amendment No. 1140 proposed to H.R. 2360, a bill making appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2006, and for other purposes.

AMENDMENT NO. 1144

At the request of Mr. MARTINEZ, the name of the Senator from Nevada (Mr. REID) was added as a cosponsor of amendment No. 1144 proposed to H.R. 2360, a bill making appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2006, and for other purposes.

AMENDMENT NO. 1158

At the request of Mr. FEINGOLD, his name was added as a cosponsor of amendment No. 1158 intended to be proposed to H.R. 2360, a bill making appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2006, and for other purposes.

AMENDMENT NO. 1171

At the request of Mr. MCCAIN, the names of the Senator from Arizona (Mr. KYL) and the Senator from Kansas (Mr. BROWNBACK) were added as cosponsors of amendment No. 1171 proposed to H.R. 2360, a bill making appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2006, and for other purposes.

AMENDMENT NO. 1200

At the request of Mr. BYRD, the names of the Senator from Virginia (Mr. WARNER), the Senator from Maine (Ms. COLLINS), the Senator from Washington (Mrs. MURRAY), the Senator from Michigan (Ms. STABENOW), the Senator from Maryland (Mr. SARBANES), the Senator from Michigan (Mr. LEVIN) and the Senator from Washington (Ms. CANTWELL) were added as cosponsors of amendment No. 1200 proposed to H.R. 2360, a bill making appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2006, and for other purposes.

AMENDMENT NO. 1206

At the request of Mr. SARBANES, the names of the Senator from Washington (Mrs. MURRAY), the Senator from Wisconsin (Mr. FEINGOLD) and the Senator from Michigan (Ms. STABENOW) were added as cosponsors of amendment No. 1206 proposed to H.R. 2360, a bill making appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2006, and for other purposes.

AMENDMENT NO. 1216

At the request of Mrs. BOXER, the name of the Senator from Oklahoma (Mr. INHOFE) was added as a cosponsor of amendment No. 1216 proposed to H.R. 2360, a bill making appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2006, and for other purposes.

AMENDMENT NO. 1217

At the request of Ms. STABENOW, the names of the Senator from Arizona (Mr. KYL), the Senator from Kansas (Mr. BROWNBACK) and the Senator from Illinois (Mr. DURBIN) were added as cosponsors of amendment No. 1217 proposed to H.R. 2360, a bill making appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2006, and for other purposes.

AMENDMENT NO. 1218

At the request of Mr. BYRD, the names of the Senator from Connecticut (Mr. DODD) and the Senator from Colorado (Mr. SALAZAR) were added as cosponsors of amendment No. 1218 proposed to H.R. 2360, a bill making appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2006, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ALLEN (for himself and Mr. SANTORUM):

S. 1396. A bill to amend the Investment Company Act of 1940 to provide incentives for small business investment, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

Mr. ALLEN. Mr. President, I am pleased to join with my distinguished colleague, Senator SANTORUM, in introducing the Increased Capital Access for Growing Businesses Act. The legislation would help many small businesses address the challenge of accessing capital as they look to grow, develop and create more jobs.

I would like to share with colleagues in the Senate why this legislation is necessary and desirable to update our securities laws for entrepreneurial small business owners. In 1980, Congress passed legislation, the Small Business Investment Incentive Act, which authorized business development companies, or BDCs, to provide financing to small, developing or financially troubled companies. Congress recognized the importance of small businesses to the U.S. economy and that such businesses may have a more difficult time obtaining needed capital to grow and develop.

BDCs are publicly traded companies that are required to have 70 percent of their assets invested in eligible assets, or eligible portfolio companies, which are generally to be securities of small developing or financially troubled businesses. In 1980, the definition of a small company for the purposes of a BDC's 70 percent of asset category was tied to the Federal Reserve's rules defining marginable securities. At the time, about two-thirds or 8,000 publicly traded companies were not marginable and were therefore eligible investments for BDCs.

However, there was an unintended consequence of tying the definition of small company to those issuers that do not have marginable securities—the margin rules have been changed several times, which significantly reduced the number of public companies in which BDCs could invest. This was obviously not the original intent of Congress, but the practical impact was that many small, public companies became ineligible to receive BDC financing, even if they could not receive more traditional sources of financing.

Recently, the disqualification of any private company that had issued any debt security has significantly narrowed even further the number of companies that qualify as eligible portfolio companies. Thus, for the first time many companies with no access to the public equity markets cannot access capital through a BDC. These companies are either denied capital access altogether, or are forced to turn to various unregulated sources to meet capital needs. This situation is unfair to the shareholders of BDCs, and unfair to the shareholders of businesses that could grow if only offered capital access opportunities.

That is why this legislation is so important. It will allow more small private and public companies to receive BDC financing and restore the original intent of Congress.

Specifically, the legislation would use a market capitalization standard of $250 million or less to define what is an eligible portfolio company for BDCs. The $250 million market capitalization level approximates the number of public companies that Congress originally intended to qualify as eligible BDC assets. I would note that it is also much lower than the market capitalization levels of small cap indexes, such as the S&P SmallCap 600, which uses a market cap of $300 million to $1 billion for a definition of a small company.

This legislation adds no costs or risks to the government or taxpayers. It will simply correct the unintended consequences of current rules and update the securities laws to allow more small businesses to access capital. This will in turn encourage small business growth, job creation and economic expansion.

That is why, earlier this year the House of Representatives unanimously passed similar legislation to modernize U.S. securities laws and allow more small businesses to be eligible for such financing.

I urge my colleagues in the Senate to join me in supporting this commonsense legislation for small businesses in America.

By Mr. LIEBERMAN (for himself, Mrs. CLINTON, Mr. NELSON of Florida, Mr. REED, and Mr. SALAZAR):

S. 1397. A bill to amend title 10, United States Code, to provide for an increase in the minimum end-strength level for active duty personnel for the United States Army, and for other purposes; to the Committee on Armed Services.

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

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

S. 1397

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 ''United States Army Relief Act of 2005''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) The 2004 National Military Strategy of the United States assigns the Army the task of operating with the other Armed Forces to provide for homeland defense, deter aggression forward from and in four different regions around the world, conduct military operations in two overlapping but geographically disparate major campaigns, and win decisively in one of those campaigns before shifting focus to the next one.

(2) The Chairman of the Joint Chiefs of Staff, General Richard Myers, has directed that the Army must be able to ''win decisively'' in one theater, even when it is committed to a number of other contingencies.

(3) While Congress lauds the current efforts by the Administration to reduce demands upon ground forces by continuing to pursue the transformation of the United States military as a whole, the recent experiences of the Army in Iraq serve to underscore the fact that there is, as of yet, no substitute for having sufficient troops to conduct personnel-intensive post-conflict missions.

(4) The current force requirements posed by the ongoing operations in Iraq, Afghanistan, and elsewhere as part of the Global War on Terror are unsustainable for the long term and undermine the ability of the United States military to successfully execute the National Military Strategy.

(5) Although the burden may be a heavy one, we as a nation and as a people must not, will not, shy away from our engagement in world affairs to defend our interests and to defend those who are themselves defenseless.

(6) Our engagement in Afghanistan, Iraq, and the greater Middle East is, as Secretary of State Condoleezza Rice stated, a ''generational'' one.

(7) Although our commitments in this region—and around the world—are vital, the Army has been ''overused'' according to the Chief of the United States Army Reserve.

(8) The Army currently has approximately 499,000 active duty troops, and these are backed up by nearly 700,000 members of the Army National Guard and the Army Reserve.

(9) This number is a third less than the force level on hand when the first Persian Gulf War was fought in 1991.

(10) Approximately 150,000 of these troops are in Iraq. Nearly 10,000 troops are in Afghanistan. 1,700 serve in Kosovo. 37,000 serve on the Korean peninsula.

(11) As of 2005 the relationship between the total number of troops and the number of operationally deployed troops has resulted, as the commanding general of the 18th Corps of the Army at Fort Bragg remarked in 2004, in an active-duty force that is ''stretched extraordinarily thin.''

(12) A former Army Deputy Chief of Staff has stated that in light of the growing operational demands upon it in the strategic environment after September 11, 2001, that the Army ''is too small to do its current missions''.

(13) That former Army Deputy Chief of Staff further stated that the current size of the Army, coupled with the current demands upon it, has resulted in a loss of ''the resiliency to provide either strategic balance—what you need if some other thing flares up—or to be able to give a respite as the troops rotate back from overseas areas where they've been in combat.''

(14) In its attempts to fulfill its missions with too few troops, the Army has risked ''damaging'' the force significantly or ''even breaking it in the next five years'', according to a division commander during Operation Desert Storm.

(15) In a December 2004 letter to the Chief of Staff, United States Army, the Chief of the United States Army Reserve wrote that ''the current demands'' of operations in the Middle East were ''spreading the Reserve force too thin'' and that his command ''was in grave danger'' of being unable to meet other missions abroad or domestically, and that the Army Reserve was ''rapidly degenerating into a 'broken force' ''.

(16) The letter referred to in paragraph (15) was intended, the Chief of the United States Army Reserve wrote, not ''to sound alarmist . . . [but] . . . to send a clear, distinctive, signal of deepening concern'' to his superiors.

(17) In addition to hampering the ability of the Army to successfully complete the missions assigned to it, this ''overuse'' has significant consequences for domestic homeland security operations.

(18) A disproportionate number of Federal, State, and local first responders are also members of the National Guard or Reserve.

(19) At a time of strain for large municipalities struggling to secure their infrastructure against the threat of terrorism, the drain on available personnel as well as budgets is unacceptable.

(20) An increase of the end-strength of the Army is in the best interests of the people of the United States and their interests abroad, and is consistent with the duties and obligations of Congress as set forth in the Constitution.

(21) An increase of 100,000 troops over the permanently authorized level for the Army for fiscal year 2004 of 482,000 troops will provide a long-term, lasting solution to the current operational constraints and future mission requirements of the Army.

(22) Progress was made toward that solution when Congress authorized an increase of 20,000 troops in the end-strength of the Army for fiscal year 2005 in the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375).

(23) An increase in the permanent authorized end-strength for the Army of 80,000 troops is required to meet the 100,000-troop increase level that will provide a lasting, long-term solution to personnel problems currently being experienced by the Army.

(24) This number will equip the Army with sufficient personnel so that it may not only engage in a stabilization operation like Iraq, but so that it may do so while maintaining optimal troop rotation schedules.

(25) This conclusion is supported by the November 2003 testimony of the Director of the Congressional Budget Office, Douglas Holtz-Eakin, before the Committee on Armed Services of the House of Representatives.

SEC. 3. INCREASE IN END-STRENGTH FOR THE ARMY.

Section 691 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(e) Notwithstanding subsection (b)(1), the authorization for the number of members of the Army at the end of each fiscal year as follows shall be not less than the number specified for such fiscal year:

''(1) Fiscal year 2006, 522,400.

''(2) Fiscal year 2007, 542,400.

''(3) Fiscal year 2008, 562,400.

''(4) Fiscal year 2009, 582,400.

''(5) Any fiscal year after fiscal year 2009, 582,400.''.

By Mr. FEINGOLD:

S. 1398. A bill to provide more rigorous requirements with respect to ethics and lobbying; to the Committee on Homeland Security and Government Affairs.

TITLE I—ENHANCING LOBBYING DISCLOSURE

Section 101: Requires lobbying disclosure reports to be filed quarterly rather than semiannually and adjusts monetary thresholds accordingly.

Section 102: Requires lobbying disclosure reports to be filed in electronic form.

Section 103: Directs the Secretary of the Senate and the Clerk of the House of Representatives to create a searchable, sortable, and downloadable public database that contains the information disclosed in lobbying disclosure reports.

Section 104: Requires registered lobbyists to provide, in the section of their quarterly reports in which the issues or bills on which they lobbied are listed, the names of all senior executive branch officials and Members of Congress who they communicated with orally and the dates on which such communications occurred.

Section 105: Mandates that registered lobbyists must disclose all past executive and congressional employment, not just such employment during the two years prior to making a lobbying contact.

Section 106: Requires lobbyists to disclose in their quarterly reports how much they spent on grassroots lobbying efforts.

Section 107: Provides more transparency for lobbying coalitions, by requiring such organizations to disclose those individuals or entities whose total contribution to the association in connection with lobbying activities exceeds $10,000. Certain tax-exempt associations are not covered by this new requirement.

Section 108: Doubles the penalty for failing to comply with lobbying disclosure requirements from $50,000 to $100,000.

TITLE II—SLOWING THE REVOLVING DOOR

Section 201: Amends 18 U.S.C. §207, the section of the criminal code that provides restrictions on lobbying by former executive and legislative branch employees, to establish the following restrictions:

1. Senior executive employees, those paid at 86.5 percent of level II of the Executive Schedule are prohibited from making communications or appearances with the intent to influence any employee of their former agencies for two years. The current ''cooling off period'' is one year.

2. Very senior executive employees, the Vice President and those paid at level I of the Executive Schedule, such as cabinet officers and heads of agencies, are prohibited from engaging in ''lobbying activities,'' as defined in section 3, subsection 7 of the Lobbying Disclosure Act of 1995, for a two-year period; with respect to their former agency or to any employee currently paid under the Executive Schedule. Under the LDA, lobbying activities include not only direct lobbying contacts, but activities such as providing advice, strategy, or preparation in connection with such contacts.

3. Members of Congress are prohibited from engaging in lobbying activities relating to either House of Congress for two years. This will prevent a former member from directing or managing a lobbying campaign while avoiding personal lobbying contacts.

4. Senior congressional staff, those making 75 percent of a Member's salary, are prohibited from making appearances or communications with the intent to influence any employee of the House of Congress that formerly employed them for two years. Current law prohibits contacts with the former employing office or committee for only one year.

Section 202: Requires the establishment of uniform regulations regarding the standards

by which waivers on seeking employment by executive branch officials are granted and requires the Executive branch to publish waivers that have been granted within three business days.

Section 203: Requires Members to publicly disclose within three days any negotiations with prospective employers in which a conflict of interest or the appearance of a conflict of interest exists.

Section 204: Establishes stiffer penalties for an employee of either House of Congress who uses his or her official capacity to influence an employment decision or practice of any private or public entity, except for the Congress itself.

Section 205: Reaffirms that any employee of either House may not take official action on the basis of a prospect for personal gain.

Section 206: Eliminates any benefits or privileges generally granted by the House or Senate to former Members, such as gym membership or floor privileges, for those former Members who are registered lobbyists.

TITLE III—CURBING EXCESSES IN PRIVATELY FUNDED TRAVEL AND LOBBYIST GIFTS

Section 301: Amends the ethics rules to require all congressional employees to obtain a certification from any party that pays for transportation or lodging permitted by the gift rules that the trip was not planned, organized, arranged, or financed by a registered lobbyist and that no registered lobbyists will participate in or attend the trip

Section 302: Amends the gift rule to require Senators and staff to publicly disclose information on any flight on a corporate jet and requires Senators to reimburse the owner of a corporate jet at the charter rate, instead of first class airfare as is currently permitted. Also requires campaigns to pay for the use of corporate jets at the charter rate. Current FEC regulations allow campaigns to pay first class airfare if the flight is between cities where commercial service is available.

Section 303: Establishes maximum civil fines of $100,000, $300,000, and $500,000 for the first, second, and third false travel certifications, respectively

Section 304: Amends the ethics rules to require Members to provide more detailed descriptions of all meetings, tours, events, and outings during travel paid for by private entities under the gift rules.

Section 305: Directs House and Senate Ethics Committees to develop and revise guidelines on what constitute ''reasonable expenses'' or ''reasonable expenditures'' during privately funded travel.

Section 306: Prohibits registered lobbyists from giving gifts to Members of Congress or congressional employees. Exceptions are provided for gifts from relatives and personal friends, campaign contributions, informational materials, and items of nominal value.

Section 307: Amends the House and Senate ethics rules to prohibit Members from accepting gifts from registered lobbyists not permitted by Section 306.

TITLE IV—OVERSIGHT OF ETHICS AND LOBBYING

Section 401: Requires the Comptroller General to review the effectiveness of lobbying oversight and to issue semiannual reports on the topic.

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

S. 1398

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 ''Lobbying and Ethics Reform Act of 2005''.

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

TITLE I—ENHANCING LOBBYING DISCLOSURE

SEC. 101. QUARTERLY FILING OF LOBBYING DISCLOSURE REPORTS.

(a) QUARTERLY FILING REQUIRED.—Section 5 of the Lobbying Disclosure Act of 1995 (2 U.S.C. 1604) is amended—

(1) in subsection (a)—

(A) by striking ''Semiannual'' and inserting ''Quarterly'';

(B) by striking ''the semiannual period'' and all that follows through ''July of each year'' and insert ''the quarterly period beginning on the first days of January, April, July, and October of each year''; and

(C) by striking ''such semiannual period'' and insert ''such quarterly period''; and

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking ''semiannual report'' and inserting ''quarterly report'';

(B) in paragraph (2), by striking ''semiannual filing period'' and inserting ''quarterly period'';

(C) in paragraph (3), by striking ''semiannual period'' and inserting ''quarterly period''; and

(D) in paragraph (4), by striking ''semiannual filing period'' and inserting ''quarterly period''.

(b) CONFORMING AMENDMENTS.—

(1) DEFINITION.—Section 3 of such Act (2 U.S.C. 1602) is amended in paragraph (10) by striking ''six month period'' and inserting ''three-month period''.

(2) REGISTRATION.—Section 4 of such Act (2 U.S.C. 1603) is amended—

(A) in subsection (a)(3)(A), by striking ''semiannual period'' and inserting ''quarterly period''; and

(B) in subsection (b)(3)(A), by striking ''semiannual period'' and inserting ''quarterly period''.

(3) ENFORCEMENT.—Section 6 of such Act (2 U.S.C. 1605) is amended in paragraph (6) by striking ''semiannual period'' and inserting ''quarterly period''.

(4) ESTIMATES.—Section 15 of such Act (2 U.S.C. 1610) is amended—

(A) in subsection (a)(1), by striking ''semiannual period'' and inserting ''quarterly period''; and

(B) in subsection (b)(1), by striking ''semiannual period'' and inserting ''quarterly period''.

(5) DOLLAR AMOUNTS.—

(A) Section 4 of such Act (2 U.S.C. 1603) is further amended—

(i) in subsection (a)(3)(A)(i), by striking ''$5,000'' and inserting ''$2,500'';

(ii) in subsection (a)(3)(A)(ii), by striking ''$20,000'' and inserting ''$10,000'';

(iii) in subsection (b)(3)(A), by striking ''$10,000'' and inserting ''$5,000''; and

(iv) in subsection (b)(4), by striking ''$10,000'' and inserting ''$5,000''.

(B) Section 5 of such Act (2 U.S.C. 1604) is further amended—

(i) in subsection (c)(1), by striking ''$10,000'' and ''$20,000'' and inserting ''$5,000'' and ''$10,000'', respectively; and

(ii) in subsection (c)(2), by striking ''$10,000'' both places such term appears and inserting ''$5,000''.

SEC. 102. ELECTRONIC FILING OF LOBBYING DISCLOSURE REPORTS.

Section 5 of the Lobbying Disclosure Act of 1995 (2 U.S.C. 1604) is further amended by adding at the end the following new subsection:

''(d) ELECTRONIC FILING REQUIRED.—A report required to be filed under this section shall be filed in electronic form, in addition to any other form that may be required by the Secretary of the Senate or the Clerk of the House of Representatives.''.

SEC. 103. PUBLIC DATABASE OF LOBBYING DISCLOSURE INFORMATION.

(a) DATABASE REQUIRED.—Section 6 of the Lobbying Disclosure Act of 1995 (2 U.S.C. 1605) is further amended—

(1) in paragraph (7), by striking ''and'' at the end;

(2) in paragraph (8), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following new paragraph:

''(9) maintain, and make available to the public over the Internet, without a fee or

other access charge, in a searchable, sortable, and downloadable manner, an electronic database that—

''(A) includes the information contained in registrations and reports filed under this Act;

''(B) directly links the information it contains to the information disclosed in reports filed with the Federal Election Commission under section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434); and

''(C) is searchable and sortable, at a minimum, by each of the categories of information described in section 4(b) or 5(b).''.

(b) AVAILABILITY OF REPORTS.—Section 6 of such Act is further amended in paragraph (4) by inserting before the semicolon at the end the following: ''and, in the case of a report filed in electronic form pursuant to section 5(d), shall make such report available for public inspection over the Internet not more than 48 hours after the report is so filed''.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out paragraph (9) of section 6 of such Act, as added by subsection (a).

SEC. 104. IDENTIFICATION OF OFFICIALS WITH WHOM LOBBYING CONTACTS ARE MADE.

Section 5 of the Lobbying Disclosure Act of 1995 (2 U.S.C. 1604) is further amended in subsection (b)(2)—

(1) by redesignating subparagraphs (B) through (D) as subparagraphs (C) through (E), respectively; and

(2) by inserting after subparagraph (A) the following new subparagraph:

''(B) for each specific issue listed pursuant to subparagraph (A), a list identifying each covered executive branch official and each Member of Congress with whom a lobbyist employed by the registrant engaged in a lobbying contact through oral communication with respect to that issue and the date on which each such contact occurred.''.

