of the American automobile industry, and for other purposes.

S. 1085

At the request of Mr. THUNE, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. 1085, a bill to require air carriers to publish customer service data and flight delay history.

S. 1092

At the request of Mr. HAGEL, the names of the Senator from Hawaii (Mr. INOUYE) and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of S. 1092, a bill to temporarily increase the number of visas which may be issued to certain highly skilled workers.

S. 1114

At the request of Mrs. FEINSTEIN, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. 1114, a bill to reiterate the exclusivity of the Foreign Intelligence Surveillance Act of 1978 as the sole authority to permit the conduct of electronic surveillance, to modernize surveillance authorities, and for other purposes.

S. CON. RES. 22

At the request of Mr. DURBIN, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. Con. Res. 22, a concurrent resolution expressing the sense of the Congress that the Citizens' Stamp Advisory Committee should recommend to the Postmaster General that a commemorative postage stamp be issued to promote public awareness of Down syndrome.

S. RES. 118

At the request of Mr. LEVIN, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. Res. 118, a resolution urging the Government of Canada to end the commercial seal hunt.

S. RES. 123

At the request of Mr. DEMINT, the names of the Senator from Nevada (Mr. ENSIGN), the Senator from Arizona (Mr. MCCAIN), the Senator from Wyoming (Mr. ENZI), the Senator from Florida (Mr. MARTINEZ) and the Senator from Missouri (Mrs. MCCASKILL) were added as cosponsors of S. Res. 123, a resolution reforming the congressional earmark process.

AMENDMENT NO. 873

At the request of Mr. CHAMBLISS, the name of the Senator from Florida (Mr. MARTINEZ) was added as a cosponsor of amendment No. 873 intended to be proposed to S. 372, an original bill to authorize appropriations for fiscal year 2007 for the intelligence and intelligence-related activities of the United States Government, the Intelligence Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.

AMENDMENT NO. 874

At the request of Mr. CHAMBLISS, the name of the Senator from Florida (Mr. MARTINEZ) was added as a cosponsor of amendment No. 874 intended to be proposed to S. 372, an original bill to authorize appropriations for fiscal year 2007 for the intelligence and intelligence-related activities of the United States Government, the Intelligence Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.

AMENDMENT NO. 875

At the request of Mr. CHAMBLISS, the name of the Senator from Florida (Mr. MARTINEZ) was added as a cosponsor of amendment No. 875 intended to be proposed to S. 372, an original bill to authorize appropriations for fiscal year 2007 for the intelligence and intelligence-related activities of the United States Government, the Intelligence Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KYL (for himself, Mr. MCCONNELL, Mr. GRASSLEY, Mr. LOTT, Mr. ENSIGN, Mr. HATCH, Mr. THOMAS, Mr. SMITH, Mr. BUNNING, Mr. CRAPO, Mr. ROBERTS, Mr. DEMINT, Mr. ALEXANDER, Mr. MARTINEZ, Mr. CHAMBLISS, Mr. BROWNBACK, Mr. CRAIG, Mr. ALLARD, Mr. GRAHAM, Mr. ENZI, Mr. INHOFE, Mr. BURR, and Mr. COBURN):

S. 14. A bill to repeal the sunset on certain tax rates and other incentives and to repeal the individual alternative minimum tax, and for other purposes; to the Committee on Finance.

Mr. KYL. Mr. President, today, on behalf of the Senate Republican leadership, I am introducing the Invest in America Act, a comprehensive set of legislative proposals that are designed keep American families and the American economy on the path of continued prosperity by preventing—the largest tax increase in our Nation's history—a tax increase that is scheduled to happen in 2011 if Congress fails to extend current tax policies.

The American economy is the envy of the developed world. Our unemployment rate is just 4.4 percent, and 7.8 million new jobs have been created since mid–2003. Not only are more Americans working than ever before, but the benefits of our growing economy are broadly shared by all Americans. Real, inflation-adjusted wages rose 2.2 percent in the last 12 months—faster than the average rate of the late 1990s. This meant an extra $1,279 in the past year for the typical family with two wage earners. To keep our economy growing on this strong and sustainable path, we must avoid tax increases that could damage our economy.

America's economy has been growing at a strong and sustainable pace due in large measure to the fact that Americans are willing to work harder and be more productive in their labor, thus creating more new goods and services at lower costs. Americans will continue to be productive and contribute to our strong economy if we reject marginal tax rate increases on the income they earn. Studies have shown that people really do work more if the tax imposed on their extra labor is relatively low. Arizona State University's distinguished economics professor, Dr. Edward Prescott, won a Nobel Prize in economics for research that proved this theory.

It's interesting that the big investment bank, Goldman Sachs, studied what would happen if taxes increase across-the-board, as is scheduled to happen in 2011 when the various tax rates and other provisions enacted since 2001 expire. The short answer is an immediate recession—a recession that would not be avoided even if the Federal Reserve acted to cut interest rates. This study demonstrates very clearly why Congress cannot allow this tax hike to happen.

The President proposed in his fiscal year 2008 budget to make the tax rates and many other tax incentives enacted since 2001 permanent. In marked contrast, Democrats have produced budget resolutions in both the House and the Senate that assume all of these tax policies will expire and taxes will increase dramatically for virtually every American. In fact, the average family will see its taxes increase by about $3,675 if the Democrats are successful in canceling the tax relief. Today, Senate Republicans are going on the record in support of making these important tax policies permanent and in opposition to plans by Democrats to allow these tax increases to occur.

Our legislation underscores our commitment to American families and to a strong American economy by preventing the largest tax increase in American history. We believe that American families pay enough in taxes—indeed, revenues are running above historical levels. The Invest in America Act makes all of the current-law tax rates permanent so that no American family faces an automatic tax hike in 2011. I want to underscore that Republicans believe that no American family should face a tax increase—not young people just entering the job market and other lower-income Americans who are benefiting so substantially from the 10 percent bracket; not middle-income families; and not more successful Americans, including the almost 80 percent of taxpayers in the top bracket who report small business income.

Our legislation also invests in American families by making the $1,000-per-child tax credit, the marriage penalty relief, and the other components of the Economic Growth and Tax Relief Reconciliation Act—EGTRRA—of 2001 permanent. American moms and dads face an enormous and unexpected reduction in the child tax credit in 2011,

when the child tax credit is scheduled to be cut in half. Republicans know that the child tax credit helps countless parents offset some of the costs associated with raising their children, and we know that reducing the credit by 50 percent will be a terrible blow to many families. That's why Republicans support making the current $1,000 per-child tax credit permanent.

Married couples will face an unwelcome surprise when the marriage penalty relief expires. The marriage penalty relief the Republicans enacted is aimed squarely at middle-income families because the relief is only provided for the standard deduction and the 15-percent bracket. Republicans believe there is no reason a married couple should face a higher tax burden than they would as two single taxpayers, and so we propose to invest in American families by making the marriage penalty relief permanent.

The Invest in America Act underscores our commitment to investing in America's future by making the important education-related tax benefits enacted in recent years permanent. This will help countless middle-income Americans afford higher education costs. Our legislation invests in America's future by extending the tuition deduction, extending the modifications to Coverdell education savings accounts, extending certain provisions for the student loan interest deduction, and extending the exclusion for employer-provided educational assistance. We also propose to permanently extend the $250 deduction for expenses of elementary and secondary school teachers.

Republicans also believe that parents ought to be able to pass on the fruits of their labor to their children without the Federal death tax confiscating half of their estate, above a small exemption amount. The death tax hits family businesses and family farms and ranches the hardest because the owners are often not wealthy families, but rather have most of their assets tied up in the value of the business or the value of the land. And while the death tax hurts families, it also hurts our economy if it forces family businesses to close down, eliminating good-paying jobs in the process. Under current law, the death tax is repealed in 2010, but springs back to life in 2011, when more than 131,000 families will have to file estate tax returns in that year alone. Americans pay taxes throughout their lives, and Republicans believe they should not have more than half of their assets taken in taxes at death too, so the Invest in America Act makes repeal of the death tax permanent.

The Invest in America Act goes beyond the 2001 and 2003 tax relief laws and also repeals—once and for all—the individual Alternative Minimum Tax (AMT). If you go by rhetoric alone, there is overwhelming bipartisan support in Congress for repealing the AMT. But, American taxpayers want action. The problems we have encountered from the AMT demonstrate what happens when Congress tries to target a tax specifically at the ''wealthy''—we almost always end up hitting the broad swath of middle-income families. The AMT was never intended to hit middle-income taxpayers, and Congress ought to repeal it before it imposes unnecessary and unexpected taxes on more and more families.

Republicans understand that, in addition to not raising taxes on families, we cannot take our strong and dynamic economy for granted; we believe we must invest in American competitiveness. While our legislation should not be viewed as a comprehensive approach to improving American competitiveness, we believe a necessary first step is to prevent tax increases that will surely hurt America's competitive position in the world economy. Specifically, the Invest in America Act makes permanent the current tax rates for capital gains and dividends; it makes the increased expensing amounts available for small businesses permanent; and it makes permanent the newly-enhanced research and development tax credit.

America cannot expect to be the home for worldwide capital markets if it is hostile to American investors, so the Invest in America Act makes the existing tax rates for long-term capital gains and for qualified dividends permanent. These lower tax rates implemented in 2003 and extended in 2006 have encouraged investors of all income categories to put their money to work in the markets, generating solid returns for American investors and providing much needed capital for American businesses to grow and create new jobs. It has been 4 years since these lower rates were enacted-long enough for us to determine once and for all that lower rates really do encourage increased economic activity.

Growth since the 2003 tax relief has averaged more than 3.5 percent, while it averaged just 1.3 percent from the first quarter of 2001 through the second quarter of 2003. The Dow Jones Industrial Average has risen by 40 percent since the lower investment tax rates were enacted. The average 401(k) balance has risen by about 65 percent since 2003. All of this investment activity makes it easier for entrepreneurs and businesses to raise funds to expand and grow their businesses, create more jobs, and improve standards of living around the country.

It's interesting to note that, while the conventional wisdom is that these lower investment tax rates only benefit ''the rich,'' half of all Americans own shares of stock, either on their own or in their retirement savings. In fact, most of the Americans who are benefiting from these lower rates are middle-income taxpayers. Moreover, the current 5 percent rate, which is available for the lower-income investors and drops to zero in 2008, is a sometimes-forgotten benefit, but it is especially important to our senior citizens who rely on their investment income. According to statistics calculated by the Joint Committee on Taxation, the vast majority of elderly taxpayers who report capital gains and dividends income have incomes under $100,000.

In addition to reducing tax rates to encourage more business investment, Congress also significantly increased the amount of investment that small businesses may expense in a given year. This has helped countless small businesses expand their operations by making the purchase of new equipment more cost-effective. Unfortunately, these increased levels are only in effect through 2009. Small businesses create most new jobs in the U.S. and comprise half of our private gross domestic product, so the Invest in America Act proposes to make the enhanced small business expensing levels permanent.

While low tax rates on income and investments are essential to keeping America competitive, Republicans know that many countries around the world are specifically and aggressively working to attract some of the most high-quality jobs and economic activities available: research and development. America hinders its ability to attract and retain R&D here because the tax incentives we give to encourage R&D are not permanent law, but must be extended every year or so. This makes it very difficult for companies to commit to large-scale R&D investments in the U.S., when other countries are offering permanent or longer-term tax incentives. To ensure that America remains the most attractive place for R&D, the Invest in America Act makes the R&D tax credit permanent.

The Invest in America Act also acknowledges that the U.S. tax system imposes a costly and frustrating burden on taxpayers, with filers spending an average 30 hours to complete the typical Form 1040. Six in ten Americans opt instead to hire a professional. The billions of dollars spent each year simply complying with the tax system could be put to a much better, and more economically beneficial, use. The Invest in America Act expresses the Sense of the Senate that the Finance Committee should report tax simplification legislation by the end of the year to make the tax system fair, transparent, and efficient, without raising tax rates.

Finally, I want to address the effect all of the tax changes have had on our budget deficit and to dispute the notion that Congress must raise taxes elsewhere if we are going to make existing tax rates and incentives permanent and repeal the AMT. It is important for all Americans to know that all of the additional tax revenue flowing into the Treasury from our growing economy, hardworking Americans, and from profitable investments has caused our budget deficit to shrink below 2 percent of GDP—well below its historical average. If we stay on our current progrowth path, reject tax increases,

and impose reasonable restraints on spending growth, we will balance the budget by 2012, if not sooner.

