEDICAL RESIDENTS, INTERNS, AND FELLOWS.

(a) IN GENERAL.—Section 1866 of the Social Security Act (42 U.S.C. 1395cc) is amended—

(1) in subsection (a)(1)—

(A) by striking ''and'' at the end of subparagraph (U);

(B) by striking the period at the end of subparagraph (V) and inserting '', and''; and

(C) by inserting after subparagraph (V) the following new subparagraph:

''(W) in the case of a hospital that uses the services of postgraduate trainees (as defined in subsection (k)(4)), to meet the requirements of subsection (k).''; and

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

''(k)(1)(A) In order that the working conditions and working hours of postgraduate trainees promote the provision of quality medical care in hospitals, as a condition of participation under this title, each hospital shall establish the following limits on working hours for postgraduate trainees:

''(i) Subject to subparagraphs (B) and (C), postgraduate trainees may work no more than a total of 24 hours per shift.

''(ii) Subject to subparagraph (C), postgraduate trainees may work no more than a total of 80 hours per week.

''(iii) Subject to subparagraph (C), postgraduate trainees—

''(I) shall have at least 10 hours between scheduled shifts;

''(II) shall have at least 1 full day out of every 7 days off and 1 full weekend off per month;

''(III) subject to subparagraph (B), who are assigned to patient care responsibilities in an emergency department shall work no more than 12 continuous hours in that department;

''(IV) shall not be scheduled to be on call in the hospital more often than every third night; and

''(V) shall not engage in work outside of the educational program that interferes with the ability of the postgraduate trainee to achieve the goals and objectives of the program or that, in combination with the program working hours, exceeds 80 hours per week.

''(B)(i) Subject to clause (ii), the Secretary shall promulgate such regulations as may be necessary to ensure quality of care is maintained during the transfer of direct patient care from 1 postgraduate trainee to another at the end of each shift.

''(ii) Such regulations shall ensure that, except in the case of individual patient emergencies, the period in which a postgraduate trainee is providing for the transfer of direct patient care (as referred to in clause (i)) does not extend such trainee's shift by more than 3 hours beyond the 24-hour period referred to in subparagraph (A)(i) or the 12-hour period referred to in subparagraph (A)(iii)(III), as the case may be.

''(C) The work hour limitations under subparagraph (A) and requirements of subparagraph (B) shall not apply to a hospital during a state of emergency declared by the Secretary that applies with respect to that hospital.

''(2) The Secretary shall promulgate such regulations as may be necessary to monitor and supervise postgraduate trainees assigned patient care responsibilities as part of an approved medical training program, as well as to assure quality patient care.

''(3) Each hospital shall inform postgraduate trainees of—

''(A) their rights under this subsection, including methods to enforce such rights (including so-called whistle-blower protections); and

''(B) the effects of their acute and chronic sleep deprivation both on themselves and on their patients.

''(4) For purposes of this subsection, the term 'postgraduate trainee' means a postgraduate medical resident, intern, or fellow.''.

(b) DESIGNATION.—

(1) IN GENERAL.—The Secretary of Health and Human Services (in this subsection referred to as the ''Secretary'') shall designate an individual within the Department of Health and Human Services to handle all complaints of violations that arise from a postgraduate trainee (as defined in paragraph (4) of section 1886(k) of the Social Security Act, as added by subsection (a), who reports that the hospital operating the medical residency training program for which the trainee is enrolled is in violation of the requirements of such section.

(2) GRIEVANCE RIGHTS.—A postgraduate trainee may file a complaint with the Secretary concerning a violation of the requirements under such section 1886(k). Such a complaint may be filed anonymously. The Secretary may conduct an investigation and take corrective action with respect to such a violation.

(3) ENFORCEMENT.—

(A) CIVIL MONEY PENALTY ENFORCEMENT.—Subject to subparagraph (B), any hospital that violates the requirements under such section 1886(k) is subject to a civil money penalty not to exceed $100,000 for each medical residency training program operated by the hospital in any 6-month period. The provisions of section 1128A of the Social Security Act (other than subsections (a) and (b)) shall apply to civil money penalties under this paragraph in the same manner as they apply to a penalty or proceeding under section 1128A(a) of such Act.

(B) CORRECTIVE ACTION PLAN.—The Secretary shall establish procedures for providing a hospital that is subject to a civil monetary penalty under subparagraph (A) with an opportunity to avoid such penalty by submitting an appropriate corrective action plan to the Secretary.

(4) DISCLOSURE OF VIOLATIONS AND ANNUAL REPORTS.—The individual designated under paragraph (1) shall—

(A) provide for annual anonymous surveys of postgraduate trainees to determine compliance with the requirements under such section 1886(k) and for the disclosure of the results of such surveys to the public on a medical residency training program specific basis;

(B) based on such surveys, conduct appropriate on-site investigations;

(C) provide for disclosure to the public of violations of and compliance with, on a hospital and medical residency training program specific basis, such requirements; and

(D) make an annual report to Congress on the compliance of hospitals with such requirements, including providing a list of hospitals found to be in violation of such requirements.

(c) WHISTLEBLOWER PROTECTIONS.—

(1) IN GENERAL.—A hospital covered by the requirements of section 1866(k) of the Social Security Act, as added by subsection (a), shall not penalize, discriminate, or retaliate in any manner against an employee with respect to compensation, terms, conditions, or privileges of employment, who in good faith (as defined in paragraph (2)), individually or in conjunction with another person or persons—

(A) reports a violation or suspected violation of such requirements to a public regulatory agency, a private accreditation body, or management personnel of the hospital;

(B) initiates, cooperates, or otherwise participates in an investigation or proceeding brought by a regulatory agency or private accreditation body concerning matters covered by such requirements;

(C) informs or discusses with other employees, with a representative of the employees, with patients or patient representatives, or with the public, violations or suspected violations of such requirements; or

(D) otherwise avails himself or herself of the rights set forth in such section or this subsection.

(2) GOOD FAITH DEFINED.—For purposes of this subsection, an employee is deemed to act ''in good faith'' if the employee reasonably believes—

(A) that the information reported or disclosed is true; and

(B) that a violation has occurred or may occur.

(d) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the first July 1 that begins at least 1 year after the date of enactment of this Act.

SEC. 4. ADDITIONAL FUNDING FOR HOSPITAL COSTS.

There are hereby appropriated to the Secretary of Health and Human Services such amounts as may be required to provide for additional payments to hospitals for their reasonable additional, incremental costs incurred in order to comply with the requirements imposed by this Act (and the amendments made by this Act).

Mr. ENSIGN. Mr. President, I come before the Senate today about a very serious issue that is threatening the disbursal of justice in the western United States.

My home State of Nevada, along with eight other States, has been part of an unbelievable population boom over the last several decades. As a result, we face the frustrating challenges of increased traffic congestion, crowded schools, and a shortage of many services. However, there is one consequence of that growth that has reached a critical level because it is delaying and denying justice for too many Americans.

That is the situation with the Court of Appeals for the Ninth Circuit. The largest circuit in the country, it encompasses 20 percent of the entire Nation's population. The Ninth Circuit has the highest cases per jurist ratio. And the trend is not changing. The Circuit is just too large. Each of the States covered by the Ninth Circuit saw population growths over the last decade, and three of the States—Nevada, Idaho, and Arizona—are in the top five in the country for population growth. Something must be done, or the Ninth Circuit will continue to bust at the seams.

That is why I am introducing legislation today that would divide the current Ninth Circuit into 3 new circuits. The new Ninth Circuit would include California, Hawaii, Guam, and the Northern Marianas Islands. The new

Twelfth Circuit would be comprised of Arizona, Nevada, Idaho, and Montana. And the new Thirteenth Circuit would contain Oregon, Washington, and Alaska.

This splitting of the Ninth Circuit is absolutely necessary if the residents of Nevada and the other western states are to have equal access to justice. Right now, citizens living under the Ninth Circuit face incomparable delays and judicial inconsistencies. Recently, the Ninth Circuit had more cases pending for more than one year than all other circuits combined.

And because of the sheer magnitude of the number of judges in the Ninth Circuit, it has become increasingly difficult for judges to track the opinions of the other judges in the circuit. In fact, it happened that on the same day, 2 different 3-judge panels in the Ninth Circuit issued different legal standards to resolve the same issue. Can you imagine the headache this causes for district judges who are supposed to follow the standard set by the Ninth Circuit? It compromises the system of justice that is the cornerstone of our democracy.

As a Nevadan, I am also angered by some of the decisions made by the Ninth Circuit Court. I know how Nevadans feel about issues such as the Pledge of Allegiance. Like me, they were outraged that the phrase ''under God'' was ruled unconstitutional by the Ninth Circuit. This wasn't the only case of the Ninth Circuit misinterpreting the Constitution and our laws. In 1997 alone, the United States Supreme Court overruled 27 out of 28 Ninth Circuit decisions. I wish I could say that was just an ''off' year for the court, but their track record wasn't much better in the 6 years before that.

Rather than continue down this path of judicial destruction, it is time to use a forward looking approach to the access of justice in the western United States. I urge my colleagues to join me in our Constitutional duty to establish courts for the sake of justice in this country. Failure to act will cost the citizens of my state, and many other western states, dearly.

By Mr. DEMINT (for himself, Mr. SANTORUM, Mr. GRAHAM, Mr. CRAPO, Mr. Coburn, Mr. SUNUNU, Mr. ISAKSON, Mr. ENZI, Mr. CORNYN, Mr. LOTT, Mr. BROWNBACK, and Mr. CRAIG).

S. 1302. A bill to amend the Social Security Act and the Internal Revenue Code of 1986 to stop the Congress from spending Social Security surpluses on other Government programs by dedicating those surpluses to personal accounts that can only be used to pay Social Security benefits; to the Committee on Finance.

Mr. DEMINT. Mr. President, it's time to stop the raid on Social Security. For over twenty years, Congress has maintained the misguided practice of overcollecting Social Security taxes and spending them on other government programs. Congress has used the Social Security Trust Fund to promote the false notion that Social Security actually saves the money workers pay in, and it is time to end this abusive practice. It is time we start saving these resources in personal accounts that politicians cannot spend.

Money cannot have 2 masters—it either belongs to the government or to individual Americans. The only way to prevent Congress from spending Social Security surpluses is to rebate these funds back to a worker in a personal account with their name on it. The only true lock-box is a personal account.

President Bush has done a good job helping Americans understand the problem. Now it is up to Congress to build consensus around some solutions. Every American and nearly everyone in Congress agree on at least one core principle: Social Security money should only be spent on Social Security. Before we can have an honest debate on long-term solutions, we must restore trust with Americans.

Stopping the raid will strengthen Social Security and is the first step toward long-term reform.

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. 1302

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 ''Stop the Raid on Social Security Act of 2005''.

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

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) President Franklin Roosevelt's January 17, 1935, message on Social Security declared that, ''First, the system adopted, except for the money necessary to initiate it, should be self-sustaining in the sense that funds for the payment of insurance benefits should not come from the proceeds of general taxation.''.

(2) Social Security's financial integrity is maintained by requiring that benefit payments do not exceed the program's dedicated tax revenues and the interest earned on the balances in the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund over the long term.

(3) The separation of Social Security from other budget accounts also serves to protect Social Security benefits from competing against other Federal programs for its funding resources.

(4) Comprehensive reforms should be enacted to—

(A) fix Social Security permanently;

(B) ensure that any use of general revenues for the program is temporary; and

(C) provide for the eventual repayment of any revenue transfers from the general fund to the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.

TITLE I—SOCIAL SECURITY PERSONAL RETIREMENT ACCOUNTS PROGRAM

SEC. 101. ESTABLISHMENT OF THE SOCIAL SECURITY PERSONAL RETIREMENT ACCOUNTS PROGRAM.

(a) IN GENERAL.—Title II of the Social Security Act is amended—

(1) by inserting before section 201 the following:

''PART A—INSURANCE BENEFITS'';

and

(2) by adding at the end of such title the following new part:

''PART B—SOCIAL SECURITY PERSONAL RETIREMENT ACCOUNTS PROGRAM

''DEFINITIONS

''SEC. 251. For purposes of this part—

''(1) PARTICIPATING INDIVIDUAL.—The term 'participating individual' has the meaning provided in section 253(a).

''(2) ACCOUNT ASSETS.—The term 'account assets' means, with respect to a social security personal retirement account, the total amount transferred to such account, increased by earnings credited under this part and reduced by losses and administrative expenses under this part.

''(3) CERTIFIED ACCOUNT MANAGER.—The term 'certified account manager' means a person who is certified under section 258(b).

''(4) BOARD.—The term 'Board' means the Social Security Personal Savings Board established under section 258(a).

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

''(6) PROGRAM.—The term 'Program' means the Social Security Personal Retirement Accounts Program established under this part.

''ESTABLISHMENT OF PROGRAM

''SEC. 252. There is hereby established a Social Security Personal Retirement Accounts Program. The Program shall be governed by regulations which shall be prescribed by the Social Security Personal Savings Board. The Board, the Executive Director appointed by the Board, the Commissioner, and the Secretary of the Treasury shall consult with each other in issuing regulations relating to their respective duties under this part. Such regulations shall provide for appropriate exchange of information to assist them in performing their duties under this part.

''PARTICIPATION IN PROGRAM

''SEC. 253. (a) PARTICIPATING INDIVIDUAL.—For purposes of this part, the term 'participating individual' means any individual—

''(1) who is credited under part A with wages paid after December 31, 2005, or self-employment income derived in any taxable year ending after such date,

''(2) who is born on or after January 1, 1950, and

''(3) who has not filed an election to renounce such individual's status as a participating individual under subsection (b).

''(b) RENUNCIATION OF PARTICIPATION.—

''(1) IN GENERAL.—An individual—

''(A) who has not attained retirement age (as defined in section 216(l)(1)), and

''(B) with respect to whom no distribution has been made from amounts credited to the individual's social security personal retirement account,

may elect, in such form and manner as shall be prescribed in regulations of the Board, to renounce such individual's status as a 'participating individual' for purposes of this part. Upon completion of the procedures provided for under paragraph (2), any such individual who has made such an election shall not be treated as a participating individual under this part, effective as if such individual had never been a participating individual. The Board shall provide for immediate notification of such election to the Commissioner of Social Security, the Secretary of the Treasury, and the Executive Director.

''(2) PROCEDURE.—The Board shall prescribe by regulation procedures governing the termination of an individual's status as 'participating individual' pursuant to an election under this subsection. Such procedures shall include—

''(A) prompt closing of the individual's social security personal retirement account established under section 254, and

''(B) prompt transfer to the Federal Old-Age and Survivors Insurance Trust Fund as general receipts of any amount held for investment in such individual's social security personal retirement account.

''(3) IRREVOCABILITY.—An election under this subsection shall be irrevocable.

''SOCIAL SECURITY PERSONAL RETIREMENT ACCOUNTS

''SEC. 254. (a) ESTABLISHMENT OF ACCOUNTS.—Under regulations which shall be prescribed by the Board in consultation with the Secretary of the Treasury—

''(1) the Board shall establish a social security personal retirement account for each participating individual (for whom a social security personal retirement account has not otherwise been established under this part) upon initial receipt of a transfer under subsection (b) with respect to such participating individual, and

''(2) in any case described in paragraph (2) of section 257(b), the Board shall establish a social security personal retirement account for the divorced spouse referred to in such paragraph (2).

''(b) TRANSFERS TO SOCIAL SECURITY PERSONAL RETIREMENT ACCOUNTS.—

''(1) IN GENERAL.—Under regulations which shall be prescribed by the Secretary of the Treasury in consultation with the Board, as soon as practicable during the 1-year period after each calendar year, the Secretary of the Treasury shall transfer to each participating individual's social security personal retirement account, from amounts held in the Federal Old-Age and Survivors Insurance Trust Fund, amounts equivalent to the personal retirement account deposit with respect to such participating individual for such calendar year.