SEC. 105. DISCLOSURE BY REGISTERED LOBBYISTS OF ALL PAST EXECUTIVE AND CONGRESSIONAL EMPLOYMENT.

Section 4 of the Lobbying Disclosure Act of 1995 (2 U.S.C. 1603) is further amended in subsection (b)(6) by striking ''or a covered legislative branch official'' and all that follows through ''as a lobbyist on behalf of the client,'' and inserting ''or a covered legislative branch official,''.

SEC. 106. DISCLOSURE OF GRASSROOTS ACTIVITIES BY PAID LOBBYISTS.

(a) DISCLOSURE OF GRASSROOTS ACTIVITIES.—Section 3 of the Lobbying Disclosure Act of 1995 (2 U.S.C. 1602) is further amended by adding at the end the following new paragraph:

''(17) GRASSROOTS LOBBYING COMMUNICATION.—The term 'grassroots lobbying communication' means an attempt to influence legislation or executive action through the use of mass communications directed to the general public and designed to encourage recipients to take specific action with respect to legislation or executive action, except that such term does not include any communications by an entity directed to its members, employees, officers, or shareholders. For purposes of this paragraph, a communication is designed to encourage a recipient if any of the following applies:

''(A) The communication states that the recipient should contact a legislator, or should contact an officer or employee of an executive agency.

''(B) The communication provides the address, phone number, and contact information of a legislator or of an officer or employee of an executive agency.

''(C) The communication provides a petition, tear-off postcard, or similar material for the recipient to send to a legislator or to an officer or employee of an executive agency.

''(D)(i) Subject to clause (ii), the communication specifically identifies an individual who—

''(I) is in a position to consider or vote on the legislation;

''(II) represents the recipient in Congress; or

''(III) is an officer or employee of the executive agency to which the legislation or executive action relates.

''(ii) A communication described in clause (i) is a grassroots lobbying communication only if it is a communication that cannot meet the 'full and fair exposition' test as nonpartisan analysis, study, or research.''.

(b) SEPARATE ITEMIZATION OF GRASSROOTS EXPENSES.—Section 5 of the Lobbying Disclosure Act of 1995 (2 U.S.C. 1604) is further amended in subsection (b)—

(1) in paragraph (3), by inserting after ''total amount of all income'' the following: ''(including an itemization of the total amount relating specifically to grassroots lobbying communications and, within that amount, an itemization of the total amount specifically relating to broadcast media grassroots lobbying communications)''; and

(2) in paragraph (4), by inserting after ''total expenses'' the following: ''(including an itemization of the total amount relating specifically to grassroots lobbying communications and, within that total amount, an itemization of the total amount specifically relating to broadcast media grassroots lobbying communications)''.

SEC. 107. DISCLOSURE OF LOBBYING ACTIVITIES BY CERTAIN COALITIONS AND ASSOCIATIONS.

(a) IN GENERAL.—Paragraph (2) of section 3 of the Lobbying Disclosure Act of 1995 (2 U.S.C. 1602) is amended to read as follows:

''(2) CLIENT.—

''(A) IN GENERAL.—The term 'client' means any person or entity that employs or retains another person for financial or other compensation to conduct lobbying activities on behalf of that person or entity. A person or entity whose employees act as lobbyists on its own behalf is both a client and an employer of such employees.

''(B) TREATMENT OF COALITIONS AND ASSOCIATIONS.—

''(i) IN GENERAL.—Except as provided in clause (ii), in the case of a coalition or association that employs or retains persons to conduct lobbying activities, each person, other than an individual who is a member of the coalition or association, whose total contribution to the coalition or association in connection with the lobbying activities exceeds the $10,000 registration threshold described in section 4(a)(3)(A)(ii) of this Act, is the client along with the coalition or association.

''(ii) EXCEPTION FOR CERTAIN TAX-EXEMPT ASSOCIATIONS.—In case of an association—

''(I) which is described in paragraph (3) of section 501(c) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code, or

''(II) which is described in any other paragraph of section 501(c) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code and which has substantial exempt activities other than lobbying,

the association (and not its members) shall be treated as the client.

''(iii) LOOK-THRU RULES.—A coalition or association and its members, which would otherwise be treated as a client, shall not avoid the registration and reporting requirements of this Act by employing or retaining another coalition or association to conduct lobbying activities.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to—

(A) coalitions and associations listed on registration statements filed under section 4 of the Lobbying Disclosure Act of 1995 (2 U.S.C. 1603) after the date of the enactment of this Act, and

(B) coalitions and associations for whom any lobbying contact is made after the date of the enactment of this Act.

(2) SPECIAL RULE.—In the case of any coalition or association to which the amendments made by this Act apply by reason of paragraph (1)(B), the person required by such section 4 to file a registration statement with respect to such coalition or association shall file a new registration statement within 30 days after the date of the enactment of this Act.

SEC. 108. INCREASED PENALTY FOR FAILURE TO COMPLY WITH LOBBYING DISCLOSURE REQUIREMENTS.

Section 7 of the Lobbying Disclosure Act of 1995 (2 U.S.C. 1606) is amended by striking ''$50,000'' and inserting ''$100,000''.

TITLE II—SLOWING THE REVOLVING DOOR

SEC. 201. AMENDMENTS TO RESTRICTIONS ON FORMER OFFICERS, EMPLOYEES, AND ELECTED OFFICIALS OF THE EXECUTIVE AND LEGISLATIVE BRANCHES.

(a) VERY SENIOR EXECUTIVE PERSONNEL.—

(1) IN GENERAL.—The matter after subparagraph (C) in section 207(d)(1) of title 18, United States Code, is amended to read as follows:

''and who, within 2 years after the termination of that person's service in that position, engages in lobbying activities directed at any person described in paragraph (2), on behalf of any other person (except the United States), shall be punished as provided in section 216 of this title.''.

(2) CONFORMING AMENDMENT.—The first sentence of section 207(h)(1) of title 18, United States Code, is amended by inserting after ''subsection (c)'' the following: ''and subsection (d)''.

(b) SENIOR EXECUTIVE PERSONNEL.—Section 207(c)(1) of title 18, United States Code, is amended by striking ''within 1 year after'' and inserting ''within 2 years after''.

(c) FORMER MEMBERS OF CONGRESS AND OFFICERS AND EMPLOYEES OF THE LEGISLATIVE BRANCH.—

(1) IN GENERAL.—Section 207(e) of title 18, United States Code, is amended—

(A) by striking paragraphs (1), (2), (3), and (4) and inserting the following:

''(1) MEMBERS OF CONGRESS AND ELECTED OFFICERS.—Any person who is a Member of Congress or an elected officer of either House of Congress and who, within 2 years after that person leaves office, knowingly engages in lobbying activities on behalf of any other person (except the United States) in connection with any matter on which such former Member of Congress or elected officer seeks action by a Member, officer, or employee of either House of Congress shall be punished as provided in section 216 of this title.

''(2) CONGRESSIONAL EMPLOYEES.—

''(A) IN GENERAL.—Any person who is an employee of the Senate or an employee of the House of Representatives, who, for at least 60 days, in the aggregate, during the 1-year period before the termination of employment of that person with the Senate or House of Representatives, was paid a rate of basic pay equal to or greater than an amount which is 75 percent of the basic rate of pay payable for a Member of the House of Congress in which such employee was employed,

within 2 years after termination of such employment, knowingly makes, with the intent to influence, any communication to or appearance before any of the persons described in subparagraph (B), on behalf of any other person (except the United States) in connection with any matter on which such former employee seeks action by a Member, officer, or employee of either House of Congress, in his or her official capacity, shall be punished as provided in section 216 of this title.

''(B) PERSONS REFERRED TO.—The persons referred to under subparagraph (A) with respect to appearances or communications by a former employee are any Member, officer, or employee of the House of Congress in which such former employee served.''; and

(B) in paragraph (6)—

(i) in subparagraph (A), by striking ''paragraphs (2), (3), and (4)'' and inserting ''paragraph (2)''; and

(ii) in subparagraph (B), by striking ''paragraph (5)'' and inserting ''paragraph (3)'';

(C) in paragraph (7)(G), by striking '', (2), (3), or (4)'' and inserting ''or (2)''; and

(D) by redesignating paragraphs (5), (6), and (7) as paragraphs (3), (4), and (5), respectively.

(2) DEFINITION.—Section 207(i) of title 18, United States Code, is amended—

(A) in paragraph (2), by striking ''and'' after the semicolon;

(B) in paragraph (3), by striking the period and inserting ''; and''; and

(C) by adding at the end the following:

''(4) the term 'lobbying activities' has the same meaning given such term in section 3(7) of the Lobbying Disclosure Act (2 U.S.C. 1602(7)).''.

SEC. 202. REFORM OF WAIVER PROCESS FOR ACTS AFFECTING A PERSONAL FINANCIAL INTEREST.

Section 208 of title 18, United States Code, is amended—

(1) in subsection (b)(1)—

(A) by inserting after ''the Government official responsible for appointment to his or her position'' the following: ''and the Office of Government Ethics''; and

(B) by striking ''a written determination made by such official'' and inserting ''a written determination made by the Office of Government Ethics, after consultation with such official,''; and

(2) in subsection (b)(3), by striking ''the official responsible for the employee's appointment, after review of'' and inserting ''the Office of Government Ethics, after consultation with the official responsible for the employee's appointment and after review of''; and

(3) in subsection (d)(1)—

(A) by striking ''Upon request'' and all that follows through ''Ethics in Government Act of 1978.'' and inserting ''In each case in which the Office of Government Ethics makes a determination granting an exemption under subsection (b)(1) or (b)(3) to a person, the Office shall, not later than 3 business days after making such determination, make available to the public pursuant to the procedures set forth in section 105 of the Ethics in Government Act of 1978, and publish in the Federal Register, such determination and the materials submitted by such person in requesting such exemption.''; and

(B) by striking ''the agency may withhold'' and inserting ''the Office of Government Ethics may withhold''.

SEC. 203. PUBLIC DISCLOSURE BY MEMBERS OF CONGRESS OF EMPLOYMENT NEGOTIATIONS.

(a) HOUSE OF REPRESENTATIVES.—The Code of Official Conduct set forth in rule XXIII of the Rules of the House of Representatives is amended by redesignating clause 14 as clause 15 and by inserting after clause 13 the following new clause:

''14. A Member, Delegate, or Resident Commissioner shall publicly disclose the fact that he or she is negotiating or has any arrangement concerning prospective employment if a conflict of interest or the appearance of a conflict of interest may exist. Such disclosure shall be made within 3 days after the commencement of such negotiation or arrangement.''.

(b) SENATE.—Rule XXXVII of the Standing Rules of the Senate is amended by adding at the end the following:

''13. A Member, or former employee of Congress who, for at least 60 days, in the aggregate, during the 1-year period before the former employer's service as such employee terminated, was paid a rate of basic pay equal to or greater than an amount which is 75 percent of the basic rate of pay payable for a Member of the House of Congress in which such employee was employed, shall publicly disclose the fact that he or she is negotiating or has any arrangement concerning prospective employment if a conflict of interest or the appearance of a conflict of interest may exist. Such disclosure shall be made within 3 days after the commencement of such negotiation or arrangement.''.

SEC. 204. WRONGFULLY INFLUENCING, ON A PARTISAN BASIS, AN ENTITY'S EMPLOYMENT DECISIONS OR PRACTICES.

Whoever, being a Senator or Representative in, or a Delegate or Resident Commissioner to, the Congress or an employee of either House of Congress, with the intent to influence on the basis of political party affiliation an employment decision or employment practice of any private or public entity (except for the Congress)—

(1) takes or withholds, or offers or threatens to take or withhold, an official act; or

(2) influences, or offers or threatens to influence, the official act of another,

shall be fined under title 18, United States Code, or imprisoned for not more than 15 years, or both, and may be disqualified from holding any office of honor, trust, or profit under the United States.

SEC. 205. AMENDMENT TO CODE OF OFFICIAL CONDUCT TO PROHIBIT FAVORITISM.

(a) HOUSE OF REPRESENTATIVES.—Rule XXIII of the Rules of the House of Representatives (known as the Code of Official Conduct) is amended by redesignating clause 14 as clause 15 and by inserting after clause 13 the following new clause:

''14. A Member, Delegate, Resident Commissioner, officer, or employee of the House may not take or withhold, or threaten to take or withhold, any official action on the basis of partisan affiliation (except as permitted by clause 9) or the campaign contributions or support of any person or the prospect of personal gain either for oneself or any other person.''.

(b) SENATE.—Rule XXXVII of the Standing Rules of the Senate is amended by adding at the end the following:

''14. A Member, officer, or employee may not take or withhold, or threaten to take or withhold, any official action on the basis of partisan affiliation or the campaign contributions or support of any person or the prospect of personal gain either for oneself or any other person.''.

SEC. 206. ELIMINATION OF FLOOR PRIVILEGES AND OTHER PERKS FOR FORMER MEMBER LOBBYISTS.

Notwithstanding any other rule of the House of Representatives or Senate, any benefit or privilege granted by the House of Representatives or the Senate to all former Members of that body, including floor privileges, may not be received or exercised by a former Member who is a registered lobbyist.

TITLE III—CURBING EXCESSES IN PRIVATELY FUNDED TRAVEL AND LOBBYIST GIFTS

SEC. 301. REQUIRED CERTIFICATION THAT CONGRESSIONAL TRAVEL MEETS CERTAIN CONDITIONS.

(a) HOUSE OF REPRESENTATIVES.—Clause 5 of rule XXV of the Rules of the House of Representatives is amended by redesignating paragraphs (e) and (f) as paragraphs (f) and (g), respectively, and by inserting after paragraph (d) the following new paragraph:

''(e)(1) Except as provided by subparagraph (2), before a Member, Delegate, Resident Commissioner, officer, or employee of the House may accept a gift of transportation or lodging otherwise permissible under this clause from any person, such Member, Delegate, Resident Commissioner, officer, or employee of the House, as applicable, shall obtain a written certification from such person (and provide a copy of such certification to the Clerk) that—

''(A) the trip was not planned, organized, arranged, or financed by a registered lobbyist or foreign agent and was not organized at the request of a registered lobbyist or foreign agent; and

''(B) the person did not accept, from any source, funds specifically earmarked for the purpose of financing the travel expenses.

The Clerk shall make public information received under this subparagraph as soon as possible after it is received.

''(2) A Member, Delegate, or Resident Commissioner is not required to obtain a written certification for a gift or transportation or lodging described in subdivision (A), (B), (C), (D), (F), or (G) of paragraph (a)(1).''.

(b) SENATE.—Paragraph 1 of rule XXXV of the Standing Rules of the Senate is amended by adding at the end the following:

''(g) Before a Member, officer, or employee may accept a gift of transportation or lodging otherwise permissible under this rule from any person, such Member, officer, or employee shall obtain a written certification from such person (and provide a copy of such certification to the Select Committee on Ethics) that—

''(1) the trip was not planned, organized, arranged, or financed by a registered lobbyist or foreign agent and was not organized at the request of a registered lobbyist or foreign agent;

''(2) registered lobbyists will not participate in or attend the trip; and

''(3) the person did not accept, from any source, funds specifically earmarked for the purpose of financing the travel expenses.

The Select Committee on Ethics shall make public information received under this subparagraph as soon as possible after it is received.''.

SEC. 302. REQUIREMENT OF FULL PAYMENT AND DISCLOSURE OF CHARTER FLIGHTS.

(a) HOUSE OF REPRESENTATIVES.—To be provided.

(b) SENATE.—

(1) IN GENERAL.—Paragraph 1(c)(1) of rule XXXV of the Standing Rules of the Senate is amended by—

(A) inserting ''(A)'' after ''(1)''; and

(B) adding at the end the following:

''(B) Market value for a jet flight on an airplane that is not licensed by the Federal Aviation Administration to operate for compensation or hire shall be the fair market value of a charter flight. The Select Committee on Ethics shall make public information received under this subparagraph as soon as possible after it is received.''.

(2) DISCLOSURE.—Paragraph 1 of rule XXXV of the Standing Rules of the Senate is amended by adding at the end the following:

''(h) A Member, officer, or employee who takes a flight described in subparagraph

(c)(1)(B) shall, with respect to the flight, cause to be published in the Congressional Record within 10 days after the flight—

''(1) the date of the flight;

''(2) the destination of the flight;

''(3) who else was on the flight, other than those operating the plane;

''(4) the purpose of the trip; and

''(5) the reason that a commercial airline was not used.''.

(c) CANDIDATES.—Subparagraph (B) of section 301(8) of the Federal Election Campaign Act of 1971 (42 U.S.C. 431(8)(B)) is amended by striking ''and'' at the end of clause (xiii), by striking the period at the end of clause (xiv) and inserting ''; and'', and by adding at the end the following new clause:

''(xv) any travel expense for a flight on an airplane that is not licensed by the Federal Aviation Administration to operate for compensation or hire, but only if the candidate or the candidate's authorized committee or other political committee pays within 7 days after the date of the flight to the owner, lessee, or other person who provides the use of the airplane an amount not less than the normal and usual charter fare or rental charge for a comparable commercial airplane of appropriate size.''.

SEC. 303. FALSE CERTIFICATION IN CONNECTION WITH CONGRESSIONAL TRAVEL.

(a) IN GENERAL.—Whoever makes a false certification in connection with the travel of a Member, officer, or employee of either House of Congress (within the meaning given those terms in section 207 of title 18, United States Code) shall, upon proof of such offense by a preponderance of the evidence, be subject to a civil fine depending on the extent and gravity of the violation.

(b) MAXIMUM FINE.—The maximum fine per offense under this section depends on the number of separate trips in connection with which the person committed an offense under this section, as follows:

(1) FIRST TRIP.—For each offense committed in connection with the first such trip, the amount of the fine shall be not more than $100,000 per offense.

(2) SECOND TRIP.—For each offense committed in connection with the second such trip, the amount of the fine shall be not more than $300,000 per offense.

(3) ANY OTHER TRIPS.—For each offense committed in connection with any such trip after the second, the amount of the fine shall be not more than $500,000 per offense.

SEC. 304. INCREASED DISCLOSURE OF TRAVEL BY MEMBERS.

(a) HOUSE OF REPRESENTATIVES.—Clause 5(b)(1)(A)(ii) of rule XXV of the Rules of the House of Representatives is amended by—

(1) inserting ''a detailed description of each of'' before ''the expenses''; and

(2) inserting '', including a description of all meetings, tours, events, and outings during such travel'' before the period at the end thereof.

(b) SENATE.—Paragraph 2(c) of rule XXXV of the Standing Rules of the Senate is amended—

(1) in subclause (5), by striking ''and'' after the semicolon;

(2) by redesignating subclause (6) as subclause (7); and

(3) by adding after subclause (5) the following:

''(6) a detailed description of all meetings, tours, events, and outings during such travel; and''.

SEC. 305. GUIDELINES RESPECTING TRAVEL EXPENSES.

(a) HOUSE OF REPRESENTATIVES.—Clause 5(f) of rule XXV of the Rules of the House of Representatives is amended by inserting ''(1)'' after ''(f)'' and by adding at the end the following new subparagraph:

''(2) Within 90 days after the date of adoption of this subparagraph and at annual intervals thereafter, the Committee on Standards of official Conduct shall develop and revise, as necessary, guidelines on what constitutes 'reasonable expenses' or 'reasonable expenditures' for purposes of paragraph (b)(4). In developing and revising the guidelines, the committee shall take into account the maximum per diem rates for official Government travel published annually by the General Services Administration, the Department of State, and the Department of Defense.''.

(b) SENATE.—Rule XXXV of the Standing Rules of the Senate is amended by adding at the end the following:

''(7) Not later than 90 days after the date of adoption of this paragraph and at annual intervals thereafter, the Select Committee on Ethics shall develop and revise, as necessary, guidelines on what constitutes 'reasonable expenses' or 'reasonable expenditures' for purposes of this rule. In developing and revising the guidelines, the committee shall take into account the maximum per diem rates for official Government travel published annually by the General Services Administration, the Department of State, and the Department of Defense.''.

SEC. 306. PROHIBITION ON GIFTS BY REGISTERED LOBBYISTS TO MEMBERS OF CONGRESS AND TO CONGRESSIONAL EMPLOYEES.

(a) PROHIBITION.—

(1) IN GENERAL.—A registered lobbyist may not knowingly make a gift to a Member, Delegate, Resident Commissioner, officer, or employee of Congress except as provided in this section.

(2) GIFT DEFINED.—In this section, the term ''gift'' means a gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value. The term includes gifts of services, training, transportation, lodging, and meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.

(3) REGISTERED LOBBYIST DEFINED.—In this section, the term ''registered lobbyist'' means—

(A) a lobbyist registered under the Lobbying Disclosure Act of 1995 (2 U.S.C. 1601 et seq.);

(B) a lobbyist who, as an employee of an organization, is covered by the registration of that organization under that Act; and

(C) an organization registered under that Act.