As for the notion that Congress must ''pay for'' tax relief with tax increases, I would note that the official estimates about how much certain tax provisions will ''cost'' the Treasury are just that, estimates. And they often prove to be wrong. For example, since 2003, the Treasury has collected $133 billion more in capital gains revenue than was originally projected by the Congressional Budget Office; revenues have exceeded official CBO projections by 68 percent. Second, the concept of requiring corresponding tax increases falsely assumes that the Government is entitled to the revenue, when it really belongs to the American people. Third, revenues are running above their historical average of about 18.2 percent and are projected to continue increasing even if we make the current tax structure permanent, as we propose in the Invest in America Act. If we raise taxes in order to extend the tax policies, we will be taking even more resources out of the private sector and spending them on government programs, which will certainly damage our economy. To protect our growing economy, I believe we must ensure that revenues, as a percentage of our economy, do not rise much above their current level.

I am pleased to be the lead sponsor of this important legislation that underscores the commitment of the Senate Republican leadership to investing in American families, America's future, and American competitiveness. America's economy is growing at a strong and sustainable level, to the benefit of all American families, but this growth will not continue if we unwisely allow taxes to be increased on work, savings, and investment—the very engines of economic growth.

By Mr. REED (for himself and Mr. COCHRAN):

S. 1121. A bill to authorize the cancellation of Perkins Loans for students who perform public service as librarians in low-income schools and public libraries; to the Committee on Health, Education, Labor, and Pensions.

Mr. REED. Mr. President, I am joined by Mr. COCHRAN in introducing important legislation, the Librarian Incentive to Boost Recruitment and Retention in Areas of Need (LIBRARIAN) Act, to support our Nation's librarians. This legislation is also being introduced in the other body by Representative BECERRA, along with Representatives GRIJALVA, EHLERS, and SHIMKUS.

Public libraries and schools across the Nation are experiencing a shortage of librarians. Approximately 25 percent of America's school libraries do not have a State certified library media specialist on staff and with more than three in five librarians becoming eligible for retirement in the next decade this shortage is anticipated to only worsen.

The LIBRARIAN Act amends the Higher Education Act to provide for Perkins loan forgiveness to individuals with master's degrees in library science who become librarians in low-income schools and public libraries. Librarians working full-time in low-income areas would qualify for up to 100 percent Perkins loan forgiveness depending on the number of years they serve.

Libraries and librarians play an essential role in our schools and communities; this legislation aims to provide the same support to librarians as other public service workers receive, including teachers working in low-income schools, Head Start staff, law enforcement officials, and nurses or medical technicians.

Today we celebrate National Library Workers Day, a day to recognize the valuable contributions made by librarians and others who work in libraries. With this legislation, we have an opportunity to encourage more individuals to pursue the field of library science and retain those skilled librarians who are already serving in our low-income schools and communities.

I was pleased that the text of this bill was included in the Higher Education Act reauthorization bill approved by the Senate Health, Education, Labor, and Pensions Committee last Congress. I will again press for its inclusion in the reauthorization bill the Committee is currently working to develop. I urge my colleagues to join us in this endeavor by cosponsoring the LIBRARIAN Act.

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. 1121

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 ''Librarian Incentive to Boost Recruitment and Retention in Areas of Need Act of 2007'' or the ''LIBRARIAN Act''.

SEC. 2. LOAN CANCELLATION.

(a) AMENDMENTS.—Section 465(a) of the Higher Education Act of 1965 (20 U.S.C. 1087ee(a)) is amended—

(1) in paragraph (2)—

(A) by striking ''section 111(c)'' in subparagraph (A) and inserting ''section 1113(a)(5)'';

(B) by striking ''or'' at the end of subparagraph (H);

(C) by striking the period at the end of subparagraph (I) and inserting ''; or''; and

(D) by inserting after subparagraph (I) the following new subparagraph:

''(J) as a full time librarian, if the librarian has a master's degree in library science and is employed in—

''(i) an elementary school or secondary school that is eligible for assistance under title I of the Elementary and Secondary Education Act of 1965; or

''(ii) a public library that serves a geographic area that contains 1 or more schools eligible for assistance under title I of the Elementary and Secondary Education Act of 1965.''; and

(2) in paragraph (3)(A)(i), by striking out ''(H), or (I)'' and inserting ''(H), (I), or (J)''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to any year of service that is completed after the date of enactment of this Act.

By Mr. LEVIN (for himself and Mr. COLEMAN):

S. 1124. A bill to amend the Internal Revenue Code of 1986 to simplify, modernize, and improve public notice of and access to tax lien information by providing for a national, Internet accessible, filing system for Federal tax liens, and for other purposes; to the Committee on Finance.

Mr. LEVIN. Mr. President, today is the day that millions of Americans across this country perform an important civic duty by paying their taxes. It is also a day when many Members of Congress take the time to reflect on the state of the Federal tax system and consider how we can strengthen it, simplify it, make it more fair, and, in a responsible way, ease the tax burden on our citizens.

Earlier this year, I introduced the Stop Tax Haven Abuse Act, S. 681, to strengthen our tax system. That bipartisan bill, which I introduced with my colleagues, Senators NORM COLEMAN and BARACK OBAMA, targets outrageous, offshore tax abuses that drain $100 billion each year from the U.S. Treasury at the expense of honest, hardworking American families who pay their fair share. Offshore tax abuses eat away at the foundations of our tax system, draining billions in tax revenue, diverting substantial IRS enforcement resources, and demoralizing honest taxpayers who play by the rules. S. 681 offers a host of provisions to stop offshore abuses, and I urge my colleagues to take a serious look at that legislation on this tax day. If enacted, it would make our tax system more effective, more fair, and more productive. It deserves to be enacted into law this year.

Stopping offshore tax abuse, however, is far from the only tax problem that needs to be addressed if we are to achieve a fair and cost effective tax system. So today, I am introducing with Senator COLEMAN legislation offering a cure to a completely different tax problem. The target of this legislation is better administration of Federal tax liens.

It has been 40 years since Congress made any significant changes to the laws regulating how the Internal Revenue Service (IRS) files Federal tax liens and makes them public. Right now, outdated laws are forcing the IRS to waste taxpayer dollars on an old-fashioned, inefficient, and burdensome paper tax lien filing system that should be replaced by a modernized electronic filing system capable of operating at a fraction of the cost. It is time to bring the Federal tax lien system into the 21st century. That's why I am introducing today, along with Senator COLEMAN, the Tax Lien Simplification

Act, which will simplify the process of recording tax liens at an estimated ten-year cost savings of over half a billion dollars, while at the same time improving taxpayer service by speeding up the release of liens after taxes are paid.

Tax liens are a principal way to collect payment from persons who are delinquent in paying their taxes. By law, Federal tax liens arise automatically ten days after a taxpayer's failure to pay an assessed tax. The lien automatically attaches to the taxpayer's real and personal property and remains in effect until the tax is paid. However, the tax lien is not effective against other creditors owed money by the same taxpayer, until a notice of the Federal tax lien is publicly recorded. Generally, between competing creditors, the first to file notice has priority, so the filing of tax lien notices is very important to the government and to the taxpaying public if taxes are to be collected from persons who don't pay them.

Current law requires the IRS to file public notices of Federal tax liens in State, county, or city recording offices around the country. There are currently more than 4,100 of these local recording offices, many of which have developed specific rules regulating how such liens must be formatted and filed in their jurisdictions. This patchwork system developed more by default than by plan, because those local offices were where documents affecting title to real property, judgments, and other lien and security interest documents had always been filed.

In 1966, to help the IRS comply with a proliferating set of local filing rules for Federal tax liens, Congress passed the Tax Lien Act to standardize certain practices. This act provided, for example, that liens against real estate had to be filed where the property was located, and required each State to designate a single place to file Federal tax liens applicable to personal property. Most States subsequently adopted a version of the Uniform Tax Lien Filing Act, enabling the IRS to file a notice of tax lien in each locality where the taxpayer's real estate is located, and a single notice where the taxpayer resides to reach any personal property. For corporations, States typically require the IRS to file a notice to attach real estate in each locality where the real estate is located, and a separate notice, usually at the State level, to attach other types of property. There are often additional rules for trusts and partnerships. The end result of the law was to reduce some but not all of the multiple sets of rules regulating the local filing of Federal tax liens.

In addition, in most cases, the IRS continued to have to physically file the tax lien in the appropriate local recording office. In most cases, that filing is accomplished by mail. Some jurisdictions also allow electronic filings, but those jurisdictions are few and far between. The same is true if a lien has to be corrected, or a related certificate of discharge, subordination, or nonattachment needs to be filed, or when a tax liability has been resolved and the IRS wants to release a lien. Each usually requires a paper filing in one or more local recording offices. If a paper filing is lost or misplaced, the IRS often has to send an employee in person to deal with the problem, adding travel costs to other administrative expenses.

The paper filing system imposes similar burdens on other persons dealing with the tax lien system. Any person who is the subject of a tax lien, for example, or who is a creditor trying to locate a tax lien, is required to make a physical trip to one or more local recording offices to search the documents and see if a lien has been filed. Currently, there is no central database of locally filed tax liens that can be accessed by any member of the public or by any taxpayer that is the subject of a federal tax lien. Not even IRS personnel have access to such a tax lien database. It does not exist.

The result is an inefficient, costly, and burdensome paper filing system that can and should be completely revamped. Businesses across the country learned long ago that electronic filing systems outperform paper; they save personnel costs, material costs, time, and client frustration. Government agencies have learned the same thing as they have moved to electronic databases and recordkeeping, including systems made available to the public on the Internet. Among the many examples of government-sponsored, Internet-based systems currently in operation are the contractor registry operated by the General Services Administration to allow persons to register to bid on federal contracts, the license registry operated by the Federal Communications Commission to allow the public to search radio licenses, and the registry operated by the U.S. Patent and Trademark Office to allow the public to search currently registered patents and trademarks. Each of these systems has saved taxpayer money, while improving service to the public.

Just as government agencies gave up the horse and buggy for the automobile, it is time for the IRS to move from a decentralized, paper-based tax lien filing system to an electronic national tax lien registry. But the IRS' hands are tied, until the Congress changes the laws holding back modernization of the federal tax lien filing system.

The bill we are introducing today would make the changes necessary to enable the IRS to take immediate steps to simplify and modernize the Federal tax lien filing system. The operative provisions would require the IRS to create a national registry for the filing of tax lien notices as an electronic database that is Internet accessible and searchable by the public at no cost. It would mandate the use of this system in place of the existing system of local filings. It would establish the priority of Federal tax liens according to the date and time that the relevant notice was filed in the national registry, in the same way that priorities are currently established from the date and time of filing in local recording offices. The bill would also shorten the time allowed to release a tax lien, after the related tax liability has been resolved, from 30 days to 10 days.

To establish this new electronic filing system, the bill would give the Treasury Secretary express authority to issue regulations or other guidance governing the establishment and maintenance of the registry. Among other obligations, Treasury would be required to ensure that the registry was secure and prevent data tampering. In addition, prior to the implementation of the national registry, the Treasury Secretary would be required to review the information currently included in public tax lien filings to determine whether any of that information should be excluded or protected from disclosure on the Internet. For example, the Treasury Secretary would be expected to prevent the disclosure of social security numbers that are currently included in many public tax lien filings, but if disclosed on the Internet, could facilitate identity theft. While such identifying information could continue to be included in a tax lien filing to ensure that the filing is directed toward the correct person, the registry could be constructed to prevent such information from being disclosed publicly and to instead provide such information only upon request from appropriate persons involved in the enforcement of the tax lien or collection of the tax debt. By requiring this information review prior to implementing the national tax lien registry, the bill is expected to provide greater protection of some taxpayer information than occurs in current tax lien filings.

The bill would require the Treasury Secretary to establish a functioning tax lien registry by January 1, 2009, but would also allow the IRS to continue to use the existing paper-based tax lien filing system, in parallel with the new system, for an appropriate period to ensure a smooth transition. The IRS has indicated that it would be able to establish an electronic tax lien filing system within the specified time period.

Moving to a centralized, electronic tax lien filing system, an Internet-based National Registry of tax liens, would accomplish at least three objectives. It would save taxpayer dollars, speed the process for filing and releasing tax liens, and simplify the process for researching Federal tax liens for taxpayers and creditors.