''(2) PERSONAL RETIREMENT ACCOUNT DEPOSIT.—

''(A) IN GENERAL.—For purposes of paragraph (1), the personal retirement account deposit for a calendar year with respect to a participating individual is the product derived by multiplying—

''(i) the sum of—

''(I) the total amount of wages paid to the participating individual during such calendar year on which there was imposed a tax under section 3101(a) of the Internal Revenue Code of 1986, and

''(II) the total amount of self-employment income derived by the participating individual during the taxable year ending during such calendar year on which there was imposed a tax under section 1401(a) of the Internal Revenue Code of 1986, by

''(ii) the surplus percentage for such calendar year determined under subparagraph (B),

increased by deemed interest on each amount transferred for such calendar year for the period commencing with July 1 of such calendar year and the ending on the date on which such amount is transferred, computed at an annual rate equal to the average annual rate of return on investments of amounts in the Government Securities Investment Fund for such calendar year and the preceding 2 calendar years (except that, for purposes of the first 3 calendar years for which deemed interest is computed, this sentence shall be applied by substituting 'Federal Old-Age and Survivors Insurance Trust Fund' for 'Government Securities Investment Fund') and decreased by the administrative offset amount determined under subparagraph (D).

''(B) SURPLUS PERCENTAGE.—For purposes of subparagraph (A)(ii), the surplus percentage for a calendar year is the ratio (expressed as a percentage) of—

''(i) the net surplus in the Federal Old-Age and Survivors Insurance Trust Fund for such year, to

''(ii) the sum of—

''(I) the total amount of wages paid to participating individuals during such calendar year under section 3101(a) of the Internal Revenue Code of 1986, and

''(II) the total amount of self-employment income derived during taxable years ending during such calendar year by participating individuals under section 1401(a) of such Code.

''(C) NET TRUST FUND SURPLUS.—For purposes of subparagraph (B), the term 'net surplus' in connection with the Federal Old-Age and Survivors Insurance Trust Fund for a calendar year means the excess, if any, of—

''(i) the sum of—

''(I) the total amounts which are appropriated to such Trust Fund under clauses (3) and (4) of section 201(a) and attributable to such calendar year, and

''(II) the total amounts which are appropriated to such Trust Fund under section 121 of the Social Security Amendments of 1983 and attributable to such calendar year, over

''(ii) the amount estimated by the Commissioner of Social Security to be the total amount to be paid from such Trust Fund during such calendar year for all purposes authorized by section 201 (other than payments of interest on, and repayments of, loans from the Federal Hospital Insurance Trust Fund under section 201(l)(1), but reducing the amount of any transfer to the Railroad Retirement Account by the amount of any transfers into such Trust Fund from such Account).

''(D) ADMINISTRATIVE OFFSET AMOUNT.—For purposes of subparagraph (A), the administrative offset amount determined with respect to a personal retirement account deposit for a calendar year is the amount equal to the product of—

''(i) the amount of such deposit determined for that year without regard to a reduction under this subparagraph; and

''(ii) the administrative cost percentage attributable to the Program determined by the Board for that year (including reasonable administration fees charged by certified account managers under the Program), but in no event to exceed 30 basis points per year of the assets under management).

''(3) TRANSITION RULE.—Notwithstanding paragraph (1), amounts payable to social security personal retirement accounts under paragraph (1) with respect to the first calendar year described in paragraph (1) ending after the date of the enactment of the Stop the Raid on Social Security Act of 2005 shall be paid by the Secretary of the Treasury as soon as practicable after such Secretary determines that the administrative mechanisms necessary to provide for accurate and efficient payment of such amounts have been established.

''(4) TRANSFER OF GENERAL REVENUES TO ENSURE CONTINUED SOLVENCY OF FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND.—Whenever the Secretary of the Treasury makes a transfer under paragraph (1), the Secretary of the Treasury also shall transfer, to the extent necessary, from amounts otherwise available in the general fund of the Treasury, such amounts as are necessary to maintain a 100 percent ratio of assets of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund to the annual amount required to pay the full amount of benefits payable under part A for each year occurring during the period that begins with the year in which such transfer is made and ends with 2041.

''(c) REQUIREMENTS FOR ACCOUNTS.—The following requirements shall be met with respect to each social security personal retirement account:

''(1) Amounts transferred to the account consist solely of amounts transferred pursuant to this part.

''(2) In accordance with section 255, the account assets are held for purposes of investment under the Program by a certified account manager designated by (or on behalf of) the participating individual for whom such account is established under the Program.

''(3) Disposition of the account assets is made solely in accordance with sections 256 and 257.

''(d) ACCOUNTING OF RECEIPTS AND DISBURSEMENTS UNDER THE PROGRAM.—The Board shall provide by regulation for an accounting system for purposes of this part—

''(1) which shall be maintained by or under the Executive Director,

''(2) which shall provide for crediting of earnings from, and debiting of losses and administrative expenses from, amounts held in social security personal retirement accounts, and

''(3) under which receipts and disbursements under the Program which are attributable to each account are separately accounted for with respect to such account.

''(e) CORRECTION OF ERRONEOUS TRANSFERS.—The Board, in consultation with the Commissioner, shall provide by regulation rules similar to paragraphs (4) through (7) and (9) of section 205(c) and section 205(g) with respect to the correction of erroneous or omitted transfers of amounts to social security personal retirement accounts.

''INVESTMENT OF ACCOUNTS

''SEC. 255. (a) DESIGNATION OF CERTIFIED ACCOUNT MANAGERS.—Under the Program, a certified account manager shall be designated by or on behalf of each participating individual to hold for investment under this section such individual's social security personal retirement account assets.

''(b) PROCEDURE FOR DESIGNATION.—Any designation made under subsection (a) shall

be made in such form and manner as shall be prescribed in regulations prescribed by the Board. Such regulations shall provide for annual selection periods during which participating individuals may make designations pursuant to subsection (a). Designations made pursuant to subsection (a) during any such period shall be irrevocable for the one-year period following such period, except that such regulations shall provide for such interim designations as may be necessitated by the decertification of a certified account manager. Such regulations shall provide for such designations made by the Board on behalf of a participating individual in any case in which a timely designation is not made by the participating individual.

''(c) INVESTMENT.—Any balance held in a participating individual's social security personal retirement account under this part which is not necessary for immediate withdrawal shall be invested on behalf of such participating individual by the certified account manager as follows:

''(1) INVESTMENT IN MARKETABLE GOVERNMENT SECURITIES.—In a representative mix of fixed marketable interest-bearing obligations of the United States then forming a part of the public debt which are not due or callable earlier than 4 years after the date of investment.

''(2) ADDITIONAL AND ALTERNATIVE INVESTMENTS.—Beginning with 2008, in such additional and alternative investment options in broad-based index funds that are similar to the index fund investment options available within the Thrift Savings Fund established under section 8437 of title 5, United States Code, as the Board determines would be prudent sources of retirement income that could yield greater amounts of income than the investment described in paragraph (1) and a participating individual may elect.

''DISTRIBUTIONS OF ACCOUNT BALANCE AT RETIREMENT

''SEC. 256. (a) PART A AND SOCIAL SECURITY PERSONAL RETIREMENT ACCOUNT BENEFITS COMBINED.—Upon the date on which a participating individual becomes entitled to old-age insurance benefits under section 202(a), the Executive Director shall determine the total amount which would (but for this section) be payable as benefits under subsection (a), (b), (c), or (h) of section 202, subsection (e) or (f) of section 202 other than on the basis of disability, or any combination thereof, to any individual who is a participant on the basis of the wages and self-employment income of such individual or any other individual under part A for any month and provide for the following distributions from the individual's social security personal retirement account (in accordance with regulations which shall be prescribed by the Board):

''(1) PART A BENEFIT PROVIDES AT LEAST A POVERTY-LEVEL ANNUAL BENEFIT.—If such total amount would be sufficient to purchase a minimum annuity, the participating individual shall elect to have the Executive Director provide for the distribution of the balance in the participating individual's social security personal retirement account in the form of—

''(A) a lump-sum payment; or

''(B) an annuity which meets the requirements of subsection (b) (other than the requirement that the annuity provides for payments which, on an annual basis, are equal to at least the minimum annuity amount), the terms of which provide for a monthly payment equal to the maximum amount that such account can fund.

''(2) PART A BENEFIT COMBINED WITH ACCOUNT BALANCE PROVIDES AT LEAST A POVERTY-LEVEL BENEFIT.—

''(A) IN GENERAL.—If such total amount when combined with all or a portion of the balance in the participating individual's social security personal retirement account would be sufficient to purchase a minimum annuity, the Executive Director shall, subject to subparagraph (B)—

''(i) use such amount of the balance in a participating individual's social security personal retirement account as is necessary to purchase an annuity which meets the requirements of subsection (b) (other than the requirement that the annuity provides for payments which, on an annual basis, are equal to at least the minimum annuity amount), the terms of which provide for an annual payment that, when combined with the total amount of annual old-age insurance benefits payable to the participating individual, is equal to the annual amount that a minimum annuity would pay to the individual; and

''(ii) provide for the distribution of any remaining balance in the participating individual's social security personal retirement account in the form of a lump-sum payment.

''(B) OPTION FOR INCREASED ANNUITY.—A participating individual may elect to have the Executive Director use the balance of the individual's social security personal retirement account to purchase an annuity which meets the requirements of subsection (b), the terms of which provide for the maximum monthly payment that such account can fund, in lieu of using only a portion of such balance to purchase an annuity which provides a monthly payment equal to the amount described in subparagraph (A)(i).

''(3) DISTRIBUTION IN EVENT OF FAILURE TO OBTAIN AT LEAST A POVERTY-LEVEL BENEFIT.—If such total amount when combined with all of the balance in the participating individual's social security personal retirement account would not be sufficient to purchase a minimum annuity, the participating individual may elect to have the Executive Director—

''(A) distribute the balance in the participating individual's social security personal retirement account in the form of a lump-sum payment; or

''(B) if such balance is sufficient to purchase an annuity which meets the requirements of subsection (b) (other than the requirement that the annuity provides for payments which, on an annual basis, are equal to at least the minimum annuity amount), purchase such an annuity on behalf of the individual.

''(b) MINIMUM ANNUITY DEFINED.—For purposes of this subsection, the term 'minimum annuity' means an annuity that meets the following requirements:

''(1) The annuity starting date (as defined in section 72(c)(4) of the Internal Revenue Code of 1986) commences on the first day of the month beginning after the date of the purchase of the annuity.

''(2) The terms of the annuity provide for a series of substantially equal annual payments, subject to adjustment as provided in subsection (d), payable monthly to the participating individual during the life of the participating individual which are, on an annual basis, equal to at least the minimum annuity amount.

''(c) MINIMUM ANNUITY AMOUNT.—For purposes of this subsection, the term 'minimum annuity amount' means an amount equal to 100 percent of the poverty line for an individual (determined under the poverty guidelines of the Department of Health and Human Services issued under sections 652 and 673(2) of the Omnibus Budget Reconciliation Act of 1981).

''(d) COST OF LIVING ADJUSTMENT.—The terms of any annuity described in subsection (b) shall include provision for increases in the monthly annuity amounts thereunder determined in the same manner and at the same rate as primary insurance amounts are increased under section 215(i).

''(e) ASSUMPTIONS.—The assumptions under subsection (b) include the probability of survival for persons born in the same year as the participating individual (and the spouse, in the case of a joint annuity), future projection of investment earnings based on investment of the account assets, and expected price inflation. Determinations under this subsection shall be made in accordance with regulations which shall be prescribed by the Board, otherwise using generally accepted actuarial assumptions, except that no differentiation shall be made in such assumptions on the basis of sex, race, health status, or other characteristics other than age. Such assumptions may include, for determinations made prior to 2009, an assumed interest rate reflecting investment earnings of the Federal Old-Age and Survivors Insurance Trust Fund.

''(f) OFFSET OF PART A BENEFITS.—Notwithstanding any other provision of this title, in the case of a participating individual to which subsection (a)(1) applies, the total amount of monthly old-age insurance benefits payable as benefits under subsection (a), (b), (c), or (h) of section 202, subsection (e) or (f) of section 202 other than on the basis of disability, or any combination thereof, to such individual determined under subsection (a) shall be reduced so that the amount of such monthly old-age insurance benefits payable to the individual does not exceed the amount equal to the difference between—

''(i) such monthly old-age insurance benefits (determined without regard to a reduction under this subsection); and

''(ii) the ratio of—

''(I) what would have been the monthly annuity payment payable to the individual from an annuity if the individual's personal retirement account balance had earned the rate of return specified in section 254(b)(2)(A); to

''(II) the expected present value of all future potential benefits payable under section 202 on the basis of the wages or self-employment income of the participating individual (determined as of the date the participating individual becomes entitled to old-age benefits under section 202(a)).

''ADDITIONAL RULES RELATING DISPOSITION OF ACCOUNT ASSETS

''SEC. 257. (a) SPLITTING OF ACCOUNT ASSETS UPON DIVORCE AFTER 1 YEAR OF MARRIAGE.—

''(1) IN GENERAL.—Upon the divorce of a participating individual for whom a social security personal retirement account has been established under this part, from a spouse to whom the participating individual had been married for at least 1 year, the Board shall direct the appropriate certified account manager to transfer—

''(A) from the social security personal retirement account of the participating individual,

''(B) to the social security personal retirement account of the divorced spouse,

an amount equal to one-half of the amount of net accruals (including earnings) during the time of the marriage in the social security personal retirement account of the participating individual.

''(2) TREATMENT OF DIVORCED SPOUSE WHO IS NOT A PARTICIPATING INDIVIDUAL.—In the case of a divorced spouse referred to in paragraph (1) who, as of the time of the divorce, is not a participating individual and for whom a social security personal retirement account has not been established—

''(A) the divorced spouse shall be deemed a participating individual for purposes of this part, and

''(B) the Board shall establish a social security personal retirement account for the divorced spouse and shall direct the appropriate certified account manager to perform the such transfer.

''(3) PREEMPTION.—The provisions of this subsection shall supersede any provision of law of any State or political subdivision thereof which is inconsistent with the requirements of this subsection.

''(b) CLOSING OF ACCOUNT UPON THE DEATH OF THE PARTICIPATING INDIVIDUAL.—

''(1) IN GENERAL.—Upon the death of a participating individual, the Executive Director shall close out any remaining balance in the participating individual's social security personal retirement account. In closing out the account, the Executive Director shall certify to the certified account manager the amount of the account assets, and, upon receipt of such certification, the certified account manager shall transfer from such account an amount equal to such certified amount to the Secretary of the Treasury for subsequent transfer to—

''(A) the social security personal retirement account of the surviving spouse of such participating individual,

''(B) if there is no such surviving spouse, to such other person as may be designated by the participating individual in accordance with regulations which shall be prescribed by the Board, or

''(C) if there is no such designated person, to the estate of such participating individual.

''(2) TREATMENT OF SURVIVING SPOUSE WHO IS NOT A PARTICIPATING INDIVIDUAL.—In the case of a surviving spouse referred to in paragraph (1) who, as of the time of the death of the participating individual, is not a participating individual and for whom a social security personal retirement account has not been established—

''(A) the surviving spouse shall be deemed a participating individual for purposes of this part, and

''(B) the Board shall establish a social security personal retirement account for the surviving spouse and shall direct the appropriate certified account manager to perform the such transfer.

''(c) CLOSING OF ACCOUNT OF PARTICIPATING INDIVIDUALS WHO ARE INELIGIBLE FOR BENEFITS UPON ATTAINING RETIREMENT AGE.—In any case in which, as of the date on which a participating individual attains retirement age (as defined in section 216(l)), such individual is not eligible for an old-age insurance benefit under section 202(a), the Commissioner shall so certify to the Executive Director and, upon receipt of such certification, the Executive Director shall close out the participating individual's social security personal retirement account. In closing out the account, the Executive Director shall certify to the certified account manager the amount of the account assets, and upon receipt of such certification from the Executive Director, the account manager shall transfer from such account an amount equal to such certified amount to the Secretary of the Treasury for subsequent transfer to the participating individual.