(4) GIFTS TO FAMILY MEMBERS AND OTHER INDIVIDUALS.—For the purposes of this section, a gift to a family member of a Member, Delegate, Resident Commissioner, officer, or employee of Congress, or a gift to any other individual based on that individual's relationship with the Member, Delegate, Resident Commissioner, officer, or employee, shall be considered a gift to the Member, Delegate, Resident Commissioner, officer, or employee if the gift was given because of the official position of the Member, Delegate, Resident Commissioner, officer, or employee.

(5) EXCEPTIONS.—The restrictions in paragraph (1) do not apply to the following:

(A) CERTAIN LAWFUL POLITICAL FUNDRAISING ACTIVITIES.—A contribution, as defined in section 301(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) that is lawfully made under that Act, a lawful contribution for election to a State or local government office, or attendance at a fundraising event sponsored by a political organization described in section 527(e) of the Internal Revenue Code of 1986.

(B) GIFT FROM A RELATIVE.—A gift from a relative as described in section 109(16) of title I of the Ethics in Government Act of 1978 (2 U.S.C. App. 109(16)).

(C) EMPLOYEE BENEFITS.—Pension and other benefits resulting from continued participation in an employee welfare and benefits plan maintained by a former employer.

(D) INFORMATIONAL MATERIALS.—Informational materials that are sent to the office of the Member, Delegate, Resident Commissioner, officer, or employee in the form of books, articles, periodicals, other written materials, audiotapes, videotapes, or other forms of communication.

(E) ITEMS OF NOMINAL VALUE.—An item of nominal value such as a greeting card, baseball cap, or a T-shirt.

(F) PERSONAL FRIENDSHIP.—

(i) IN GENERAL.—Anything provided by an individual on the basis of a personal friendship unless the gift was given because of the official position of the Member, Delegate, Resident Commissioner, officer, or employee.

(ii) CIRCUMSTANCES.—In determining whether a gift is provided on the basis of personal friendship, the following shall be considered:

(I) The history of the relationship between the Member, Delegate, Resident Commissioner, officer, or employer and the individual giving the gift, including any previous exchange of gifts between them.

(II) Whether the individual who gave the gift personally paid for the gift or sought a tax deduction or business reimbursement for the gift.

(III) Whether the individual who gave the gift also gave the same or similar gifts to other Members, Delegates, the Resident Commissioners, officers, or employees of Congress.

(G) CERTAIN OUTSIDE BUSINESS OR EMPLOYMENT ACTIVITIES PROVIDED TO SPOUSE.—Food, refreshments, lodging, transportation, and other benefits provided to the spouse of the Member, Delegate, Resident Commissioner, officer, or employee, resulting from the outside business or employment activities of the spouse or in connection with bona fide employment discussions with respect to the spouse, if such benefits have not been offered or enhanced because of the official position of the Member, Delegate, Resident Commissioner, officer, or employee and are customarily provided to others in similar circumstances.

(H) OPPORTUNITIES AND BENEFITS UNRELATED TO CONGRESSIONAL EMPLOYMENT.—Opportunities and benefits that are offered to members of a group or class in which membership is unrelated to congressional employment.

(I) CERTAIN FOODS OR REFRESHMENTS.—Food or refreshments of a nominal value offered other than as a part of a meal.

(b) PENALTY.—Any registered lobbyist who violates this section shall be subject to a civil fine of not more than $50,000, depending on the extent and gravity of the violation.

SEC. 307. PROHIBITION ON MEMBERS ACCEPTING GIFTS FROM LOBBYISTS.

(a) HOUSE OF REPRESENTATIVES.—Clause 5(a)(1)(A) of rule XXV of the Rules of the House of Representatives is amended by adding at the end the following new sentence: ''Notwithstanding any other provision of this clause, in no event may a Member, Delegate, or Resident Commissioner accept a gift from a registered lobbyist prohibited by section 306 of the Lobbying and Ethics Reform Act of 2005.''.

(b) SENATE.—Paragraph 1 of rule XXXV of the Standing Rules of the Senate is amended by adding at the end the following:

''(g) Notwithstanding any other provision of this rule, in no event may a Member accept a gift from a registered lobbyist prohibited by section 306 of the Lobbying and Ethics Reform Act of 2005.''.

TITLE IV—OVERSIGHT OF ETHICS AND LOBBYING

SEC. 401. COMPTROLLER GENERAL REVIEW AND SEMIANNUAL REPORT ON ACTIVITIES CARRIED OUT BY CLERK OF THE HOUSE AND SECRETARY OF THE SENATE UNDER LOBBYING DISCLOSURE ACT OF 1995.

(a) ONGOING REVIEW REQUIRED.—The Comptroller General shall review on an ongoing basis the activities carried out by the Clerk of the House of Representatives and the Secretary of the Senate under section 6 of the Lobbying Disclosure Act of 1995 (2 U.S.C. 1605). The review shall emphasize—

(1) the effectiveness of those activities in securing the compliance by lobbyists with the requirements of that Act; and

(2) whether the Clerk and the Secretary have the resources and authorities needed for effective oversight and enforcement of that Act.

(b) SEMIANNUAL REPORTS.—Twice yearly, not later than January 1 and not later than July 1 of each year, the Comptroller General shall submit to Congress a report on the review required by subsection (a). The report shall include the Comptroller General's assessment of the matters required to be emphasized by that subsection and any recommendations of the Comptroller General to—

(1) improve the compliance by lobbyists with the requirements of that Act; and

(2) provide the Clerk and the Secretary with the resources and authorities needed for effective oversight and enforcement of that Act.

Mr FEINGOLD. Mr. President, today I will introduce the Lobbying and Ethics Reform Act of 2005. This bill builds on similar legislation that was introduced in the House by Representatives MARTY MEEHAN and RAHM EMMANUEL.

I have long believed that to truly serve our constituents well, we must reduce the impact of big money on the legislative process. I have devoted a great deal of time over the years to reforming our campaign finance laws. With the enactment of the Bipartisan Campaign Reform Act in 2002, we took several important, and I believe successful, steps to reduce the influence of special interests and return some measure of power to the American people.

But campaign contributions are only part of the story. In fact, during recent election cycles, the amount spent on lobbying members of Congress once they are elected has been more than double the amount spent on getting them elected in the first place. Yet lobbyists and the lobbying industry remain partly in the shadows, even after the significant improvements to the disclosure laws enacted in 1995. Ten years later, the weaknesses of that law have become apparent, as have the weaknesses in the congressional gift rules that we passed around the same time. Recent scandals involving lobbyists have made very clear that if this body is to be responsive to the people, not just a narrow set of special interests, we must strengthen the disclosure rules governing the lobbying industry and close loopholes in the gift rules.

The lobbying industry continues to grow at a startling rate. According to the Center for Public Integrity, over three billion dollars were spent on lobbying in 2004, nearly double the amount spent just six years earlier. This dramatic increase in lobbying expenditures has led to an equally dramatic growth in the number of registered lobbyists. A story in the Washington Post from June of this year reports that there are currently more than 34,750 registered lobbyists, which represents a 100% increase from 2000. Not surprisingly, a few powerful industries account for much of this growth. In the last six years, the pharmaceutical industry alone has spent over three quarters of a billion dollars on lobbying, enough to finance over 3,000 professional lobbyists. The insurance industry is not far behind. During this same period, insurance companies spent over 600 million dollars and employed over 2,000 lobbyists.

Despite the growing presence of lobbyists on Capitol Hill, and despite the improvements made in the 1995 law, regulation of the lobbying industry remains inadequate. The Senate office in charge of overseeing lobbying disclosure reports employs fewer than 20 people, and the equivalent House office employs fewer than 35. Compare these numbers to the Federal Election Commission, which many people believe is itself understaffed, but which has a staff of nearly 400 to oversee and enforce campaign finance laws.

Given these numbers, it should not come as a shock that oversight of the booming lobbying industry is not what we would like it to be. In the past six years alone, over 300 individuals and companies lobbied without registering first. One in five lobbying companies failed to file required disclosure forms. And the Center for Public Integrity reports that over 14,000 disclosure documents that should have been filed are not available, including documents relating to 49 of the top 50 lobbying firms.

When the disclosure requirements are not enforced, it can only be expected that they and other rules relating to lobbying will not be followed. In the last six months, we have seen a number of stories in the press detailing the increasingly cozy relationship between lobbyists and certain members of Congress. We have seen stories of lobbyists funding international junkets for members, their families, and their staff, which include days on famous golf courses and nights in luxurious resorts. We have seen stories of members and their staff accepting lavish gifts and expensive meals from lobbyists. And we haves seen stories of lobbyists providing members with free access to their companies' or clients' corporate jets so that they can fly in comfort from fundraiser to fundraiser.

But the enticements offered by lobbyists are not all quite so exotic indeed, many lobbyists merely offer plum positions in their K Street offices. According to a 2005 report, more than 2200 former federal government employees were registered as federal lobbyists between 1998 and 2004. Of those, more then 200 were former members of Congress. In fact, Public Citizen reports that nearly half of all members returning to the private sector accept positions in the lobbying industry. For congressional employees, the prospect of receiving lobbying positions, which often pay several times more than their current jobs, can easily create conflicts of interest and may affect the decisions they make in their official capacity.

The problems with oversight of the lobbying industry are systemic and they are troubling. Even the minimal disclosure requirements of the Lobbying Disclosure Act are often ignored because lobbyists know they will not be penalized. The revolving door between the Hill and K Street spins faster than ever. And flaws in the gift rules are allowing handouts from lobbyists to rapidly increase the influence of special interests at the expense of the average citizen. I am told that it is not uncommon for lobbyists to perch themselves at the end of a bar and buy drinks for any congressional staffer who comes by. This is permissible under the Senate's current gift rules, and it shouldn't be. Lobbyists complain about pressure—if not outright blatant requests—from Members and congressional staff to pay for their food and drinks. Clearly, there is plenty of blame to go around.

My bill addresses these concerns in four ways. First, my bill makes the lobbying process more transparent by enhancing the specificity, frequency, and accessibility of lobbying disclosure reports. The bill would require these periodic reports filed by lobbyists to identify the members of Congress with whom they met, divulge all past senior-level legislative or executive branch employment, and separate out and report the amount of money spent on grassroots lobbying efforts. Lobbyists would have to file these reports on a quarterly, rather than a semiannual, basis. And the bill would require the Secretary of the Senate and the Clerk of the House to make these reports available in a searchable database that would allow the public to gather information on lobbyists quickly and efficiently. The bill also requires the disclosure of entities that contribute large sums of money to lobbying coalitions. And it doubles the civil penalty for knowingly failing to file lobbying reports or filing false information.

Second, this bill should slow the revolving door between Congress and the lobbying industry. It establishes a two-year waiting period for members, senior staff, and senior executive personnel to participate in lobbying. During this cooling-off period, members and senior executive personnel would be prohibited from engaging in all lobbying activities, including developing strategy for or directing a lobbying campaign. Staff would be forbidden from making direct contact with any members or staff who work in the

House of Congress that used to employ them, rather than just the former employing office, as the law now requires.

The revolving door provisions in my bill would also require members of Congress to publicly disclose their intent to seek outside employment if a conflict of interest exists. They prohibit members of Congress from taking official actions to influence the employment decisions of outside entities on the basis of partisan affiliation. And they affirm that no member should take official action based on the prospect for personal gain. The bill also prohibits registered lobbyists from taking advantage of special advantages such as gym membership, floor privileges, or access to certain areas of the Capitol that are offered to former Members of Congress.

Third, my bill addresses the growing problem of privately funded travel and lobbyist gifts. Before sponsoring a trip for a member or staff, an organization must certify that the trip was not financed or organized by a registered lobbyist and that lobbyists will not participate in or attend the trip. After returning from the trip, the Member or staff must provide a detailed itinerary and description of expenses. My bill also creates a complete ban on lobbyists providing gifts to members and staff and on members accepting gifts from registered lobbyists. Those who file false certifications or fail to observe these rules will be subject to stiff penalties.

Finally, the bill seeks to strengthen oversight of lobbying disclosure. A GAO report showing the old lobbying law passed in the 1940s was largely ignored and rarely enforced was an important impetus to passing the Lobbying Disclosure Act in 1995. The bill requires the Comptroller General to report to Congress twice annually on the state of the enforcement of the rules. These reports will help us determine if further improvements in the laws are necessary.

These measures are not crafted as a knee-jerk response to the recent spate of troubling revelations about the relationships between certain members of Congress and the lobbying industry. Instead, this bill addresses systemic problems with the rules governing lobbyists. It has been a decade since the Lobbying Disclosure Act and new gift rules were passed and we now know that some of these rules are no longer sufficient to regulate a growing and evolving lobbying industry. It is now time for us to act again. I urge my colleagues to support this bill.

I ask unanimous consent that the text of the bill and a section by section analysis be printed in the RECORD.

By Mr. CHAFEE (for himself, Mrs. CLINTON, Mr. INHOFE, and Mr. JEFFORDS):

S. 1400. A bill to amend the Federal Water Pollution Control Act and the Safe Drinking Water Act to improve water and wastewater infrastructure in the United States; to the Committee on Environment and Public Works.

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

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

S. 1400

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 ''Water Infrastructure Financing Act''.

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

TITLE I—WATER POLLUTION INFRASTRUCTURE

SEC. 101. TECHNICAL ASSISTANCE FOR RURAL AND SMALL TREATMENT WORKS.

(a) IN GENERAL.—Title II of the Federal Water Pollution Control Act (33 U.S.C. 1281 et seq.) is amended by adding at the end the following:

''SEC. 222. TECHNICAL ASSISTANCE FOR RURAL AND SMALL TREATMENT WORKS.

''(a) DEFINITION OF QUALIFIED NONPROFIT TECHNICAL ASSISTANCE PROVIDER.—In this section, the term 'qualified nonprofit technical assistance provider' means a qualified nonprofit technical assistance provider of water and wastewater services to small rural communities that provide technical assistance to treatment works (including circuit rider programs and training and preliminary engineering evaluations) that—

''(1) serve not more than 10,000 users; and

''(2) may include a State agency.

''(b) GRANT PROGRAM.—

''(1) IN GENERAL.—The Administrator may make grants to qualified nonprofit technical assistance providers that are qualified to provide assistance on a broad range of wastewater and stormwater approaches—

''(A) to assist small treatment works to plan, develop, and obtain financing for eligible projects described in section 603(c);

''(B) to capitalize revolving loan funds to provide loans, in consultation with the State in which the assistance is provided, to rural and small municipalities for predevelopment costs (including costs for planning, design, associated preconstruction, and necessary activities for siting the facility and related elements) associated with wastewater infrastructure projects or short-term costs incurred for equipment replacement that is not part of regular operation and maintenance activities for existing wastewater systems, if—

''(i) any loan from the fund is made at or below the market interest rate, for a term not to exceed 10 years;

''(ii) the amount of any single loan does not exceed $100,000; and

''(iii) all loan repayments are credited to the fund;

''(C) to provide technical assistance and training for rural and small publicly owned treatment works and decentralized wastewater treatment systems to enable those treatment works and systems to protect water quality and achieve and maintain compliance with this Act; and

''(D) to disseminate information to rural and small municipalities with respect to planning, design, construction, and operation of publicly owned treatment works and decentralized wastewater treatment systems.

''(2) DISTRIBUTION OF GRANT.—In carrying out this subsection, the Administrator shall ensure, to the maximum extent practicable, that technical assistance provided using funds from a grant under paragraph (1) is made available in each State.

''(3) CONSULTATION.—As a condition of receiving a grant under this subsection, a qualified nonprofit technical assistance provider shall consult with each State in which grant funds are to be expended or otherwise made available before the grant funds are expended or made available in the State.

''(4) ANNUAL REPORT.—For each fiscal year, a qualified nonprofit technical assistance provider that receives a grant under this subsection shall submit to the Administrator a report that—

''(A) describes the activities of the qualified nonprofit technical assistance provider using grant funds received under this subsection for the fiscal year; and

''(B) specifies—

''(i) the number of communities served;

''(ii) the sizes of those communities; and

''(iii) the type of financing provided by the qualified nonprofit technical assistance provider.

''(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $25,000,000 for each of fiscal years 2006 through 2010.''.

(b) GUIDANCE FOR SMALL SYSTEMS.—Section 602 of the Federal Water Pollution Control Act (33 U.S.C. 1382) is amended by adding at the end the following:

''(c) GUIDANCE FOR SMALL SYSTEMS.—

''(1) DEFINITION OF SMALL SYSTEM.—In this subsection, the term 'small system' means a system—

''(A) for which a municipality or intermunicipal, interstate, or State agency seeks assistance under this title; and

''(B) that serves a population of 10,000 or fewer households.

''(2) SIMPLIFIED PROCEDURES.—Not later than 1 year after the date of enactment of this subsection, the Administrator shall assist the States in establishing simplified procedures for small systems to obtain assistance under this title.

''(3) PUBLICATION OF MANUAL.—Not later than 1 year after the date of enactment of this subsection, after providing notice and opportunity for public comment, the Administrator shall publish—

''(A) a manual to assist small systems in obtaining assistance under this title; and

''(B) in the Federal Register, notice of the availability of the manual.''.

SEC. 102. PROJECTS ELIGIBLE FOR ASSISTANCE.

Section 603 of the Federal Water Pollution Control Act (33 U.S.C. 1383) is amended by striking subsection (c) and inserting the following:

''(c) PROJECTS ELIGIBLE FOR ASSISTANCE.—Funds in each State water pollution control revolving fund shall be used only for—

''(1) providing financial assistance to any municipality or an intermunicipal, interstate, or State agency that principally treats municipal wastewater or domestic sewage for construction (including planning, design, associated preconstruction, and activities relating to the siting of a facility) of a treatment works (as defined in section 212);

''(2) implementation of a management program established under section 319;

''(3) development and implementation of a conservation and management plan under section 320;

''(4) providing financial assistance to a municipality or an intermunicipal, interstate, or State agency for projects to increase the security of wastewater treatment works (excluding any expenditure for operations or maintenance);

''(5) providing financial assistance to a municipality or an intermunicipal, interstate, or State agency for measures to control municipal stormwater, the primary purpose of which is the preservation, protection, or enhancement of water quality;

''(6) water conservation projects, the primary purpose of which is the protection, preservation, and enhancement of water quality; or

''(7) reuse, reclamation, and recycling projects, the primary purpose of which is the protection, preservation, and enhancement of water quality.''.

SEC. 103. WATER POLLUTION CONTROL REVOLVING LOAN FUNDS.

Section 603(d) of the Federal Water Pollution Control Act (33 U.S.C. 1383(d)) is amended—

(1) in paragraph (6), by striking ''and'' at the end;

(2) in paragraph (7), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(8) to carry out a project under paragraph (2) or (3) of section 601(a), which may be—

''(A) operated by a municipal, intermunicipal, or interstate entity, State, public or private utility, corporation, partnership, association, or nonprofit agency; and

''(B) used to make loans that will be fully amortized not later than 30 years after the date of the completion of the project.''.

SEC. 104. AFFORDABILITY.

(a) IN GENERAL.—Section 603 of the Federal Water Pollution Control Act (33 U.S.C. 1383) is amended—

(1) by redesignating subsections (e) through (h) as subsections (f) through (i), respectively; and

(2) by inserting after subsection (d) the following:

''(e) TYPES OF ASSISTANCE FOR DISADVANTAGED COMMUNITIES.—

''(1) DEFINITION OF DISADVANTAGED COMMUNITY.—In this subsection, the term 'disadvantaged community' means the service area, or portion of a service area, of a treatment works that meets affordability criteria established after public review and comment by the State in which the treatment works is located.

''(2) LOAN SUBSIDY.—Notwithstanding any other provision of this section, in a case in which the State makes a loan from the water pollution control revolving loan fund in accordance with subsection (c) to a disadvantaged community or a community that the State expects to become a disadvantaged community as the result of a proposed project, the State may provide additional subsidization, including—

''(A) the forgiveness of the principal of the loan; and

''(B) an interest rate on the loan of zero percent.

''(3) TOTAL AMOUNT OF SUBSIDIES.—For each fiscal year, the total amount of loan subsidies made by the State pursuant to this subsection may not exceed 30 percent of the amount of the capitalization grant received by the State for the fiscal year.

''(4) EXTENDED TERM.—A State may provide an extended term for a loan if the extended term—

''(A) terminates not later than the date that is 30 years after the date of completion of the project; and

''(B) does not exceed the expected design life of the project.

''(5) INFORMATION.—The Administrator may publish information to assist States in establishing affordability criteria described in paragraph (1).''.

(b) CONFORMING AMENDMENT.—Section 221(d) of the Federal Water Pollution Control Act (33 U.S.C. 1301(d)) is amended in the second sentence by striking ''603(h)'' and inserting ''603(i)''.

SEC. 105. TRANSFERABILITY OF FUNDS.