The IRS estimates that moving from a paper-based, locally filed tax lien system to an Internet-based, Federal tax lien filing system would save about $570 million over 10 years. That's half a billion dollars in cost savings. These

savings would come from the elimination of State filing fees, IRS personnel costs, travel costs related to local filing problems, and the cost of lost taxes whenever the IRS makes an error or a tax lien filing is misplaced or delayed. Filing fees, for example, vary widely from state to state, but typically cost at least $10 per filing, and in some States cost as much as $150. If a taxpayer has real estate in multiple jurisdictions, those costs multiply. Personnel costs include the IRS service center staff that is currently charged with filing tax liens nationwide and complying with the myriad filing rules in effect in the 4,100 recording offices across the country. Additional anticipated savings would come from reduced mailing and travel costs.

Electronic filing would not only save money, it would improve taxpayer service. Taxpayers who are the subject of a tax lien filing, for example, would benefit from a centralized registry in several ways. First, taxpayers would be able to review their liens as soon as they are filed online, without having to make a physical trip to one or more local recording offices. Second, taxpayers would have an easy way to look up their liens on multiple occasions, identify any problems, and correct any errors. Third, once the underlying tax liability was resolved, the IRS would be required to release the tax lien in 10 days, instead of the 30 days allowed under current law. The longer 30-day period is necessitated by the current complexities associated with filing a paper lien in one or more local offices, complexities that would be eliminated by the establishment of a centralized, electronic registry.

Creditors who need to research Federal tax liens would also benefit from a centralized, electronic registry. Lenders, security holders and others, for example, would be able to use a simplified search process that could take place online and would not require physical trips to multiple locations. Simplifying the search process would also provide greater certainty that all tax liens were found. The ability to research Federal tax liens remotely and instantaneously should be of particular benefit to larger lenders and to creditors of taxpayers with widely distributed assets.

Federal tax liens are not a topic that normally excites the public's interest. Sound tax administration, however, requires attention to administrative as well as enforcement concerns. Federal law is currently impeding development of a more efficient, cost effective tax lien filing system. Amending the law as indicated in the Tax Lien Simplification Act to streamline the tax lien filing system, moving it from a paper-based to an electronic-based system, would not only advance the more efficient, cost-effective tax system we all want, it would also save half a billion dollars in taxpayer money. At the same time, it would make the system work better for individual taxpayers by reducing the possibility for mistakes and speeding up the release of liens for taxpayers who have paid. Modernizing our tax lien filing system makes sense in every way. I urge my colleagues to join Senator COLEMAN and myself in enacting this bill into law this year.

I ask unanimous consent to print in the RECORD following these remarks a section-by-section analysis of the bill.

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

The Tax Lien Simplification Act introduced by Senators Levin and Coleman contains the following provisions.

SECTION 1

The short title of the bill is the ''Tax Lien Simplification Act.''

SECTION 2

Section 2 contains the findings and purpose of the bill. It finds that the current federal tax lien filing system is inefficient, burdensome, and expensive, and that current technology permits the creation of an electronic system that would be more efficient, more timely, less burdensome, and less expensive. It states that the purpose of the bill is to simplify and modernize the tax lien filing process, to improve public access to tax lien information, and to save taxpayer dollars by replacing the current decentralized system of local tax lien filings with a centralized, nationwide, Internet accessible, and fully searchable tax lien filing system.

SECTION 3

Section 3 contains the operative provisions of the bill.

Subsection (a) would amend section 6323(f) of title 26 by eliminating the provisions in current law directing tax liens to be filed in state and local recording offices, and by authorizing the filing of federal tax lien notices in a national tax lien registry to be established under a new subsection 6323(k). It would deem such notices, and any related certificate of release, discharge, subordination, or nonattachment of a lien, to be effective for purpose of determining the relative priority of a federal tax lien. It would direct the Secretary of the Treasury to prescribe the form and content of the tax lien notices to be filed on the registry. Filings of tax lien notices and related documents would become effective from the date and time of recording in the national tax lien registry, just as they are now from the date and time of a local filing.

Subsection (b) would provide that if an existing tax lien notice must be re-filed, then the re-filing should be made in the national tax lien registry.

Subsection (c) would require certificates of release, discharge, subordination, and nonattachment of a tax lien to be filed in the national tax lien registry. It would also reduce from 30 days to 10 days the time allotted for the release of a tax lien after the underlying tax liability has been resolved. It would make various conforming amendments in the provisions related to federal tax liens.

Subsection (d)(1) would amend section 6323 of title 26 by establishing a National Registry of federal tax liens and related documents. It would require this National Registry to be established and maintained by the Secretary of the Treasury, and made accessible to and searchable by the public through the Internet at no cost. It would require the registry to identify the taxpayer to whom the tax lien applies and reflect the date and time the notice of lien was filed. It would require the registry to be searchable by, at a minimum, taxpayer name and address, the type of tax, the tax period, and when Treasury determines it is feasible, by the affected property.

Subsection (d)(2) would require Treasury to issue regulations or other guidance for the maintenance and use of the registry, and to secure the registry and prevent data tampering. Prior to the implementation of the registry, the Treasury Secretary would be required to review the information currently provided in public tax lien filings to determine whether any of that information should be excluded or protected from public viewing in the National Registry.

Subsection (e) would establish a transition rule for the move from the existing paper-based tax lien filing system to the National Registry. It would authorize the Treasury Secretary to issue regulations allowing for the continued filing of notices in state and local offices for ''an appropriate period to permit an orderly transition'' to the National Registry.

Subsection (f) would require Treasury to make the National Registry operational as of January 1, 2009, and make the bill applicable to tax lien notices filed after December 31, 2008.

By Mr. DODD (for himself, Mr. COCHRAN, Mr. KENNEDY, Mr. STEVENS, Mr. BINGAMAN, Mr. KERRY, and Mr. ROCKEFELLER):

S. 1128. A bill to amend the National and Community Service Act of 1990 to establish a Summer of Service State grant program, a Summer of Service national direct grant program, and related national activities, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. DODD. Mr. President, I rise today to introduce, along with Senators COCHRAN, KENNEDY, STEVENS, BINGAMAN, KERRY and ROCKEFELLER the Summer of Service Act of 2007. This bill offers middle school students the chance to spend a summer in service to their communities as they transition into high school.

The Summer of Service Act would create a competitive grant program that would enable States and localities to offer middle school students an opportunity to participate in a structured community service program over the summer months. It would employ service-learning to teach civic participation skills, help young people see themselves as resources to their communities, expand educational opportunities and discourage ''summer academic slide.'' Providing tangible benefits to their communities, Summer of Service projects would direct grantees to work on unmet human, educational, environmental and public safety needs and encourage all youth, regardless of age, income, or disability, to engage in community service. The program would also grant participants with an educational award of up to $500 which can later be used to pay for college.

Volunteerism not only brings support and services to communities in need, it also provides significant benefits to the students who participate. When young people participate in service activities they feel better able to control their lives in a positive way, avoiding risk

behaviors, strengthening their community connections and become more engaged in their studies. When service is tied to what students are learning in school, they often make gains on achievement tests, complete their homework more often, and increase their grade point average. Students who engage in service learning also improve their communication skills, gain increased awareness of career possibilities, and develop more positive workplace attitudes, setting the foundation for their place as America's future leaders. Studies also show that students who participate in community service are more likely to graduate high school and demonstrate interest in going to college.

We often hear today of the tremendous pressures our young people face at home, in school and in the afterschool hours. Summer of Service provides young people with the chance to be a positive change in their communities. For this reason, I urge my colleagues to join me in supporting the Summer of Service Act of 2007. I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1128

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 ''Summer of Service Act of 2007''.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds the following:

(1) Throughout the United States, there are pressing unmet human, educational, environmental and public safety needs.

(2) Americans desire to affirm common responsibilities and shared values, and join together in positive experiences, that transcend race, religion, gender, age, disability, region, income, and education.

(3) Americans of all ages can improve their communities and become better citizens through service to their communities.

(4) When youth participate in service activities and see that they are able to improve the lives of others, the youth feel better able to control their own lives in a positive way, avoiding risky behaviors, strengthening their community connections, and becoming more engaged in their own education.

(5) When youth service is tied to learning objectives, that service is shown to decrease alienation and behavior problems, and increase knowledge of community needs, commitment to an ethic of service, and understanding of politics and morality.

(6) When service is tied to what students are learning in school, the students make gains on achievement tests, complete their homework more often, and increase their grade point averages.

(7) Students who engage in service-learning improve their communication skills, increase their awareness of career possibilities, have a deeper understanding of social and economic issues that face the United States, and develop more positive workplace attitudes, preparing them to take their places as future leaders of the United States.

(8) In a national poll, more than 80 percent of parents said that their child would benefit from an after school program that offered community service and 95 percent of teens agreed that is important to volunteer time to community efforts.

(b) PURPOSE.—The purposes of this Act are to—

(1) offer youth the chance to spend a summer in service to their communities as a rite of passage before high school;

(2) teach civic participation skills to youth and help youth see themselves as resources and leaders for their communities;

(3) expand educational opportunities and discourage ''summer slide'' by engaging youth in summer service-learning opportunities;

(4) encourage youth, regardless of age, income, or disability, to engage in community service;

(5) provide tangible benefits to the communities in which Summer of Service programs are performed; and

(6) enhance the social-emotional development of youth of all backgrounds.

SEC. 3. SUMMER OF SERVICE PROGRAMS.

Title I of the National and Community Service Act of 1990 (42 U.S.C. 12511 et seq.) is amended—

(1) by redesignating subtitles F, G, H, and I as subtitles G, H, I, and J, respectively;

(2) by redesignating sections 160 through 166 as sections 159A through 159G, respectively; and

(3) by inserting after subtitle E the following:

''Subtitle F—Summer of Service Programs

''SEC. 161. DEFINITIONS.

''In this subtitle:

''(1) EDUCATIONAL AWARD.—The term 'educational award' means an award disbursed under section 162B(d) or 163B(d).

''(2) ELIGIBLE ENTITY.—The term 'eligible entity' means a public or private nonprofit organization, an institution of higher education, a local educational agency, a public elementary school or public secondary school, or a consortium of 2 or more of the entities described in this paragraph.

''(3) ELIGIBLE YOUTH.—The term 'eligible youth' means a youth who will be enrolled in the sixth, seventh, eighth, or ninth grade at the end of the summer for which the youth would participate in community service under this subtitle.

''PART I—SUMMER OF SERVICE STATE GRANT PROGRAM

''SEC. 162. GRANTS TO STATES.

''(a) GRANTS.—

''(1) IN GENERAL.—The Chief Executive Officer shall award grants on a competitive basis to States, to enable the State Commissions—

''(A) to carry out State-level activities under subsection (d); and

''(B) to award subgrants on a competitive basis under section 162A to eligible entities to pay for the Federal share of the cost of carrying out community service projects.

''(2) FUNDS FOR EDUCATIONAL AWARDS.—The Chief Executive Officer shall decide whether funds appropriated to carry out this part and available for educational awards (referred to in this part as 'educational award funds') shall be—

''(A) included in the funds for such grants to States and subgrants to eligible entities; or

''(B) reserved by the Chief Executive Officer, deposited in the National Service Trust for educational awards, and disbursed according to paragraphs (1) and (3) of section 162B(d).

''(3) PERIODS OF GRANTS.—The Chief Executive Officer shall award the grants for periods of 3 years.

''(4) AMOUNTS OF GRANTS.—The Chief Executive Officer shall award such a grant to a State for a program in a sum equal to—

''(A) the amount obtained by multiplying $500 and the number of youth who will participate in the program (to be used for program expenses);

''(B) unless the Chief Executive Officer decides to deposit funds for educational awards in the National Service Trust, as described in paragraph (2)(B), an additional amount equal to the amount described in subparagraph (A) (to be used for educational awards); and

''(C) an amount sufficient to provide for the reservation for State-level activities described in subsection (d).