''(d) ADMINISTRATIVE EXPENSES.—

''(1) IN GENERAL.—Under regulations which shall be prescribed by the Board, account assets are available in accordance with section 254(b)(2)(D)(ii) for payment of the reasonable administrative costs of the Program (including reasonable administration fees charged by certified account managers under the Program), but in no event to exceed 30 basis points per year of the assets under management.

''(2) TEMPORARY AUTHORIZATION OF APPROPRIATIONS FOR STARTUP ADMINISTRATIVE COSTS.—For any such administrative costs that remain after applying paragraph (1) for each of the first five fiscal years that end after the date of the enactment of this part, there are authorized to be appropriated such sums as may be necessary for each of such fiscal years.

''ADMINISTRATION OF THE PROGRAM

''SEC. 258. (a) GENERAL PROVISIONS.—

''(1) ESTABLISHMENT AND DUTIES OF THE SOCIAL SECURITY PERSONAL SAVINGS BOARD.—

''(A) ESTABLISHMENT.—There is established within the Social Security Administration a Social Security Personal Savings Board.

''(B) NUMBER AND APPOINTMENT.—The Board shall be composed of 6 members as follows:

''(i) two members appointed by the President who may not be of the same political party;

''(ii) one member appointed by the Speaker of the House of Representatives, in consultation with the Chairman of the Committee on Ways and Means of the House of Representatives;

''(iii) one member appointed by the minority leader of the House of Representatives, in consultation with the ranking member of the Committee on Ways and Means of the House of Representatives;

''(iv) one member appointed by the majority leader of the Senate, in consultation with the Chairman of the Committee on Finance of the Senate; and

''(v) one member appointed by the minority leader of the Senate, in consultation with the ranking member of the Committee on Finance of the Senate.

''(C) ADVICE AND CONSENT.—Appointments under this paragraph shall be made by and with the advice and consent of the Senate.

''(D) MEMBERSHIP REQUIREMENTS.—Members of the Board shall have substantial experience, training, and expertise in the management of financial investments and pension benefit plans.

''(E) TERMS.—

''(i) IN GENERAL.—Each member shall be appointed for a term of 4 years, except as provided in clauses (ii) and (iii). The initial members shall be appointed not later than 90 days after the date of the enactment of this section.

''(ii) TERMS OF INITIAL APPOINTEES.—Of the members first appointed under each clause of subparagraph (B), one of the members appointed under subparagraph (B)(i) (as designated by the President at the time of appointment) and the members appointed under clauses (iii) and (v) of subparagraph (B) shall be appointed for a term of 2 years, and the remaining members shall be appointed for a term of 4 years.

''(iii) VACANCIES.—Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of that member's term until a successor has taken office. A vacancy in the Board shall be filled in the manner in which the original appointment was made.

''(F) POWERS AND DUTIES OF THE BOARD.—

''(i) IN GENERAL.—The Board shall have powers and duties solely as provided in this part. The Board shall prescribe by regulation the terms of the Social Security Personal Retirement Accounts Program established under this part, including policies for investment under the Program of account assets, and policies for the certification and decertification of account managers under the Program, which shall include consideration of the appropriateness of the marketing materials and plans of such person.

''(ii) BUDGETARY REQUIREMENTS.—The Board shall prepare and submit to the President and 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 the Congress under section 1105 of title 31, United States Code. The Board shall provide for low administrative costs such that, to the extent practicable, overall administrative costs of the Program do not exceed 30 basis points in relation to assets under management under the Program.

''(iii) ADDITIONAL AUTHORITIES OF THE BOARD.—The Board may—

''(I) adopt, alter, and use a seal;

''(II) establish policies with which the Commissioner shall comply under this part;

''(III) appoint and remove the Executive Director, as provided in paragraph (2); and

''(IV) beginning with 2008, provide for such additional and alternative investment options for participating individuals as the Board determines would be prudent sources of retirement income that would yield greater amounts of retirement income than the investment described in section 255(c)(1).

''(iv) INDEPENDENCE OF CERTIFIED ACCOUNT MANAGERS.—The policies of the Board may not require a certified account manager to invest or to cause to be invested any account assets in a specific asset or to dispose of or cause to be disposed of any specific asset so held.

''(v) MEETINGS OF THE BOARD.—The Board shall meet at the call of the Chairman or upon the request of a quorum of the Board. The Board shall perform the functions and exercise the powers of the Board on a majority vote of a quorum of the Board. Four members of the Board shall constitute a quorum for the transaction of business.

''(vi) COMPENSATION OF BOARD MEMBERS.—

''(I) 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. Any member who is such an officer or employee shall not suffer any loss of pay or deduction from annual leave on the basis of any time used by such member in performing such a function.

''(II) TRAVEL, PER DIEM, AND 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.

''(vii) STANDARD FOR BOARD'S DISCHARGE OF RESPONSIBILITIES.—The members of the Board shall discharge their responsibilities solely in the interest of participating individuals and the Program.

''(viii) ANNUAL REPORT.—The Board shall submit an annual report to the President, to each House of the Congress, and to the Board of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund regarding the financial and operating condition of the Program.

''(ix) PUBLIC ACCOUNTANT.—

''(I) DEFINITION.—For purposes of this subparagraph, the term 'qualified public accountant' shall have the same meaning as provided in section 103(a)(3)(D) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1023(a)(3)(D)).

''(II) ENGAGEMENT.—The Executive Director, in consultation with the Board, shall annually engage, on behalf of all individuals for whom a social security personal retirement account is established under this part, an independent qualified public accountant,

who shall conduct an examination of all records maintained in the administration of this part that the public accountant considers necessary.

''(III) DUTIES.—The public accountant conducting an examination under clause (ii) shall determine whether the records referred to in such clause have been maintained in conformity with generally accepted accounting principles. The public accountant shall transmit to the Board a report on his examination.

''(IV) RELIANCE ON CERTIFIED ACTUARIAL MATTERS.—In making a determination under clause (iii), a public accountant may rely on the correctness of any actuarial matter certified by an enrolled actuary if the public accountant states his reliance in the report transmitted to the Board under such clause.

''(2) EXECUTIVE DIRECTOR.—

''(A) APPOINTMENT AND REMOVAL.—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. The Executive Director shall have substantial experience, training, and expertise in the management of financial investments and pension benefit plans. The Board may, with the concurrence of 4 members of the Board, remove the Executive Director from office for good cause shown.

''(B) POWERS AND DUTIES OF EXECUTIVE DIRECTOR.—The Executive Director shall—

''(i) carry out the policies established by the Board,

''(ii) administer the provisions of this part in accordance with the policies of the Board,

''(iii) in consultation with the Board, prescribe such regulations (other than regulations relating to fiduciary responsibilities) as may be necessary for the administration of this part, and

''(iv) meet from time to time with the Board upon request of the Board.

''(C) ADMINISTRATIVE AUTHORITIES OF EXECUTIVE DIRECTOR.—The Executive Director may—

''(i) appoint such personnel as may be necessary to carry out the provisions of this part,

''(ii) subject to approval by the Board, procure the services of experts and consultants under section 3109 of title 5, United States Code,

''(iii) secure directly from any agency or instrumentality of the Federal Government any information which, in the judgment of the Executive Director, is necessary to carry out the provisions of this part and the policies of the Board, and which shall be provided by such agency or instrumentality upon the request of the Executive Director,

''(iv) pay the compensation, per diem, and travel expenses of individuals appointed under clauses (i), (ii), and (v) of this subparagraph, subject to such limits as may be established by the Board,

''(v) 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, and

''(vi) 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.

''(3) ROLE OF THE COMMISSIONER OF SOCIAL SECURITY.—The Commissioner shall—

''(A) prescribe such regulations (supplementary to and consistent with the regulations prescribed by the Board and the Executive Director) as may be necessary for carrying out the duties of the Commissioner under this part,

''(B) meet from time to time with, and provide information to, the Board upon request of the Board regarding matters relating to the Social Security Personal Retirement Accounts Program, and

''(C) in consultation with the Board and utilizing available Federal agencies and resources, develop a campaign to educate workers about the Program.

''(b) CERTIFICATION AND OVERSIGHT OF ACCOUNT MANAGERS.—

''(1) CERTIFICATION BY THE BOARD.—

''(A) IN GENERAL.—Any person that is a qualified professional asset manager (as defined in section 8438(a)(8) of title 5, United States Code) may apply to the Board (in such form and manner as shall be provided by the Board by regulation) for certification under this subsection as a certified account manager. In making certification decisions, the Board shall consider the applicant's general character and fitness, financial history and future earnings prospects, and ability to serve participating individuals under the Program, and such other criteria as the Board deems necessary to carry out this part. Certification of any person under this subsection shall be contingent upon entry into a contractual arrangement between the Board and such person.

''(B) NONDELEGATION REQUIREMENT.—The authority of the Board to make any determination to deny any application under this subsection may not be delegated by the Board.

''(2) OVERSIGHT OF CERTIFIED ACCOUNT MANAGERS.—

''(A) ROLE OF REGULATORY AGENCIES.—The Board may enter into cooperative arrangements with Federal and State regulatory agencies identified by the Board as having jurisdiction over persons eligible for certification under this subsection so as to ensure that the provisions of this part are enforced with respect to certified account managers in a manner consistent with and supportive of the requirements of other provisions of Federal law applicable to them. Such Federal regulatory agencies shall cooperate with the Board to the extent that the Board determines that such cooperation is necessary and appropriate to ensure that the provisions of this part are effectively implemented.

''(B) ACCESS TO RECORDS.—The Board may from time to time require any certified account manager to file such reports as the Board may specify by regulation as necessary for the administration of this part. In prescribing such regulations, the Board shall minimize the regulatory burden imposed upon certified account managers while taking into account the benefit of the information to the Board in carrying out its functions under this part.

''(3) REVOCATION OF CERTIFICATION.—The Board shall provide, in the contractual arrangements entered into under this subsection with each certified account manager, for revocation of such person's status as a certified account manager upon determination by the Board of such person's failure to comply with the requirements of such contractual arrangements. Such arrangements shall include provision for notice and opportunity for review of any such revocation.

''(c) FIDUCIARY RESPONSIBILITIES.—

''(1) IN GENERAL.—Rules similar to the provisions of section 8477 of title 5, United States Code (relating to fiduciary responsibilities; liability and penalties) shall apply in connection with account assets, in accordance with regulations which shall be issued by the Board. The Board shall issue regulations with respect to the investigative authority of appropriate Federal agencies in cases involving account assets.

''(2) EXCULPATORY PROVISIONS VOIDED.—Any provision in an agreement or instrument which purports to relieve a fiduciary from responsibility or liability for any responsibility, obligation, or duty under this part shall be void.

''(d) CIVIL ACTIONS BY BOARD.—If any person fails to meet any requirement of this part or of any contract entered into under this part, the Board may bring a civil action in any district court of the United States within the jurisdiction of which such person's assets are located or in which such person resides or is found, without regard to the amount in controversy, for appropriate relief to redress the violation or enforce the provisions of this part, and process in such an action may be served in any district.

''(e) PREEMPTION OF INCONSISTENT STATE LAW.—A provision of this part shall not be construed to preempt any provision of the law of any State or political subdivision thereof, or prevent a State or political subdivision thereof from enacting any provision of law with respect to the subject matter of this part, except to the extent that such provision of State law is inconsistent with this part, and then only to the extent of the inconsistency.''.

(b) CONFORMING AMENDMENT TO PART A.—Section 202 of such Act (42 U.S.C. 402) is amended by adding at the end the following new subsection:

''Adjustments Under Part B

''(z) The amount of benefits under subsection (a), (b), (c), or (h), subsection (e) or (f) other than on the basis of disability, or any combination thereof which are otherwise payable under this part shall be subject to adjustment as provided under section 256(f).''.

(c) ADDITIONAL CONFORMING AMENDMENTS.—(1) Section 701(b) of the Social Security Act (42 U.S.C. 901(b)) is amended by striking ''title II'' and inserting ''part A of title II, the Social Security Personal Retirement Accounts Program under part B of title II,''.

(2) Section 702(a)(4) of the Social Security Act (42 U.S.C. 902(a)(4)) is amended by inserting ''other than those of the Social Security Personal Savings Board'' after ''Administration'', and by striking ''thereof'' and inserting ''of the Administration in connection with the exercise of such powers and the discharge of such duties''.

SEC. 102. ANNUAL ACCOUNT STATEMENTS.

Section 1143 of the Social Security Act (42 U.S.C. 1320b0913) is amended by adding at the end the following new subsection:

''Performance of Social Security Personal Retirement Accounts

''(d) Beginning not later than 1 year after the date of the first deposit is made to an eligible individual's Social Security personal retirement account, each statement provided to such eligible individual under this section shall include information determined by the Social Security Personal Savings Board as sufficient to fully inform such eligible individual annually of the balance, investment performance, and administrative expenses of such account.''.

TITLE II—TAX TREATMENT

SEC. 201. TAX TREATMENT OF SOCIAL SECURITY PERSONAL RETIREMENT ACCOUNTS.

Section 7701 of the Internal Revenue Code of 1986 (relating to definitions) is amended by redesignating subsection (o) as subsection (p) and by inserting after subsection (n) the following new subsection:

''(o) TAX TREATMENT OF SOCIAL SECURITY PERSONAL RETIREMENT ACCOUNTS.—All social

security personal retirement accounts established under part B of title II of the Social Security Act shall be exempt from taxation under this title.''.

SEC. 202. BENEFITS TAXABLE AS SOCIAL SECURITY BENEFITS.

(a) SPECIAL RULES RELATING TO DISTRIBUTION OF CLOSED ACCOUNT UNDER SECTION 257(D) OF SOCIAL SECURITY ACT.—Section 86(a) of such Code (as amended by paragraph (2)) is amended by adding at the end the following new paragraph:

''(4) EXTENSION OF PARAGRAPH (2)(b) TO DISTRIBUTIONS OF CLOSED ACCOUNT UNDER SECTION 257(d) OF SOCIAL SECURITY ACT.—Notwithstanding any other provision of this subsection, in the case of any amount received pursuant to the closing of an account under section 257(d) of the Social Security Act, paragraph (2)(B) shall apply to such amounts, and for such purposes the amount allocated to the investment in the contract shall be zero.''.

(b) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after the end of the calendar year in which this Act is enacted.

(c) ESTATE TAX NOT TO APPLY TO ASSETS OF SOCIAL SECURITY PERSONAL RETIREMENT ACCOUNTS.—

(1) IN GENERAL.—Part IV of subchapter A of chapter 11 of such Code (relating to taxable estate) is amended by adding at the end the following new section:

''SEC. 2059. SOCIAL SECURITY PERSONAL RETIREMENT ACCOUNTS.

''For purposes of the tax imposed by section 2001, the value of the taxable estate shall be determined by deducting from the value of the gross estate an amount equal to the value of the assets of a social security personal retirement account transferred from such account by the Secretary under section 257 of the Social Security Act.''.

(2) CLERICAL AMENDMENT.—The table of sections for part IV of subchapter A of chapter 11 of such Code is amended by adding at the end the following new item:

''Sec. 2059. Social security personal retirement accounts''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to decedents dying in or after the calendar year in which this Act is enacted.

By Mr. ROCKEFELLER (for himself, Mr. REED, Mr. LAUTENBERG, Mr. CORZINE, Mr. SARBANES, and Mr. KERRY):

S. 1303. A bill to amend the Social Security Act to guarantee comprehensive health care coverage for all children born after 2006; to the Committee on Finance.

Mr. ROCKEFELLER. Mr. President, I rise today with my friends and colleagues—Senators REED, LAUTENBERG, CORZINE, SARBANES, and KERRY—to introduce an important piece of legislation, the MediKids Health Insurance Act of 2005. This legislation will provide health insurance for every child in the United States by 2012, regardless of family income. My long-time friend from California, Congressman STARK, is introducing a companion bill in the House. He has worked tirelessly to improve access to health care for all Americans, and I am pleased to be joining him once again to advocate on behalf of America's children.