Section 603 of the Federal Water Pollution Control Act (33 U.S.C. 1383) (as amended by section 104(a)(1)) is amended by adding at the end the following:

''(j) TRANSFER OF FUNDS.—

''(1) IN GENERAL.—The Governor of a State may—

''(A)(i) reserve not more than 33 percent of a capitalization grant made under this title; and

''(ii) add the funds reserved to any funds provided to the State under section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j–12); and

''(B)(i) reserve for any year an amount that does not exceed the amount that may be reserved under subparagraph (A) for that year from capitalization grants made under section 1452 of that Act (42 U.S.C. 300j–12); and

''(ii) add the reserved funds to any funds provided to the State under this title.

''(2) STATE MATCH.—Funds reserved under this subsection shall not be considered to be a State contribution for a capitalization grant required under this title or section 1452(b) of the Safe Drinking Water Act (42 U.S.C. 300j–12(b)).''.

SEC. 106. COSTS OF ADMINISTERING WATER POLLUTION CONTROL REVOLVING LOAN FUNDS.

Section 603(d)(7) of the Federal Water Pollution Control Act (33 U.S.C. 1383(d)(7)) is amended by striking ''4 percent'' and inserting ''6 percent''.

SEC. 107. WATER POLLUTION CONTROL REVOLVING LOAN FUNDS.

Section 603 of the Federal Water Pollution Control Act (33 U.S.C. 1383) is amended by striking subsection (h) (as redesignated by section 104) and inserting the following:

''(h) PRIORITY SYSTEM REQUIREMENT.—

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

''(A) RESTRUCTURING.—The term 'restructuring' means—

''(i) the consolidation of management functions or ownership with another facility; or

''(ii) the formation of cooperative partnerships.

''(B) TRADITIONAL WASTEWATER APPROACH.—The term 'traditional wastewater approach' means a managed system used to collect and treat wastewater from an entire service area consisting of—

''(i) collection sewers;

''(ii) a centralized treatment plant using biological, physical, or chemical treatment processes; and

''(iii) a direct point source discharge to surface water.

''(2) PRIORITY SYSTEM.—In providing financial assistance from the water pollution control revolving fund of the State, the State shall—

''(A) give greater weight to an application for assistance by a treatment works if the application includes such other information as the State determines to be appropriate and—

''(i) an inventory of assets, including a description of the condition of those assets;

''(ii) a schedule for replacement of the assets;

''(iii) a financing plan indicating sources of revenue from ratepayers, grants, bonds, other loans, and other sources;

''(iv) a review of options for restructuring the treatment works;

''(v) a review of options for approaches other than a traditional wastewater approach that may include actions or projects that treat or minimize sewage or urban stormwater discharges using—

''(I) decentralized or distributed stormwater controls;

''(II) decentralized wastewater treatment;

''(III) low impact development technologies;

''(IV) stream buffers;

''(V) wetland restoration; or

''(VI) actions to minimize the quantity of and direct connections to impervious surfaces;

''(vi) demonstration of consistency with State, regional, and municipal watershed plans;

''(vii) a review of options for urban waterfront development or brownfields revitalization to be completed in conjunction with the project; or

''(viii) provides the applicant the flexibility through alternative means to carry out responsibilities under Federal regulations, that may include watershed permitting and other innovative management approaches, while achieving results that—

''(I) the State, with the delegated authority under section 402(a)(5), determines meet permit requirements for permits that have been issued in accordance with the national pollution discharge elimination system under section 402; or

''(II) the Administrator determines are measurably superior when compared to regulatory standards;

''(B) take into consideration appropriate chemical, physical, and biological data that the State considers reasonably available and of sufficient quality;

''(C) provide for public notice and opportunity to comment on the establishment of the system and the summary under subparagraph (D);

''(D) publish not less than biennially in summary form a description of projects in the State that are eligible for assistance under this title that indicates—

''(i) the priority assigned to each project under the priority system of the State; and

''(ii) the funding schedule for each project, to that extent the information is available; and

''(E) ensure that projects undertaken with assistance under this title are designed to achieve, as determined by the State, the optimum water quality management, consistent with the public health and water quality goals and requirements of this title.

''(3) SAVINGS CLAUSE.—Nothing in paragraph (2)(A)(viii) affects the authority of the Administrator under section 402(a)(5).''.

SEC. 108. NONCOMPLIANCE.

Section 603 of the Federal Water Pollution Control Act (33 U.S.C. 1383) (as amended by section 105) is amended by adding at the end the following:

''(k) NONCOMPLIANCE.—

''(1) IN GENERAL.—Except as provided in paragraph (2), no assistance (other than assistance that is to be used by a treatment works solely for planning, design, or security purposes) shall be provided under this title to a treatment works that has been in significant noncompliance with any requirement of this Act for any of the 4 quarters in the previous 8 quarters, unless the treatment works is in compliance with, or has entered into, an enforceable administrative order to effect compliance with the requirement.

''(2) EXCEPTION.—A treatment works that is determined under paragraph (1) to be in significant noncompliance with a requirement described in that paragraph may receive assistance under this title if the Administrator and the State providing the assistance determine that—

''(A) the entity conducting the enforcement action on which the determination of significant noncompliance is based has determined that the use of assistance would enable the treatment works to take corrective action toward resolving the violations; or

''(B) the entity conducting the enforcement action on which the determination of significant noncompliance is based has determined that the assistance would be used on a portion of the treatment works that is not directly related to the cause of finding significant noncompliance.''.

SEC. 109. AUTHORIZATION OF APPROPRIATIONS.

The Federal Water Pollution Control Act is amended by striking section 607 (33 U.S.C. 1387) and inserting the following:

''SEC. 607. AUTHORIZATION OF APPROPRIATIONS.

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

''(1) $3,200,000,000 for each of fiscal years 2006 and 2007;

''(2) $3,600,000,000 for fiscal year 2008;

''(3) $4,000,000,000 for fiscal year 2009; and

''(4) $6,000,000,000 for fiscal year 2010.

''(b) AVAILABILITY.—Amounts made available under this section shall remain available until expended.

''(c) RESERVATION FOR NEEDS SURVEYS.—Of the amount made available under subsection (a) to carry out this title for a fiscal year, the Administrator may reserve not more than $1,000,000 per year to pay the costs of conducting needs surveys under section 516(2).''.

SEC. 110. CRITICAL WATER INFRASTRUCTURE PROJECTS.

(a) ESTABLISHMENT.—Not later than 180 days after the date of enactment of this Act, the Administrator shall establish a program under which grants are provided to eligible entities for use in carrying out projects and activities the primary purpose of which is watershed restoration through the protection or improvement of water quality.

(b) PROJECT SELECTION.—

(1) IN GENERAL.—The Administrator may provide funds under this section to an eligible entity to carry out an eligible project described in paragraph (2).

(2) EQUITABLE DISTRIBUTION.—The Administrator shall ensure an equitable distribution of projects under this section, taking into account cost and number of requests for each category listed in paragraph (3).

(3) ELIGIBLE PROJECTS.—A project that is eligible to be carried out using funds provided under this section may include projects that—

(A) are listed on the priority list of a State under section 216 of the Federal Water Pollution Control Act (33 U.S.C. 1296);

(B) mitigate wet weather flows, including combined sewer overflows, sanitary sewer overflows, and stormwater discharges;

(C) upgrade publicly owned treatment works with a permitted design capacity to treat an annual average of at least 500,000 gallons of wastewater per day, the upgrade of which would produce the greatest nutrient load reductions at points of discharge, or result in the greatest environmental benefits, with nutrient removal technologies that are designed to reduce total nitrogen in discharged wastewater to an average annual concentration of 3 milligrams per liter;

(D) implement locally based watershed protection plans created by local nonprofit organizations that—

(i) provide a coordinating framework for management that focuses public and private efforts to address the highest priority water-related problems within a geographic area, considering both ground and surface water flow; and

(ii) includes representatives from both point source and nonpoint source contributors;

(E) are contained in a State plan developed in accordance with section 319 or 320 of the Federal Water Pollution Control Act (33 U.S.C. 1329, 1330); or

(F) include means to develop alternative water supplies.

(c) LOCAL PARTICIPATION.—In prioritizing projects for implementation under this section, the Administrator shall consult with, and consider the priorities of—

(1) affected State and local governments; and

(2) public and private entities that are active in watershed planning and restoration.

(d) COST SHARING.—Before carrying out any project under this section, the Administrator shall enter into a binding agreement with 1 or more non-Federal interests that shall require the non-Federal interests—

(1) to pay 45 percent of the total costs of the project, which may include services, materials, supplies, or other in-kind contributions;

(2) to provide any land, easements, rights-of-way, and relocations necessary to carry out the project; and

(3) to pay 100 percent of any operation, maintenance, repair, replacement, and rehabilitation costs associated with the project.

(e) WAIVER.—The Administrator may waive the requirement to pay the non-Federal share of the cost of carrying out an eligible activity using funds from a grant provided under this section if the Administrator determines that an eligible entity is unable to pay, or would experience significant financial hardship if required to pay, the non-Federal share.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $300,000,000 for each of fiscal years 2006 through 2010.

TITLE II—SAFE DRINKING WATER INFRASTRUCTURE

SEC. 201. PRECONSTRUCTION WORK.

Section 1452(a)(2) of the Safe Drinking Water Act (42 U.S.C. 300j–12(a)(2)) is amended in the second sentence—

(1) by striking ''(not'' and inserting ''(including expenditures for planning, design, and associated preconstruction and for recovery for siting of the facility and related elements but not''; and

(2) by inserting before the period at the end the following: ''or to replace or rehabilitate aging collection, treatment, storage (including reservoirs), or distribution facilities of public water systems or provide for capital projects to upgrade the security of public water systems''.

SEC. 202. AFFORDABILITY.

Section 1452(d)(3) of the Safe Drinking Water Act (42 U.S.C. 300j–12(d)(3)) is amended in the first sentence by inserting '', or portion of a service area,'' after ''service area''.

SEC. 203. SAFE DRINKING WATER REVOLVING LOAN FUNDS.

Section 1452(g) of the Safe Drinking Water Act (42 U.S.C. 300j–12(g)) is amended—

(1) paragraph (2)—

(A) in the first sentence, by striking ''4'' and inserting ''6''; and

(B) by striking ''1419,'' and all that follows through ''1933.'' and inserting ''1419.''; and

(2) by adding at the end the following:

''(5) TRANSFER OF FUNDS.—

''(A) IN GENERAL.—The Governor of a State may—

''(i)(I) reserve not more than 33 percent of a capitalization grant made under this section; and

''(II) add the funds reserved to any funds provided to the State under section 601 of the Federal Water Pollution Control Act (33 U.S.C. 1381); and

''(ii)(I) reserve for any fiscal year an amount that does not exceed the amount that may be reserved under clause (i)(I) for that year from capitalization grants made under section 601 of that Act (33 U.S.C. 1381); and

''(II) add the reserved funds to any funds provided to the State under this section.

''(B) STATE MATCH.—Funds reserved under this paragraph shall not be considered to be a State match of a capitalization grant required under this section or section 602(b) of the Federal Water Pollution Control Act (33 U.S.C. 1382(b)).''.

SEC. 204. OTHER AUTHORIZED ACTIVITIES.

Section 1452(k)(2)(D) of the Safe Drinking Water Act (42 U.S.C. 300j–12(k)(2)(D)) is amended by inserting before the period at the end the following: ''(including implementation of source water protection plans)''.

SEC. 205. PRIORITY SYSTEM REQUIREMENTS.

Section 1452(b)(3) of the Safe Drinking Water Act (42 U.S.C. 300j–12(b)(3)) is amended—

(1) by redesignating subparagraph (B) as subparagraph (D);

(2) by striking subparagraph (A) and inserting the following:

''(A) DEFINITION OF RESTRUCTURING.—In this paragraph, the term 'restructuring' means changes in operations (including ownership, accounting, rates, maintenance, consolidation, and alternative water supply).

''(B) PRIORITY SYSTEM.—An intended use plan shall provide, to the maximum extent practicable, that priority for the use of funds be given to projects that—

''(i) address the most serious risk to human health;

''(ii) are necessary to ensure compliance with this title (including requirements for filtration); and

''(iii) assist systems most in need on a per-household basis according to State affordability criteria.

''(C) WEIGHT GIVEN TO APPLICATIONS.—After determining project priorities under subparagraph (B), an intended use plan shall further provide that the State shall give greater weight to an application for assistance by a community water system if the application includes such other information as the State determines to be necessary and—

''(i) an inventory of assets, including a description of the condition of the assets;

''(ii) a schedule for replacement of assets;

''(iii) a financing plan indicating sources of revenue from ratepayers, grants, bonds, other loans, and other sources;

''(iv) a review of options for restructuring the public water system;

''(v) demonstration of consistency with State, regional, and municipal watershed plans; or

''(vi) a review of options for urban waterfront development or brownfields revitalization to be completed in conjunction with the project;''; and

(3) in subparagraph (D) (as redesignated by paragraph (1)), by striking ''periodically'' and inserting ''at least biennially''.

SEC. 206. AUTHORIZATION OF APPROPRIATIONS.

Section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j–12) is amended by striking subsection (m) and inserting the following:

''(m) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated to carry out this section—

''(A) $1,500,000,000 for fiscal year 2006;

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

''(C) $3,500,000,000 for fiscal year 2009; and

''(D) $6,000,000,000 for fiscal year 2010.

''(2) AVAILABILITY.—Amounts made available under this subsection shall remain available until expended.

''(3) RESERVATION FOR NEEDS SURVEYS.—Of the amount made available under paragraph (1) to carry out this section for a fiscal year, the Administrator may reserve not more than $1,000,000 per year to pay the costs of conducting needs surveys under subsection (h).''.

SEC. 207. CRITICAL DRINKING WATER INFRASTRUCTURE PROJECTS.

(a) ESTABLISHMENT.—Not later than 180 days after the date of enactment of this Act, the Administrator of the Environmental Protection Agency shall establish a program under which grants are provided to eligible entities for use in carrying out projects and activities the primary purpose of which is to assist community water systems in meeting the requirements of the Safe Drinking Water Act (42 U.S.C. 300f et seq.).

(b) PROJECT SELECTION.—A project that is eligible to be carried out using funds provided under this section may include projects that—

(1) develop alternative water sources;

(2) provide assistance to small systems; or

(3) assist a community water system—

(A) to comply with a national primary drinking water regulation; or

(B) to mitigate groundwater contamination.

(c) ELIGIBLE ENTITIES.—An entity eligible to receive a grant under this section is—

(1) a community water system as defined in section 1401 of the Safe Drinking Water Act (42 U.S.C. 300f); or

(2) a system that is located in an area governed by an Indian Tribe, as defined in section 1401 of the Safe Drinking Water Act (42 U.S.C. 300f);

(d) PRIORITY.—In prioritizing projects for implementation under this section, the Administrator shall give priority to community water systems that—

(1) serve a community that, under affordability criteria established by the State under section 1452(d)(3) of the Safe Drinking Water Act (42 U.S.C. 300j-12), is determined by the State to be—

(A) a disadvantaged community; or

(B) a community that may become a disadvantaged community as a result of carrying out an eligible activity; or

(2) serve a community with a population of less than 10,000 households.

(e) LOCAL PARTICIPATION.—In prioritizing projects for implementation under this section, the Administrator shall consult with, and consider the priorities of, affected States, Tribes, and local governments.

(f) COST SHARING.—Before carrying out any project under this section, the Administrator shall enter into a binding agreement with 1 or more non-Federal interests that shall require the non-Federal interests—

(1) to pay 45 percent of the total costs of the project, which may include services, materials, supplies, or other in-kind contributions;

(2) to provide any land, easements, rights-of-way, and relocations necessary to carry out the project; and

(3) to pay 100 percent of any operation, maintenance, repair, replacement, and rehabilitation costs associated with the project.

(g) WAIVER.—The Administrator may waive the requirement to pay the non-Federal share of the cost of carrying out an eligible activity using funds from a grant provided under this section if the Administrator determines that an eligible entity is unable to pay, or would experience significant financial hardship if required to pay, the non-Federal share.

(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $300,000,000 for each of fiscal years 2006 through 2010.

SEC. 208. SMALL SYSTEM REVOLVING LOAN FUNDS.

Section 1442(e) of the Safe Drinking Water Act (42 U.S.C. 300j091(e)) is amended—

(1) in the first sentence, by striking ''The Administrator may provide'' and inserting the following:

''(1) IN GENERAL.—The Administrator may provide''; and

(2) by adding at the end the following:

''(2) SMALL SYSTEM REVOLVING LOAN FUND.—

''(A) IN GENERAL.—In addition to amounts provided under this section, the Administrator may provide grants to qualified private, nonprofit entities to capitalize revolving funds to provide financing to eligible entities described in subparagraph (B) for—

''(i) predevelopment costs (including costs for planning, design, associated preconstruction, and necessary activities for siting the facility and related elements) associated with proposed water projects or with existing water systems; and

''(ii) short-term costs incurred for replacement equipment, small-scale extension services, or other small capital projects that are not part of the regular operations and maintenance activities of existing water systems.

''(B) ELIGIBLE ENTITIES.—To be eligible for assistance under this paragraph, an entity shall be a small water system (as described in section 1412(b)(4)(E)(ii)).

''(C) MAXIMUM AMOUNT OF LOANS.—The amount of financing made to an eligible entity under this paragraph shall not exceed—

''(i) $100,000 for costs described in subparagraph (A)(i); and

''(ii) $100,000 for costs described in subparagraph (A)(ii).

''(D) TERM.—The term of a loan made to an eligible entity under this paragraph shall not exceed 10 years.

''(E) ANNUAL REPORT.—For each fiscal year, a qualified private, nonprofit entity that receives a grant under subparagraph (A) shall submit to the Administrator a report that—

''(i) describes the activities of the qualified private, nonprofit entity under this paragraph for the fiscal year; and

''(ii) specifies—

''(I) the number of communities served;

''(II) the sizes of those communities; and

''(III) the type of financing provided by the qualified private, nonprofit entity.

''(F) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $25,000,000 for each of fiscal years 2006 through 2010.''.

SEC. 209. STUDY ON LEAD CONTAMINATION IN DRINKING WATER.

(a) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Administrator of the Environmental Protection Agency shall enter into a cooperative agreement with the National Academy of Sciences to carry out a study to analyze existing market conditions for plumbing components, including pipes, faucets, water meters, valves, household valves, and any other plumbing components that come into contact with water commonly used for human consumption.

(b) COMPONENTS.—In conducting the study under subsection (a), the National Academy of Sciences shall evaluate for each category of plumbing components described in subsection (a)—

(1) the availability of plumbing components in each category with lead content below 8 percent, including those between 0 percent and 4 percent and those between 4 percent and 8 percent;

(2) the relative market share of the plumbing components;

(3) the relative cost of the plumbing components;

(4) the issues surrounding transition from current market to plumbing components with not more than 0.2 percent lead;

(5) the feasibility of manufacturing plumbing components with lead levels below 8 percent; and

(6) the use of lead alternatives in plumbing components with lead levels below 8 percent.

(c) REPORT.—Not late than 1 year after the date of enactment of this Act, the National Academy of Sciences shall submit to the Committee on Environment and Public Works of the Senate and the Committee on Energy and Commerce of the House of Representatives a report describing the findings of the study under this section.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $500,000.

SEC. 210. DISTRICT OF COLUMBIA LEAD SERVICE LINE REPLACEMENT.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out lead service line replacement in the District of Columbia $30,000,000 for each of fiscal years 2007 through 2011.

(b) LEAD SERVICE LINE REPLACEMENT ASSISTANCE FUND.—

(1) IN GENERAL.—Of the funds provided under subsection (a), not more than $2,000,000 per year may be allocated for water service line replacement grants to provide assistance to low-income residents to replace the privately-owned portion of lead service lines.

(2) LIMITATION.—Individual grants shall be limited to not more than $5,000.

(3) DEFINITION OF LOW INCOME.—For the purpose of this subsection, the term ''low-income'' shall be defined by the District of Columbia.

TITLE III—MISCELLANEOUS

SEC. 301. DEFINITIONS.

In this title:

(1) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of the Environmental Protection Agency.

(2) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior, acting through the Director of the United States Geological Survey.

SEC. 302. DEMONSTRATION GRANT PROGRAM FOR WATER QUALITY ENHANCEMENT AND MANAGEMENT.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Administrator shall establish a nationwide demonstration grant program to—

(A) promote innovations in technology and alternative approaches to water quality management or water supply; or

(B) reduce costs to municipalities incurred in complying with—

(i) the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.); and

(ii) the Safe Drinking Water Act (42 U.S.C. 300f et seq.).

(2) SCOPE.—The demonstration grant program shall consist of 10 projects each year, to be carried out in municipalities selected by the Administrator under subsection (b).

(b) SELECTION OF MUNICIPALITIES.—

(1) APPLICATION.—A municipality that seeks to participate in the demonstration grant program shall submit to the Administrator a plan that—

(A) is developed in coordination with—

(i) the agency of the State having jurisdiction over water quality or water supply matters; and

(ii) interested stakeholders;

(B) describes water impacts specific to urban or rural areas;

(C) includes a strategy under which the municipality, through participation in the demonstration grant program, could effectively—

(i) address water quality or water supply problems; and

(ii) achieve the water quality goals that—

(I) could be achieved using more traditional methods; and

(II) are required under—

(aa) the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.); or

(bb) the Safe Drinking Water Act (42 U.S.C. 300f et seq.); and

(D) includes a schedule for achieving the water quality or water supply goals of the municipality.