''(b) STATE APPLICATION.—To be eligible to receive a grant under this section, a State shall submit an application to the Chief Executive Officer at such time, in such manner, and containing such information as the Chief Executive Officer may require, including information that—

''(1) designates the State Commission as the agency responsible for the administration and supervision of the community service program carried out under this part in the State;

''(2) describes how the State Commission will use funds received under this part, including funds reserved for State-level activities under subsection (d);

''(3) describes the procedures and criteria the State Commission will use for reviewing applications and awarding subgrants on a competitive basis under section 162A to eligible entities for projects, including how the State Commission will give priority to an entity that—

''(A) offers a quality plan for or has an established track record of carrying out the activities described in the entity's application;

''(B) has a leadership position in the community from which the youth participating in the project described in the application will be drawn;

''(C) proposes a project that focuses on service by the participants during the transition year before high school;

''(D) plans to ensure that at least 50 percent of the participants are low-income eligible youth;

''(E) proposes a project that encourages or enables youth to continue participating in community service throughout the school year;

''(F) plans to involve the participants in the design and operation of the project, including involving the participants in conducting a needs-based assessment of community needs;

''(G) proposes a project that involves youth of different ages, races, sexes, ethnic groups, religions, disability categories, or economic backgrounds serving together; and

''(H) proposes a project that provides high quality service-learning experiences;

''(4) describes the steps the State Commission will take, including the provision of ongoing technical assistance described in subsection (d)(2) and training, to ensure that projects funded under section 162A will implement effective strategies; and

''(5) describes how the State Commission will evaluate the projects, which shall include, at a minimum—

''(A) a description of the objectives and benchmarks that will be used to evaluate the projects; and

''(B) a description of how the State Commission will disseminate the results of the evaluations, as described in subsection (d)(4)(C).

''(c) APPLICANT REVIEW.—

''(1) SELECTION CRITERIA.—The Chief Executive Officer shall evaluate applications for grants under this section based on the quality, innovation, replicability, and sustainability of the State programs proposed by the applicants.

''(2) REVIEW PANELS.—The Chief Executive Officer shall employ the review panels established under section 165A in reviewing the applications.

''(3) NOTIFICATION OF APPLICANTS.—If the Chief Executive Officer rejects an application submitted under this section, the Chief Executive Officer shall promptly notify the applicant of the reasons for the rejection of the application.

''(4) RESUBMISSION AND RECONSIDERATION.—The Chief Executive Officer shall provide an applicant notified of rejection with a reasonable opportunity to revise and resubmit the application. At the request of the applicant, the Chief Executive Officer shall provide technical assistance to the applicant as part of the resubmission process. The Chief Executive Officer shall promptly reconsider an application resubmitted under this paragraph.

''(d) STATE-LEVEL ACTIVITIES.—A State that receives a grant under this section may reserve up to 5 percent of the grant funds for State-level activities, which may include—

''(1) hiring staff to administer the program carried out under this part in the State;

''(2) providing technical assistance, including technical assistance concerning the professional development and training of personnel, to eligible entities that receive subgrants under section 162A;

''(3) conducting outreach and dissemination of program-related information to ensure the broadest possible involvement of eligible entities and local eligible youth in the program carried out under this part; and

''(4)(A) conducting an evaluation of the projects carried out by eligible entities under this part;

''(B) using the results of the evaluation to collect and compile information on best practices and models for such projects; and

''(C) disseminating widely the results of the evaluation.

''SEC. 162A. SUBGRANTS TO ELIGIBLE ENTITIES.

''(a) SUBGRANTS.—

''(1) IN GENERAL.—A State that receives a grant under section 162 shall use the grant funds to award subgrants on a competitive basis to eligible entities to pay for the Federal share of the cost of carrying out community service projects.

''(2) PERIODS OF SUBGRANTS.—The State shall award the subgrants for periods of 3 years.

''(3) AMOUNTS OF SUBGRANTS.—The State shall award such a subgrant to an eligible entity for a project in a sum equal to—

''(A) the amount obtained by multiplying $500 and the number of youth who will participate in the project (to be used for project expenses); and

''(B) unless the Chief Executive Officer decides to deposit funds for educational awards in the National Service Trust, as described in section 162(a)(2)(B), an additional amount equal to the amount described in subparagraph (A) (to be used for educational awards).

''(b) APPLICATIONS.—To be eligible to receive a subgrant under this section for a project, an entity shall submit an application to the State Commission at such time, in such manner, and containing such information as the State Commission may require, including information that—

''(1) designates the community in which the entity will carry out the project, which community may be the service area of an elementary school or secondary school, a school district, a city, town, village, or other locality, a county, the area in which a public housing project is located, a neighborhood, or another geographically or politically designated area;

''(2) describes the manner in which the entity will—

''(A) engage a substantial portion of the youth in the designated community;

''(B) engage a variety of entities and individuals, such as youth organizations, elementary schools or secondary schools, elected officials, organizations offering summer camps, civic groups, nonprofit organizations, and other entities within the designated community to offer a variety of summer service opportunities as part of the project;

''(C) ensure that the youth participating in the project engage in service-learning;

''(D) engage as volunteers in the project business, civic, or community organizations or individuals, which may include older individuals, volunteers in the National Senior Volunteer Corps established under title II of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5000 et seq.), participants in the school-based and community-based service-learning programs carried out under parts I and II of subtitle B, participants in the AmeriCorps program carried out under subtitle C, or students enrolled in secondary schools or institutions of higher education;

''(E) ensure that youth participating in the project provide at least 100 hours of community service for the project;

''(F) recruit eligible youth to participate in the project;

''(G) recruit service sponsors for community service activities carried out through the project, if the eligible entity intends to enter into an arrangement with such sponsors to provide project placements for the youth;

''(H) promote leadership development and build an ethic of civic responsibility among the youth;

''(I) provide team-oriented, adult-supervised experiences through the project;

''(J) conduct opening and closing ceremonies honoring participants in the project;

''(K) involve youth who are participating in the project in the design and planning of the project; and

''(L) provide training, which may include life skills, financial education, and employment training, in addition to training concerning the specific community service to be provided through the project, for the youth; and

''(3)(A) specifies project outcome objectives relating to youth development or education achievement, community strengthening, and community improvement;

''(B) describes how the eligible entity will establish annual benchmarks for the objectives, and annually conduct an evaluation to measure progress toward the benchmarks; and

''(C) provides an assurance that the eligible entity will annually make the results of such evaluation available to the State.

''(c) CONTINUED ELIGIBILITY.—To be eligible to receive funds under this section for a second or subsequent year of a subgrant period, an entity shall demonstrate that the entity has met the annual benchmarks for the objectives described in subsection (b)(3).

''(d) SELECTION OF SUBGRANT RECIPIENTS.—In awarding subgrants under this section, the State shall ensure that projects are funded in a variety of geographic areas, including urban and rural areas.

''SEC. 162B. SUMMER OF SERVICE PROJECTS.

''(a) USE OF FUNDS.—

''(1) IN GENERAL.—An eligible entity that receives a subgrant under section 162A shall use the subgrant funds to carry out a community service project.

''(2) SPECIFIC USES.—The eligible entity may use the subgrant funds to pay for—

''(A) hiring staff to administer the project;

''(B) developing or acquiring service-learning curricula for the project, to be integrated into academic programs, including making modifications for students who are individuals with disabilities and students with limited English proficiency;

''(C) forming local partnerships to develop and offer a variety of service-learning programs for local youth participating in the project;

''(D) establishing benchmarks, conducting evaluations, and making evaluation results available, as described in subparagraphs (B) and (C) of section 162A(b)(3);

''(E) conducting outreach and dissemination of program-related information to ensure the broadest possible involvement of local eligible youth and community partners in the project;

''(F) conducting ceremonies as described in section 162A(b)(2)(J);

''(G) carrying out basic implementation of the community service project; and

''(H) carrying out planning activities, during an initial 6 to 9 months of the subgrant period.

''(3) NON-FEDERAL SHARE.—An eligible entity that receives a subgrant under section 162A shall provide the non-Federal share of the costs described in section 162A(a)(1) from private or public sources other than the subgrant funds. The sources may include fees charged to the parents of the youth participating in the community service project involved and determined on a sliding scale based on income.

''(b) SERVICE PROJECTS.—

''(1) ELIGIBLE SERVICE CATEGORIES.—The eligible entity may use the subgrant funds to carry out a community service project to meet unmet human, educational, environmental, or public safety needs.

''(2) INELIGIBLE SERVICE CATEGORIES.—The eligible entity may not use the subgrant funds to carry out a service project in which participants perform service described in section 132(a).

''(c) PERIOD OF SERVICE PROJECTS.—The eligible entity—

''(1) shall carry out the community service project funded under section 162A during a period, the majority of which occurs in the months of June, July, and August; and

''(2) may carry out the project in conjunction with a related after school or in-school service-learning project operated during the remaining months of the year.

''(d) EDUCATIONAL AWARD.—

''(1) ELIGIBILITY.—Each eligible youth who provides at least 100 hours of community service for a project carried out under this part shall be eligible to receive an educational award of not more than $500. An eligible youth may participate in more than 1 such project but shall not receive in excess of $1,000 in total for such participation.

''(2) DISBURSEMENTS BY ELIGIBLE ENTITY.—If the Chief Executive Officer decides under section 162(a)(2)(A) to include educational award funds in subgrants under this part, the eligible entity carrying out the project shall—

''(A) disburse an educational award described in paragraph (1) in accordance with regulations issued by the Chief Executive Officer, which—

''(i) may permit disbursal of the award to the parents of the youth that have established a qualified tuition program account under section 529 of the Internal Revenue Code of 1986, for deposit into the account; but

''(ii) shall not otherwise permit disbursal of the award to the parents; or

''(B) enter into a contract with a private sector organization to hold the educational award funds and disburse the educational award as described in subparagraph (A).

''(3) DISBURSEMENTS BY CHIEF EXECUTIVE OFFICER.—If the Chief Executive Officer decides under section 162(a)(2)(B) to reserve

educational award funds, the Chief Executive Officer shall disburse the educational award as described in paragraph (2)(A).

"SEC. 162C. SUPPLEMENTAL GRANTS.

''(a) IN GENERAL.—The Chief Executive Officer may award a supplemental grant to an eligible entity that demonstrates the matters described in subsection (b), to assist the entity in carrying out a community service project in accordance with the requirements of this part, as determined appropriate by the Chief Executive Officer.

''(b) APPLICATION.—To be eligible to receive a supplemental grant under subsection (a), an entity shall submit an application to the Chief Executive Officer, at such time, in such manner, and containing such information as the Chief Executive Officer may require, including information demonstrating—

''(1) that the entity received a subgrant under section 162A for a community service project; and

''(2) that the entity would be unable to carry out the project without substantial hardship unless the entity received a supplemental grant under subsection (a).

''(c) AMOUNT OF GRANT.—The Chief Executive Officer shall award such a grant to an eligible entity for the project in the amount obtained by multiplying $250 and the number of youth who will participate in the project (to be used for project expenses).

"SEC. 162D. INDIAN TRIBES AND TERRITORIES.

''From the funds made available to carry out this part under section 165(b)(2)(A) for any fiscal year, the Chief Executive Officer shall reserve an amount of not more than 3 percent for payments to Indian tribes, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, to be used in accordance with the requirements of this part, as determined appropriate by the Chief Executive Officer.

"PART II—SUMMER OF SERVICE NATIONAL DIRECT GRANT PROGRAM

"SEC. 163. NATIONAL DIRECT GRANTS.

''(a) GRANTS.—

''(1) IN GENERAL.—The Chief Executive Officer shall award grants on a competitive basis to public or private organizations (referred to individually in this part as an 'organization')—

''(A) to carry out quality assurance activities under subsection (d); and

''(B) to pay for the Federal share of the cost of carrying out a community service program—

''(i) in a State where the State Commission does not apply for funding under part I; or

''(ii) in multiple States.

''(2) FUNDS FOR EDUCATIONAL AWARDS.—The Chief Executive Officer shall decide whether funds appropriated to carry out this part and available for educational awards (referred to in this part as 'educational award funds') shall be—

''(A) included in the funds for such grants to organizations and any subgrants to local providers; or

''(B) reserved by the Chief Executive Officer, deposited in the National Service Trust for educational awards, and disbursed according to paragraphs (1) and (3) of section 163B(d).

''(3) PERIODS OF GRANTS.—The Chief Executive Officer shall award the grants for periods of 3 years.

''(4) AMOUNTS OF GRANTS.—The Chief Executive Officer shall award such a grant to an organization for a program in a sum equal to—

''(A) the amount obtained by multiplying $500 and the number of youth who will participate in the program (to be used for program expenses);

''(B) unless the Chief Executive Officer decides to deposit funds for educational awards in the National Service Trust, as described in paragraph (2)(B), an additional amount equal to the amount described in subparagraph (A) (to be used for educational awards); and

''(C) an amount sufficient to provide for the reservation for quality assurance activities described in subsection (d).