We have introduced this legislation in each of the last three Congresses because we know how vital health insurance is to a child. Children with untreated illnesses are less likely to learn and therefore less likely to move out of poverty. Such children have an inherent disadvantage when it comes to being productive members of society. We can have a positive impact on our children's lives today as well as tomorrow by guaranteeing health insurance coverage for all. Children are inexpensive to insure, but the rewards for providing them with health care during their early education and development years are enormous.

Despite the well-documented benefits of providing health insurance coverage for children, there are still over 8 million uninsured children in America. We can and must do better. Our children are our future. No child in this country should ever be without access to health care. This is why I am proud to reintroduce the MediKids Health Insurance Act of 2005.

This legislation is a clear investment in our future—our children. Every child would be automatically enrolled at birth into a new, comprehensive Federal safety net health insurance program beginning in 2007. The benefits would be tailored to meet the needs of children and would be similar to those currently available to children through the Medicaid Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) program. Families below 150 percent of poverty would have no premiums or co-payments, and there would be no cost sharing for preventive or well-child visits for any child.

MediKids children would remain enrolled in the program throughout childhood. When families move to another state, Medikids would be available until parents can enroll their children in a new insurance program. Between jobs or during family crises, Medikids would offer extra security and ensure continuous health coverage to our Nation's children. During that critical period when a family is just climbing out of poverty and out of the eligibility range for means-tested assistance programs, MediKids would fill in the gaps until the parents can move into jobs that provide reliable health insurance coverage. The key to our program is that whenever other sources of health insurance fail, MediKids would stand ready to cover the health needs of our next generation. Ultimately, every child in America would be able to grow up with consistent, continuous health insurance coverage.

Like Medicare, MediKids would be independently financed, would cover benefits tailored to the needs of its target population, and would have the goal of achieving nearly 100 percent health insurance coverage for the children of this country—just as Medicare has done for our Nation's seniors and disabled population over its 40-year history. At the time we created Medicare, seniors were more likely to be living in poverty than any other age group. Most were unable to afford needed medical services and unable to find health insurance in the market even if they could afford it. Today, it is our Nation's children who shoulder the burden of poverty. Children in America are nearly twice as vulnerable to poverty as adults. It's time we make a significant investment in the future of America by guaranteeing all children the health coverage they need to make a healthy start in life.

Congress cannot rest on the success we achieved by expanding Medicaid and passing the State Children's Health Insurance Program (CHIP). Although each was a remarkable step toward reducing the ranks of the uninsured, particularly uninsured children, we still have a long way to go. Even with perfect enrollment in CHIP and Medicaid, there would still be a great number of children without health insurance. What's more troubling is the fact that both Medicaid and CHIP are in serious jeopardy because of the budget cuts being proposed by the current Administration.

It's long past time to rekindle the discussion about how we are going to provide health insurance for all Americans. The bill we are introducing today—the MediKids Health Insurance Act of 2005—is a step toward eliminating the irrational and tragic lack of health insurance for so many children and adults in our country. I urge my colleagues to move beyond partisan politics and to support this critical step toward universal coverage.

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. 1303

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; FINDINGS.

(a) SHORT TITLE.—This Act may be cited as the ''MediKids Health Insurance Act of 2005''.

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

(c) FINDINGS.—Congress finds the following:

(1) More than 9 million American children are uninsured.

(2) Children who are uninsured receive less medical care and less preventive care and have a poorer level of health, which result in

lifetime costs to themselves and to the entire American economy.

(3) Although SCHIP and Medicaid are successfully extending a health coverage safety net to a growing portion of the vulnerable low-income population of uninsured children, they alone cannot achieve 100 percent health insurance coverage for our nation's children due to inevitable gaps during outreach and enrollment, fluctuations in eligibility, variations in access to private insurance at all income levels, and variations in States' ability to provide required matching funds.

(4) As all segments of society continue to become more transient, with many changes in employment over the working lifetime of parents, the need for a reliable safety net of health insurance which follows children across State lines, already a major problem for the children of migrant and seasonal farmworkers, will become a major concern for all families in the United States.

(5) The medicare program has successfully evolved over the years to provide a stable, universal source of health insurance for the nation's disabled and those over age 65, and provides a tested model for designing a program to reach out to America's children.

(6) The problem of insuring 100 percent of all American children could be gradually solved by automatically enrolling all children born after December 31, 2006, in a program modeled after Medicare (and to be known as ''MediKids''), and allowing those children to be transferred into other equivalent or better insurance programs, including either private insurance, SCHIP, or Medicaid, if they are eligible to do so, but maintaining the child's default enrollment in MediKids for any times when the child's access to other sources of insurance is lost.

(7) A family's freedom of choice to use other insurers to cover children would not be interfered with in any way, and children eligible for SCHIP and Medicaid would continue to be enrolled in those programs, but the underlying safety net of MediKids would always be available to cover any gaps in insurance due to changes in medical condition, employment, income, or marital status, or other changes affecting a child's access to alternate forms of insurance.

(8) The MediKids program can be administered without impacting the finances or status of the existing Medicare program.

(9) The MediKids benefit package can be tailored to the special needs of children and updated over time.

(10) The financing of the program can be administered without difficulty by a yearly payment of affordable premiums through a family's tax filing (or adjustment of a family's earned income tax credit).

(11) The cost of the program will gradually rise as the number of children using MediKids as the insurer of last resort increases, and a future Congress always can accelerate or slow down the enrollment process as desired, while the societal costs for emergency room usage, lost productivity and work days, and poor health status for the next generation of Americans will decline.

(12) Over time 100 percent of American children will always have basic health insurance, and we can therefore expect a healthier, more equitable, and more productive society.

SEC. 2. BENEFITS FOR ALL CHILDREN BORN AFTER 2006.

(a) IN GENERAL.—The Social Security Act is amended by adding at the end the following new title:

''TITLE XXII—MEDIKIDS PROGRAM

''SEC. 2201. ELIGIBILITY.

''(a) ELIGIBILITY OF INDIVIDUALS BORN AFTER DECEMBER 31, 2006; ALL CHILDREN UNDER 23 YEARS OF AGE IN FIFTH YEAR.—An individual who meets the following requirements with respect to a month is eligible to enroll under this title with respect to such month:

''(1) AGE.—

''(A) FIRST YEAR.—As of the first day of the first year in which this title is effective, the individual has not attained 6 years of age.

''(B) SECOND YEAR.—As of the first day of the second year in which this title is effective, the individual has not attained 11 years of age.

''(C) THIRD YEAR.—As of the first day of the third year in which this title is effective, the individual has not attained 16 years of age.

''(D) FOURTH YEAR.—As of the first day of the fourth year in which this title is effective, the individual has not attained 21 years of age.

''(E) FIFTH AND SUBSEQUENT YEARS.—As of the first day of the fifth year in which this title is effective and each subsequent year, the individual has not attained 23 years of age.

''(2) CITIZENSHIP.—The individual is a citizen or national of the United States or is permanently residing in the United States under color of law.

''(b) ENROLLMENT PROCESS.—An individual may enroll in the program established under this title only in such manner and form as may be prescribed by regulations, and only during an enrollment period prescribed by the Secretary consistent with the provisions of this section. Such regulations shall provide a process under which—

''(1) individuals who are born in the United States after December 31, 2006, are deemed to be enrolled at the time of birth and a parent or guardian of such an individual is permitted to pre-enroll in the month prior to the expected month of birth;

''(2) individuals who are born outside the United States after such date and who become eligible to enroll by virtue of immigration into (or an adjustment of immigration status in) the United States are deemed enrolled at the time of entry or adjustment of status;

''(3) eligible individuals may otherwise be enrolled at such other times and manner as the Secretary shall specify, including the use of outstationed eligibility sites as described in section 1902(a)(55)(A) and the use of presumptive eligibility provisions like those described in section 1920A; and

''(4) at the time of automatic enrollment of a child, the Secretary provides for issuance to a parent or custodian of the individual a card evidencing coverage under this title and for a description of such coverage.

The provisions of section 1837(h) apply with respect to enrollment under this title in the same manner as they apply to enrollment under part B of title XVIII. An individual who is enrolled under this title is not eligible to be enrolled under an MA or MA-PD plan under part C of title XVIII.

''(c) DATE COVERAGE BEGINS.—

''(1) IN GENERAL.—The period during which an individual is entitled to benefits under this title shall begin as follows, but in no case earlier than January 1, 2007:

''(A) In the case of an individual who is enrolled under paragraph (1) or (2) of subsection (b), the date of birth or date of obtaining appropriate citizenship or immigration status, as the case may be.

''(B) In the case of another individual who enrolls (including pre-enrolls) before the month in which the individual satisfies eligibility for enrollment under subsection (a), the first day of such month of eligibility.

''(C) In the case of another individual who enrolls during or after the month in which the individual first satisfies eligibility for enrollment under such subsection, the first day of the following month.

''(2) AUTHORITY TO PROVIDE FOR PARTIAL MONTHS OF COVERAGE.—Under regulations, the Secretary may, in the Secretary's discretion, provide for coverage periods that include portions of a month in order to avoid lapses of coverage.

''(3) LIMITATION ON PAYMENTS.—No payments may be made under this title with respect to the expenses of an individual enrolled under this title unless such expenses were incurred by such individual during a period which, with respect to the individual, is a coverage period under this section.

''(d) EXPIRATION OF ELIGIBILITY.—An individual's coverage period under this section shall continue until the individual's enrollment has been terminated because the individual no longer meets the requirements of subsection (a) (whether because of age or change in immigration status).

''(e) ENTITLEMENT TO MEDIKIDS BENEFITS FOR ENROLLED INDIVIDUALS.—An individual enrolled under this title is entitled to the benefits described in section 2202.

''(f) LOW-INCOME INFORMATION.—

''(1) INQUIRY OF INCOME.—At the time of enrollment of a child under this title, the Secretary shall make an inquiry as to whether the family income (as determined for purposes of section 1905(p)) of the family that includes the child is within any of the following income ranges:

''(A) UP TO 150 PERCENT OF POVERTY.—The income of the family does not exceed 150 percent of the poverty line for a family of the size involved.

''(B) BETWEEN 150 AND 200 PERCENT OF POVERTY.—The income of the family exceeds 150 percent, but does not exceed 200 percent, of such poverty line.

''(C) BETWEEN 200 AND 300 PERCENT OF POVERTY.—The income of the family exceeds 200 percent, but does not exceed 300 percent, of such poverty line.

''(2) CODING.—If the family income is within a range described in paragraph (1), the Secretary shall encode in the identification card issued in connection with eligibility under this title a code indicating the range applicable to the family of the child involved.

''(3) PROVIDER VERIFICATION THROUGH ELECTRONIC SYSTEM.—The Secretary also shall provide for an electronic system through which providers may verify which income range described in paragraph (1), if any, is applicable to the family of the child involved.

''(g) CONSTRUCTION.—Nothing in this title shall be construed as requiring (or preventing) an individual who is enrolled under this title from seeking medical assistance under a State medicaid plan under title XIX or child health assistance under a State child health plan under title XXI.

''SEC. 2202. BENEFITS.

''(a) SECRETARIAL SPECIFICATION OF BENEFIT PACKAGE.—

''(1) IN GENERAL.—The Secretary shall specify the benefits to be made available under this title consistent with the provisions of this section and in a manner designed to meet the health needs of enrollees.

''(2) UPDATING.—The Secretary shall update the specification of benefits over time to ensure the inclusion of age-appropriate benefits to reflect the enrollee population.

''(3) ANNUAL UPDATING.—The Secretary shall establish procedures for the annual review and updating of such benefits to account for changes in medical practice, new information from medical research, and other relevant developments in health science.

''(4) INPUT.—The Secretary shall seek the input of the pediatric community in specifying and updating such benefits.

''(5) LIMITATION ON UPDATING.—In no case shall updating of benefits under this subsection result in a failure to provide benefits required under subsection (b).

''(b) INCLUSION OF CERTAIN BENEFITS.—

''(1) MEDICARE CORE BENEFITS.—Such benefits shall include (to the extent consistent with other provisions of this section) at least the same benefits (including coverage, access, availability, duration, and beneficiary rights) that are available under parts A and B of title XVIII.

''(2) ALL REQUIRED MEDICAID BENEFITS.—Such benefits shall also include all items and services for which medical assistance is required to be provided under section 1902(a)(10)(A) to individuals described in such section, including early and periodic screening, diagnostic services, and treatment services.

''(3) INCLUSION OF PRESCRIPTION DRUGS.—Such benefits also shall include (as specified by the Secretary) benefits for prescription drugs and biologicals which are not less than the benefits for such drugs and biologicals under the standard option for the service benefit plan described in section 8903(1) of title 5, United States Code, offered during 2005.

''(4) COST-SHARING.—

''(A) IN GENERAL.—Subject to subparagraph (B), such benefits also shall include the cost-sharing (in the form of deductibles, coinsurance, and copayments) which is substantially similar to such cost-sharing under the health benefits coverage in any of the four largest health benefits plans (determined by enrollment) offered under chapter 89 of title 5, United States Code, and including an out-of-pocket limit for catastrophic expenditures for covered benefits, except that no cost-sharing shall be imposed with respect to early and periodic screening and diagnostic services included under paragraph (2).

''(B) REDUCED COST-SHARING FOR LOW INCOME CHILDREN.—Such benefits shall provide that—

''(i) there shall be no cost-sharing for children in families the income of which is within the range described in section 2201(f)(1)(A);

''(ii) the cost-sharing otherwise applicable shall be reduced by 75 percent for children in families the income of which is within the range described in section 2201(f)(1)(B); or

''(iii) the cost-sharing otherwise applicable shall be reduced by 50 percent for children in families the income of which is within the range described in section 2201(f)(1)(C).

''(C) CATASTROPHIC LIMIT ON COST-SHARING.—For a refundable credit for cost-sharing in the case of cost-sharing in excess of a percentage of the individual's adjusted gross income, see section 36 of the Internal Revenue Code of 1986.

''(c) PAYMENT SCHEDULE.—The Secretary, with the assistance of the Medicare Payment Advisory Commission, shall develop and implement a payment schedule for benefits covered under this title. To the extent feasible, such payment schedule shall be consistent with comparable payment schedules and reimbursement methodologies applied under parts A and B of title XVIII.

''(d) INPUT.—The Secretary shall specify such benefits and payment schedules only after obtaining input from appropriate child health providers and experts.

''(e) ENROLLMENT IN HEALTH PLANS.—The Secretary shall provide for the offering of benefits under this title through enrollment in a health benefit plan that meets the same (or similar) requirements as the requirements that apply to Medicare Advantage plans under part C of title XVIII (other than any such requirements that relate to part D of such title). In the case of individuals enrolled under this title in such a plan, the payment rate shall be based on payment rates provided for under section 1853(c) in effect before the date of the enactment of the Medicare Prescription Drug, Modernization, and Improvement Act of 2003 (Public Law 108-173), except that such payment rates shall be adjusted in an appropriate manner to reflect differences between the population served under this title and the population under title XVIII.

''SEC. 2203. PREMIUMS.

''(a) AMOUNT OF MONTHLY PREMIUMS.—

''(1) IN GENERAL.—The Secretary shall, during September of each year (beginning with 2006), establish a monthly MediKids premium for the following year. Subject to paragraph (2), the monthly MediKids premium for a year is equal to 1/12 of the annual premium rate computed under subsection (b).

''(2) ELIMINATION OF MONTHLY PREMIUM FOR DEMONSTRATION OF EQUIVALENT COVERAGE (INCLUDING COVERAGE UNDER LOW-INCOME PROGRAMS).—The amount of the monthly premium imposed under this section for an individual for a month shall be zero in the case of an individual who demonstrates to the satisfaction of the Secretary that the individual has basic health insurance coverage for that month. For purposes of the previous sentence enrollment in a medicaid plan under title XIX, a State child health insurance plan under title XXI, or under the medicare program under title XVIII is deemed to constitute basic health insurance coverage described in such sentence.