(2) TYPES OF PROJECTS.—In carrying out the demonstration grant program, the Administrator shall provide grants for projects relating to water supply or water quality matters such as—

(A) excessive nutrient growth;

(B) urban or rural population pressure;

(C) lack of an alternative water supply;

(D) difficulties in water conservation and efficiency;

(E) lack of support tools and technologies to rehabilitate and replace water supplies;

(F) lack of monitoring and data analysis for water distribution systems;

(G) nonpoint source water pollution (including stormwater);

(H) sanitary overflows;

(I) combined sewer overflows;

(J) problems with naturally occurring constituents of concern;

(K) problems with erosion and excess sediment;

(L) new approaches to water treatment, distribution, and collection systems; and

(M) new methods for collecting and treating wastewater (including system design and nonstructural alternatives).

(3) RESPONSIBILITIES OF ADMINISTRATOR.—In providing grants for projects under this subsection, the Administrator shall—

(A) ensure, to the maximum extent practicable, that—

(i) the demonstration program includes a variety of projects with respect to—

(I) geographic distribution;

(II) innovative technologies used for the projects; and

(III) nontraditional approaches (including low-impact development technologies) used for the projects; and

(ii) each category of project described in paragraph (2) is adequately represented;

(B) give higher priority to projects that—

(i) address multiple problems; and

(ii) are regionally applicable;

(C) ensure, to the maximum extent practicable, that at least 1 community having a population of 10,000 or fewer individuals receives a grant for each fiscal year; and

(D) ensure that, for each fiscal year, no municipality receives more than 25 percent of the total amount of funds made available for the fiscal year to provide grants under this section.

(4) COST SHARING.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the non-Federal share of the total cost of a project funded by a grant under this section shall be not less than 20 percent.

(B) WAIVER.—The Administrator may reduce or eliminate the non-Federal share of the cost of a project for reasons of affordability.

(c) REPORTS.—

(1) REPORTS FROM GRANT RECIPIENTS.—A recipient of a grant under this section shall submit to the Administrator, on the date of completion of a project of the recipient and on each of the dates that is 1, 2, and 3 years after that date, a report that describes the effectiveness of the project.

(2) REPORTS TO CONGRESS.—Not later than 2 years after the date of enactment of this Act, and every 2 years thereafter, the Administrator shall submit to the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure and the Committee on Energy and Commerce of the House of Representatives a report that describes the status and results of the demonstration program.

(d) INCORPORATION OF RESULTS AND INFORMATION.—To the maximum extent practicable, the Administrator shall incorporate the results of, and information obtained from, successful projects under this section into programs administered by the Administrator.

(e) RESEARCH AND DEVELOPMENT.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Administrator shall, through a competitive process, award grants and enter into contracts and cooperative agreements with research institutions, educational institutions, and other appropriate entities (including consortia of such institutions and entities) for research and development on the use of innovative and alternative technologies to improve water quality or drinking water supply.

(2) TYPES OF PROJECTS.—In carrying out this subsection, the Administrator may select projects relating to such matters as innovative or alternative technologies, approaches, practices, or methods—

(A) to increase the effectiveness and efficiency of public water supply systems, including—

(i) source water protection;

(ii) water use reduction;

(iii) water reuse;

(iv) water treatment;

(v) water distribution and collection systems; and

(vi) water security;

(B) to encourage the use of innovative or alternative technologies or approaches relating to water supply or availability;

(C) to increase the effectiveness and efficiency of new and existing treatment works, including—

(i) methods of collecting, treating, dispersing, reusing, reclaiming, and recycling wastewater;

(ii) system design;

(iii) nonstructural alternatives;

(iv) decentralized approaches;

(v) assessment;

(vi) water efficiency; and

(vii) wastewater security;

(D) to increase the effectiveness and efficiency of municipal separate storm sewer systems;

(E) to promote new water treatment technologies, including commercialization and dissemination strategies for adoption of innovative or alternative low impact development technologies in the homebuilding industry; or

(F) to maintain a clearinghouse of technologies developed under this subsection and subsection (a) at a research consortium or institute.

(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $20,000,000 for each of fiscal years 2006 through 2010.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section (other than subsection (e)) $20,000,000 for each of fiscal years 2006 through 2010.

SEC. 303. AGRICULTURAL POLLUTION CONTROL TECHNOLOGY GRANT PROGRAM.

(a) DEFINITIONS.—In this section:

(1) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of the Environmental Protection Agency.

(2) AGRICULTURAL COMMODITY.—The term ''agricultural commodity'' means—

(A) agricultural, horticultural, viticultural, and dairy products;

(B) livestock and the products of livestock;

(C) the products of poultry and bee raising;

(D) the products of forestry;

(E) other commodities raised or produced on agricultural sites, as determined to be appropriate by the Secretary; and

(F) products processed or manufactured from products specified in subparagraphs (A) through (E), as determined by the Secretary.

(3) AGRICULTURAL PROJECT.—The term ''agricultural project'' means an agricultural pollution control technology project that, as determined by the Administrator—

(A) is carried out at an agricultural site; and

(B) achieves demonstrable reductions in air and water pollution.

(4) AGRICULTURAL SITE.—The term ''agricultural site'' means a farming or ranching operation of a producer.

(5) PRODUCER.—The term ''producer'' means any person who is engaged in the production and sale of an agricultural commodity in the United States and who owns, or shares the ownership and risk of loss of, the agricultural commodity.

(6) REVOLVING FUND.—The term ''revolving fund'' means an agricultural pollution control technology State revolving fund established by a State using amounts provided under subsection (b)(1).

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

(b) GRANTS FOR AGRICULTURAL STATE REVOLVING FUNDS.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this section, the Administrator shall provide to each eligible State described in paragraph (2) 1 or more capitalization grants, that cumulatively equal no more than $1,000,000 per State, for use in establishing, within an agency of the State having jurisdiction over agriculture or environmental quality, an agricultural pollution control technology State revolving fund.

(2) ELIGIBLE STATES.—An eligible State referred to in paragraph (1) is a State that agrees, prior to receipt of a capitalization grant under paragraph (1)—

(A) to establish, and deposit the funds from the grant in, a revolving fund;

(B) to provide, at a minimum, a State share in an amount equal to 20 percent of the capitalization grant;

(C) to use amounts in the revolving fund to make loans to producers in accordance with subsection (c); and

(D) to return amounts in the revolving fund if no loan applications are granted within 2 years of the receipt of the initial capitalization grant.

(c) LOANS TO PRODUCERS.—

(1) USE OF FUNDS.—A State that establishes a revolving fund under subsection (b)(2) shall use amounts in the revolving fund to provide loans to producers for use in designing and constructing agricultural projects.

(2) MAXIMUM AMOUNT OF LOAN.—The amount of a loan made to a producer using funds from a revolving fund shall not exceed $250,000, in the aggregate, for all agricultural projects serving an agricultural site of the producer.

(3) CONDITIONS ON LOANS.—A loan made to a producer using funds from a revolving fund shall—

(A) have an interest rate that is not more than the market interest rate, including an interest-free loan; and

(B) be repaid to the revolving fund not later than 10 years after the date on which the loan is made.

(d) REQUIREMENTS FOR PRODUCERS.—

(1) IN GENERAL.—A producer that seeks to receive a loan from a revolving fund shall—

(A) submit to the State in which the agricultural site of the producer is located an application that—

(i) contains such information as the State may require; and

(ii) demonstrates, to the satisfaction of the State, that each project proposed to be carried out with funds from the loan is an agricultural project; and

(B) agree to expend all funds from a loan in an expeditious and timely manner, as determined by the State.

(2) MAXIMUM PERCENTAGE OF AGRICULTURAL PROJECT COST.—Subject to subsection (c)(2), a producer that receives a loan from a revolving fund may use funds from the loan to pay up to 100 percent of the cost of carrying out an agricultural project.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $50,000,000.

SEC. 304. STATE REVOLVING FUND REVIEW PROCESS.

As soon as practicable after the date of enactment of this Act, the Administrator shall—

(1) consult with States, utilities, and other Federal agencies providing financial assistance to identify ways to expedite and improve the application and review process for the provision of assistance from—

(A) the State water pollution control revolving funds established under title VI of the Federal Water Pollution Control Act (33 U.S.C. 1381 et seq.); and

(B) the State drinking water treatment revolving loan funds established under section 1452 of the Safe Drinking Water Act (42 U.S.C. 300–12);

(2) take such administrative action as is necessary to expedite and improve the process as the Administrator has authority to take under existing law;

(3) collect information relating to innovative approaches taken by any State to simplify the application process of the State, and provide the information to each State; and

(4) submit to Congress a report that, based on the information identified under paragraph (1), contains recommendations for legislation to facilitate further streamlining and improvement of the process.

SEC. 305. COST OF SERVICE STUDY.

(a) IN GENERAL.—Not later than 2 years after the date of enactment of this Act, the Administrator shall enter into a contract with the National Academy of Sciences for, and the National Academy of Sciences shall complete and provide to the Administrator the results of, a study of the means by which public water systems and treatment works selected by the Academy in accordance with subsection (c) meet the costs associated with operations, maintenance, capital replacement, and regulatory requirements.

(b) REQUIRED ELEMENTS.—

(1) AFFORDABILITY.—The study shall, at a minimum—

(A) determine whether the rates at public water systems and treatment works for communities included in the study were established using a full-cost pricing model;

(B) if a full-cost pricing model was not used, identify any incentive rate systems that have been successful in significantly reducing—

(i) per capita water demand;

(ii) the volume of wastewater flows;

(iii) the volume of stormwater runoff; or

(iv) the quantity of pollution generated by stormwater;

(C) identify a set of best industry practices that public water systems and treatment works may use in establishing a rate structure that—

(i) adequately addresses the true cost of services provided to consumers by public water systems and treatment works, including infrastructure replacement;

(ii) encourages water conservation; and

(iii) takes into consideration the needs of disadvantaged individuals and communities, as identified by the Administrator;

(D) identify existing standards for affordability;

(E) determine the manner in which those standards are determined and defined;

(F) determine the manner in which affordability varies with respect to communities of different sizes and in different regions; and

(G) determine the extent to which affordability affects the decision of a community to increase public water system and treatment works rates (including the decision relating to the percentage by which those rates should be increased).

(2) DISADVANTAGED COMMUNITIES.—The study shall, at a minimum—

(A) survey a cross-section of States representing different sizes, demographics, and geographical regions;

(B) describe, for each State described in subparagraph (A), the definition of ''disadvantaged community'' used in the State in carrying out projects and activities under the Safe Drinking Water Act (42 U.S.C. 300f et seq.);

(C) review other means of identifying the meaning of the term ''disadvantaged'', as that term applies to communities;

(D) determine which factors and characteristics are required for a community to be considered ''disadvantaged''; and

(E) evaluate the degree to which factors such as a reduction in the tax base over a period of time, a reduction in population, the loss of an industrial base, and the existence of areas of concentrated poverty are taken into account in determining whether a community is a disadvantaged community.

(c) SELECTION OF COMMUNITIES.—The National Academy of Sciences shall select communities, the public water system and treatment works rate structures of which are to be studied under this section, that include a cross-section of communities representing various populations, income levels, demographics, and geographical regions.

(d) USE OF RESULTS OF STUDY.—On receipt of the results of the study, the Administrator shall—

(1) submit to Congress a report that describes the results of the study; and

(2) make the results available to treatment works and public water systems for use by the publicly owned treatment works and public water systems, on a voluntary basis, in determining whether 1 or more new approaches may be implemented at facilities of the publicly owned treatment works and public water systems.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $1,000,000 for each of fiscal years 2006 and 2007.

SEC. 306. WATER RESOURCES STUDY.

(a) ASSESSMENT.—

(1) IN GENERAL .—The Secretary shall—

(A) not later than 2 years after the date of enactment of this Act, conduct an assessment of water resources in the United States; and

(B) update the assessment every 2 years thereafter.

(2) COMPONENTS.—The assessment shall, at a minimum—

(A) measure the status and trends of—

(i) fresh water in rivers and reservoirs;

(ii) groundwater levels and volume of useable fresh water stored in aquifers; and

(iii) fresh water withdrawn from streams and aquifers in the United States; and

(B) provide those measurements for—

(i) watersheds defined by the 352 hydrologic accounting units of the United States; and

(ii) major aquifers of the United States, as identified by the Secretary.

(3) REPORT.—Not later than 1 year after the date of completion of the assessment and every 2 years thereafter, the Secretary shall submit to Congress a report—

(A) describing the results of the assessment; and

(B) containing any recommendations of the Secretary relating to the assessment that—

(i) are consistent with existing laws, treaties, decrees, and interstate compacts; and

(ii) respect the primary role of States in adjudicating, administering, and regulating water rights and uses.

(b) WATER RESOURCE RESEARCH PRIORITIES.—

(1) IN GENERAL.—The Secretary shall coordinate a process among Federal agencies and appropriate State agencies to develop and publish, not later than 1 year after the date of enactment of this Act, a list of water resource research priorities that focuses on—

(A) water supply monitoring;

(B) means of capturing excess water and flood water for conservation and use in the event of a drought;

(C) strategies to conserve existing water supplies, including recommendations for repairing aging infrastructure;

(D) identifying incentives to ensure an adequate and dependable supply of water;

(E) identifying available technologies and other methods to optimize water supply reliability, availability, and quality, while safeguarding the environment; and

(F) improving the quality of water resource information available to State, tribal, and local water resource managers.

(2) USE OF LIST.—The list published under paragraph (1) shall be used by Federal agencies as a guide in making decisions on the allocation of water research funding.

(c) INFORMATION DELIVERY SYSTEM.—

(1) IN GENERAL.—The Secretary shall coordinate a process to develop an effective information delivery system to communicate information described in paragraph (2) to—

(A) decisionmakers at the Federal, regional, State, tribal, and local levels;

(B) the private sector; and
(C) the general public.
(2) TYPES OF INFORMATION.—The information referred to in paragraph (1) may include—
(A) the results of the national water resource assessments under subsection (a);
(B) a summary of the Federal water research priorities developed under subsection (b);
(C) near real-time data and other information on water shortages and surpluses;
(D) planning models for water shortages or surpluses (at various levels including State, river basin, and watershed levels);
(E) streamlined procedures for States and localities to interact with and obtain assistance from Federal agencies that perform water resource functions; and
(F) other water resource materials, as the Secretary determine appropriate.
(d) REPORT TO CONGRESS.—Not later than 2 years after the date of enactment of this Act, and every 2 years thereafter through fiscal year 2009, the Secretary shall submit to Congress a report on the implementation of this section.
(e) SAVINGS CLAUSE.—Nothing in this section—
(1) modifies, supercedes, abrogates, impairs, or otherwise affects in any way—
(A) any right or jurisdiction of any State with respect to the water (including boundary water) of the State;
(B) the authority of any State to allocate quantities of water within areas under the jurisdiction of the State; or
(C) any right or claim to any quantity or use of water that has been adjudicated, allocated, or claimed—
(i) in accordance with State law;
(ii) in accordance with subsections (a) through (c) of section 208 of the Department of Justice Appropriation Act, 1953 (43 U.S.C. 666);
(iii) by or pursuant to an interstate compact; or
(iv) by a decision of the United States Supreme Court;
(2) requires a change in the nature of use or the transfer of any right to use water or creates a limitation on the exercise of any right to use water; or
(3) requires modifying the delivery, diversion, non-diversion, allocation, storage, or release from storage of any water to be delivered by contract.
(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated—
(1) to carry out the report authorized by this section, $3,000,000, to remain available until expended; and
(2) to carry out the updates authorized by subsection (a)(1)(B), such sums as are necessary.

Mr. GREGG. Mr. President, sustained military operations in Afghanistan and Iraq have brought to light another example of how outdated and burdensome government policies can punish generous employers. Employers that continue to pay their employees now on active duty in the uniformed services are experiencing tax and pension difficulties that are discouraging this proworker, patriotic gesture. Apparently, when it comes to companies showing their respect for their employees called to serve, there is special meaning to the old cliché ''no good deed goes unpunished.''

The National Committee for Employer Support for the Guard and Reserve, a nationwide association, reports that thousands of employers across the country have signed a pledge of support and have gone above and beyond the requirements of the law in support of their National Guard and Reserve employees. This includes many of our Nation's largest and most reputable corporations, including 3M, McDonalds, Wal-Mart, Home Depot, Liberty Mutual and many others. These commendable companies provide reservist employees who are on active duty with ''differential pay'' that makes up the difference between their military stipend and civilian salary.

In New Hampshire, some of the most remarkable stories of corporate patriotism can be found. BAE Systems of Nashua has 110 people serving in the Guard and Reserves, 11 of whom are currently deployed overseas. They provide differential pay to all their called-up employees and continuing access to benefits to family members. The company even provides a stipend to make up the lost pay of active duty spouses of company employees when the spouse's employer is not able to provide differential pay.

Consider also the account of Mr. Marian Noronha, Chairman and Founder of Turbocam, a manufacturer based in Dover, New Hampshire. An immigrant from India, Mr. Noronha has not only provided his employees with differential pay and continued family health benefits, but has also extended to each of his activated employees a $10,000 line of credit. His active duty reservist and Guard employees have used this money to, among other things, purchase personal computers so their families can communicate with them while they are overseas. Several other New Hampshire private-sector companies, including Hitchiner Manufacturing Company in Milford, have exemplary records when it comes to dealing with reservist employees.

Under current law, employers of reservists and guardsmen called up for active duty are required to treat them as if they are on a leave of absence under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA). The Act does not require employers to pay reservists who are on active duty. But as I have pointed out, many employers pay the reservists the difference between their military stipends and their regular salaries. Some employers provide this ''differential pay'' for up to three years. For employee convenience, many of these companies also allow deductions from the differential payment for contributions to their 401(k) retirement plans.

The conflict arises, however, because a 1969 IRS Revenue Ruling considers the employment relationship terminated when active duty begins. This ruling prevents employers from treating the differential pay as wages for income tax purposes, resulting in unexpected tax bills at the end of the year for these military personnel. Further, the contributions made to the worker's retirement account potentially invalidate, disqualify, the employer's entire retirement plan which could make all amounts immediately taxable to plan participants and the employer.

The Uniformed Services Differential Pay Protection Act that I am introducing today clarifies that differential wage payments are to be treated as wages to current employees for income tax purposes and that retirement plan contributions are permissible. The bill does the following:

Differential wage payments would be treated as wages for income tax withholding purposes and reported on the worker's W–2 form. This means that active duty personnel will not be hit with end-of-the-year tax bills.

No New Taxes: The legislation does not change present law, and deferential wage payments will not be subject to Social Security and unemployment compensation taxes.

Definition: ''Differential wage payments'' are defined to mean any payment which: 1. is made by an employer to an individual while he or she is on active duty for a period of more than 30 days, and 2. represents all or a portion of the wages the individual would have received from the employer if he or she were performing service for the employer.

An individual receiving differential wage payments would continue to be treated as an employee for purposes of the rules applicable to qualified retirement plans, removing the threat that contributions on his or her behalf would invalidate the employer's entire plan.

Distributions Protected: Clarifying language is included to ensure that individuals would continue to be permitted to take distributions from their accounts when they leave their jobs for active duty. Thus, the right to receive distributions will be preserved even though individuals are treated as current employees for contribution purposes. The bill includes a prohibition on making elective deferrals or employee contributions for six months after receiving a distribution.

Satisfying Nondiscrimination Rules: In order to avoid disruptions in retirement savings plans and to remove disincentives, employers could disregard contributions to retirement savings accounts based on differential wage payments for nondiscrimination testing purposes, provided that such payments are available to all mobilized employees on reasonably equivalent terms.

In summary, the Uniformed Services Differential Pay Protection Act upholds the principle that employers should not be penalized for their generosity towards our Nation's reservists and members of the National Guard.

By Mr. WYDEN:

S. 1403. A bill to amend title XVIII of the Social Security Act to extend reasonable cost contracts under medicare; to the Committee on Finance.

Mr. WYDEN. Mr. President, when Congress passed the Medicare Modernization Act, Medicare cost contracts

were kept as a health plan option for seniors. However, Congress also limited the ability of cost contracts to operate in areas if a Medicare Advantage plan decided to offer service in that area and stayed for a year.

Medicare cost contracts are plans that offer more benefits than basic Medicare and are often available in areas in which Medicare Advantage plans are not offered. Many of the thousands of Oregonians who have cost contract plans are in rural Oregon, where there are few options for care. The legislation I am introducing today, ''The Medicare Cost Contract Extension and Refinement Act of 2005'', would allow seniors to keep their cost contracts longer even if a Medicare Advantage plan is offered. The bill also adds more consumer protection provisions that are similar to those already in law for Medicare Advantage plans. I believe that it is not only important to ensure seniors have choices, but that they can keep the choice that works best for them as well. 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. 1403

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 ''Medicare Cost Contract Extension and Refinement Act of 2005''.

SEC. 2. EXTENSION OF REASONABLE COST CONTRACTS.