''(b) NATIONAL DIRECT APPLICATIONS.—To be eligible to receive a grant under this section for a community service program, an organization shall submit an application to the Chief Executive Officer at such time, in such manner, and containing such information as the Chief Executive Officer may require, including information that—

''(1) describes how the organization will use funds received under this part, including funds reserved for quality assurance activities under subsection (d);

''(2)(A) describes the procedures and criteria the organization will use for reviewing applications and awarding subgrants on a competitive basis under section 163A to local providers for projects, including how the organization will give priority to a provider that, with respect to each project described in the application—

''(i) offers a quality plan for or has an established track record of carrying out the activities described in the provider's application;

''(ii) has a leadership position in the community from which the youth participating in the project will be drawn;

''(iii) proposes a project that focuses on service by the participants during the transition year before high school;

''(iv) plans to ensure that at least 50 percent of the participants are low-income eligible youth;

''(v) proposes a project that encourages or enables youth to continue participating in community service throughout the school year;

''(vi) plans to involve the participants in the design and operation of the project, including involving the participants in conducting a needs-based assessment of community needs;

''(vii) proposes a project that involves youth of different ages, races, sexes, ethnic groups, religions, disability categories, or economic backgrounds serving together; and

''(viii) proposes a project that provides high quality service-learning experiences; or

''(B) if the organization will carry out the community service program directly, demonstrates that the organization meets the requirements of clauses (i) through (viii) of subparagraph (A) with respect to each project described in the application;

''(3) describes the steps the organization will take, including the provision of ongoing technical assistance described in subsection (d)(2)) and training, to ensure that projects funded under this part will implement effective strategies; and

''(4) describes how the organization will evaluate the projects funded under this part, which shall include, at a minimum—

''(A) a description of the objectives and benchmarks that will be used to evaluate the projects; and

''(B) a description of how the organization will disseminate widely the results of the evaluations, as described in subsection (d)(3)(C).

''(c) APPLICANT REVIEW.—

''(1) SELECTION CRITERIA.—The Chief Executive Officer shall evaluate applications for grants under this section based on the quality, innovation, replicability, and sustainability of the programs proposed by the applicants.

''(2) REVIEW PANELS.—The Chief Executive Officer shall employ the review panels established under section 165A in reviewing the applications.

''(3) NOTIFICATION OF APPLICANTS.—If the Chief Executive Officer rejects an application submitted under this section, the Chief Executive Officer shall promptly notify the applicant of the reasons for the rejection of the application.

''(4) RESUBMISSION AND RECONSIDERATION.—The Chief Executive Officer shall provide an applicant notified of rejection with a reasonable opportunity to revise and resubmit the application. At the request of the applicant, the Chief Executive Officer shall provide technical assistance to the applicant as part of the resubmission process. The Chief Executive Officer shall promptly reconsider an application resubmitted under this paragraph.

''(d) QUALITY ASSURANCE ACTIVITIES.—An organization that receives a grant under this section may reserve up to 5 percent of the grant funds for quality assurance activities, which may include—

''(1) hiring staff to administer the program carried out under this part by the organization;

''(2) providing technical assistance, including technical assistance concerning the professional development and training of personnel, to local providers that receive subgrants under section 163A; and

''(3)(A) conducting an evaluation of the projects carried out by local providers of the organization under this part;

''(B) using the results of the evaluation to collect and compile information on best practices and models for such projects; and

''(C) disseminating widely the results of the evaluation.

"SEC. 163A. SUBGRANTS TO LOCAL PROVIDERS.

''(a) SUBGRANTS.—

''(1) IN GENERAL.—An organization that receives a grant under section 163 may use the grant funds to award subgrants on a competitive basis to local providers to pay for the Federal share of the cost of carrying out community service projects.

''(2) PERIODS OF SUBGRANTS.—The organization shall award the subgrants for periods of 3 years.

''(3) AMOUNTS OF SUBGRANTS.—The organization shall award such a subgrant to a local provider for a project in a sum equal to—

''(A) the amount obtained by multiplying $500 and the number of youth who will participate in the project (to be used for project expenses); and

''(B) unless the Chief Executive Officer decides to deposit funds for educational awards in the National Service Trust, as described in section 163(a)(2)(B), an additional amount equal to the amount described in subparagraph (A) (to be used for educational awards).

''(b) LOCAL PROVIDER APPLICATION.—To be eligible to receive a subgrant under this section, a local provider shall submit an application to the organization at such time, in such manner, and containing such information as the organization may require, including information that—

''(1) designates the communities in which the local provider will carry out projects under the subgrant, each of which communities may be the service area of an elementary school or secondary school, a school district, a city, town, village, or other locality, a county, the area in which a public housing project is located, a neighborhood, or another geographically or politically designated area;

''(2) for each project described in such application, describes the manner in which the local provider will—

''(A) engage a substantial portion of the youth in the designated community involved;

''(B) engage a variety of entities and individuals, such as youth organizations, elementary schools or secondary schools, elected officials, organizations offering summer camps, civic groups, nonprofit organizations, and other entities within the designated community to offer a variety of summer service opportunities as part of the project;

''(C) ensure that the youth participating in the project engage in service-learning;

''(D) engage as volunteers in the project business, civic, or community organizations or individuals, which may include older individuals, volunteers in the National Senior Volunteer Corps established under title II of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5000 et seq.), participants in the school-based and community-based service-learning programs carried out under parts I and II of subtitle B, participants in the AmeriCorps program carried out under subtitle C, or students enrolled in secondary schools or institutions of higher education;

''(E) ensure that youth participating in the project provide at least 100 hours of community service for the project;

''(F) recruit eligible youth to participate in the project;

''(G) recruit service sponsors for community service activities carried out through the project, if the local provider intends to enter into an arrangement with such sponsors to provide project placements for the youth;

''(H) promote leadership development and build an ethic of civic responsibility among the youth;

''(I) provide team-oriented, adult-supervised experiences through the project;

''(J) conduct opening and closing ceremonies honoring participants in the project;

''(K) involve youth who are participating in the project in the design and planning of the project; and

''(L) provide training, which may include life skills, financial education, and employment training, in addition to training concerning the specific community service to be provided through the project, for the youth; and

''(3)(A) specifies project outcome objectives relating to youth development or education achievement, community strengthening, and community improvement;

''(B) describes how the local provider will establish annual benchmarks for the objectives, and annually conduct an evaluation to measure progress toward the benchmarks; and

''(C) provides an assurance that the local provider will annually make the results of such evaluation available to the organization.

''(c) CONTINUED ELIGIBILITY.—To be eligible to receive funds under this section for a second or subsequent year of a subgrant period, a local provider shall demonstrate that all the projects for which the subgrant was awarded met the annual benchmarks for the objectives described in subsection (b)(3).

''(d) SELECTION OF SUBGRANT RECIPIENTS.—In awarding subgrants under this section, the organization shall ensure that projects are funded in a variety of geographic areas, including urban and rural areas.

''SEC. 163B. SUMMER OF SERVICE PROJECTS.

''(a) USE OF FUNDS.—

''(1) IN GENERAL.—A local provider that receives a subgrant under section 163A shall use the subgrant funds to carry out a community service project.

''(2) SPECIFIC USES.—The local provider may use the subgrant funds, to pay for—

''(A) hiring staff to administer the project;

''(B) developing or acquiring service-learning curricula for the project, to be integrated into academic programs, including making modifications for students who are individuals with disabilities and students with limited English proficiency;

''(C) forming local partnerships to develop and offer a variety of service-learning programs for local youth participating in the project;

''(D) establishing benchmarks, conducting evaluations, and making evaluation results available, as described in subparagraphs (B) and (C) of section 163A(b)(3);

''(E) conducting outreach and dissemination of program-related information to ensure the broadest possible involvement of local eligible youth and community partners in the project;

''(F) conducting ceremonies as described in section 163A(b)(2)(J);

''(G) carrying out basic implementation of the community service project; and

''(H) carrying out planning activities, during an initial 6 to 9 months of the grant period.

''(3) NON-FEDERAL SHARE.—A local provider that receives a subgrant under section 163A shall provide the non-Federal share of the cost described in section 163A(a)(1) from private or public sources other than the subgrant funds. The sources may include fees charged to the parents of the youth participating in the community service project involved and determined on a sliding scale based on income.

''(b) SERVICE PROJECTS.—

''(1) ELIGIBLE SERVICE CATEGORIES.—The local provider may use the subgrant funds to carry out a community service project to meet unmet human, educational, environmental, or public safety needs.

''(2) INELIGIBLE SERVICE CATEGORIES.—The local provider may not use the subgrant funds to carry out a service project in which participants perform service described in section 132(a).

''(c) PERIOD OF SERVICE PROJECTS.—The local provider—

''(1) shall carry out the community service project funded under section 163A during a period, the majority of which occurs in the months of June, July, and August; and

''(2) may carry out the project in conjunction with a related after school or in-school service-learning project operated during the remaining months of the year.

''(d) EDUCATIONAL AWARD.—

''(1) ELIGIBILITY.—Each eligible youth who provides at least 100 hours of community service for a project carried out under this part shall be eligible to receive an educational award of not more than $500. An eligible youth may participate in more than 1 such project but shall not receive in excess of $1,000 in total for such participation.

''(2) DISBURSEMENTS BY LOCAL PROVIDER.—If the Chief Executive Officer decides under section 163(a)(2)(A) to include educational award funds in subgrants under this part, the local provider carrying out the project shall—

''(A) disburse an educational award described in paragraph (1) in accordance with regulations issued by the Chief Executive Officer, which—

''(i) may permit disbursal of the award to the parents of the youth that have established a qualified tuition program account under section 529 of the Internal Revenue Code of 1986, for deposit into the account; but

''(ii) shall not otherwise permit disbursal of the award to the parents; or

''(B) enter into a contract with a private sector organization to hold the educational award funds and disburse the educational award as described in subparagraph (A).

''(3) DISBURSEMENTS BY CHIEF EXECUTIVE OFFICER.—If the Chief Executive Officer decides under section 163(a)(2)(B) to reserve educational award funds, the Chief Executive Officer shall disburse the educational award as described in paragraph (2)(A).

''(e) APPLICATION OF SECTION.—References in this section to local providers, with respect to the use of subgrant funds received under section 163A, apply equally to organizations that carry out community service projects directly, with respect to the use of grant funds received under section 163.

''SEC. 163C. SUPPLEMENTAL GRANTS.

''(a) IN GENERAL.—The Chief Executive Officer may award a supplemental grant to a local provider that demonstrates the matters described in subsection (b), to assist the provider in carrying out a community service project in accordance with the requirements of this part, as determined appropriate by the Chief Executive Officer.

''(b) APPLICATION.—To be eligible to receive a supplemental grant under subsection (a), a provider shall submit an application to the Chief Executive Officer, at such time, in such manner, and containing such information as the Chief Executive Officer may require, including information demonstrating—

''(1) that the provider received a subgrant under section 163A for a community service project; and

''(2) that the provider would be unable to carry out the project without substantial hardship unless the provider received a supplemental grant under subsection (a).

''(c) AMOUNT OF GRANT.—The Chief Executive Officer shall award such a grant to a local provider for the project in the amount obtained by multiplying $250 and the number of youth who will participate in the project (to be used for project expenses).

''PART III—SUMMER OF SERVICE NATIONAL ACTIVITIES

''SEC. 164. NATIONAL ACTIVITIES.

''(a) NATIONAL QUALITY AND OUTREACH ACTIVITIES.—The Chief Executive Officer may use funds reserved under section 165(b)(1), either directly or through grants and contracts, to—

''(1) provide technical assistance and training to recipients of grants and subgrants under parts I and II;

''(2) conduct outreach and dissemination of program-related information to ensure the broadest possible involvement of States, eligible entities, organizations, local providers, and eligible youth in programs carried out under parts I and II; and

''(3) to carry out other activities designed to improve the quality of programs carried out under parts I and II.

''(b) NATIONAL EVALUATION.—

''(1) RESERVATION.—For each fiscal year, the Chief Executive Officer shall reserve not more than the greater of $500,000, or 1 percent, of the funds described in subsection (a) for the purposes described in paragraph (2).

''(2) EVALUATION.—The Chief Executive Officer shall use the reserved funds—

''(A) to arrange for an independent evaluation of the programs carried out under parts I and II, to be conducted in the second and third years in which the programs are implemented; and

''(B) using the results of the evaluation, to collect and compile information on models and best practices for such programs; and

''(C) to disseminate widely the results of the evaluation.

''(3) REPORT.—The Chief Executive Officer shall annually submit to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and the Workforce of the House of Representatives, a report concerning the results

of the evaluations conducted under paragraph (2). Such reports shall also contain information on models of best practices and any other findings or recommendations developed by the Chief Executive Officer based on such evaluations. Such reports shall be made available to the general public.