''(b) ANNUAL PREMIUM.—

''(1) NATIONAL PER CAPITA AVERAGE.—The Secretary shall estimate the average, annual per capita amount that would be payable under this title with respect to individuals residing in the United States who meet the requirement of section 2201(a)(1) as if all such individuals were eligible for (and enrolled) under this title during the entire year (and assuming that section 1862(b)(2)(A)(i) did not apply).

''(2) ANNUAL PREMIUM.—Subject to subsection (d), the annual premium under this subsection for months in a year is equal to 25 percent of the average, annual per capita amount estimated under paragraph (1) for the year.

''(c) PAYMENT OF MONTHLY PREMIUM.—

''(1) PERIOD OF PAYMENT.—In the case of an individual who participates in the program established by this title, subject to subsection (d), the monthly premium shall be payable for the period commencing with the first month of the individual's coverage period and ending with the month in which the individual's coverage under this title terminates.

''(2) COLLECTION THROUGH TAX RETURN.—For provisions providing for the payment of monthly premiums under this subsection, see section 59B of the Internal Revenue Code of 1986.

''(3) PROTECTIONS AGAINST FRAUD AND ABUSE.—The Secretary shall develop, in coordination with States and other health insurance issuers, administrative systems to ensure that claims which are submitted to more than one payor are coordinated and duplicate payments are not made.

''(d) REDUCTION IN PREMIUM FOR CERTAIN LOW-INCOME FAMILIES.—For provisions reducing the premium under this section for certain low-income families, see section 59B(d) of the Internal Revenue Code of 1986.

''SEC. 2204. MEDIKIDS TRUST FUND.

''(a) ESTABLISHMENT OF TRUST FUND.—

''(1) IN GENERAL.—There is hereby created on the books of the Treasury of the United States a trust fund to be known as the 'MediKids Trust Fund' (in this section referred to as the 'Trust Fund'). The Trust Fund shall consist of such gifts and bequests as may be made as provided in section 201(i)(1) and such amounts as may be deposited in, or appropriated to, such fund as provided in this title.

''(2) PREMIUMS.—Premiums collected under section 59B of the Internal Revenue Code of 1986 shall be periodically transferred to the Trust Fund.

''(3) TRANSITIONAL FUNDING BEFORE RECEIPT OF PREMIUMS.—In order to provide for funds in the Trust Fund to cover expenditures from the fund in advance of receipt of premiums under section 2203, there are transferred to the Trust Fund from the general fund of the United States Treasury such amounts as may be necessary.

''(b) INCORPORATION OF PROVISIONS.—

''(1) IN GENERAL.—Subject to paragraph (2), subsection (b) (other than the last sentence) and subsections (c) through (i) of section 1841 shall apply with respect to the Trust Fund and this title in the same manner as they apply with respect to the Federal Supplementary Medical Insurance Trust Fund and part B, respectively.

''(2) MISCELLANEOUS REFERENCES.—In applying provisions of section 1841 under paragraph (1)—

''(A) any reference in such section to 'this part' is construed to refer to title XXII;

''(B) any reference in section 1841(h) to section 1840(d) and in section 1841(i) to sections 1840(b)(1) and 1842(g) are deemed references to comparable authority exercised under this title;

''(C) payments may be made under section 1841(g) to the Trust Funds under sections 1817 and 1841 as reimbursement to such funds for payments they made for benefits provided under this title; and

''(D) the Board of Trustees of the MediKids Trust Fund shall be the same as the Board of Trustees of the Federal Supplementary Medical Insurance Trust Fund.

''SEC. 2205. OVERSIGHT AND ACCOUNTABILITY.

''(a) PERIODIC GAO REPORTS.—The Comptroller General of the United States shall periodically submit to Congress reports on the operation of the program under this title, including on the financing of coverage provided under this title.

''(b) PERIODIC MEDPAC REPORTS.—The Medicare Payment Advisory Commission shall periodically report to Congress concerning the program under this title.

''SEC. 2206. INCLUSION OF CARE COORDINATION SERVICES.

''(a) IN GENERAL.—

''(1) PROGRAM AUTHORITY.—The Secretary, beginning in 2007, may implement a care coordination services program in accordance with the provisions of this section under which, in appropriate circumstances, eligible individuals under section 2201 may elect to have health care services covered under this title managed and coordinated by a designated care coordinator.

''(2) ADMINISTRATION BY CONTRACT.—The Secretary may administer the program under this section through a contract with an appropriate program administrator.

''(3) COVERAGE.—Care coordination services furnished in accordance with this section shall be treated under this title as if they were included in the definition of medical and other health services under section 1861(s) and benefits shall be available under this title with respect to such services without the application of any deductible or coinsurance.

''(b) ELIGIBILITY CRITERIA; IDENTIFICATION AND NOTIFICATION OF ELIGIBLE INDIVIDUALS.—

''(1) INDIVIDUAL ELIGIBILITY CRITERIA.—The Secretary shall specify criteria to be used in making a determination as to whether an individual may appropriately be enrolled in

the care coordination services program under this section, which shall include at least a finding by the Secretary that for cohorts of individuals with characteristics identified by the Secretary, professional management and coordination of care can reasonably be expected to improve processes or outcomes of health care and to reduce aggregate costs to the programs under this title.

''(2) PROCEDURES TO FACILITATE ENROLLMENT.—The Secretary shall develop and implement procedures designed to facilitate enrollment of eligible individuals in the program under this section.

''(c) ENROLLMENT OF INDIVIDUALS.—

''(1) SECRETARY'S DETERMINATION OF ELIGIBILITY.—The Secretary shall determine the eligibility for services under this section of individuals who are enrolled in the program under this section and who make application for such services in such form and manner as the Secretary may prescribe.

''(2) ENROLLMENT PERIOD.—

''(A) EFFECTIVE DATE AND DURATION.—Enrollment of an individual in the program under this section shall be effective as of the first day of the month following the month in which the Secretary approves the individual's application under paragraph (1), shall remain in effect for one month (or such longer period as the Secretary may specify), and shall be automatically renewed for additional periods, unless terminated in accordance with such procedures as the Secretary shall establish by regulation. Such procedures shall permit an individual to disenroll for cause at any time and without cause at re-enrollment intervals.

''(B) LIMITATION ON REENROLLMENT.—The Secretary may establish limits on an individual's eligibility to reenroll in the program under this section if the individual has disenrolled from the program more than once during a specified time period.

''(d) PROGRAM.—The care coordination services program under this section shall include the following elements:

''(1) BASIC CARE COORDINATION SERVICES.—

''(A) IN GENERAL.—Subject to the cost-effectiveness criteria specified in subsection (b)(1), except as otherwise provided in this section, enrolled individuals shall receive services described in section 1905(t)(1) and may receive additional items and services as described in subparagraph (B).

''(B) ADDITIONAL BENEFITS.—The Secretary may specify additional benefits for which payment would not otherwise be made under this title that may be available to individuals enrolled in the program under this section (subject to an assessment by the care coordinator of an individual's circumstance and need for such benefits) in order to encourage enrollment in, or to improve the effectiveness of, such program.

''(2) CARE COORDINATION REQUIREMENT.—Notwithstanding any other provision of this title, the Secretary may provide that an individual enrolled in the program under this section may be entitled to payment under this title for any specified health care items or services only if the items or services have been furnished by the care coordinator, or coordinated through the care coordination services program. Under such provision, the Secretary shall prescribe exceptions for emergency medical services as described in section 1852(d)(3), and other exceptions determined by the Secretary for the delivery of timely and needed care.

''(e) CARE COORDINATORS.—

''(1) CONDITIONS OF PARTICIPATION.—In order to be qualified to furnish care coordination services under this section, an individual or entity shall—

''(A) be a health care professional or entity (which may include physicians, physician group practices, or other health care professionals or entities the Secretary may find appropriate) meeting such conditions as the Secretary may specify;

''(B) have entered into a care coordination agreement; and

''(C) meet such criteria as the Secretary may establish (which may include experience in the provision of care coordination or primary care physician's services).

''(2) AGREEMENT TERM; PAYMENT.—

''(A) DURATION AND RENEWAL.—A care coordination agreement under this subsection shall be for one year and may be renewed if the Secretary is satisfied that the care coordinator continues to meet the conditions of participation specified in paragraph (1).

''(B) PAYMENT FOR SERVICES.—The Secretary may negotiate or otherwise establish payment terms and rates for services described in subsection (d)(1).

''(C) LIABILITY.—Care coordinators shall be subject to liability for actual health damages which may be suffered by recipients as a result of the care coordinator's decisions, failure or delay in making decisions, or other actions as a care coordinator.

''(D) TERMS.—In addition to such other terms as the Secretary may require, an agreement under this section shall include the terms specified in subparagraphs (A) through (C) of section 1905(t)(3).

''SEC. 2207. ADMINISTRATION AND MISCELLANEOUS.

''(a) IN GENERAL.—Except as otherwise provided in this title—

''(1) the Secretary shall enter into appropriate contracts with providers of services, other health care providers, carriers, and fiscal intermediaries, taking into account the types of contracts used under title XVIII with respect to such entities, to administer the program under this title;

''(2) beneficiary protections for individuals enrolled under this title shall not be less than the beneficiary protections (including limits on balance billing) provided medicare beneficiaries under title XVIII;

''(3) benefits described in section 2202 that are payable under this title to such individuals shall be paid in a manner specified by the Secretary (taking into account, and based to the greatest extent practicable upon, the manner in which they are provided under title XVIII); and

''(4) provider participation agreements under title XVIII shall apply to enrollees and benefits under this title in the same manner as they apply to enrollees and benefits under title XVIII.

''(b) COORDINATION WITH MEDICAID AND SCHIP.—Notwithstanding any other provision of law, individuals entitled to benefits for items and services under this title who also qualify for benefits under title XIX or XXI or any other Federally funded health care program that provides basic health insurance coverage described in section 2203(a)(2) may continue to qualify and obtain benefits under such other title or program, and in such case such an individual shall elect either—

''(1) such other title or program to be primary payor to benefits under this title, in which case no benefits shall be payable under this title and the monthly premium under section 2203 shall be zero; or

''(2) benefits under this title shall be primary payor to benefits provided under such title or program, in which case the Secretary shall enter into agreements with States as may be appropriate to provide that, in the case of such individuals, the benefits under titles XIX and XXI or such other program (including reduction of cost-sharing) are provided on a 'wrap-around' basis to the benefits under this title.''.

(b) CONFORMING AMENDMENTS TO SOCIAL SECURITY ACT PROVISIONS.—

(1) Section 201(i)(1) of the Social Security Act (42 U.S.C. 401(i)(1)) is amended by striking ''or the Federal Supplementary Medical Insurance Trust Fund'' and inserting ''the Federal Supplementary Medical Insurance Trust Fund, and the MediKids Trust Fund''.

(2) Section 201(g)(1)(A) of such Act (42 U.S.C. 401(g)(1)(A)) is amended by striking ''and the Federal Supplementary Medical Insurance Trust Fund established by title XVIII'' and inserting '', the Federal Supplementary Medical Insurance Trust Fund, and the MediKids Trust Fund established by title XVIII''.

(c) MAINTENANCE OF MEDICAID ELIGIBILITY AND BENEFITS FOR CHILDREN.—

(1) IN GENERAL.—In order for a State to continue to be eligible for payments under section 1903(a) of the Social Security Act (42 U.S.C. 1396b(a))—

(A) the State may not reduce standards of eligibility, or benefits, provided under its State medicaid plan under title XIX of the Social Security Act or under its State child health plan under title XXI of such Act for individuals under 23 years of age below such standards of eligibility, and benefits, in effect on the date of the enactment of this Act; and

(B) the State shall demonstrate to the satisfaction of the Secretary of Health and Human Services that any savings in State expenditures under title XIX or XXI of the Social Security Act that results from children enrolling under title XXII of such Act shall be used in a manner that improves services to beneficiaries under title XIX of such Act, such as through expansion of eligibility, improved nurse and nurse aide staffing and improved inspections of nursing facilities, and coverage of additional services.

(2) MEDIKIDS AS PRIMARY PAYOR.—In applying title XIX of the Social Security Act, the MediKids program under title XXII of such Act shall be treated as a primary payor in cases in which the election described in section 2207(b)(2) of such Act, as added by subsection (a), has been made.

(d) EXPANSION OF MEDPAC MEMBERSHIP TO 19.—

(1) IN GENERAL.—Section 1805(c) of the Social Security Act (42 U.S.C. 1395b–6(c)) is amended—

(A) in paragraph (1), by striking ''17'' and inserting ''19''; and

(B) in paragraph (2)(B), by inserting ''experts in children's health,'' after ''other health professionals,''.

(2) INITIAL TERMS OF ADDITIONAL MEMBERS.—

(A) IN GENERAL.—For purposes of staggering the initial terms of members of the Medicare Payment Advisory Commission under section 1805(c)(3) of the Social Security Act (42 U.S.C. 1395b–6(c)(3)), the initial terms of the 2 additional members of the Commission provided for by the amendment under subsection (a)(1) are as follows:

(i) One member shall be appointed for 1 year.

(ii) One member shall be appointed for 2 years.

(B) COMMENCEMENT OF TERMS.—Such terms shall begin on January 1, 2006.

(3) DUTIES.—Section 1805(b)(1)(A) of such Act (42 U.S.C. 1395b–6(b)(1)(A)) is amended by inserting before the semicolon at the end the following: ''and payment policies under title XXII''.

SEC. 3. MEDIKIDS PREMIUM.

(a) GENERAL RULE.—Subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to determination of tax liability) is amended by adding at the end the following new part:

''PART VIII—MEDIKIDS PREMIUM

''Sec. 59B. MediKids premium

''SEC. 59B. MEDIKIDS PREMIUM.

''(a) IMPOSITION OF TAX.—In the case of a taxpayer to whom this section applies, there is hereby imposed (in addition to any other tax imposed by this subtitle) a MediKids premium for the taxable year.

''(b) INDIVIDUALS SUBJECT TO PREMIUM.—

''(1) IN GENERAL.—This section shall apply to a taxpayer if a MediKid is a dependent of the taxpayer for the taxable year.

''(2) MEDIKID.—For purposes of this section, the term 'MediKid' means any individual enrolled in the MediKids program under title XXII of the Social Security Act.

''(c) AMOUNT OF PREMIUM.—For purposes of this section, the MediKids premium for a taxable year is the sum of the monthly premiums (for months in the taxable year) determined under section 2203 of the Social Security Act with respect to each MediKid who is a dependent of the taxpayer for the taxable year.

''(d) EXCEPTIONS BASED ON ADJUSTED GROSS INCOME.—

''(1) EXEMPTION FOR VERY LOW-INCOME TAXPAYERS.—

''(A) IN GENERAL.—No premium shall be imposed by this section on any taxpayer having an adjusted gross income not in excess of the exemption amount.

''(B) EXEMPTION AMOUNT.—For purposes of this paragraph, the exemption amount is—

''(i) $19,245 in the case of a taxpayer having 1 MediKid,

''(ii) $24,135 in the case of a taxpayer having 2 MediKids,

''(iii) $29,025 in the case of a taxpayer having 3 MediKids, and

''(iv) $33,915 in the case of a taxpayer having 4 or more MediKids.

''(C) PHASEOUT OF EXEMPTION.—In the case of a taxpayer having an adjusted gross income which exceeds the exemption amount but does not exceed twice the exemption amount, the premium shall be the amount which bears the same ratio to the premium which would (but for this subparagraph) apply to the taxpayer as such excess bears to the exemption amount.

''(D) INFLATION ADJUSTMENT OF EXEMPTION AMOUNTS.—In the case of any taxable year beginning in a calendar year after 2005, each dollar amount contained in subparagraph (C) shall be increased by an amount equal to the product of—

''(i) such dollar amount, and

''(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2004' for 'calendar year 1992' in subparagraph (B) thereof.