(a) EXTENSION OF PERIOD REASONABLE COST PLANS CAN REMAIN IN THE MARKET.—Section 1876(h)(5)(C)(ii) of the Social Security Act (42 U.S.C. 1395mm(h)(5)(C)(ii) is amended—

(1) in the matter preceding subclause (I)—

(A) by striking ''January 1, 2008'' and inserting ''January 1, 2012'';

(B) by striking ''year'' and inserting ''two years''; and

(C) by inserting ''entirely'' after ''was'';

(2) in subclause (I), by inserting '', provided that all such plans are not offered by the same Medicare Advantage organization'' before the semicolon at the end; and

(3) in subclause (II), by inserting '', provided that all such plans are not offered by the same Medicare Advantage organization'' before the semicolon at the end.

(b) EXTENSION OF PERIOD REASONABLE COST PLANS CAN EXPAND THEIR SERVICE AREA.—Section 1876(h)(5)(B)(i) of the Social Security Act (42 U.S.C. 1395mm(h)(5)(B)(i)) is amended to read as follows:

''(i) the conditions for prohibiting an extension or renewal of a contract under subparagraph (C)(ii) are not applicable to such service area at the time of the application.''.

SEC. 3. APPLICATION OF CERTAIN MEDICARE ADVANTAGE REQUIREMENTS TO COST CONTRACTS EXTENDED OR RENEWED AFTER 2003.

Section 1876(h) of the Social Security Act (42 U.S.C. 1395mm(h)), as amended by section (2), is amended—

(1) by redesignating paragraph (5) as paragraph (6); and

(2) by inserting after paragraph (4) the following new paragraph:

''(5)(A) Any reasonable cost reimbursement contract with an eligible organization under this subsection that is extended or renewed on or after the date of enactment of the Medicare Cost Contract Extension and Refinement Act of 2005 shall provide that the provisions of the Medicare Advantage program under part C described in subparagraph (B) shall apply to such organization and such contract in a substantially similar manner as such provisions apply to Medicare Advantage organizations and Medicare Advantage plans under such part.

''(B) The provisions described in this subparagraph are as follows:

''(i) Section 1851(d) (relating to the provision of information to promote informed choice).

''(ii) Section 1851(h) (relating to the approval of marketing material and application forms).

''(iii) Section 1852(a)(3)(A) (regarding the authority of organizations to include mandatory supplemental health care benefits under the plan subject to the approval of the Secretary).

''(iv) Section 1852(e) (relating to the requirement of having an ongoing quality improvement program and treatment of accreditation in the same manner as such provisions apply to Medicare Advantage local plans that are preferred provider organization plans).

''(v) Section 1852(j)(4) (relating to limitations on physician incentive plans).

''(vi) Section 1854(c) (relating to the requirement of uniform premiums among individuals enrolled in the plan).

''(vii) Section 1854(g) (relating to restrictions on imposition of premium taxes with respect to payments to organizations).

''(viii) Section 1856(b)(3) (relating to relation to State laws).

''(ix) Section 1857(i) (relating to Medicare Advantage program compatibility with employer or union group health plans).

''(x) The provisions of part C relating to timelines for contract renewal and beneficiary notification.''.

By Mr. BOND:

S. 1404. A bill to clarify that terminal development grants remain in effect under certain conditions; to the Committee on Commerce, Science, and Transportation.

Mr. BOND. Mr. President, I rise today to introduce legislation that will allow for the continued expansion of non-primary hub airports across the country.

The simple fact of the matter is that demand for commercial air service in and out of many of these smaller non-primary hub airports is far exceeding the current operational capacity at these airports. Expanded airfield and terminal capacity at these airports are desperately needed to meet the growing demand for air service in these high growth communities.

The Springfield/Branson Metropolitan Area in Southwest Missouri is a classic example of one of these high growth communities where demand for air service is exceeding the current operational capacity of area's primary regional airport.

The city of Springfield is the economic hub for 26 Missouri Counties with a population of approximately 1 million people. Over the last 10 years, the population of the Springfield area has increased by more than twice the annual growth rate experienced by the State of Missouri.

The Springfield metropolitan workforce has grown by more than 27 percent the past 10 years, and is projected to grow by 18 percent over the next ten years. Annual regional tourism accounts for over 2.2 million visitors in Springfield and over 7 million annual visitors to the booming Branson area.

Because of the tremendous growth in this region, demand for an air service in and out of the Springfield/Branson Regional Airport is soaring. The current airport is experiencing great difficulty in trying to keep up with the growing demand for air service in this region. The capacity at the current airport is virtually at its maximum.

The FAA has already approved the Springfield Regional Airport Master Plan and completed an environmental assessment for this plan. So far, the FAA has invested over $7 million in the planning and design for this project. Further funding for this project will be needed to fund the expansion of air-side apron, runways, taxiways and limited eligible components of the terminal.

In order to ensure that this essential project goes forward and that previous Federal tax dollars are not wasted, I am introducing legislation that will clarify the status of the Springfield Regional Airport as a non-hub primary airport.

This legislation states that if the status of a non-hub primary airport changes to a small hub primary airport at a time when the airport has already received FAA discretionary funds for a terminal development project—and this project is not yet completed—then the project shall remain eligible for funding from the discretionary fund and the small airport fund to pay costs allowable under section 47110(d) of Title 49. Such an airport project will remain eligible for these funds for three fiscal years after the start of construction of the project, or, if the Secretary determines that a further extension of eligibility is justified, until the project is completed.

This legislation will ensure that the ongoing expansion projects of smaller airports across the country will continue in order to accommodate the growing demand for additional airfield and terminal capacity at these airports.

By Mr. NELSON of Nebraska (for himself, Mr. SANTORUM, and Mr. CORZINE):

S. 1405. A bill to extend the 50 percent compliance threshold used to determine whether a hospital or unit of a hospital is an inpatient rehabilitation facility and to establish the National Advisory Council on Medical Rehabilitation; to the Committee on Finance.

Mr. NELSON of Nebraska. Mr. President, today I am introducing the ''Preserving Patient Access to Inpatient Rehabilitation Hospitals Act of 2005'' to make changes to a rule issued by the Centers for Medicare and Medicaid Services, (CMS) that would threaten the ability of rehabilitation hospitals to continue to provide critical care.

In my home State of Nebraska, Madonna Rehabilitation Hospital in Lincoln is a nationally-recognized premier rehabilitation facility that offers specialized programs and services for those who have suffered brain injuries, strokes, spinal cord injuries, and other rehabilitating injuries. If this rule is not updated, Madonna would not be able to offer the same critical care to its patients as it currently does.

When CMS first looked at whether facilities would qualify as an inpatient rehabilitation facility (IRF), a list of criteria was created to determine eligibility. The criteria, generally referred to as the ''75 Percent Rule,'' were first established in 1984. Initially ten categories were given. When the Rule was revised last year, three categories were added. To qualify as an IRF under the 75 Percent Rule, 75 percent of a facility's patients must be receiving treatment in one of these specified conditions.

On its face, it appeared that CMS expanded the Rule last year by increasing the number of conditions from 10 to 13 and giving facilities a phase-in period to adjust to the changes. Initially the threshold for compliance was set at 50 percent for the first year and continues to rise until it reaches 75 percent in July 2007.

Facilities are struggling to even meet the 50 percent compliance rate in part because the expansion of categories is illusory. The rule will, by CMS' own estimate, shift thousands of patients—both Medicare and non-Medicare—into alternative care settings that may be inappropriate. CMS projected a patient loss of 1,170 admissions in FY 2005. A recent Moran Company report showed that in the first year alone, hospitals have been forced to deny care to between 25,000–40,000 patients to maintain compliance with the new 75 Percent Rule. By the fourth year of the Rule, IRFs will be forced to turn away one out of every three patients in order to operate as a rehabilitation hospital or unit.

My legislation will ensure that patients across America will continue to have access to the rehabilitative care they need, and that experts in this community are organized to advise and make recommendations to Congress and the appropriate Federal agencies based on the realities and challenges facing the rehabilitative field today and in the future. The legislation provides an additional two years at the 50 percent threshold to give facilities additional time to adjust to the new categories and sets up a commission to advise Federal agencies on rehabilitative care and what categories are appropriate to be included in the 75 Percent Rule.

I am pleased that many prestigious organizations have joined me in supporting the legislation. The American Hospital Association, the American Academy of Physical Medicine and Rehabilitation, the Federation of American Hospitals, the American Medical Rehabilitation Providers Association and numerous other associations and advocacy groups have endorsed the legislation. Just as I have heard from patients and medical providers who have experienced problems with this Rule, the members of these associations are also witnessing the devastating effect the Rule is having on those who need this critical care. In addition, Senator SANTORUM is co-sponsoring this bipartisan effort.

I urge my colleagues to support this legislation, and I look forward to its passage.

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. 1405

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 ''Preserving Patient Access to Inpatient Rehabilitation Hospitals Act of 2005''.

SEC. 2. EFFECT ON ENFORCEMENT OF REGULATIONS.

(a) IN GENERAL.—Notwithstanding section 412.23(b)(2) of title 42, Code of Federal Regulations, during the period beginning on July 1, 2005, and ending on the date that is 2 years after the date of enactment of this Act, the Secretary of Health and Human Services (referred to in this Act as the ''Secretary'') shall not—

(1) require a compliance rate, pursuant to the criterion (commonly known as the ''75 percent rule'') that is used to determine whether a hospital or unit of a hospital is an inpatient rehabilitation facility (as defined in the rule published in the Federal Register on May 7, 2004, entitled ''Medicare Program; Final Rule; Changes to the Criteria for Being Classified as an Inpatient Rehabilitation Facility'' (69 Fed. Reg. 25752)), that is greater than the 50 percent compliance threshold that became effective on July 1, 2004;

(2) change the designation of an inpatient rehabilitation facility in compliance with the 50 percent threshold; or

(3) conduct medical necessity review of inpatient rehabilitation facilities using any guidelines, such as fiscal intermediary Local Coverage Determinations, other than the national criteria established in chapter 1, section 110 of the Medicare Benefits Policy Manual.

(b) RETROACTIVE STATUS AS AN INPATIENT REHABILITATION FACILITY; PAYMENTS; EXPEDITED REVIEW.—The Secretary shall establish procedures for—

(1) making any necessary retroactive adjustment to restore the status of a facility as an inpatient rehabilitation facility as a result of subsection (a);

(2) making any necessary payments to inpatient rehabilitation facilities based on such adjustment for discharges occurring on or after July 1, 2005 and before the date of enactment of this Act; and

(3) developing and implementing an appeals process that provides for expedited review of any adjustment to the status of a facility as an inpatient rehabilitation facility made during the period beginning on July 1, 2005 and ending on the date that is 2 years after the date of enactment of this Act.

SEC. 3. NATIONAL ADVISORY COUNCIL ON MEDICAL REHABILITATION.

(a) DEFINITIONS.—In this section:

(1) ADVISORY COUNCIL.—The term ''Advisory Council'' means the National Advisory Council on Medical Rehabilitation established under subsection (b).

(2) APPROPRIATE FEDERAL AGENCIES.—The term ''appropriate Federal agencies'' means—

(A) the Agency for Healthcare Research and Quality;

(B) the Centers for Medicare & Medicaid Services;

(C) the National Institute on Disability and Rehabilitation Research; and

(D) the National Center for Medical Rehabilitation Research.

(b) ESTABLISHMENT.—Pursuant to section 222 of the Public Health Service Act (42 U.S.C. 217a), the Secretary shall establish an advisory panel to be known as the ''National Advisory Council on Medical Rehabilitation''.

(c) MEMBERSHIP.—

(1) APPOINTMENT.—The Advisory Council shall be composed of 17 members, of whom—

(A) 9 members shall be appointed by the Secretary, in consultation with the medical rehabilitation community, from a diversity of backgrounds, including—

(i) physicians;

(ii) medicare beneficiaries;

(iii) representatives of inpatient rehabilitation facilities; and

(iv) other practitioners experienced in rehabilitative care; and

(B) 8 members, not more than 4 of whom are members of the same political party, shall be appointed jointly by—

(i) the Majority Leader of the Senate;

(ii) the Minority Leader of the Senate;

(iii) the Speaker of the House of Representatives;

(iv) the Minority Leader of the House of Representatives;

(v) the Chairman and the Ranking Member of the Committee on Finance of the Senate; and

(vi) the Chairman and the Ranking Member of the Committee on Ways and Means of the House of Representatives.

(2) DATE.—Members of the Advisory Council shall be appointed not later than 30 days after the date of enactment of this Act.

(3) PERIOD OF APPOINTMENT; VACANCIES.—Members shall be appointed for the life of the Council. A vacancy on the Advisory Council shall be filled not later than 30 days after the date on which the Advisory Council is given notice of the vacancy, in the same manner as the original appointment.

(4) MEETINGS.—

(A) INITIAL MEETING.—The Advisory Council shall conduct an initial meeting not later than 120 days after the date of enactment of this Act.

(B) MEETINGS.—The Advisory Council shall conduct such meetings as the Council determines to be necessary to carry out its duties but shall meet not less frequently than 2 times during each calendar year.

(d) DUTIES.—The duties of the Advisory Council shall include the following:

(1) ADVICE AND RECOMMENDATIONS.—Providing advice and recommendations to—

(A) Congress and the Secretary concerning the coverage of rehabilitation services under the medicare program, including—

(i) policy issues related to rehabilitative treatment and reimbursement for rehabilitative care, such as issues relating to any rulemaking relating to, or impacting, rehabilitation hospitals and units;

(ii) the appropriate criteria for—

(I) determining clinical appropriateness of inpatient rehabilitation facility admissions; and

(II) distinguishing an inpatient rehabilitation facility from an acute care hospital and

other providers of intensive medical rehabilitation;

(iii) the efficacy of inpatient rehabilitation services, as opposed to other post-acute inpatient settings, through a comparison of quality and cost, controlling for patient characteristics (such as medical severity and motor and cognitive function) and discharge destination;

(iv) the effect of any medicare regulations on access to inpatient rehabilitation care by medicare beneficiaries and the clinical effectiveness of care available to such beneficiaries in other health care settings; and

(v) any other topic or issue that the Secretary or Congress requests the Advisory Council to provide advice and recommendations on; and

(B) appropriate Federal agencies (as defined in subsection (a)(3)) on how to best utilize available research funds and authorities focused on medical rehabilitation research, including post-acute care site of service and outcomes research.

(e) PERIODIC REPORTS.—The Advisory Council shall provide the Secretary with periodic reports that summarize—

(1) the Council's activities; and

(2) any recommendations for legislation or administrative action the Council considers to be appropriate.

(f) TERMINATION.—The Advisory Council shall terminate on September 30, 2010.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

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

By Mr. CORNYN:

S. 1406. A bill to protect American workers and responders by ensuring the continued commercial availability of respirators and to establish rules governing product liability actions against manufacturers and sellers of respirators; to the Committee on the Judiciary.

Mr. CORNYN. Mr. President, I rise today to introduce the ''Respirator Access Assurance Act of 2005.'' This legislation is not a complex or lengthy proposal, but it is critically important for our men and women in uniform, our first responders, and the American public as we continue to wage the war on terror. It is designed to protect the companies that manufacture respirators from abusive litigation—the very respirators that we need for protection against life-threatening environmental hazards and contaminates.

Even as we continue today to debate important appropriations legislation for the Department of Homeland Security, the many American manufacturers and sellers of one of the types of equipment necessary in the war on terror and for our first responders generally—respirators—are being forced by misdirected litigation to decide whether to abandon that market.

Since the year 2000, American respirator manufacturers have experienced an avalanche of mass lawsuits in which thousands of plaintiffs claim they suffered lung damage from respirators because of defective designs and/or failure to provide adequate warnings. Between 2000 and 2004, well over 300,000 individual claims have been filed against major respirator manufacturers. Many of these people show no symptoms of illness.

Respirator manufacturers are included among dozens of defendants in these lawsuits, despite some very important facts. First, respirators don't cause lung disease—employers are legally responsible for providing the right respirator to an employee for the environment in which the employee will be working. Respirator manufacturers have no role in that decision. Second, respirators are 100 percent regulated by the U.S. Government. The National Institute for Occupational Safety and Health, or NIOSH, sets the design standards for respirators, tests every product in its own labs, approves all warning labels, and monitors the manufacturing process to be sure respirators meet the standards for which they were designed.

Perhaps most troubling is the extent to which these claims track very closely with the recent explosion of asbestos and silicosis claims. Recently, a number of ethical questions surrounding many of these claims have come to light.

In my home State of Texas, a Federal court in Corpus Christi under the watch of Judge Janis Graham Jack, has been trying to sort out a few thousand of these cases. That Multi-District Litigation has turned up evidence of fraud—in Judge Jack's words—''great red flags of fraud,'' and highlights attempts by some to recycle plaintiffs who have already recovered in asbestos litigation by claiming they also have silicosis, which is a virtual medical impossibility.

Just today, the Wall Street Journal ran an editorial highlighting this ''tort scam.'' As it points out, ''Judge Jack not only blasted nearly everyone of the 10,000 silicosis claims in front of her court, she documented the fraudulent means by which lawyers, doctors, and screening companies had manufactured the claims.'' She said, ''These diagnoses were about litigation rather than health care . . . these diagnoses were manufactured for money.''

I ask unanimous consent that the Wall Street Journal editorial be printed in the RECORD.

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

[From the Wall Street Journal, July 14, 2005]

THE SILICOSIS SHERIFF

If the criminal investigation of class-action titan Milberg Weiss is anything to go by, prosecutors may finally be starting to hold the trial bar accountable for its legal abuses. Another good sign is that a separate federal grand jury, this one in New York, is investigating the ringleaders of the latest tort scam, silicosis.

Much of the credit for pointing the grand jury toward this corruption goes to Texas federal Judge Janis Graham Jack, who last month put the brakes on the silicosis machine with an extraordinary 249-page decision. Judge Jack not only blasted nearly every one of the 10,000 silicosis claims in front of her court, she documented the fraudulent means by which lawyers, doctors and screening companies had manufactured the claims. ''These diagnoses were about litigation rather than health care,'' wrote Judge Jack. ''These diagnoses were manufactured for money.''

Perfectly said, and we only wish the fearless, judge had been around to render a similar verdict back when the asbestos blob got rolling. It was that juggernaut, largely blessed by the courts, that first allowed trial lawyers to co-opt doctors to create millions of phony claims and extort billions out of corporate defendants. Encouraged by this success, the trial bar revved up the same machinery for silicosis, an occupational lung disease that can be fatal but has been in decline for decades.

It was the fact of this decline that got Judge Jack's attention. A former nurse, she couldn't understand how a disease that causes on average fewer than 200 deaths annually in the U.S. had suddenly resulted in more than 20,000 claims from Mississippi and surrounding states. To get to the bottom of the suits against some 250 companies, the Clinton appointee held 20 months of pretrial proceedings. What she found was a gigantic attempted swindle.

Her first discovery was that, of the more than 9,000 plaintiffs who supplied more information about their ''disease,'' 99% had been diagnosed with silicosis by the same nine doctors. These physicians had been retained by law firms or by ''screening companies'' that do mass X-rays on behalf of law firms searching for plaintiffs. When these physicians were deposed, they all but admitted they took their orders from the lawyers and screening firms.

Which explains why none of them took a medical history, while others never even saw their patients. One doctor signed blank forms for the screening company and let his secretary fill out the diagnoses. Yet another performed 1,239 diagnostic evaluations in 72 hours—less than four minutes apiece. Dr. George Martindale, who diagnosed 3,617 patients with silicosis, admitted that he didn't even know the criteria for diagnosing the disease and had simply included in each of his reports a paragraph provided by the screening company.

Another shocker was that more than 65% of the silica plaintiffs had previously been plaintiffs in an asbestos suit, even though it is close to clinically impossible to have both asbestosis and silicosis. Digging deeper, the judge found that many of the same doctors had ginned up the same patients for both asbestos and silicosis cases. One doctor, Ray Harron, received nearly $5 million from 1996–2004 from a leading screening company, N&M, and has supplied thousands of silicosis diagnoses, and at least 52,000 asbestos-related diagnoses.

Representatives from N&M admitted in court that they had no medical training and that their company has never had a medical director. They confirmed that law firms often set the criteria for the silicosis screening process, and that the screening companies were paid by the volume of people who ultimately joined a lawsuit. As N&M owner Heath Mason testified, his business depended on doing ''large numbers.''

Judge Jack reserved her most severe criticism for the lawyers, noting that statistics alone should have shown that their case defied ''all medical knowledge and logic,'' and that by bringing it regardless they had exhibited a ''reckless disregard of the duty owed to the court.'' She required the Houston firm of O'Quinn, Laminack & Pirtle to pay the defendants' $825,000 in legal fees, and ordered sanctions. She also made clear she was on to the tort bar's tactics, noting that the ''clear motivation'' was ''to inflate the

number of plaintiffs and overwhelm the defendants and the judicial system.''

Judge Jack did not shy away from the word ''fraud'' in her courtroom, and clearly someone at the Justice Department has been paying attention. A Manhattan grand jury is now investigating at least one of the screening companies, and subpoenas have gone out to at least two of the doctors involved.