''PART IV—GENERAL PROVISIONS

''SEC. 165. AUTHORIZATION OF APPROPRIATIONS AND AVAILABILITY.

''(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subtitle $100,000,000 for fiscal year 2008 and such sums as may be necessary for each subsequent fiscal year.

''(b) AVAILABILITY.—Of the funds appropriated under subsection (a) for a fiscal year, the Chief Executive Officer—

''(1) shall reserve not more than 4 percent to carry out activities under part III (relating to national activities); and

''(2) from the remainder of such funds, shall make available—

''(A) a portion equal to 66⅔ percent of such funds for programs carried out under part I (relating to the State grant program), including programs carried out under section 162D; and

''(B) a portion equal to 33⅓ percent of such funds for programs carried out under part II (relating to the national direct grant program).

''(c) REALLOCATION.—If the Chief Executive Officer determines that funds from the portion described in subsection (b)(2)(A) will not be needed to carry out programs under part I for a fiscal year, the Chief Executive Officer shall make the funds available for programs under part II for that fiscal year.

''SEC. 165A. REVIEW PANELS.

''The Chief Executive Officer shall establish panels of experts for the purpose of reviewing applications submitted under sections 162, 162C, 162D, and 163.

''SEC. 165B. CONSTRUCTION.

''An individual participating in service in a program described in this subtitle shall not be considered to be an employee engaged in employment for purposes of the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.).''.

SEC. 4. CONFORMING AMENDMENTS.

(a) REDESIGNATION OF SUBTITLES.—

(1) Section 118(a) of the National and Community Service Act of 1990 (42 U.S.C. 12551(a)) is amended by striking ''subtitle H'' and inserting ''subtitle I''.

(2) Section 122(a)(2) of such Act (42 U.S.C. 12572(a)(2)) is amended by striking ''subtitle I'' and inserting ''subtitle J''.

(3) Section 193A(f)(1) of such Act (42 U.S.C. 12651d(f)(1)) is amended by striking ''subtitles C and I'' and inserting ''subtitles C and J''.

(4) Section 501(a)(2) of such Act (42 U.S.C. 12681(a)(2)) is amended—

(A) in the paragraph heading, by striking ''SUBTITLES C, D, AND H'' and inserting ''SUBTITLES C, D, AND I'';

(B) in subparagraph (A), by striking ''subtitles C and H'' and inserting ''subtitles C and I''; and

(C) in subparagraph (B), by striking ''subtitle H'' and inserting ''subtitle I''.

(b) REDESIGNATION OF SECTIONS.—

(1) Section 155(d)(3) of such Act (42 U.S.C. 12615(d)(3)) is amended by striking ''section 162(a)(3)'' and inserting ''section 159C(a)(3)''.

(2) Section 156(d) of such Act (42 U.S.C. 12616(d)) is amended by striking ''section 162(a)(3)'' and inserting ''section 159C(a)(3)''.

(3) Section 159(c) of such Act (42 U.S.C. 12619(c)) is amended—

(A) in paragraph (2)(C)(i), by striking ''section 162(a)(2)'' and inserting ''section 159C(a)(2)''; and

(B) in paragraph (3), by striking ''section 162(a)(2)(A)'' and inserting ''section 159C(a)(2)(A)''.

(4) Section 159B(b)(1)(B) of such Act (as redesignated by section 3(2)) is amended by striking ''section 162(a)(3)'' and inserting ''section 159C(a)(3)''.

(c) RELATIONSHIP TO NATIONAL SERVICE EDUCATIONAL AWARD PROVISIONS.—

(1) NATIONAL SERVICE TRUST.—Section 145 of the National and Community Service Act of 1990 (42 U.S.C. 12601) is amended—

(A) in subsection (a)—

(i) in paragraph (2), by striking ''and'' at the end;

(ii) in paragraph (3), by striking the period and inserting '', other than interest or proceeds described in paragraph (4)(B); and''; and

(iii) by adding at the end the following:

''(4)(A) any amounts deposited in the Trust under subtitle F; and

''(B) the interest on, and proceeds from the sale or redemption of, any obligations held by the Trust for a program carried out under subtitle F.''; and

(B) in subsection (c), by inserting ''(other than any amounts deposited in the Trust under subtitle F)'' after ''Amounts in the Trust''.

(2) AVAILABILITY OF AMOUNTS IN NATIONAL SERVICE TRUST.—Section 148(a) of the National and Community Service Act of 1990 (42 U.S.C. 12604(a)) is amended by inserting ''(other than any amounts deposited in the Trust under subtitle F)'' after ''Amounts in the Trust''.

By Ms. COLLINS:

S. 1131. A bill to amend the Cooperative Forestry Assistance Act of 1978 to establish a program to provide assistance to States and nonprofit organizations to preserve suburban forest land and open space and contain suburban sprawl; to the Committee on Agriculture, Nutrition, and Forestry.

Ms. COLLINS. Mr. President, the people of Maine have always been faithful stewards of the forest because we understand its tremendous value to our economy and to our way of life. From the vast tracts of undeveloped land in the north to the small woodlots in the south, forest land has helped to shape the character of our entire State.

While our commitment to stewardship has preserved the forest for generations, there is a threat to Maine's working landscape that requires a fresh approach. This threat is suburban sprawl, which has already consumed tens of thousands of acres of forest land in southern Maine. Sprawl occurs because the economic value of forest or farm land cannot compete with the value of developed land.

Sprawl threatens our environment and our quality of life. It destroys ecosystems, increasing the risk of flooding and other environmental hazards. It burdens the infrastructure of the affected communities, increases traffic on neighborhood streets, and wastes taxpayer money. Sprawl causes the unnecessary fragmentation of open space that reduces the economic viability of the remaining working forests.

In the State of Maine, suburban sprawl has already consumed tens of thousands of acres of forest and farm land. The problem is particularly acute in southern Maine where an 108 percent increase in urbanized land over the past two decades has resulted in the labeling of greater Portland as the ''sprawl capital of the Northeast.''

I am particularly alarmed by the amount of working forest and farm land and open space in southern and coastal Maine that has given way to strip malls and cul-de-sacs. Once these forests, farms, and meadows are lost to development, they are lost forever.

Maine is trying to respond to this challenge. The people of Maine continue to contribute their time and money to preserve important lands and to support our State's 88 land trusts. It is time for the Federal Government to help support these State and community-based efforts.

For these reasons, I have introduced the Suburban and Community Forestry and Open Space Program Act. This legislation, which was drafted with the advice of land owners and conservation groups, establishes a $50 million grant program within the U.S. Forest Service to support locally driven land conservation projects that preserve working forests. Local government and nonprofit organizations would compete for funds to purchase land or access to land to protect working landscapes threatened by development.

Projects funded under this initiative must be targeted at lands located in parts of the country that are threatened by sprawl. In addition, this legislation requires that Federal grant funds be matched dollar-for-dollar by State, local, or private resources.

This is a market-driven program that relies upon market forces rather than government regulations to achieve its objectives. Rather than preserving our working forests, farmland and open spaces by zoning or other government regulation, with this program we will provide the resources to allow a landowner who wishes to keep his or her land as a working woodlot to do so.

My legislation also protects the rights of property owners with the inclusion of a ''willing-seller'' provision, which requires the consent of a landowner if a parcel of land is to participate in the program.

The $50 million that would be authorized by my bill would help achieve stewardship objectives: First, this bill would help prevent forest fragmentation and preserve working forests, helping to maintain the supply of timber that fuels Maine's most significant industry. Second, these resources would be a valuable tool for communities that are struggling to manage growth and prevent sprawl.

Understanding that land ownership issues differ in other parts of the Nation, I have included a geographic limitation in this bill. This limitation would exempt any State where the Federal Government owns 25 percent or more of that State's land from the Suburban and Community Forestry and Open Space Program. With the 25 percent limitation, a figure used in previous bills, the twelve States with the highest percentage of federally owned land would not be eligible to participate in this new program. Those

States, however, who are struggling most with the loss of working landscapes would be authorized to receive Federal assistance in their efforts to combat sprawl.

Third, the bill would help to preserve open space and family farms. Currently, if the town of Gorham, ME, or another community trying to cope with the effects of sprawl turned to the Federal Government for assistance, none would be found. My bill will change that by making the Federal Government an active partner in preserving forest and farm land and managing sprawl, while leaving decisionmaking at the State and local level where it belongs.

The Suburban and Community Forestry and Open Space Program Act has had a successful history in the Senate. In 2002, this legislation was included in the forestry title of the Senate approved version of the Farm Bill. Unfortunately, the forestry title was stripped out of the Farm Bill conference report. And again, in 2003, this legislation passed the Senate. This time, during consideration of the Healthy Forests Restoration Act. Unfortunately, this provision was removed from the Healthy Forests Restoration Act conference report. This new Congress and the reauthorization of the Farm Bill provide an excellent opportunity to enact this important legislation.

There is great work being done on the local level to protect working landscapes for the next generation. By enacting the Suburban and Community Forestry and Open Space Act, Congress can provide an additional avenue of support for these conservation initiatives, help prevent sprawl, and help sustain the vitality of natural resource-based industries.

By Ms. MURKOWSKI:

S. 1132. A bill to amend the Internal Revenue Code of 1986 to allow Indian tribes to receive charitable contributions of apparently wholesome food; to the Committee on Finance.

Ms. MURKOWSKI. Mr. President, I rise to introduce a bill that will help increase the amount of food donations going to American Indians and Alaska Natives nationwide.

Unfortunately, the poverty rate among American Indians and Alaska Natives continues to be high. Specifically, the poverty rate for our Nation's American Indians and Alaska Natives is over three times that of non-Hispanic whites, according to the U.S. Census Bureau. Not only do natives face greater challenges in securing basic household necessities, but in securing food as well.

According to a 2005 U.S. Department of Agriculture report, 35.1 million Americans face challenges in getting enough food to eat. This includes 12.4 million children. Of these statistics, Natives constitute a disproportionate number due to the higher poverty rate among this group.

And yet, charitable organizations that provide hunger relief are unable to meet the basic needs of Natives due to an oversight in the federal tax code. Section 170(e)(3) of the Internal Revenue Code allows corporations to take an enhanced tax deduction for donations of food; however, the food must be distributed to 501(c)(3) nonprofit organizations, such as food banks. Nonprofit organizations cannot then transfer such donations to tribes. Although many donations to tribes are tax deductible under section 7871 of the Internal Revenue Code, tribes are not among the organizations listed under Section 501(c)(3) of the Internal Revenue Code. To clarify, section 170(e)(3) does not allow tribes to be eligible recipients of corporate food donations to nonprofit organizations since they are not listed under Section 501(c)(3) as an eligible entity.

With this legislation, I intend to make a simple correction to the tax code that clearly indicates that tribes are eligible recipients of food donated under section 170(e)(3) of the Internal Revenue Code. This correction is long overdue and would remedy an egregious inequity in the Federal tax code that affects natives nationwide.

Please allow me to provide a few examples of how this legislation could foster positive change. In Alaska, approximately half of the food donated to the Food Bank of Alaska from corporations could go to tribes throughout Alaska. Much of this food would go to villages that are only accessible by air or water. In South Dakota, roughly 30 percent of the food the Community Food Banks of South Dakota distributes could go to reservations. In North Dakota, the amount of food donated to the Great Plains Food Bank could double if this legislation were enacted. The Montana Food Bank Network projects that food donations could increase by 16 percent. A food bank based in Albuquerque, NM, estimates that their food donations could triple in the first year alone.

It is imperative that we address this important issue expeditiously. The health and well-being of low income American Indians and Alaska Natives across the Nation is at stake.

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

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

S. 1132

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

SECTION 1. CHARITABLE CONTRIBUTIONS OF APPARENTLY WHOLESOME FOOD TO INDIAN TRIBES.

(a) IN GENERAL.—Section 170(e)(3) of the Internal Revenue Code of 1986 (relating to special rule for contributions of inventory and other property) is amended—

(1) by redesignating subparagraph (E) as subparagraph (F); and

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

''(E) SPECIAL RULE FOR INDIAN TRIBES.—

''(i) IN GENERAL.—For purposes of this paragraph, an Indian tribe (as defined in section 7871(c)(3)(E)(ii)) shall be treated as an organization eligible to be a donee under subparagraph (A) with respect to apparently wholesome food (as defined in section 22(b)(2) of the Bill Emerson Good Samaritan Food Donation Act (42 U.S.C. 1791(b)(2)) (as in effect on the date of the enactment of this subparagraph)) only.