If any increase determined under the preceding sentence is not a multiple of $50, such increase shall be rounded to the nearest multiple of $50.

''(2) PREMIUM LIMITED TO 5 PERCENT OF ADJUSTED GROSS INCOME.—In no event shall any taxpayer be required to pay a premium under this section in excess of an amount equal to 5 percent of the taxpayer's adjusted gross income.

''(e) COORDINATION WITH OTHER PROVISIONS.—

''(1) NOT TREATED AS MEDICAL EXPENSE.—For purposes of this chapter, any premium paid under this section shall not be treated as expense for medical care.

''(2) NOT TREATED AS TAX FOR CERTAIN PURPOSES.—The premium paid under this section shall not be treated as a tax imposed by this chapter for purposes of determining—

''(A) the amount of any credit allowable under this chapter, or

''(B) the amount of the minimum tax imposed by section 55.

''(3) TREATMENT UNDER SUBTITLE F.—For purposes of subtitle F, the premium paid under this section shall be treated as if it were a tax imposed by section 1.''.

(b) TECHNICAL AMENDMENTS.—

(1) Subsection (a) of section 6012 of such Code is amended by inserting after paragraph (9) the following new paragraph:

''(10) Every individual liable for a premium under section 59B.''.

(2) The table of parts for subchapter A of chapter 1 of such Code is amended by adding at the end the following new item:

''PART VIII. MEDIKIDS PREMIUM''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to months beginning after December 2006, in taxable years ending after such date.

SEC. 4. REFUNDABLE CREDIT FOR CERTAIN COST-SHARING EXPENSES UNDER MEDIKIDS PROGRAM.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 36 as section 37 and by inserting after section 35 the following new section:

''SEC. 36. CATASTROPHIC LIMIT ON COST-SHARING EXPENSES UNDER MEDIKIDS PROGRAM.

''(a) IN GENERAL.—

''In the case of a taxpayer who has a MediKid (as defined in section 59B) at any time during the taxable year, there shall be allowed as a credit against the tax imposed by this subtitle an amount equal to the excess of—

''(1) the amount paid by the taxpayer during the taxable year as cost-sharing under section 2202(b)(4) of the Social Security Act, over

''(2) 5 percent of the taxpayer's adjusted gross income for the taxable year.''.

(b) COORDINATION WITH OTHER PROVISIONS.—The excess described in subsection (a) shall not be taken into account in computing the amount allowable to the taxpayer as a deduction under section 162(l) or 213(a).

(c) TECHNICAL AMENDMENTS.—

(1) The table of sections for subpart C of part IV of subchapter A of chapter 1 of such Code is amended by redesignating the item relating to section 36 as an item relating to section 37 and by inserting before such item the following new item:

''Sec. 36. Catastrophic limit on cost-sharing expenses under MediKids program''.

(2) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting ''or 36'' after ''section 35''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 5. REPORT ON LONG-TERM REVENUES.

Within one year after the date of the enactment of this Act, the Secretary of the Treasury shall propose a gradual schedule of progressive tax changes to fund the program under title XXII of the Social Security Act, as the number of enrollees grows in the outyears.

By Mr. HARKIN (for himself, Mr. KENNEDY, Mr. DURBIN, Mr. FEINGOLD, Mrs. BOXER, and Mr. DAYTON):

S. 1304. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986 to protect pension benefits of employees in defined benefit plans and to direct the Secretary of the Treasury to enforce the age discrimination requirements of the Internal Revenue Code of 1986; to the Committee on Health, Education, Labor, and Pensions.

Mr. HARKIN. Mr. President, I rise today to introduce a piece of legislation to fix a huge oversight in pension policy.

In the early 1990s, a large number of U.S. companies began a process of switching their traditional defined benefit pension plans to what's referred to as ''cash balance'' pension plans. A cash balance pension is insured, like a traditional plan, through the PBGC. However, it looks more like a defined contribution plan to participants because the benefit is expressed as some percent of play plus some guaranteed interest rate. This isn't necessarily a bad idea, in and of itself. However, in practice, many of the employees working for these companies were not told what these changes would mean for them. Some companies had their employees work for years without earning any more benefits. Many of those employees didn't figure that out for a very long time. Unfortunately, their lack of understanding in this situation was a key benefit to management. However, once they figured out what was happening, the retirees were furious.

As two consultants who helped put these plans together said at an Actuaries conference in 1998:

''I've been involved in cash balance plans five or six years down the road and what I have found is that while employees understand it, it is not until they are actually ready to retire that they understand how little they are actually getting.''

''Right, but they're happy while they're employed.''

One of the most abusive practices in cash balance conversions is known as ''wear away. '' The company freezes the value of the benefits employees already earned, which by law cannot be taken away once given. However, the employer opens a cash balance account for that worker at a much lower dollar level. So they end up working for years contributing to this lower cash balance account, not realizing that contribution is meaningless because their old benefits were higher. At the same time, younger workers do get money added to their account every day. This is clearly age discrimination, and bad pension policy.

In 1999, I introduced a bill to make it illegal for corporations to wear away the benefits of older workers during conversions to cash balance plans. I offered my bill as an amendment. Forty-eight Senators, including 3 Republicans, voted to waive the budget point of order so we could consider this amendment. We did not have enough votes then, but I believe the tide is turning.

After that vote, more and more stories came out about how many workers were losing their pensions. In September of 1999, the Secretary of the Treasury put a moratorium on conversions from defined benefit plans to cash balance plans. That moratorium has

been in effect now for over three years. In April of 2000, I offered a Sense-of-the-Senate resolution to stop this practice, and it passed the Senate unanimously.

There are hundreds of age discrimination complaints currently pending before the EEOC based on some of these abusive cash balance conversions. Clearly, something must be done to address this issue that's been floating around now unresolved for over five years.

Before, I said that wear-away is the least fair practice during conversion. And I have to say that now, public sentiment is really coming around to acknowledge that unfairness. However, aside from wear-away, there's another problem in shifting from a traditional pension to cash balance. In a traditional plan, you accrue most of the benefits toward the end of your career, because there's usually some kind of formula that multiplies top pay times years of service. People tend to earn more salary toward the end of their careers, and if that is multiplied times more years served, the pension grows quickly in later years. But in a cash balance plan, younger workers do better because they are given a flat percent of pay plus some guaranteed interest credit. Interest is good for young people, they have many years to accrue and compound it. So if you get caught in mid-life, mid-career in one of these transitions, you get the downside of both plans.

Before I go any further, I want to be clear on one point—cash balance pensions can be a great deal for workers. Some. And they may help fill a needed niche in the pension world to cover the half of the workforce that currently has no pension. But I will continue my long battle to oppose the unilateral decision of a company to cut off a promise for an older worker, give that money to a younger worker, and not view it as age discrimination.

That is what this issue is all about. It is fairness. It is equity. I know discussion of pension law can become very convoluted. But this can be boiled down pretty simply. It is about what we think a promise from an employer ought to mean.

There is one thing that has distinguished the American workplace from others around the world. We have valued loyalty. At least we used to. That is one of the reasons pension plans exist—the longer you work somewhere, the more you earn in your pension program. Obviously, the longer you work someplace, the better you do your job, the more you learn about it, the more productive you are. We should value that loyalty.

But here, companies are able to take away the benefits of the longest serving workers. What kind of a signal does that send to the workers? It tells workers they are fools if they are loyal because if you put in 20 or 25 years, the boss can just change the rules of the game, and break their promise. It tells younger workers that it would be crazy to work for a company for a long time, that it's best to hedge your bets and move on as soon as it is convenient. It's crazy to trade current pay for the promise of future benefits. So why even take into account the fact that you're being offered a pension plan? This is a very dangerous road to go down.

This destroys the kind of work ethic we have come to value and that we know built this country. But some of these cash balance conversions counter all of that. Here is an analogy. Imagine I hire someone for 5 years with a promise of a $50,000 bonus at the end of 5 years of service. At the end of 3 years, however, I renege on the $50,000 bonus. But the employee has 3 years invested. Had they known that the deal was going to be off, perhaps they would not have gone to work for me. They could have gone to work someplace else for a total higher compensation package. Now imagine that they hire a new guy to join the team, and they give him part of that $50,000 bonus they promised me. Is that the way we want to treat workers in this country, where the employer has all the cards and employees have none, and employers can make whatever deal they want, but can change the rules at any time?

That is why I am introducing this legislation. It is simple. It says that you have to give older, longer serving employees a choice, at retirement, when their pension plan is converted to a cash balance plan to get the benefits earned in the old plan instead. It also says that employers must start counting the new cash balance benefits where the old defined benefit plan left off, instead of starting the cash balance plan at a lower level than an employee had already earned.

This isn't a radical idea. I was very pleased that in February of 2004, the Administration came out with a cash balance proposal that recognized that these transitions are hard on workers. It not only prohibits wear-away but provides for 5 year transition credits for workers caught in the middle of a conversion. Treasury reaffirmed its commitment to this approach in this year's budget request.

I was excited when Treasury first came to the table with a proposal to do more to protect workers here. I was so encouraged by this that I convened a series of meetings over the course of last summer to get all interested parties to the table—everyone from participant rights advocates to industry groups to consultants. I heard some really great ideas, and some that I didn't agree with. But I think there is still room to find answers to this problem. So I'm putting my plan back on the table today. And I really hope that we can continue a meaningful dialog on this issue.

If we do that, this year, we can enact meaningful participant protections moving forward so that there is another pension option out there to cover the roughly half of Americans with no pension at all. But I also want to make it clear that this Senator will never sit idly by as older workers get the rug pulled out from under them just as they thought they were on solid ground for their retirement. I won't stand idly by and watch their money redistributed in an age-discriminatory way. We can have this dialog and we can find a way to fix what's broken here, but not by blessing some of these blatant abuses.

By Mr. BROWNBACK:

S. 1305. A bill to amend the Internal Revenue Code of 1986 to increase tax benefits for parents with children, and for other purposes; to the Committee on Finance.

Mr. BROWNBACK. Mr. President, I rise today to introduce the Parents Tax Relief Act.

The Parents Tax Relief Act would help restore to families the pride-of-place, which they enjoyed during the early days of the income tax.

This important legislation would relieve the growing tax burden on families with children; provide a realistic option for one parent to stay at home and care for the children; and acknowledge the indispensable social value of the time and effort that parents put into rearing and forming their children.

Letting parents keep more of their hard-earned money for family-related expenses leaves the childcare decision to parents. Given this opportunity to make their own decision about childcare, many will choose to stay at home and care for their children themselves.

This legislation is necessary because parents have been hit especially hard by increasing taxes over the past half-century. In 1948, the average family with children paid 3 percent of its income in Federal taxes; today, that same average family with children pays almost 25 percent of its income in Federal taxes.

It is time for the Federal Government to step back and recognize the contributions of the American family. As a matter of policy, I believe we should work to further reduce taxes on families with children in order to make it easier for parents to be parents and care for their own children at home. Outside of abusive situations, nothing is better for our children than spending time with their parents.

The Parents Tax Relief Act takes a modest step towards empowering and strengthening the family. It builds on Marriage Penalty Tax Relief and the Child Tax Credit, making both permanent. While the Child Tax Credit was significant in leveling a three-decade trend of an increasing percentage of married mothers with preschool children who work outside the home full-time, more needs to be done to give parents the chance to decrease this percentage.

To accomplish this end, the Parents Tax Relief Act would increase deductions for young and elderly dependents.

It would equalize existing Federal preferences between parents who choose to stay at home with their children and parents Who choose to work outside of the home and place their children in paid daycare.

The bill would make it easier for a parent to spend more time with their children through provisions that encourage telecommuting and home businesses. And it recognizes the societal contributions of parents by granting 10 years worth of Social Security credits to a spouse who leaves the workforce during their prime-earning years to care for a young child.

The Parents Tax Relief Act is about investing in human capital. The hard-working American family, instilling traditional values to children, has been the bedrock of American society. As the family goes, so goes the Nation.

In recent years, the Federal Government has engaged in a massive experiment with paid, out-of-home daycare. As a national policy, through Federal subsidies, we have encouraged parents to place their children in daycare, and further, we have increasingly become a Nation where it is necessary for both husband and wife to be in the workforce just to cover a family's basic needs. The end result is that children are getting less of their parents' time when they need their parents the most.

Make no mistake, both men and women have made valuable contributions to our national workforce. Our Nation's productivity is strong, and we have enjoyed a great period of national prosperity. But how long will it last when our children are spending less time with mom and dad? Sociological data confirms time and again that children do best when raised by a mother and a father, where one spouse works and the other spouse stays at home with the children.

Unfortunately—and I believe that most mothers, especially, would tend to agree—we have reached a point where a family has to make a truly great sacrifice for one parent to stay at home to raise the children. I have heard so many stories of mothers wanting to stay home with their children, but between paying a mortgage and taxes, they feel helpless. They feel that they must work in order that their family can enjoy and maintain a middle-class lifestyle.

It is time for us to acknowledge, through Federal policy, the sacrifices that parents make to invest in the upbringing of their children when they stay at home. That is goal of the Parents Tax Relief Act, and it is the reason why I am introducing this important measure.

It costs a great sum to raise children these days, and it is essential to our Nation's social and economic welfare that we ensure Federal tax policy does not infringe on a parent's ability to afford that great sum.

The Parents Tax Relief Act would establish a new national tax policy that would allow parents to invest more time and effort in the formation of their children. In the end, this type of investment in human capital may be the most effective way for the Federal Government to ensure our future economic growth and competitiveness.

The legislative road to this new policy begins today, and I look forward to working with my colleagues on both sides of the aisle to make it a reality.

By Ms. MURKOWSKI:

S. 1306. A bill to provide for the recognition of certain Native communities and the settlement of certain claims under the Alaska Native Claims Settlement Act, and for other purposes; to the Committee on Energy and Natural Resources.

Ms. MURKOWSKI. Mr. President, at the very beginning of the Alaska Native Claims Settlement Act of 1971 there are a series of findings and declarations of Congressional policy which explain the underpinnings of this landmark legislation.

The first clause reads, ''There is an immediate need for a fair and just settlement of all claims by Natives and Native groups of Alaska, based on aboriginal land claims.'' The second clause states, ''The settlement should be accomplished rapidly, with certainty, in conformity with the real economic and social needs of Natives.''

Thirty three years have passed since the Alaska Native Claims Settlement Act became law and still the Native peoples of five communities in Southeast Alaska—Haines, Ketchikan, Petersburg, Tenakee and Wrangell—the five ''landless communities'' are still waiting for their fair and just settlement.

The Alaska Native Claims Settlement Act awarded approximately $1 billion and 44 million acres of land to Alaska Natives and provided for the establishment of Native Corporations to receive and manage such funds and lands. The beneficiaries of the settlement were issued stock in one of 13 regional Alaska Native Corporations. Most beneficiaries also had the option to enroll and receive stock in a village, group or urban corporation.

For reasons that still defy explanation the Native peoples of the ''landless communities,'' were not permitted by the Alaska Native Claims Settlement Act to form village or urban corporations. These communities were excluded from this benefit even though they did not differ significantly from other communities in Southeast Alaska that were permitted to form village or urban corporations under the Alaska Native Claims Settlement Act. This finding was confirmed in a February 1994 report submitted by the Secretary of the Interior at the direction of the Congress. That study was conducted by the Institute of Social and Economic Research at the University of Alaska.

The Native people of Southeast Alaska have recognized the injustice of this oversight for more than 33 years. An independent study issued more than 11 years ago confirms that the grievance of the landless communities is legitimate. Legislation has been introduced in the past sessions of Congress to remedy this injustice. Hearings have been held and reports written. Yet legislation to right the wrong has inevitably stalled out. This December marks the 34th anniversary of Congress' promise to the Native peoples of Alaska—the promise of a rapid and certain settlement. And still the landless communities of Southeast Alaska are landless.

I am convinced that this cause is just, it is right, and it is about time that the Native peoples of the five landless communities receive what has been denied them for more than 30 years.