Which shows how large a public service Judge Jack has performed. She could easily have followed other judges and accepted these mass claims at face value. Instead, she dug into the individual claims and found the corruption underneath. In doing so, she has not only stalled the entire silicosis scam, she's opened the door to probing millions of asbestos claims that have come before. The lawyers could attempt to retry their dismissed claims in state court, though amid a grand jury probe they might prefer that this whole issue go away.

Over the years, too many judges have allowed tort lawyers to hijack their courtrooms to perpetrate legal fraud. Judge Jack is showing what good comes when judges truly care about justice.

This level of fraud must be brought to the attention of the American people. The extent to which this type of behavior is the norm rather than the exception is troubling, to say the least. And the breadth of this abuse extends so far now that it endangers the manufacturing of masks for the American people—and people through the world for that matter—who need to protect themselves from airborne contaminants. Thousands of lawsuits have been directed toward these manufacturers—largely indiscriminately.

Many of these cases might someday be dismissed or settled for a few hundred dollars to avoid protracted litigation, but the costs of getting to that point are enormous. Respirator companies have already incurred millions of dollars in litigation and settlement costs, and even after years of arguing in multiple State and local courts they still face hundreds of thousands of individual claims. The costs of this litigation burden are both unjustified and destructive.

Most of the net income these companies receive from respirator sales is being eaten up in litigation costs. Some respirator companies have already decided it is not worth it and have stopped selling in the commercial market, and others are contemplating the same thing. If U.S. manufacturers drop out of the market, those who need respirators will have to use imports, which may be of lower quality and less reliable, or use nothing at all. In either case we are letting this unfounded litigation burden pose additional risk to millions of Americans who need these devices to do their jobs and protect themselves, and all of us, from untold harm.

That is why I am introducing this legislation today. The Act provides respirator manufacturers with protection from the legal costs associated with defending claims for which the manufacturers should bear no liability. It provides that a respirator manufacturer may not be subject to any claim for defective design or warning relating to a respirator or any claim based on such an allegation if the respirator has received NIOSH approval, and the respirator complied with the NIOSH-approved design and labeling in effect on the date of manufacture. This protection would continue notwithstanding a subsequent action by NIOSH to modify, supercede, or withdraw the approval. In addition, we have taken extra measures to clarify that there are exceptions in the Act that would permit liability to be imposed if the initial approval was obtained through fraud, misrepresentation, or bribery.

This is a simple bill that will not cost the government a penny, will not deprive any deserving plaintiff of the right to sue those who may have caused him or her harm, and will assure that this vital industry continues to be an American industry for a long time to come.

I look forward to working with my colleagues to move this proposal forward.

Mr. President, I ask unanimous consent that an article from the Houston Chronicle be printed in the RECORD.

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

[From the Houston Chronicle, July 1, 2005]

FEDERAL JUDGE THROWS OUT THOUSANDS OF SILICA DIAGNOSES

CORPUS CHRISTI.—A federal judge has recommended throwing out all but one of about 10,000 diagnoses of the lung ailment silicosis that were used in lawsuits against industrial companies, ruling that doctors ''manufactured'' findings of the disease in hundreds of cases.

U.S. District Judge Janis Graham Jack's scathing 249-page opinion, signed Thursday, finds that the diagnoses are inadmissible in court. The bulk of the cases originate in Mississippi, and Jack sent them back to the state courts along with her report. She threw out the approximately 100 Texas cases that she felt she had jurisdiction over.

Jack's ruling also orders sanctions against Houston law firm O'Quinn, Laminack & Pirtle, which brought roughly 2,000 of the suits. Lawyers from the firm did not immediately return a call for comment today.

A doctor testifying before Jack in December withdrew thousands of his diagnoses, saying he only briefly scanned X-rays to give what he thought was a second opinion on the degenerative diseases caused by inhaling quartz dust.

His withdrawal, made during consolidated pretrial proceedings for lawsuits from several states, prompted Jack to order every doctor and ''screening company'' to back up the diagnoses in the lawsuits. More doctors withdrew their diagnoses, and after hearings in February Jack said she sensed ''red flags of fraud'' in the way plaintiffs were recruited. ''These diagnoses were driven by neither health nor justice,'' Jack wrote in her opinion Thursday. ''They were manufactured for money.''

Danny Mulholland, a Mississippi-based defense attorney for Ingersoll-Rand Co. and other companies, said the opinion was ''historic'' in an age where law firms recruit plaintiffs with billboards and television ads.

''I think the way litigation has been done, and particularly mass tort litigation, changed with the February hearings which culminated in this order,'' he said. ''We'll have to go back in state court and win there, but we expect to, based on what Judge Jack has found.''

By Mr. NELSON of Florida (for himself and Mrs. CLINTON):

S. 1407. A bill to provide grants to States and local governments to assess the effectiveness of sexual predator electronic monitoring programs; to the Committee on the Judiciary.

Mr. NELSON of Florida. Mr. President, I rise today on behalf of myself and Senator HILLARY RODHAM CLINTON of New York, to introduce the Jessica Lunsford and Sarah Lunde Act. This bill will provide grants for State and local governments to purchase the technology they need to enhance monitoring of sexual predators.

This bill and the grants it provides are named after two young girls from Florida, Jessica Lunsford and Sarah Lunde, who were both murdered by convicted sex offenders. As the Lunsford and Lunde families mourned these two beautiful girls, the Nation grieved with them. We are all united in our desire to make sure that everything can be done to prevent this from ever happening again. I hope this bill will serve as a living memorial to Jessica Lunsford and Sarah Lunde, and serve as some comfort to their families, as the grants in their names provided in this bill will allow law enforcement to help prevent other families from suffering similar tragedies.

Jessica Lunsford of Homosassa, FL, was a nine-year-old girl abducted from her home, raped, and then buried alive by a convicted sex offender who lived 150 feet from her home. Law enforcement had lost track of her confessed murderer and did not know that he worked at the nearby school that Jessica attended, despite his being a registered sex offender. A few weeks following the news of this tragedy, 13-year-old Sarah Lunde of Ruskin, FL, was murdered by her mother's ex-boyfriend. He is also a convicted sex offender.

The Jessica Lunsford and Sarah Lunde grants provided for in this bill will allow States and local government to purchase electronic monitoring systems, like global positioning systems, that will provide law enforcement with real time information on the whereabouts of sex offenders released from prison to within 10 feet of their location. Law enforcement will be able to restrict the movements of sex offenders by programming these systems to alert authorities if a sex offender goes to a park, amusement park, elementary school or other areas determined to be off-limits. The ankle-bracelets used to monitor their movement are tamper proof and will alert law enforcement in the event that an offender has removed it so law enforcement can immediately act to apprehend the offender.

In the United States there are an estimated 380,000 registered sex offenders, although thousands have disappeared, according to authorities. We have over

30,000 of these sex offenders in the State of Florida. In response to the recent tragedies in Florida, Idaho, and North Dakota, several States have enacted stronger laws to protect our children from sex predators. In Florida, for example, the legislature passed a law that will provide tougher sentences for child sex offenders, and aid law enforcement in effectively monitoring those sex offenders. This law will require sex offenders, released back into our communities, to wear a bracelet that will have a global positioning system track them.

I applaud the initiative by Florida, and other States seeking to pass similar laws, and I believe that it is important that there is an appropriate Federal response that will be supportive of the States and local governments that are addressing this problem. To be effective, tough laws on these sexual predators of children must be properly funded, and I believe these tough laws being passed by state legislatures are worth properly funding when they will protect our children.

The Jessica Lunsford and Sarah Lunde Act will support State and local governments that, like Florida, are attempting to protect their children by providing greater monitoring tools for law enforcement. This bill will provide a total of $30 million in grants to States to help implement State laws to get tougher on sex offenders released back into their communities with electronic monitoring technology. The bill will provide for $10 million in grants for fiscal years 2006 through 2008. The bill then directs the Attorney General to provide a report to Congress assessing the effectiveness of the program and making recommendations as to future funding levels.

There are no silver bullets to stop sexual predators from preying on our children, but I believe that tough laws, such as the new Florida statute, are going to go a long way in preventing sex offenders from re-offending.

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. 1407

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 ''Jessica Lunsford and Sarah Lunde Act''.

SEC. 2. SEXUAL PREDATOR MONITORING PROGRAM.

(a) GRANTS AUTHORIZED.—

(1) IN GENERAL.—The Attorney General is authorized to award grants (referred to as ''Jessica Lunsford and Sarah Lunde Grants'') to State and local governments to assist such States and local governments in—

(A) carrying out programs to outfit sexual offenders with electronic monitoring units; and

(B) the employment of law enforcement officials necessary to carry out such programs.

(2) DURATION.—The Secretary shall award grants under this Act for a period not to exceed 3 years.

(b) APPLICATION.—

(1) IN GENERAL.—Each State or local government desiring a grant under this Act shall submit an application to the Attorney General at such time, in such manner, and accompanied by such information as the Attorney General may reasonably require.

(2) CONTENTS.—Each application submitted pursuant to paragraph (1) shall—

(A) describe the activities for which assistance under this Act is sought; and

(B) provide such additional assurances as the Attorney General determines to be essential to ensure compliance with the requirements of this Act.

SEC. 3. INNOVATION.

In making grants under this Act, the Attorney General shall ensure that different approaches to monitoring are funded to allow an assessment of effectiveness.

SEC. 4. DEFINITION.

In this Act, the term ''sexual offender'' means an offender 18 years of age or older who commits a sexual offense against a minor.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated $10,000,000 for each of the fiscal years 2006 through 2008 to carry out this Act.

(b) REPORT.—Not later than April 1, 2008, the Attorney General shall report to Congress—

(1) assessing the effectiveness and value of programs funded by this Act;

(2) comparing the cost-effectiveness of the electronic monitoring to reduce sex offenses compared to other alternatives; and

(3) making recommendations for continuing funding and the appropriate levels for such funding.

By Mr. SMITH (for himself, Mr. NELSON of Florida, Mr. STEVENS, Mr. INOUYE, Mr. MCCAIN, and Mr. PRYOR):

S. 1408. A bill to strengthen data protection and safeguards, require data breach notification, and further prevent identity theft; to the Committee on Commerce, Science, and Transportation.

Mr. SMITH. Mr. President, I rise today with Senators BILL NELSON, STEVENS, INOUYE, MCCAIN, and PRYOR to introduce the Identity Theft Protection Act of 2005. The introduction of this bill has been a bipartisan effort and I thank my colleagues on the Senate Commerce Committee for helping to negotiate a fair and balanced bill.

Identity theft is one of the fastest growing crimes in America. It is estimated that over 10 million Americans are victims of some form of identity theft each year. The total cost of this crime approaches $50 billion per year, with the average loss from the misuse of a victim's personal information being almost $5,000. In 2004 alone, consumers who were victims of ID theft spent a total of 297 million hours resolving problems that arose from the crime.

Every year, the FTC compiles a list of the top 10 categories of fraud-related complaints. Identity theft has topped that list of complaints each of the past 5 years. My own State of Oregon ranks ninth in the Nation for fraud complaints and identity theft.

Data breaches are becoming an increasingly common type of identity theft that affects millions of consumers nationwide. Last year, there were at least 43 known incidents of security breaches, potentially affecting over 9 million individuals. These breaches range from sloppy record keeping and security procedures by companies to extremely sophisticated online thefts by computer hackers.

Our bipartisan bill ensures that businesses and organizations have the proper security procedures in place to safeguard consumers' sensitive and personal information. This legislation requires any entity that acquires, maintains or utilizes sensitive personal information to have a security program to safeguard such data. Furthermore, we require these entities to verify the credentials of third parties seeking personal and sensitive information and require strict disposal and transfer procedures for such information.

It is imperative that consumers be notified of any potential breach in the security of their personal information. The cost of an incident of identity theft, both in terms of out-of-pocket expense and time spent resolving problems, is significantly smaller if the misuse of the victim's personal information is discovered quickly.

Our bill requires consumer notification if a data breach results in a significant risk of identity theft. Individuals will be notified immediately when any significant breach has occurred. Any breach affecting a minimum of 1,000 individuals also requires the entity to report the breach to the FTC and all the consumer reporting agencies.

We realize that an individual's Social Security Number deserves the utmost security and protection against fraud, manipulation, and theft. To that end, this bill restricts the collection of and access to Social Security Numbers by limiting the solicitation of Social Security Numbers and prohibiting their display on employee and student identification cards.

In addition, our bill will allow consumers to place, lift, and temporarily remove a security freeze on their credit, which would prevent credit from being extended to third parties without authorization from the consumer. We would also pre-empt state law to create uniformity and compliance by businesses and organizations.

Protecting sensitive information is an issue of great importance for all Americans so we are requiring the FTC to establish an Information Working Group comprised of industry participants, consumer groups, and other interested parties to develop best practices to protect sensitive personal information.

Consumers should have confidence when they share their information with others that their information will be protected. At the same time, the ability of legitimate companies to access personal information facilitates commerce and continues to have important benefits to consumers.

We believe our legislation strikes the appropriate balance between ensuring

the continued existence of these critical services and guaranteeing the security of consumer's personal information. I urge my colleagues to co-sponsor this important legislation to protect consumers from future breaches of identity theft.

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

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

S. 1408

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 ''Identity Theft Protection Act''.

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

SEC. 2. PROTECTION OF SENSITIVE PERSONAL INFORMATION.

(a) IN GENERAL.—In accordance with regulations prescribed by the Federal Trade Commission under subsection (b), a covered entity shall take reasonable steps to protect against security breaches and to prevent unauthorized access to sensitive personal information the covered entity sells, maintains, collects, or transfers.

(b) REGULATIONS.—Not later than 1 year after the date of enactment of this Act, the Commission shall promulgate regulations to implement subsection (a), including regulations that—

(1) require covered entities to develop, implement, and maintain an effective information security program that contains administrative, technical, and physical safeguards for sensitive personal information, taking into account the use of technological safeguards, including encryption, truncation, and other safeguards available or being developed for such purposes;

(2) require procedures for verifying the credentials of any third party seeking to obtain the sensitive personal information of another person; and

(3) require disposal procedures to be followed by covered entities that—

(A) dispose of sensitive personal information; or

(B) transfer sensitive personal information to third parties for disposal.

SEC. 3. NOTIFICATION OF SECURITY BREACH RISK.

(a) SECURITY BREACHES AFFECTING 1,000 OR MORE INDIVIDUALS.—

(1) IN GENERAL.—If a covered entity discovers a breach of security and determines that the breach of security affects the sensitive personal information of 1,000 or more individuals, then, before conducting the notification required by subsection (b), it shall—

(A) report the breach to the Commission (or other appropriate Federal regulator under section 5); and

(B) notify all consumer reporting agencies described in section 603(p)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681a(p)(1)) of the breach.

(2) FTC WEBSITE PUBLICATIONS.—Whenever the Commission receives a report under paragraph (1)(A), it shall post a report of the breach of security on its website without disclosing any sensitive personal information or the names of the individuals affected.

(b) NOTIFICATION OF CONSUMERS.—Whenever a covered entity discovers a breach of security and determines that the breach of security has resulted in, or that there is a basis for concluding that a reasonable risk of identity theft to 1 or more individuals, the covered entity shall notify each such individual.

(c) METHODS OF NOTIFICATION; NOTICE CONTENT.—Within 1 year after the date of enactment of this Act, the Commission shall promulgate regulations that establish methods of notification to be followed by covered entities in complying with the requirements of this section and the content of the notices required. In promulgating those regulations, the Commission shall take into consideration the types of sensitive personal information involved, the nature and scope of the security breach, other appropriate factors, and the most effective means of notifying affected individuals.

(d) TIMING OF NOTIFICATION.—

(1) IN GENERAL.—Except as provided in paragraph (2), notice required by subsection (a) shall be given—

(A) in the most expedient manner practicable;

(B) without unreasonable delay, but not later than 90 days after the date on which the breach of security was discovered by the covered entity; and

(C) in a manner that is consistent with any measures necessary to determine the scope of the breach and restore the security and integrity of the data system.

(2) LAW ENFORCEMENT AND HOMELAND SECURITY RELATED DELAYS.—Notwithstanding paragraph (1), the giving of notice as required by that paragraph may be delayed for a reasonable period of time if—

(A) a Federal law enforcement agency determines that the timely giving of notice under subsections (a) and (b), as required by paragraph (1), would materially impede a civil or criminal investigation; or

(B) a Federal national security or homeland security agency determines that such timely giving of notice would threaten national or homeland security.

SEC. 4. SECURITY FREEZE.

(a) In General.—

(1) EMPLACEMENT.—A consumer may place a security freeze on his or her credit report by making a request to a consumer credit reporting agency in writing or by telephone.

(2) CONSUMER DISCLOSURE.—If a consumer requests a security freeze, the consumer credit reporting agency shall disclose to the consumer the process of placing and removing the security freeze and explain to the consumer the potential consequences of the security freeze.

(b) EFFECT OF SECURITY FREEZE.—

(1) RELEASE OF INFORMATION BLOCKED.—If a security freeze is in place on a consumer's credit report, a consumer reporting agency may not release information from the credit report to a third party without prior express authorization from the consumer.

(2) INFORMATION PROVIDED TO THIRD PARTIES.—Paragraph (2) does not prevent a consumer credit reporting agency from advising a third party that a security freeze is in effect with respect to the consumer's credit report. If a third party, in connection with an application for credit, requests access to a consumer credit report on which a security freeze is in place, the third party may treat the application as incomplete.

(c) REMOVAL; TEMPORARY SUSPENSION.—

(1) IN GENERAL.—Except as provided in paragraph (4), a security freeze shall remain in place until the consumer requests that the security freeze be removed. A consumer may remove a security freeze on his or her credit report by making a request to a consumer credit reporting agency in writing or by telephone.

(2) CONDITIONS.—A consumer credit reporting agency may remove a security freeze placed on a consumer's credit report only—

(A) upon the consumer's request, pursuant to paragraph (1); or

(B) if the agency determines that the consumer's credit report was frozen due to a material misrepresentation of fact by the consumer.

(3) NOTIFICATION TO CONSUMER.—If a consumer credit reporting agency intends to remove a freeze upon a consumer's credit report pursuant to paragraph (2)(B), the consumer credit reporting agency shall notify the consumer in writing prior to removing the freeze on the consumer's credit report.

(4) TEMPORARY SUSPENSION.—A consumer may have a security freeze on his or her credit report temporarily suspended by making a request to a consumer credit reporting agency in writing or by telephone and specifying beginning and ending dates for the period during which the security freeze is not to apply to that consumer's credit report.

(d) RESPONSE TIMES; NOTIFICATION OF OTHER ENTITIES.—

(1) IN GENERAL.—A consumer credit reporting agency shall—

(A) place a security freeze on a consumer's credit report under subsection (a) no later than 5 business days after receiving a request from the consumer under subsection (a)(1); and

(B) remove, or temporarily suspend, a security freeze within 3 business days after receiving a request for removal or temporary suspension from the consumer under subsection (c).

(2) NOTIFICATION OF OTHER COVERED ENTITIES.—If the consumer requests in writing or by telephone that other covered entities be notified of the request, the consumer reporting agency shall notify all other consumer reporting agencies described in section 603(p)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681a(p)(1)) of the request within 3 days after placing, removing, or temporarily suspending a security freeze on the consumer's credit report under subsection (a), (c)(2)(A), or subsection (c)(4), respectively.

(3) IMPLEMENTATION BY OTHER COVERED ENTITIES.—A consumer reporting agency that is notified of a request under paragraph (2) to place, remove, or temporarily suspend a security freeze on a consumer's credit report shall place, remove, or temporarily suspend the security freeze on that credit report within 3 business days after receiving the notification.

(e) CONFIRMATION.—Whenever a consumer credit reporting agency places, removes, or temporarily suspends a security freeze on a consumer's credit report at the request of that consumer under subsection (a) or (c), respectively, it shall send a written confirmation thereof to the consumer within 10 business days after placing, removing, or temporarily suspending the security freeze on the credit report. This subsection does not apply to the placement, removal, or temporary suspension of a security freeze by a consumer reporting agency because of a notification received under subsection (d)(2).

(f) ID REQUIRED.—A consumer credit reporting agency may not place, remove, or temporarily suspend a security freeze on a consumer's credit report at the consumer's request unless the consumer provides proper identification (within the meaning of section

610(a)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681h) and the regulations thereunder.

(g) EXCEPTIONS.—This section does not apply to the use of a consumer credit report by any of the following:

(1) A person or entity, or a subsidiary, affiliate, or agent of that person or entity, or an assignee of a financial obligation owing by the consumer to that person or entity, or a prospective assignee of a financial obligation owing by the consumer to that person or entity in conjunction with the proposed purchase of the financial obligation, with which the consumer has or had prior to assignment an account or contract, including a demand deposit account, or to whom the consumer issued a negotiable instrument, for the purposes of reviewing the account or collecting the financial obligation owing for the account, contract, or negotiable instrument.

(2) Any Federal, State or local agency, law enforcement agency, trial court, or private collection agency acting pursuant to a court order, warrant, or subpoena.