''(ii) USE OF PROPERTY.—For purposes of subparagraph (A)(i), if the use of the apparently wholesome food donated is related to the exercise of an essential governmental function of the Indian tribal government (within the meaning of section 7871), such use shall be treated as related to the purpose or function constituting the basis for the organization's exemption.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

By Mr. AKAKA (for himself, Mr. BINGAMAN, and Mr. DURBIN):

S. 1133. A bill to provide additional protections for recipients of the earned income tax credit; to the Committee on Finance.

Mr. AKAKA. Mr. President, today, I am reintroducing the Taxpayer Abuse Prevention Act. Earned income tax credit (EITC) benefits intended for working families are significantly reduced by the use of refund anticipation loans (RALs), which typically carry three or four digit interest rates. In 2005, EITC filers accounted for more than half of the refund anticipation loans issued despite being only 17 percent of the taxpayer population. EITC recipients lost an estimated $649 million in loan fees plus application or documentation fees in 2005. The EITC is intended to help working families meet their food, clothing, housing, transportation, and education needs. Working families cannot afford to lose a significant portion of their EITC funds by expensive, short-term, RALs.

The interest rates and fees charged on RALs are not justified because of the short length of time that these loans are outstanding and the minimal risk they present. These loans carry little risk because of the Debt Indicator program.

The Debt Indicator (DI) is a service provided by the Internal Revenue Service (IRS) that informs the lender whether or not an applicant owes Federal or State taxes, child support, student loans, or other government obligations, which assists tax preparers in ascertaining the ability of applicants to obtain their full refund so that the RAL is repaid. The Department of the Treasury should not be facilitating these predatory loans that allow tax preparers to reap outrageous profits by exploiting working families.

Unfortunately too many working families are susceptible to predatory lending because they are left out of the financial mainstream. Between 25 and 56 million adults are unbanked, or not using mainstream, insured financial institutions. The unbanked rely on alternative financial service providers to obtain cash from checks, pay bills,

send remittances, utilize payday loans, and obtain credit. Many of the unbanked are low-and moderate-income families that can ill afford to have their earnings unnecessarily diminished by high-cost and often predatory financial services. In addition, the unbanked are unable to save securely to prepare for the loss of a job, a family illness, a down payment on a first home, or education expenses.

My legislation will protect consumers against predatory loans, reduce the involvement of the Department of the Treasury in facilitating the exploitation of taxpayers, and expand access to opportunities for saving and lending at mainstream financial services.

My bill prohibits refund anticipation loans that utilize EITC benefits. Other Federal benefits, such as Social Security, have similar restrictions to ensure that the beneficiaries receive the intended benefit.

My bill also limits several of the objectionable practices of RAL providers. It will prohibit lenders from using tax refunds to collect outstanding obligations for previous RALs. In addition, mandatory arbitration clauses for RALs that utilize federal tax refunds would be prohibited to ensure that consumers have the ability to take future legal action if necessary.

It is troubling that the Department of the Treasury facilitates refund anticipation loans. In 1995, the use of the DI was suspended because of massive fraud in e-filed returns with RALs. The use of the DI was reinstated in 1999. Use of the Debt Indicator should once again be stopped. The DI is helping tax preparers make excessive profits from low- and moderate-income taxpayers who utilize RALs. The IRS should not aide unscrupulous preparers who take the earned benefit away from low-income families. My bill terminates the DI program. In addition, this bill removes the incentive to meet congressionally mandated electronic filing goals by facilitating the exploitation of taxpayers. My bill would exclude any electronically filed tax returns resulting in tax refunds distributed by refund anticipation loans from being counted towards the goal established by the IRS Restructuring and Reform Act of 1998, which is to have at least 80 percent of all returns filed electronically by 2007.

My bill also expands access to mainstream financial services. Electronic Transfer Accounts (ETA) are low-cost accounts at banks and credit unions intended for recipients of certain federal benefit payments. Currently, ETAs are provided for recipients of other federal benefits such as Social Security payments. My bill expands the eligibility for ETAs to include EITC benefits. These accounts will allow taxpayers to receive direct deposit refunds into an account without the need for a refund anticipation loan. Furthermore, my bill would mandate that low- and moderate-income taxpayers be provided opportunities to open low-cost accounts at federally insured banks or credit unions via appropriate tax forms. Providing taxpayers with the option of opening a bank or credit union account through the use of tax forms provides an alternative to RALs and immediate access to financial opportunities found at banks and credit unions.

I want to thank my colleagues, Senators BINGAMAN and DURBIN for cosponsoring this legislation. I also appreciate the efforts of Representative JAN SCHAKOWSKY who will be reintroducing the companion legislation in the other body. I ask unanimous consent that the text of the Taxpayer Abuse Prevention Act be printed in the RECORD.

I urge my colleagues to support this important legislation that will restrict predatory RALs and expand access to mainstream financial services.

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

S. 1134

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 ''Taxpayer Abuse Prevention Act''.

SEC. 2. PREVENTION OF DIVERSION OF EARNED INCOME TAX CREDIT BENEFITS.

(a) IN GENERAL.—Section 32 of the Internal Revenue Code of 1986 (relating to earned income tax credit) is amended by adding at the end the following new subsection:

''(n) PREVENTION OF DIVERSION OF CREDIT BENEFITS.—The right of any individual to any future payment of the credit under this section shall not be transferable or assignable, at law or in equity, and such right or any moneys paid or payable under this section shall not be subject to any execution, levy, attachment, garnishment, offset, or other legal process except for any outstanding Federal obligation. Any waiver of the protections of this subsection shall be deemed null, void, and of no effect.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 3. PROHIBITION ON DEBT COLLECTION OFFSET.

(a) IN GENERAL.—No person shall, directly or indirectly, individually or in conjunction or in cooperation with another person, engage in the collection of an outstanding or delinquent debt for any creditor or assignee by means of soliciting the execution of, processing, receiving, or accepting an application or agreement for a refund anticipation loan or refund anticipation check that contains a provision permitting the creditor to repay, by offset or other means, an outstanding or delinquent debt for that creditor from the proceeds of the debtor's Federal tax refund.

(b) REFUND ANTICIPATION LOAN.—For purposes of subsection (a), the term ''refund anticipation loan'' means a loan of money or of any other thing of value to a taxpayer because of the taxpayer's anticipated receipt of a Federal tax refund.

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

SEC. 4. PROHIBITION OF MANDATORY ARBITRATION.

(a) IN GENERAL.—Any person that provides a loan to a taxpayer that is linked to or in anticipation of a Federal tax refund for the taxpayer may not include mandatory arbitration of disputes as a condition for providing such a loan.

(b) EFFECTIVE DATE.—This section shall apply to loans made after the date of the enactment of this Act.

SEC. 5. TERMINATION OF DEBT INDICATOR PROGRAM.

The Secretary of the Treasury shall terminate the Debt Indicator program announced in Internal Revenue Service Notice 99–58.

SEC. 6. DETERMINATION OF ELECTRONIC FILING GOALS.

(a) IN GENERAL.—Any electronically filed Federal tax returns, that result in Federal tax refunds that are distributed by refund anticipation loans, shall not be taken into account in determining if the goals required under section 2001(a)(2) of the Restructuring and Reform Act of 1998 that the Internal Revenue Service have at least 80 percent of all such returns filed electronically by 2007 are achieved.

(b) REFUND ANTICIPATION LOAN.—For purposes of subsection (a), the term ''refund anticipation loan'' means a loan of money or of any other thing of value to a taxpayer because of the taxpayer's anticipated receipt of a Federal tax refund.

SEC. 7. EXPANSION OF ELIGIBILITY FOR ELECTRONIC TRANSFER ACCOUNTS.

(a) IN GENERAL.—The last sentence of section 3332(j) of title 31, United States Code, is amended by inserting ''other than any payment under section 32 of such Code'' after ''1986''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments made after the date of the enactment of this Act.

SEC. 8. PROGRAM TO ENCOURAGE THE USE OF THE ADVANCE EARNED INCOME TAX CREDIT.

(a) IN GENERAL.—Not later than 6 months after the date of the enactment of this Act, the Secretary of the Treasury shall, after consultation with such private, nonprofit, and governmental entities as the Secretary determines appropriate, develop and implement a program to encourage the greater utilization of the advance earned income tax credit.

(b) REPORTS.—Not later than the date of the implementation of the program described in subsection (a), and annually thereafter, the Secretary of the Treasury shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives on the elements of such program and progress achieved under such program.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as are necessary to carry out the program described in this section. Any sums so appropriated shall remain available until expended.

SEC. 9. PROGRAM TO LINK TAXPAYERS WITH DIRECT DEPOSIT ACCOUNTS AT FEDERALLY INSURED DEPOSITORY INSTITUTIONS.

(a) ESTABLISHMENT OF PROGRAM.—Not later than 1 year after the date of the enactment of this Act, the Secretary of the Treasury shall enter into cooperative agreements with federally insured depository institutions to provide low- and moderate-income taxpayers with the option of establishing low-cost direct deposit accounts through the use of appropriate tax forms.

(b) FEDERALLY INSURED DEPOSITORY INSTITUTION.—For purposes of this section, the term ''federally insured depository institution'' means any insured depository institution (as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)) and any insured credit union (as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752)).

(c) OPERATION OF PROGRAM.—In providing for the operation of the program described in

subsection (a), the Secretary of the Treasury is authorized—

(1) to consult with such private and nonprofit organizations and Federal, State, and local agencies as determined appropriate by the Secretary, and

(2) to promulgate such regulations as necessary to administer such program.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as are necessary to carry out the program described in this section. Any sums so appropriated shall remain available until expended.

By Mr. SESSIONS:

S. 1135. A bill to amend chapter 1 of title 9, United States Code, to establish fair procedures for arbitration clauses in contracts; to the Committee on the Judiciary.

Mr. SESSIONS. Mr. President, I rise and send to the desk a bill entitled the ''Fair Arbitration Act of 2007.'' This bill continues the legislative process that I started several years ago with the introduction of the ''Consumer and Employee Arbitration Bill of Rights'' and the ''Arbitration Fairness Act of 2002.'' The purpose of the Fair Arbitration Act of 2007, like my earlier proposals, is to improve the Federal Arbitration Act so that it will remain a cost-effective means of resolving disputes, but will do so in a fair way. The Fair Arbitration Act will provide procedural protections to everyone who enters into a contract with an arbitration clause. This bill ensures that consumers, employees, and small businesses that enter into contracts covered by the Federal Arbitration Act will have their disputes resolved in accordance with fundamental principles of due process, and in a speedy and cost-effective manner.

Congress originally enacted the Federal Arbitration Act in 1925. It has served us well for over three-quarters of a century. Under the Act, if the parties agree to a contract affecting interstate commerce that contains a clause requiring arbitration, the clause will be enforceable in court. In short, the Federal Arbitration Act allows parties to a contract to agree not to take their disputes to court, but to resolve any dispute arising from that contract before a neutral decision-maker, generally selected by a nonprofit arbitration organization, such as the American Arbitration Association or the National Arbitration Forum. The parties can generally present evidence and be represented by counsel. And the decision-makers will apply the relevant State law in resolving the dispute. Arbitration is generally quicker and less expensive than going to court.

In recent years, there have been some cases where the arbitration process has not worked well, but thousands of disputes have been fairly and effectively settled by arbitrators. Such a system is even more important because of skyrocketing legal costs where attorneys require large contingency fees. Accordingly, I have opposed piecemeal legislative changes to the act. Instead, I believe that the Senate should approach the Federal Arbitration Act in a comprehensive manner.