The legislation that I am introducing today would enable the Native peoples of the five ''landless communities'' to organize five ''urban corporations,'' one for each unrecognized community. These newly formed corporations would be offered and could accept the surface estate to approximately 23,000 acres of land. Sealaska Corporation, the regional Alaska Native Corporation for Southeast Alaska would receive title to the subsurface estate to the designated lands. The urban corporations would each receive a lump sum payment to be used as start-up funds for the newly established corporation. The Secretary of the Interior would determine other appropriate compensation to redress the inequities faced by the unrecognized communities.

It is long past time that we return to the Native peoples of Southeast Alaska a small slice of the aboriginal lands that were once theirs alone. It is time that we open our minds and open our hearts to correcting this injustice which has gone on far too long and finally give the Native peoples of Southeast Alaska the rapid and certain settlement for which they have been waiting.

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. 1306

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 ''Unrecognized Southeast Alaska Native Communities Recognition and Compensation Act''.

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds the following:

(1) In 1971, Congress enacted the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.) (referred to in this section as the ''Act'') to recognize and settle the aboriginal claims of Alaska Natives to the lands Alaska Natives had used for traditional purposes.

(2) The Act awarded approximately $1,000,000,000 and 44,000,000 acres of land to Alaska Natives and provided for the establishment of Native Corporations to receive and manage such funds and lands.

(3) Pursuant to the Act, Alaska Natives have been enrolled in one of 13 Regional Corporations.

(4) Most Alaska Natives reside in communities that are eligible under the Act to form a Village or Urban Corporation within the geographical area of a Regional Corporation.

(5) Village or Urban Corporations established under the Act received cash and surface rights to the settlement land described in paragraph (2) and the corresponding Regional Corporation received cash and land which includes the subsurface rights to the land of the Village or Urban Corporation.

(6) The southeastern Alaska communities of Haines, Ketchikan, Petersburg, Tenakee, and Wrangell are not listed under the Act as communities eligible to form Village or Urban Corporations, even though the population of such villages comprises greater than 20 percent of the shareholders of the Regional Corporation for Southeast Alaska and display historic, cultural, and traditional qualities of Alaska Natives.

(7) The communities described in paragraph (6) have sought full eligibility for lands and benefits under the Act for more than three decades.

(8) In 1993, Congress directed the Secretary of the Interior to prepare a report examining the reasons why the communities listed in paragraph (6) had been denied eligibility to form Village or Urban Corporations and receive land and benefits pursuant to the Act.

(9) The report described in paragraph (8), published in February, 1994, indicates that—

(A) the communities listed in paragraph (6) do not differ significantly from the southeast Alaska communities that were permitted to form Village or Urban Corporations under the Act;

(B) such communities are similar to other communities that are eligible to form Village or Urban Corporations under the Act and receive lands and benefits under the Act—

(i) in actual number and percentage of Native Alaskan population; and

(ii) with respect to the historic use and occupation of land;

(C) each such community was involved in advocating the settlement of the aboriginal claims of the community; and

(D) some of the communities appeared on early versions of lists of Native Villages prepared before the date of the enactment of the Act, but were not included as Native Villages in the Act.

(10) The omissions described in paragraph (9) are not clearly explained in any provision of the Act or the legislative history of the Act.

(11) On the basis of the findings described in paragraphs (1) through (10), Alaska Natives who were enrolled in the five unlisted communities and their heirs have been inadvertently and wrongly denied the cultural and financial benefits of enrollment in Village or Urban Corporations established pursuant to the Act.

(b) PURPOSE.—The purpose of this Act is to redress the omission of the communities described in subsection (a)(6) from eligibility by authorizing the Native people enrolled in the communities—

(1) to form Urban Corporations for the communities of Haines, Ketchikan, Petersburg, Tenakee, and Wrangell under the Act; and

(2) to receive certain settlement lands and other compensation pursuant to the Act.

SEC. 3. ESTABLISHMENT OF ADDITIONAL NATIVE CORPORATIONS.

Section 16 of the Alaska Native Claims Settlement Act (43 U.S.C. 1615) is amended by adding at the end thereof the following new subsection:

''(e)(1) The Native residents of each of the Native Villages of Haines, Ketchikan, Petersburg, Tenakee, and Wrangell, Alaska, may organize as Urban Corporations.

''(2) Nothing in this subsection shall affect any entitlement to land of any Native Corporation previously established pursuant to this Act or any other provision of law.''.

SEC. 4. SHAREHOLDER ELIGIBILITY.

Section 8 of the Alaska Native Claims Settlement Act (43 U.S.C. 1607) is amended by adding at the end thereof the following new subsection:

''(d)(1) The Secretary of the Interior shall enroll to each of the Urban Corporations for Haines, Ketchikan, Petersburg, Tenakee, or Wrangell those individual Natives who enrolled under this Act to the Native Villages of Haines, Ketchikan, Petersburg, Tenakee, or Wrangell, respectively.

''(2) Those Natives who are enrolled to an Urban Corporation for Haines, Ketchikan, Petersburg, Tenakee, or Wrangell pursuant to paragraph (1) and who were enrolled as shareholders of the Regional Corporation for Southeast Alaska on or before March 30, 1973, shall receive 100 shares of Settlement Common Stock in such Urban Corporation.

''(3) A Native who has received shares of stock in the Regional Corporation for Southeast Alaska through inheritance from a decedent Native who originally enrolled to the Native Villages of Haines, Ketchikan, Petersburg, Tenakee, or Wrangell, which decedent Native was not a shareholder in a Village or Urban Corporation, shall receive the identical number of shares of Settlement Common Stock in the Urban Corporation for Haines, Ketchikan, Petersburg, Tenakee, or Wrangell as the number of shares inherited by that Native from the decedent Native who would have been eligible to be enrolled to such Urban Corporation.

''(4) Nothing in this subsection shall affect entitlement to land of any Regional Corporation pursuant to section 12(b) or section 14(h)(8).''.

SEC. 5. DISTRIBUTION RIGHTS.

Section 7 of the Alaska Native Claims Settlement Act (43 U.S.C. 1606) is amended—

(1) in subsection (j), by adding at the end thereof the following new sentence: ''Native members of the Native Villages of Haines, Ketchikan, Petersburg, Tenakee, and Wrangell who become shareholders in an Urban Corporation for such a community shall continue to be eligible to receive distributions under this subsection as at-large shareholders of the Regional Corporation for Southeast Alaska.''; and

(2) by adding at the end thereof the following new subsection:

''(s) No provision of or amendment made by the Unrecognized Southeast Alaska Native Communities Recognition and Compensation Act shall affect the ratio for determination of revenue distribution among Native Corporations under this section and the '1982 Section 7(i) Settlement Agreement' among the Regional Corporations or among Village Corporations under subsection (j).''.

SEC. 6. COMPENSATION.

The Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.) is amended by adding at the end thereof the following new section:

''URBAN CORPORATIONS FOR HAINES, KETCHIKAN, PETERSBURG, TENAKEE, AND WRANGELL

''SEC. 43. (a) Upon incorporation of the Urban Corporations for Haines, Ketchikan, Petersburg, Tenakee, and Wrangell, the Secretary, in consultation and coordination with the Secretary of Commerce, and in consultation with representatives of each such Urban Corporation and the Regional Corporation for Southeast Alaska, shall offer as compensation, pursuant to this Act, one township of land (23,040 acres) to each of the Urban Corporations for Haines, Ketchikan, Petersburg, Tenakee, and Wrangell, and other appropriate compensation, including the following:

''(1) Local areas of historical, cultural, traditional, and economic importance to Alaska Natives from the Villages of Haines, Ketchikan, Petersburg, Tenakee, or Wrangell. In selecting the lands to be withdrawn and conveyed pursuant to this section, the Secretary shall give preference to lands with commercial purposes and may include subsistence and cultural sites, aquaculture sites, hydroelectric sites, tidelands, surplus Federal property and eco-tourism sites. The lands selected pursuant to this section shall be contiguous and reasonably compact tracts wherever possible. The lands selected pursuant to this section shall be subject to all valid existing rights and all other provisions of section 14(g), including any lease, contract, permit, right-of-way, or easement (including a lease issued under section 6(g) of the Alaska Statehood Act).

''(2) $650,000 for capital expenses associated with corporate organization and development, including—

''(A) the identification of forest and land parcels for selection and withdrawal;

''(B) making conveyance requests, receiving title, preparing resource inventories, land and resource use, and development planning;

''(C) land and property valuations;

''(D) corporation incorporation and startup;

''(E) advising and enrolling shareholders;

''(F) issuing stock; and

''(G) seed capital for resource development.

''(3) Such additional forms of compensation as the Secretary deems appropriate, including grants and loan guarantees to be used for planning, development and other purposes for which Native Corporations are organized under the Act, and any additional financial compensation, which shall be allocated among the five Urban Corporations on a pro rata basis based on the number of shareholders in each Urban Corporation.

''(b) The Urban Corporations for Haines, Ketchikan, Petersburg, Tenakee, and Wrangell, shall have one year from the date of the offer of compensation from the Secretary to each such Urban Corporation provided for in this section within which to accept or reject the offer. In order to accept or reject the offer, each such Urban Corporation shall provide to the Secretary a properly executed and certified corporate resolution that states that the offer proposed by the Secretary was voted on, and either approved or rejected, by a majority of the shareholders of the Urban Corporation. In the event that the offer is rejected, the Secretary, in consultation with representatives of the Urban Corporation that rejected the offer and the Regional Corporation for Southeast Alaska, shall revise the offer and the Urban Corporation shall have an additional six months within which to accept or reject the revised offer.

''(c) Not later than 180 days after receipt of a corporate resolution approving an offer of the Secretary as required in subsection (b), the Secretary shall withdraw the lands and convey to the Urban Corporation title to the surface estate of the lands and convey to the Regional Corporation for Southeast Alaska title to the subsurface estate as appropriate for such lands.

''(d) The Secretary shall, without consideration of compensation, convey to the Urban Corporations of Haines, Ketchikan, Petersburg, Tenakee, and Wrangell, by quitclaim deed or patent, all right, title, and interest of the United States in all roads, trails, log transfer facilities, leases, and appurtenances on or related to the land conveyed to the corporations pursuant to subsection (c).

''(e)(1) The Urban Corporations of Haines, Ketchikan, Petersburg, Tenakee, and Wrangell may establish a settlement trust in

accordance with the provisions of section 39 for the purposes of promoting the health, education, and welfare of the trust beneficiaries and preserving the Native heritage and culture of the communities of Haines, Ketchikan, Petersburg, Tenakee, and Wrangell, respectively.

''(2) The proceeds and income from the principal of a trust established under paragraph (1) shall first be applied to the support of those enrollees and their descendants who are elders or minor children and then to the support of all other enrollees.''.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated such sums as shall be necessary to carry out this Act and the amendments made by this Act.

By Mr. BAUCUS:

S. 1308. A bill to establish an Office of Trade Adjustment Assistance, and for other purposes; to the Committee on Finance.

Mr. BAUCUS. Mr. President, today I introduce the Trade Adjustment Assistance for Firms Reorganization Act.

The Trade Adjustment Assistance for Firms program assists hundreds of mostly small and medium-sized manufacturing and agricultural companies in Montana and nationwide when they face layoffs and lost sales due to import competition. Qualifying companies develop adjustment plans and receive technical assistance to become more competitive, so that they can retain and expand employment.

The program is very cost effective. It requires the firms being helped to match the Federal assistance with their own funds, and it pays the government back in federal and State tax revenues when the firms succeed.

For example, TAA for Firms is helping Montola Growers from Culbertson, Montana, to develop cosmetic applications for its safflower oil. And it is helping Porterbilt Company of Hamilton to expand its product line.

Currently, TAA for Firms clients receive assistance preparing petitions and adjustment plans from twelve Trade Adjustment Assistance Centers, which are Commerce Department contractors. Program and policy decisions are made by a small headquarters staff in the Commerce Department's Economic Development Administration.

In the Trade Act of 2002, Congress voted to reauthorize this important program for seven years and to increase its authorized funding level. The program seemed headed toward some years of smooth sailing. But it turns out that is not the case.

For reasons unrelated to TAA for Firms, EDA began more than a year ago to move all its headquarters programs to its six regional offices. For TAA for Firms, that means clients will still get the same local services from the TAACs, but decisions will be made in six regional offices plus a national policy office. The likely result is more personnel needed to run the program, more layers of government, less centralized and consistent decision making, and less accountability—all without any likely improvement in customer service.

In preparation for this reorganization, EDA transferred or otherwise eliminated most of its experienced TAA staff in the Washington office. But to date it has not completed the transfer and hired or trained the necessary regional staff. So the program is in limbo.

Meanwhile, the President recently announced a multi-agency consolidation of economic development programs that will eliminate EDA and its regional offices. Not surprisingly, the latest word from EDA is that plans to complete the move of TAA for Firms to the regional offices are now on indefinite hold. The President's fiscal year 2006 budget zeroes out TAA for Firms, even though Congress has authorized the program through fiscal year 2007. With funding in doubt and the Washington-based management structure for TAA for Firms already largely dismantled, this program is on the verge of a crisis.

TAA for Firms was not broken until someone decided to fix it. Now it is doomed to stay in limbo unless Congress acts to clean up the mess.

The bill I am introducing today solves these problems by moving administration of the TAA for Firms program from EDA into a different part of the Commerce Department—the International Trade Administration. I introduced this same bill last year with 15 co-sponsors.

Relocating the program to ITA makes sense. ITA has experience running this program, which was located there prior to 1990. Relocating TAA for Firms to ITA will result in fewer lays of government and more centralized and accountable program management than running it through EDA's regional offices or some new economic development agency.

Relocating the program also creates synergies by allowing better coordination of the TAA for Firms program with other trade and trade remedy programs administered by ITA. And it enhances the ability of the Finance Committee to carry out its oversight responsibilities for this program and for trade policy in general.

I do not want to see this important TAA program die of neglect. This legislation is a simple matter of good, sensible government. I encourage my colleagues to lend it their support.

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. 1308

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 ''Trade Adjustment Assistance for Firms Reorganization Act''.

SEC. 2. OFFICE OF TRADE ADJUSTMENT ASSISTANCE.

(a) IN GENERAL.—Chapter 3 of title II of the Trade Act of 1974 (19 U.S.C. 2341 et seq.) is amended by inserting after section 255 the following new section:

''SEC. 255A. OFFICE OF TRADE ADJUSTMENT ASSISTANCE.

''(a) ESTABLISHMENT.—Not later than 90 days after the date of enactment of the Trade Adjustment Assistance for Firms Reorganization Act, there shall be established in the International Trade Administration of the Department of Commerce an Office of Trade Adjustment Assistance.

''(b) PERSONNEL.—The Office shall be headed by a Director, and shall have such staff as may be necessary to carry out the responsibilities of the Secretary of Commerce described in this chapter.

''(c) FUNCTIONS.—The Office shall assist the Secretary of Commerce in carrying out the Secretary's responsibilities under this chapter.''.

(b) CONFORMING AMENDMENT.—The table of contents for the Trade Act of 1974 is amended by inserting after the item relating to section 255, the following new item:

''Sec. 255A. Office of Trade Adjustment Assistance''.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

Section 256(b) of the Trade Act of 1974 (19 U.S.C. 2346(b)) is amended by striking ''2007'' and inserting ''2012''.

By Mr. BAUCUS (for himself, Mr. COLEMAN, and Mr. WYDEN):

S. 1309. A bill to amend the Trade Act of 1974 to extend the trade adjustment assistance program to the services sector, and for other purposes; to the Committee on Finance.

Mr. BAUCUS. Mr. President, today I introduce the Trade Adjustment Assistance Equity for Service Workers Act.

Frankly, I am disappointed to be here introducing this bill yet again.

Just last week, the substance of the bill was adopted by a majority of members of the Finance Committee as an amendment to the implementing legislation for the United States-Central America-Dominican Republic Free Trade Agreement. But today, the administration sent us the final implementing bill with the amendment stripped out.