(3) A child support agency or its agents or assigns acting pursuant to subtitle D of title IV of the Social Security Act (42 U.S.C. et seq.) or similar State law.

(4) The Department of Health and Human Services, a similar State agency, or the agents or assigns of the Federal or State agency acting to investigate medicare or medicaid fraud.

(5) The Internal Revenue Service or a State or municipal taxing authority, or a State department of motor vehicles, or any of the agents or assigns of these Federal, State, or municipal agencies acting to investigate or collect delinquent taxes or unpaid court orders or to fulfill any of their other statutory responsibilities.

(6) The use of consumer credit information for the purposes of prescreening as provided for by the Federal Fair Credit Reporting Act (15 U.S.C. 1681 et seq.).

(7) Any person or entity administering a credit file monitoring subscription to which the consumer has subscribed.

(8) Any person or entity for the purpose of providing a consumer with a copy of his or her credit report or credit score upon the consumer's request.

(h) FEES.—

(1) IN GENERAL.—Except as provided in paragraph (2), a consumer credit reporting agency may charge a reasonable fee, as determined by the Commission, for placing, removing, or temporarily suspending a security freeze on a consumer's credit report.

(2) ID THEFT VICTIMS.—A consumer credit reporting agency may not charge a fee for placing, removing, or temporarily suspending a security freeze on a consumer's credit report if—

(A) the consumer is a victim of identity theft; and

(B) the consumer has filed a police report with respect to the theft.

(i) LIMITATION ON INFORMATION CHANGES IN FROZEN REPORTS.—

(1) IN GENERAL.—If a security freeze is in place on a consumer's credit report, a consumer credit reporting agency may not change any of the following official information in that credit report without sending a written confirmation of the change to the consumer within 30 days after the change is made:

(A) Name.

(B) Date of birth.

(C) Social Security number.

(D) Address.

(2) CONFIRMATION.—Paragraph (1) does not require written confirmation for technical modifications of a consumer's official information, including name and street abbreviations, complete spellings, or transposition of numbers or letters. In the case of an address change, the written confirmation shall be sent to both the new address and to the former address.

(j) CERTAIN ENTITY EXEMPTIONS.—

(1) AGREGATORS AND OTHER AGENCIES.—The provisions of subsections (a) through (h) do not apply to a consumer credit reporting agency that acts only as a reseller of credit information by assembling and merging information contained in the data base of another consumer credit reporting agency or multiple consumer credit reporting agencies, and does not maintain a permanent data base of credit information from which new consumer credit reports are produced.

(2) OTHER EXEMPTED ENTITIES.—The following entities are not required to place a security freeze in a credit report:

(A) A check services or fraud prevention services company, which issues reports on incidents of fraud or authorizations for the purpose of approving or processing negotiable instruments, electronic funds transfers, or similar methods of payments.

(B) A deposit account information service company, which issues reports regarding account closures due to fraud, substantial overdrafts, ATM abuse, or similar negative information regarding a consumer, to inquiring banks or other financial institutions for use only in reviewing a consumer request for a deposit account at the inquiring bank or financial institution.

SEC. 5. ENFORCEMENT.

(a) ENFORCEMENT BY COMMISSION.—Except as provided in subsection (c), this Act shall be enforced by the Commission.

(b) VIOLATION IS UNFAIR OR DECEPTIVE ACT OR PRACTICE.—The violation of any provision of this Act shall be treated as an unfair or deceptive act or practice proscribed under a rule issued under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(c) ENFORCEMENT BY CERTAIN OTHER AGENCIES.—Compliance with this Act shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), in the case of—

(A) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25A of the Federal Reserve Act (12 U.S.C. 601 and 611), by the Board; and

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation;

(2) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), by the Director of the Office of Thrift Supervision, in the case of a savings association the deposits of which are insured by the Federal Deposit Insurance Corporation;

(3) the Federal Credit Union Act (12 U.S.C. 1751 et seq.) by the National Credit Union Administration Board with respect to any Federal credit union; and

(4) the Securities and Exchange Act of 1934 (15 U.S.C. 78a et seq.) by the Securities and Exchange Commission with respect to—

(A) a broker or dealer subject to that Act;

(B) an investment company subject to the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.); and

(C) an investment advisor subject to the Investment Advisers Act of 1940 (15 U.S.C. 80b-1 et seq.).

(d) EXERCISE OF CERTAIN POWERS.—For the purpose of the exercise by any agency referred to in subsection (c) of its powers under any Act referred to in that subsection, a violation of this Act is deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (c), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this Act, any other authority conferred on it by law.

(e) PENALTIES.—

(1) IN GENERAL.—Notwithstanding section 5(m) of the Federal Trade Commission Act (15 U.S.C. 45(m)), the Commission may not obtain a civil penalty under that section for a violation of this Act in excess of—

(A) $11,000 for each such individual; and

(B) $11,000,000 in the aggregate for all such individuals with respect to the same violation.

(2) OTHER AUTHORITY NOT AFFECTED.—Nothing in this Act shall be construed to limit or affect in any way the Commission's authority to bring enforcement actions or take any other measure under the Federal Trade Commission Act (15 U.S.C. 41 et seq.) or any other provision of law.

(f) NO PRIVATE CAUSE OF ACTION.—Nothing in this Act establishes a private cause of action against a covered entity for the violation of any provision of this Act.

(g) COMPLIANCE WITH GRAMM-LEACH-BLILEY ACT.—Any person to which title V of the Gramm-Leach-Bliley Act (15 U.S.C. 6801 et seq.) applies shall be deemed to be in compliance with the notification requirements of this Act with respect to a breach of security if that person is in compliance with the notification requirements of that title with respect to that breach of security.

SEC. 6. ENFORCEMENT BY STATE ATTORNEYS GENERAL.

(a) IN GENERAL.—A State, as parens patriae, may bring a civil action on behalf of its residents in an appropriate district court of the United States to enforce the provisions of this Act, or to impose the civil penalties authorized by section 5, whenever the attorney general of the State has reason to believe that the interests of the residents of the State have been or are being threatened or adversely affected by a covered entity that violates this Act or a regulation under this Act.

(b) NOTICE.—The State shall serve written notice to the Commission (or other appropriate Federal regulator under section 5) of any civil action under subsection (a) prior to initiating such civil action. The notice shall include a copy of the complaint to be filed to initiate such civil action, except that if it is not feasible for the State to provide such prior notice, the State shall provide such notice immediately upon instituting such civil action.

(c) AUTHORITY TO INTERVENE.—Upon receiving the notice required by subsection (b), the Commission (or other appropriate Federal regulator under section 5) may intervene in such civil action and upon intervening—

(1) be heard on all matters arising in such civil action; and

(2) file petitions for appeal of a decision in such civil action.

(d) CONSTRUCTION.—For purposes of bringing any civil action under subsection (a), nothing in this section shall prevent the attorney general of a State from exercising the powers conferred on the attorney general by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

(e) VENUE; SERVICE OF PROCESS.—In a civil action brought under subsection (a)—

(1) the venue shall be a judicial district in which—

(A) the covered entity operates;

(B) the covered entity was authorized to do business; or

(C) where the defendant in the civil action is found;

(2) process may be served without regard to the territorial limits of the district or of the State in which the civil action is instituted; and

(3) a person who participated with a covered entity in an alleged violation that is being litigated in the civil action may be joined in the civil action without regard to the residence of the person.

(f) LIMITATION ON STATE ACTION WHILE FEDERAL ACTION IS PENDING.—If the Commission (or other appropriate Federal agency under section 5) has instituted a civil action or an administrative action for violation of this Act, no State attorney general, or official or agency of a State, may bring an action under this subsection during the pendency of that action against any defendant named in the complaint of the Commission or the other agency for any violation of this Act alleged in the complaint.

(g) ENFORCEMENT OF STATE LAW.—Nothing contained in this section shall prohibit an authorized State official from proceeding in State court to enforce a civil or criminal statute of such State.

SEC. 7. PREEMPTION OF STATE LAW.

(a) IN GENERAL.—This Act preempts any State or local law, regulation, or rule that requires a covered entity—

(1) to develop, implement, or maintain information security programs to which this Act applies; or

(2) to notify individuals of breaches of security regarding their sensitive personal information.

(b) LIABILITY.—This Act preempts any State or local law, regulation, rule, administrative procedure, or judicial precedent under which liability is imposed on a covered entity for failure—

(1) to implement and maintain an adequate information security program; or

(2) to notify an individual of any breach of security pertaining to any sensitive personal information about that individual.

(c) SECURITY FREEZE.—This Act preempts any State or local law, regulation, or rule that requires consumer reporting agencies to impose a security freeze on consumer credit reports at the request of a consumer.

SEC. 8. SOCIAL SECURITY NUMBER PROTECTION.

(a) PROHIBITION OF UNNECESSARY SOLICITATION OF SOCIAL SECURITY NUMBERS.—No covered entity may solicit any social security number from an individual unless there is a specific use of the social security number for which no other identifier reasonably can be used.

(b) PROHIBITION OF THE DISPLAY OF SOCIAL SECURITY NUMBERS ON EMPLOYEE IDENTIFICATION CARDS, ETC..—

(1) IN GENERAL.—No covered entity may display the social security number (or any derivative of such number) of an individual on any card or tag that is commonly provided to employees (or to their family members), faculty, staff, or students for purposes of identification.

(2) DRIVER'S LICENSES.—A State may not display the social security number of an individual on driver's licenses issued by that State.

(c) PROHIBITION OF INMATE ACCESS TO SOCIAL SECURITY ACCOUNT NUMBERS.—

(1) IN GENERAL.—Section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 405(c)(2)(C)), as amended by subsection (b), is amended by adding at the end the following new clause:

''(xi) No executive, legislative, or judicial agency or instrumentality of the Federal Government or of a State or political subdivision thereof (or person acting as an agent of such an agency or instrumentality) may employ, or enter into a contract for the use or employment of, prisoners in any capacity that would allow such prisoners access to the social security account numbers of other individuals. For purposes of this clause, the term 'prisoner' means an individual confined in a jail, prison, or other penal institution or correctional facility.''.

(2) TREATMENT OF CURRENT ARRANGEMENTS.—In the case of—

(i) prisoners employed as described in clause (xi) of section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 405(c)(2)(C)), as added by paragraph (1), on the date of enactment of this Act, and

(ii) contracts described in such clause in effect on such date,

the amendment made by this section shall take effect 90 days after the date of enactment of this Act.

SEC. 9. INFORMATION SECURITY WORKING GROUP.

(a) INFORMATION SECURITY WORKING GROUP.—The Chairman of the Commission shall establish an Information Security Working Group to develop best practices to protect sensitive personal information stored and transferred. The Working Group shall be composed of industry participants, consumer groups, and other interested parties.

(b) REPORT.—Not later than 12 months after the date on which the Working Group is established under subsection (a), the Working Group shall submit to Congress a report on their findings.

SEC. 10. DEFINITIONS.

In this Act:

(1) BREACH OF SECURITY.—The term ''breach of security'' means unauthorized access to and acquisition of data in any form or format containing sensitive personal information that compromises the security or confidentiality of such information and establishes a basis to conclude that a reasonable risk of identity theft to an individual exists.

(2) COMMISSION.—The term ''Commission'' means the Federal Trade Commission.

(3) CONSUMER CREDIT REPORTING AGENCY.—The term ''consumer credit reporting agency'' means any person which, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing credit reports to third parties, and which uses any means or facility of interstate commerce for the purpose of preparing or furnishing credit reports.

(4) COVERED ENTITY.—The term ''covered entity'' means a sole proprietorship, partnership, corporation, trust, estate, cooperative, association, or other commercial entity, and any charitable, educational, or nonprofit organization, that acquires, maintains, or utilizes sensitive personal information.

(5) CREDIT REPORT.—The term ''credit report'' means a consumer report, as defined in section 603(d) of the Federal Fair Credit Reporting Act (15 U.S.C. 1681a(p)), that is used or expected to be used or collected in whole or in part for the purpose of serving as a factor in establishing a consumer's eligibility for credit for personal, family or household purposes.

(6) IDENTITY THEFT.—The term ''identity theft'' means the unauthorized acquisition, purchase, sale, or use by any person of an individual's sensitive personal information that—

(A) violates section 1028 of title 18, United States Code, or any provision of State law in *pari materia*; or

(B) results in economic loss to the individual whose sensitive personal information was used.

(7) REVIEWING THE ACCOUNT.—The term ''reviewing the account'' includes activities related to account maintenance, monitoring, credit line increases, and account upgrades and enhancements.

(8) SENSITIVE PERSONAL INFORMATION.—

(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), the term ''sensitive personal information'' means an individual's name, address, or telephone number combined with 1 or more of the following data elements related to that individual:

(i) Social security number, taxpayer identification number, or employer identification number.

(ii) Financial account number, or credit card or debit card number of such individual, combined with any required security code, access code, or password that would permit access to such individual's account.

(iii) State driver's license identification number or State resident identification number.

(iv) Consumer credit report.

(v) Employee, faculty, student, or United States armed forces serial number.

(vi) Genetic or biometric information.

(vii) Mother's maiden name.

(B) FTC MODIFICATIONS.—The Commission may, through a rulemaking proceeding, designate other identifying information that may be used to effectuate identity theft as sensitive personal information for purposes of this Act and limit or exclude any information described in subparagraph (A) from the definition of sensitive personal information for purposes of this Act.

(C) PUBLIC RECORDS.—Nothing in this Act prohibits a covered entity from obtaining, aggregating, or using sensitive personal information it lawfully obtains from public records in a manner that does not violate this Act.

SEC. 11. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Commission $1,000,000 for each of fiscal years 2006 through 2010 to carry out this Act.

SEC. 12. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), the provisions of this Act take effect upon its enactment.

(b) PROVISIONS REQUIRING RULEMAKING.—The Commission shall initiate 1 or more rulemaking proceedings under sections 2, 3, and 4 within 45 days after the date of enactment of this Act. The Commission shall promulgate all final rules pursuant to those rulemaking proceedings within 1 year after the date of enactment of this Act. The provisions of sections 2, 3, and 4 shall take effect on the same date 6 months after the date on which the Commission promulgates the last final rule under the proceeding or proceedings commenced under the preceding sentence.

(c) PREEMPTION.—Section 7 shall take effect at the same time as sections 2, 3, and 4 take effect.

Mr. STEVENS. Mr. President, I am pleased to join Senators INOUYE, SMITH, MCCAIN, NELSON, and PRYOR in introducing a bipartisan bill to address the growing perpetration of identity theft against American consumers. The bipartisan bill, the ''Identity Theft Protection Act,'' is the product of two Commerce Committee hearings that featured testimony from businesses that aggregate and sell consumer information as a commodity, and the full

Federal Trade Commission, FTC, which recommended much of what is contained in this legislation.

The occurrence of identity theft in the United States has reached epidemic proportions. The incidence of this crime rose 15 percent in 2002, and 80 percent in 2003. The FTC stated in February 2005 that each year nearly 10 million Americans—or roughly 4.6 percent of the domestic adult population—are victimized by identity thieves. The FTC indicates that physical and online identity theft accounted for 39 percent of the more than 635,000 consumer fraud complaints filed last year with the agency. The costs associated with identity theft are enormous. In 2003, the FTC estimated that the losses to businesses and financial institutions due to identity theft totaled $48 billion, and the out-of-pocket losses to consumers totaled $5 billion, which does not take into account the average 300 hours spent by victims restoring their good names.

This year alone, there have been at least 43 reported information breaches affecting potentially more than 9 million Americans. This string of data theft has focused the attention of Congress, consumers, and privacy proponents. It has raised questions concerning the business practices of data brokers and whether consumers' personal information is adequately protected from identity thieves. The difficulty of finding solutions to this and other types of identity theft is striking a balance between ensuring adequate security of sensitive personal information while not inhibiting the legitimate free flow of information that is vital to the domestic economy and law enforcement.

The bill that we introduce today will not end all identity theft. No legislation can accomplish that objective. But this bill would require bolstered information safeguards and ensure notification of consumers whose sensitive personal information has been acquired without authorization. More specifically, the bill, among other things, would direct the FTC to develop rules that would require all covered entities that handle sensitive personal information to develop, implement, and maintain appropriate safeguards to protect such information, and provide effective notice to consumers in the event of a breach. The bill would limit the solicitation of Social Security numbers by covered entities, and restrict employers, State agencies, or educational institutions from displaying social security numbers on identification tags for employees and students, and for drivers licenses. The bill also would allow consumers to freeze their credit for a reasonable fee to protect themselves from identity theft, and preempt similar State or local law in an effort to provide a uniform Federal standard rather than a patchwork of widely varying State or local laws.

I look forward to working with my colleagues on legislation that will mitigate to the greatest extent possible the occurrence of identity theft in this country, but without inhibiting an information sharing system that yields extraordinary benefits to every American.

By Ms. MURKOWSKI:

S. 1409. A bill to amend the Safe Drinking Water Act Amendments of 1996 to modify the grant program to improve sanitation in rural and Native villages in the State of Alaska; to the Committee on Environment and Public Works.

Ms. MURKOWSKI. Mr. President, I rise to introduce a bill that will allow the Environmental Protection Agency to continue to provide grant funding and technical assistance to small, rural communities in Alaska for critical water and sewer projects. These rural communities are only accessible by either aircraft or boat.

This important funding was originally authorized as part of the Safe Drinking Water Act Amendments of 1996 and was reauthorized in 2000. The authorization for this program expires at the end of fiscal year 2005. Every fiscal year, the EPA transfers funding authorized by this program to the State of Alaska's Village Safe Water Program, which is managed by the Alaska Department of Environmental Conservation.

The water and sewer conditions in the villages in Alaska that still need this critical funding rival the conditions in rural communities in third world countries. For example, residents in some villages in Alaska have to go to a central source in the community to get fresh water. This source is usually a well. Instead of flushing toilets, residents have to use a device called a ''honeybucket.'' This device is a large bucket with a toilet seat on top. When the honeybucket is full, it is usually dumped in a lagoon or on land. Sometimes, these dump locations are near sources of drinking water.

The Village Safe Water program has been a success over the years. Many homes in Alaska's rural communities now have plumbing due to funds authorized by this program. However, thirty-three percent of homes in these communities still do not have in-house plumbing. It is unacceptable that the residents of these communities still do not have access to conventional plumbing in their homes in 2005.

Earlier this year, the Office of Management and Budget published a Program Assessment Rating Tool report concerning this program. This report found several deficiencies concerning the administration of this program. However, I have been assured that the EPA and the Alaska Department of Environmental Conservation are working closely together to correct these deficiencies.

It is imperative that we reauthorize this critically important program before the end of this fiscal year. The health and well-being of rural Alaskans is at stake.

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. 1409

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

SECTION 1. GRANTS TO ALASKA TO IMPROVE SANITATION IN RURAL AND NATIVE VILLAGES.

Section 303 of the Safe Drinking Water Act Amendments of 1996 (33 U.S.C. 1263a) is amended—

(1) in subsection (b), by striking ''50 percent'' and inserting ''75 percent''; and

(2) in subsection (e)—

(A) by striking ''$40,000,000'' and inserting ''$45,000,000''; and

(B) by striking ''2005'' and inserting ''2010''.

AMENDMENTS SUBMITTED AND PROPOSED

SA 1222. Mr. REID (for himself, Mr. LEVIN, Mr. ROCKEFELLER, Mr. BIDEN, and Mr. SCHUMER) proposed an amendment to the bill H.R. 2360, making appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2006, and for other purposes.

SA 1223. Mr. FRIST proposed an amendment to the bill H.R. 2360, supra.

SA 1224. Mr. REID (for Mr. BYRD (for himself and Ms. STABENOW)) proposed an amendment to the bill H.R. 2360, supra.

SA 1225. Mr. GREGG (for Mr. KENNEDY) proposed an amendment to amendment SA 1139 proposed by Mr. SESSIONS (for himself and Mr. HATCH) to the bill H.R. 2360, supra.

TEXT OF AMENDMENTS

SA 1222. Mr. REID (for himself, Mr. LEVIN, Mr. ROCKEFELLER, Mr. BIDEN, and Mr. SCHUMER) proposed an amendment to the bill H.R. 2360, making appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2006, and for other purposes; as follows:

At the appropriate place, insert the following:

SEC. ___. No Federal employee who discloses, or has disclosed, classified information, including the identity of a covert agent of the Central Intelligence Agency, to a person not authorized to receive such information shall be permitted to hold a security clearance for access to such information.

SA 1223. Mr. FRIST proposed an amendment to the bill H.R. 2360, making appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2006, and for other purposes; as follows:

At the appropriate place, insert the following:

SEC. Any federal officeholder who makes reference to a classified Federal Bureau of Investigation report on the floor of the United States Senate, or any federal officeholder that makes a statement based on an FBI agent's comments which is used as propaganda by terrorist organizations thereby putting our servicemen and women at risk, shall not be permitted access to such information or to hold a security clearance for access to such information.

SA 1224. Mr. REID (for Mr. BYRD (for himself and Ms. STABENOW)) proposed