President Bush likes to say that trade is for everyone. That we all share the benefits, including workers. And he claims to care a lot about having a skilled workforce that can keep American businesses competitive in global markets.

This amendment presented the President with the perfect opportunity to put his money where his mouth is.

He could have said to the American people—as President Clinton did when Congress considered the NAFTA—that just as all Americans share in the benefits of trade, we all bear a responsibility for its costs. Trade liberalization and trade adjustment go hand in hand. And then he could have provided America's service sector workers with access to the one program designed to make that happen—Trade Adjustment Assistance.

But by submitting the CAFTA implementing bill stripped of the Trade Adjustment Assistance amendment passed by the Finance Committee, he chose not to.

Since 1962, Trade Adjustment Assistance—what we call ''TAA''—has provided retraining, income support, and other benefits so that workers who lose their jobs due to trade can make a new start.

The rationale for TAA is simple. When our government pursues trade liberalization, we create benefits for the economy as a whole. But there is always some dislocation from trade.

When he created the TAA program, President Kennedy explained that the Federal Government has an obligation ''to render assistance to those who suffer as a result of national trade policy.''

For more than 40 years, we have met that obligation through TAA, which is principally a retraining program designed to update worker skills.

The TAA program has not been static over time. Congress periodically revises the program to meet new economic realities. Most recently, in the Trade Act of 2002, Congress completed the most comprehensive overhaul and expansion of the TAA program since its inception.

I am proud to have played a leading role in passing this landmark legislation. But I am also the first to admit that our work is not done. Economic realities continue to change, and TAA must continue to change with them.

One fundamental aspect of TAA that has remained unchanged since 1962 is its focus on manufacturing. We only give TAA benefits to workers who make ''articles.''

Excluding service workers from TAA may have made sense in 1962, when most non-farm jobs were in manufacturing and most services were not traded across national borders.

But today, most American jobs are in the service sector. And the market for many services is becoming just as global as the market for manufactured goods.

In 2002, the service sector accounted for three quarters of U.S. private sector gross domestic product and nearly 80 percent of non-farm private employment.

Trade in services is a net plus for the U.S. economy. Although trade in goods continues to dominate, services accounted for 29 percent of the value of total U.S. exports in 2002 and the service sector generated a trade surplus of $74 billion.

Just as we have seen with trade in manufactured goods, however, there are winners and losers from trade. Trade in services will inevitably cost some workers their jobs.

Indeed, there have been some well-publicized examples in the papers. Software sign. Technical support. Accounting and tax preparation services. Not long ago, a group of call center workers in Kalispell, MT saw their jobs move to Canada and India.

Examples abound of service sector jobs—even high tech jobs—relocating overseas. A series of studies estimate that between a half million and over 3 million U.S. service sector jobs would be moved offshore in the next 5 to 10 years.

That doesn't mean the total number of jobs in the U.S. economy is shrinking. But the fact that jobs may be available in a different field is cold comfort to a worker whose own skills are no longer in demand.

That is why this legislation is so important. It is a simple matter of equity.

When a factory relocates to another country, those workers are eligible for TAA. But when a call center moves to another country, those workers are not eligible for TAA. They should be.

The benefits service workers will receive under this legislation would be exactly the same as those that trade-impacted manufacturing workers now receive. They include retraining, income support, job search and relocation allowance, and a health coverage tax credit.

Hard working American service workers deserve this safety net. These benefits will always be second best to a job. But they can really make a difference in helping workers make a new start.

Truthfully, I am mystified by why the President so cavalierly dropped the TAA for Services amendment and let this opportunity pass him by. His actions are entirely inconsistent with his stated desire to make trade benefit all Americans. But, sadly, this has become a pattern.

Despite the obvious benefits of the TAA program, the Bush Administration fought tooth and nail against every penny, and against every provision in what became the Trade Adjustment Assistance Reform Act of 2002. Extending TAA to service workers was one of many needed improvements that was struck in the final version of the bill.

Again in the last Congress, the extension of TAA to service workers was offered as an amendment to the JOBS Act and opposed by the Administration. It garnered 54 votes from both sides ofthe aisle—failing only on a technicality.

The world is changing and TAA must keep up with the times. Last year's Senate vote and this year's Finance Committee vote make clear that there is wide support for extending TAA to service workers. I truly believe this bill's time has come. I will work hard to move this legislation this year.

I want to thank Senators COLEMAN and WYDEN for co-sponsoring this legislation. They have been stalwart supporters in the fight to bring equity to service workers. I look forward to working with them to make TAA for service workers a reality.

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. 1309

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 ''Trade Adjustment Assistance Equity for Service Workers Act of 2005''.

SEC. 2. EXTENSION OF TRADE ADJUSTMENT ASSISTANCE TO SERVICES SECTOR.

(a) ADJUSTMENT ASSISTANCE FOR WORKERS.—Section 221(a)(1)(A) of the Trade Act of 1974 (19 U.S.C. 2271(a)(1)(A)) is amended by striking ''firm)'' and inserting ''firm, and workers in a service sector firm or subdivision of a service sector firm or public agency)''.

(b) GROUP ELIGIBILITY REQUIREMENTS.—Section 222 of the Trade Act of 1974 (19 U.S.C. 2272) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking ''agricultural firm)'' and inserting ''agricultural firm, and workers in a service sector firm or subdivision of a service sector firm or public agency)'';

(B) in paragraph (1), by inserting ''or public agency'' after ''of the firm''; and

(C) in paragraph (2)—

(i) in subparagraph (A)(ii), by striking ''like or directly competitive with articles produced'' and inserting ''or services like or directly competitive with articles produced or services provided'';

(ii) by striking subparagraph (B) and inserting the following:

''(B)(i) there has been a shift, by such workers' firm, subdivision, or public agency to a foreign country, of production of articles, or in provision of services, like or directly competitive with articles which are produced, or services which are provided, by such firm, subdivision, or public agency; or

''(ii) such workers' firm, subdivision, or public agency has obtained or is likely to obtain such services from a foreign country.'';

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking ''agricultural firm)'' and inserting ''agricultural firm, and workers in a service sector firm or subdivision of a service sector firm or public agency)'';

(B) in paragraph (2), by inserting ''or service'' after ''related to the article''; and

(C) in paragraph (3)(A), by inserting ''or services'' after ''component parts'';

(3) in subsection (c)—

(A) in paragraph (3)—

(i) by inserting ''or services'' after ''value-added production processes'';

(ii) by striking ''or finishing'' and inserting '', finishing, or testing'';

(iii) by inserting ''or services'' after ''for articles''; and

(iv) by inserting ''(or subdivision)'' after ''such other firm''; and

(B) in paragraph (4)—

(i) by striking ''for articles'' and inserting '', or services, used in the production of articles or in the provision of services''; and

(ii) by inserting ''(or subdivision)'' after ''such other firm''; and

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

''(d) BASIS FOR SECRETARY'S DETERMINATIONS.—

''(1) INCREASED IMPORTS.—For purposes of subsection (a)(2)(A)(ii), the Secretary may determine that increased imports of like or directly competitive articles or services exist if the workers' firm or subdivision or customers of the workers' firm or subdivision accounting for not less than 20 percent of the sales of the workers' firm or subdivision certify to the Secretary that they are obtaining such articles or services from a foreign country.

''(2) OBTAINING SERVICES ABROAD.—For purposes of subsection (a)(2)(B)(ii), the Secretary may determine that the workers' firm, subdivision, or public agency has obtained or is likely to obtain like or directly competitive services from a foreign country based on a certification thereof from the workers' firm, subdivision, or public agency.

''(3) AUTHORITY OF THE SECRETARY.—The Secretary may obtain the certifications under paragraphs (1) and (2) through questionnaires or in such other manner as the Secretary determines is appropriate.''.

(c) TRAINING.—Section 236(a)(2)(A) of the Trade Act of 1974 (19 U.S.C. 2296(a)(2)(A)) is amended by striking ''$220,000,000'' and inserting ''$440,000,000''.

(d) DEFINITIONS.—Section 247 of the Trade Act of 1974 (19 U.S.C. 2319) is amended—

(1) in paragraph (1)—

(A) by inserting ''or public agency'' after ''of a firm''; and

(B) by inserting ''or public agency'' after ''or subdivision'';

(2) in paragraph (2)(B), by inserting ''or public agency'' after ''the firm'';

(3) by redesignating paragraphs (8) through (17) as paragraphs (9) through (18), respectively; and

(4) by inserting after paragraph (6) the following:

''(7) The term 'public agency' means a department or agency of a State or local government or of the Federal Government.

''(8) The term 'service sector firm' means an entity engaged in the business of providing services.''.

(e) TECHNICAL AMENDMENT.—Section 245(a) of the Trade Act of 1974 (19 U.S.C. 2317(a)) is amended by striking '', other than subchapter D''.

SEC. 3. TRADE ADJUSTMENT ASSISTANCE FOR FIRMS AND INDUSTRIES.

(a) FIRMS.—

(1) ASSISTANCE.—Section 251 of the Trade Act of 1974 (19 U.S.C. 2341) is amended—

(A) in subsection (a), by inserting ''or service sector firm'' after ''(including any agricultural firm'';

(B) in subsection (c)(1)—

(i) in the matter preceding subparagraph (A), by inserting ''or service sector firm'' after ''any agricultural firm'';

(ii) in subparagraph (B)(ii), by inserting ''or service'' after ''of an article''; and

(iii) in subparagraph (C), by striking ''articles like or directly competitive with articles which are produced'' and inserting ''articles or services like or directly competitive with articles or services which are produced or provided''; and

(C) by adding at the end the following:

''(e) BASIS FOR SECRETARY DETERMINATION.—

''(1) INCREASED IMPORTS.—For purposes of subsection (c)(1)(C), the Secretary may determine that increases of imports of like or directly competitive articles or services exist if customers accounting for not less than 20 percent of the sales of the workers' firm certify to the Secretary that they are obtaining such articles or services from a foreign country.

''(2) AUTHORITY OF THE SECRETARY.—The Secretary may obtain the certifications under paragraph (1) through questionnaires or in such other manner as the Secretary determines is appropriate. The Secretary may exercise the authority under section 249 in carrying out this subsection.''.

(2) AUTHORIZATION OF APPROPRIATIONS.—Section 256(b) of the Trade Act of 1974 (19 U.S.C. 2346(b)) is amended by striking ''$16,000,000'' and inserting ''$32,000,000''.

(3) DEFINITION.—Section 261 of the Trade Act of 1974 (19 U.S.C. 2351) is amended—

(A) by striking ''For purposes of'' and inserting ''(a) **FIRM**.—For purposes of''; and

(B) by adding at the end the following:

''(b) SERVICE SECTOR FIRM.—For purposes of this chapter, the term 'service sector firm' means a firm engaged in the business of providing services.''.

(b) INDUSTRIES.—Section 265(a) of the Trade Act of 1974 (19 U.S.C. 2355(a)) is amended by inserting ''or service'' after ''new product''.

(c) TECHNICAL AMENDMENTS.—

(1) IN GENERAL.—Section 249 of the Trade Act of 1974 (19 U.S.C. 2321) is amended by striking ''subpena'' and inserting ''subpoena'' each place it appears in the heading and the text.

(2) TABLE OF CONTENTS.—The table of contents for the Trade Act of 1974 is amended by striking ''Subpena'' in the item relating to section 249 and inserting ''Subpoena''.

SEC. 4. MONITORING AND REPORTING.

Section 282 of the Trade Act of 1974 (19 U.S.C. 2393) is amended—

(1) in the first sentence—

(A) by striking ''The Secretary'' and inserting ''(a) **MONITORING PROGRAMS**.—The Secretary'';

(B) by inserting ''and services'' after ''imports of articles'';

(C) by inserting ''and domestic provision of services'' after ''domestic production'';

(D) by inserting ''or providing services'' after ''producing articles''; and

(E) by inserting '', or provision of services,'' after ''changes in production''; and

(2) by adding at the end the following:

''(b) COLLECTION OF DATA AND REPORTS ON SERVICES SECTOR.—

''(1) SECRETARY OF LABOR.—Not later than 3 months after the date of the enactment of the Trade Adjustment Assistance Equity for Service Workers Act of 2005, the Secretary of Labor shall implement a system to collect data on adversely affected service workers that includes the number of workers by State, industry, and cause of dislocation of each worker.

''(2) SECRETARY OF COMMERCE.—Not later than 6 months after such date of enactment, the Secretary of Commerce shall, in consultation with the Secretary of Labor, conduct a study and report to the Congress on ways to improve the timeliness and coverage of data on trade in services, including methods to identify increased imports due to the relocation of United States firms to foreign countries, and increased imports due to United States firms obtaining services from firms in foreign countries.''.

SEC. 5. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this Act shall take effect on the date that is 60 days after the date of the enactment of this Act.

(b) SPECIAL RULE FOR CERTAIN SERVICE WORKERS.—A group of workers in a service sector firm, or subdivision of a service sector firm, or public agency (as defined in section 247 (7) and (8) of the Trade Act of 1974, as added by section 2(d) of this Act) who—

(1) would have been certified eligible to apply for adjustment assistance under chapter 2 of title II of the Trade Act of 1974 if the amendments made by this Act had been in effect on November 4, 2002, and

(2) file a petition pursuant to section 221 of such Act within 6 months after the date of the enactment of this Act, shall be eligible for certification under section 223 of the Trade Act of 1974 if the workers' last total or partial separation from the firm or subdivision of the firm or public agency occurred on or after November 4, 2002 and before the date that is 60 days after the date of the enactment of this Act.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 180—SUPPORTING THE GOALS AND IDEALS OF A NATIONAL EPIDERMOLYSIS BULLOSA AWARENESS WEEK TO RAISE PUBLIC AWARENESS AND UNDERSTANDING OF THE DISEASE AND TO FOSTER UNDERSTANDING OF THE IMPACT OF THE DISEASE ON PATIENTS AND THEIR FAMILIES

Mr. SCHUMER (for himself and Mrs. CLINTON) submitted the following resolution; which was referred to the Committee on Health, Education, Labor, and Pensions:

S. RES. 180

Whereas epidermolysis bullosa is a rare disease characterized by the presence of extremely fragile skin that results in the development of recurrent, painful blisters, open sores, and in some forms of the disease, in disfiguring scars, disabling musculoskeletal deformities, and internal blistering;

Whereas approximately 12,500 individuals in the United States are affected by the disease;

Whereas data from the National Epidermolysis Bullosa Registry indicates that of every 1,000,000 live births, 20 infants are born with the disease;

Whereas there currently is no cure for the disease;

Whereas children with the disease require almost around-the-clock care;

Whereas approximately 90 percent of individuals with epidermolysis bullosa report experiencing pain on an average day;

Whereas the skin is so fragile for individuals with the disease that even minor rubbing and day-to-day activity may cause blistering, including from activities such as writing, eating, walking, and from the seams on their clothes;

Whereas most individuals with the disease have inherited the disease through genes they receive from one or both parents;

Whereas epidermolysis bullosa is so rare that many health care practitioners have never heard of it or seen a patient with it;

Whereas individuals with epidermolysis bullosa often feel isolated because of the lack of knowledge in the Nation about the disease and the impact that it has on the body;

Whereas more funds should be dedicated toward research to develop treatments and eventually a cure for the disease; and

Whereas the last week of October would be an appropriate time to recognize National Epidermolysis Bullosa Week in order to raise public awareness about the prevalence of epidermolysis bullosa, the impact it has on families, and the need for additional research into a cure for the disease: Now, therefore, be it

Resolved, That the Senate—

(1) supports the goals and ideals of a National Epidermolysis Bullosa Awareness Week to raise public awareness and understanding of epidermolysis bullosa;

(2) recognizes the need for a cure for the disease; and

(3) encourages the people of the United States and interested groups to support the week through appropriate ceremonies and activities to promote public awareness of epidermolysis bullosa and to foster understanding of the impact of the disease on patients and their families.