The approach of reforming arbitration rather than abandoning the arbitration process provides a better solution in several respects. Arbitration is one of the most cost-effective means of resolving disputes. Unlike businesses, consumers and employees generally cannot afford a team of lawyers to represent them. And their claims are often not big enough so that a lawyer would take the case on a 25 percent or even a 50 percent contingent fee. In a 1998 article in the Columbia Human Rights Law Review, Lewis Maltby, then the Director of the National Task Force on Civil Liberties in the Workplace of the American Civil Liberties Union and a Director of the American Arbitration Association, explained how court litigation is often just too expensive for most employees:

> Even if the client has clearly been wronged and is virtually certain to prevail in court, the attorney will be forced to turn down the case unless there are substantial damages. A survey of plaintiff employment lawyers found that a prospective plaintiff needed to have a minimum of $60,000 in provable damages not including pain and suffering or other intangible damages before an attorney would take the case.
>
> Even this, however, does not exhaust the financial obstacles an employee must overcome to secure representation. In light of their risk of losing such cases, many plaintiffs' attorneys require a prospective client to pay a retainer, typically about $3,000. Others require clients to pay out-of-pocket expenses of the case as they are incurred. Expenses in employment discrimination cases can be substantial. Donohue and Siegelman found that expenses in Title VII cases are at least $10,000 and can reach as high as $25,000. Finally, some plaintiffs' attorneys now require a consultation fee, generally $200–$300, just to discuss their situation with a potential client.
>
> The result of these formidable hurdles is that most people with claims against their employer are unable to obtain counsel, and thus never receive justice. Paul Tobias, founder of the National Employment Lawyers' Association, has testified that ninety-five percent of those who seek help from the private bar with an employment matter do not obtain counsel. Howard's survey of plaintiffs' lawyers produced the same result. A Detroit firm reported that only one of eighty-seven employees who came to them seeking representation was accepted as a client.

Without arbitration, consumers and employees are faced with having to pay a lawyer's hourly rate, which may amount to several thousand dollars to litigate a claim in court. If that is what consumers and employees are left with, many will have no choice but to drop their claim. That is not right. It is not fair. Thus, Professor Stephen Ware of the Cumberland Law School stated in a paper published by the CATO Institute that ''current [arbitration] law is better for all consumers [than an exemption from the Federal Arbitration Act] except those few who are especially likely to have large liability claims. . . .''

Thus, while some have argued that the Congress should enact exemptions from the Federal Arbitration Act for different classes of contracts from automobile franchise contracts to employment contracts to chicken farmers, such exemptions would not help the overwhelming majority of the people who could not afford a lawyer to litigate in court. This is where arbitration can give consumers and employees a cost-effective forum to assert their claims. Thus, before we make exceptions to the Federal Arbitration Act for special interests with friends in Washington, I think it is our duty to consider how we can improve the system for everyone.

We can improve the arbitration system, but we must take a balanced approach. In such an approach, we must protect the sanctity of legal contracts explicitly protected under Article I, Section 10 of the U.S. Constitution. In any contract, the parties must agree to all the terms and clauses included in the contract document. This includes the arbitration clause. This is basic contract law, and the basic premise of the Federal Arbitration Act for over 75 years.

Unfortunately, however, in certain situations consumers, employees, and small businesses have not been treated fairly. That is what the Fair Arbitration Act is designed to correct.

The bill will maintain the cost savings of binding arbitration, but will grant several specific ''due process'' rights to all parties to an arbitration proceeding. The bill is modeled after consumer and employee due process protocols of the American Arbitration Association, which have broad support. The bill provides the following rights:

1. Notice. Under the bill, to be enforceable, an arbitration clause would have to have a heading in large, bold print, would have to state whether arbitration is binding or optional, identify a source that the parties may contact for more information, and state that a consumer could opt out to small claims court.

This will ensure, for example, that consumers who receive credit card notices in the mail will not miss an arbitration clause because it is lost in the ''fine print.'' Further, it would give all parties a means to obtain more information on how to resolve any disputes. Finally, the clause would explain that if a party's claims could otherwise be brought in small claims court, the party would be free to do so. Small claims court, unlike regular trial court, provides another inexpensive and quick means of dispute resolution.

2. Independent selection of arbitrators. The bill grants all parties the right to have potential arbitrators disclose relevant information concerning their business ties and employment. All parties to the arbitration will have an equal voice in selecting a neutral arbitrator. This ensures that the large company who sold a consumer a product will not select the arbitrator itself, because the consumer with a grievance will have the right to nominate potential arbitrators, too. As a result, the

final arbitrator selected will have to have the explicit approval of both parties to the dispute. This helps ensure that the arbitrator will be a neutral party with no allegiance to either party.

3. Choice of law. The bill grants the non-drafting party, usually the consumer or the employee, the right to have the arbitrator governed by the substantive law that would apply under conflicts of laws principles applicable in the forum in which the non-drafting party resided at the time the contract was entered into. This means that the substantive contract law that would apply in a court where the consumer, employee, or business resides at the time of making the contract will apply in the arbitration. Thus, in a dispute arising from the purchase of a product by an Alabama consumer from an Illinois company, a court would have to determine whether Alabama or Illinois law applied by looking to the language of the contract and to the place where the contract was entered into. The bill ensures that an arbitrator would use the same conflict of laws principles that a court would in determining whether Alabama or Illinois law would govern the arbitration proceedings.

4. Representation. The bill grants all parties the right to be represented by counsel at their own expense. Thus, if the claim involves complicated legal issues, consumers, employees, or small businesses would be free to have their lawyer represent him in the arbitration. Such representation should be substantially less expensive than a trial in court because of the more abbreviated and expedited process of arbitration.

5. Hearing. The bill grants all parties the right to a fair hearing in a forum that is reasonably convenient to the consumer or employee. This would prevent a large company from requiring consumers, employees, or small business owners to travel across the country to arbitrate their claim and to expend more in travel costs than their claim is potentially worth.

6. Evidence. The bill grants all parties the right to conduct discovery and to present evidence. This ensures that the arbitrator can have all the facts before making a decision.

7. Cross examination. The bill grants all parties the right to cross examine witnesses presented by the other party at the hearing. This allows a party to test the statements of the other party's witnesses and be sure that the evidence before the arbitrator is correct.

8. Record. The bill grants all parties the right to hire a stenographer or tape record the hearing to produce a record. This right is key to proving later whether the arbitration proceeding was fair.

9. Timely resolution. The bill grants all parties the right to have an arbitration proceeding completed promptly so that they do not have to wait for a year or more to have their claim resolved. Under the bill, a defendant must file an answer not more than 30 days of the filing of the complaint. The arbitrator has 90 days after the answer to hold a hearing. The arbitrator must render a final decision within 30 days after the hearing. Extensions are available in extraordinary circumstances.

10. Written decision. The bill grants all parties the right to a written decision by the arbitrator explaining the resolution of the case and his reasons therefor. If the consumer or employee takes a claim to arbitration, he deserves to have an explanation of why he won or lost.

11. Expenses. The bill grants all parties the right to have an arbitrator provide for reimbursement of arbitration fees in the interests of justice and the reduction, deferral, or waiver of arbitration fees in cases of extreme hardship. It does little good to take a claim to arbitration if the consumer or employee cannot even afford the arbitration fee. This provision ensures that the arbitrator can waive or reduce the fee or make the company reimburse the consumer or employee for a fee if the interests of justice so require.

12. Small claims opt-out. The bill grants all parties the right to opt out of arbitration into small claims court if that court has jurisdiction over the claim and the claim does not exceed $50,000.

The bill also provides an effective mechanism for parties to enforce these rights. At any time, if a consumer or employee believes that another party violated his or her rights, the consumer or employee can request and the arbitrator may award a penalty up to the amount of the claim plus attorneys fees. For example, if a defendant party failed to provide discovery to a plaintiff party, the plaintiff could move for an award of fees. The amount of the fee award is limited, as it is in court, to the amount of cost incurred by the employee in trying to obtain the information from the company. This principle is taken from Rule 37 of the Federal Rules of Civil Procedure. After the decision, if the losing party believes that the rights granted to him by the Act have been violated, it may file a petition with the Federal district court. If the court finds by clear and convincing evidence that the losing party's rights were violated, it may order a new arbitrator appointed. Thus, if a consumer, employee, or small business has an arbitrator that is unfair and this causes him to lose the case, the plaintiff can obtain another arbitrator.

This bill is an important step to continuing a constructive dialog on arbitration. This bill will ensure that those who can least afford to go to court can go to a less expensive arbitrator and be treated fairly. It will ensure that every arbitration carried out under the Federal Arbitration Act is completed fairly, promptly, and economically. I look forward to working with my colleagues in the Senate to ensure that consumers, employees, and small businesses who agree in a contract to arbitrate their claims will be treated fairly under the Federal Arbitration Act.

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

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

S. 1135

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 ''Fair Arbitration Act of 2007''.

SEC. 2. ELECTION OF ARBITRATION.

(a) IN GENERAL.—Chapter 1 of title 9, United States Code, is amended by adding at the end the following:

''§ 17. Election of arbitration

''(a) FAIR DISCLOSURE.—In order to be binding on the parties, a contract containing an arbitration clause shall—

''(1) have a printed heading in bold, capital letters entitled '**ARBITRATION CLAUSE**', which heading shall be printed in letters not smaller than ½ inch in height;

''(2) explicitly state whether participation within the arbitration program is mandatory or optional;

''(3) identify a source that a consumer or employee can contact for additional information regarding—

''(A) costs and fees of the arbitration program; and

''(B) all forms and procedures necessary for effective participation in the arbitration program; and

''(4) provide notice that all parties retain the right to resolve a dispute in a small claims court, as provided in subsection (b)(12).

''(b) PROCEDURAL RIGHTS.—

''(1) IN GENERAL.—If a contract provides for the use of arbitration to resolve a dispute arising out of or relating to the contract, each party to the contract shall be afforded the rights described in this subsection, in addition to any rights provided by the contract.

''(2) COMPETENCE AND NEUTRALITY OF ARBITRATOR AND ADMINISTRATIVE PROCESS.—

''(A) IN GENERAL.—Each party to the dispute (referred to in this section as a 'party') shall be entitled to a competent, neutral arbitrator and an independent, neutral administration of the dispute.

''(B) ARBITRATOR.—Each party shall have an vote in the selection of the arbitrator, who—

''(i) unless otherwise agreed by the parties, shall be a member in good standing of the bar of the highest court of the State in which the hearing is to be held;

''(ii) shall comply with the Code of Ethics for Arbitrators in Commercial Disputes of the American Bar Association and the American Arbitration Association and any applicable code of ethics of any bar of which the arbitrator is a member;

''(iii) shall have no—

''(I) personal or financial interest in the results of the proceedings in which the arbitrator is appointed; or

''(II) relation to the underlying dispute or to the parties or their counsel that may create an appearance of bias; and

''(iv) prior to accepting appointment, shall disclose all information that might be relevant to neutrality (including service as an arbitrator or mediator in any past or pending case involving any of the parties or their representatives) or that may prevent a prompt hearing.

''(C) ADMINISTRATION.—The arbitration shall be administered by an independent,

neutral alternative dispute resolution organization to ensure fairness and neutrality and prevent ex parte communication between parties and the arbitrator. The arbitrator shall have reasonable discretion to conduct the proceeding in consideration of the specific type of industry involved.

''(3) APPLICABLE LAW.—In resolving a dispute, the arbitrator—

''(A) shall be governed by the same substantive law that would apply under conflict of laws principles applicable in a court of the State in which the party that is not drafter of the contract resided at the time the contract was entered into; and

''(B) shall be empowered to grant whatever relief would be available in court under law or equity.

''(4) REPRESENTATION.—Each party shall have the right to be represented by an attorney, or other representative as permitted by State law, at their own expense.

''(5) HEARING.—

''(A) IN GENERAL.—Each party shall be entitled to a fair arbitration hearing (referred to in this section as a 'hearing') with adequate notice and an opportunity to be heard.

''(B) ELECTRONIC OR TELEPHONIC MEANS.—Subject to subparagraph (C), in order to reduce cost, the arbitrator may hold a hearing by electronic or telephonic means or by a submission of documents.

''(C) FACE-TO-FACE MEETING.—Each party shall have the right to require a face-to-face hearing, which hearing shall be held at a location that is reasonably convenient for the party who did not draft the contract unless in the interest of fairness the arbitrator determines otherwise, in which case the arbitrator shall use the process described in section 1391 of title 28, to determine the venue for the hearing.

''(6) EVIDENCE.—With respect to any hearing—

''(A) each party shall have the right to present evidence at the hearing and, for this purpose, each party shall grant access to all information reasonably relevant to the dispute to the other parties, subject to any applicable privilege or other limitation on discovery under applicable State law;

''(B) consistent with the expedited nature of arbitration, relevant and necessary prehearing depositions shall be available to each party at the direction of the arbitrator; and

''(C) the arbitrator shall—

''(i) make reasonable efforts to maintain the privacy of the hearing to the extent permitted by applicable State law; and

''(ii) consider appropriate claims of privilege and confidentiality in addressing evidentiary issues.

''(7) CROSS EXAMINATION.—Each party shall have the right to cross examine witnesses presented by the other parties at a hearing.

''(8) RECORD OF PROCEEDING.—Any party seeking a stenographic record of a hearing shall make arrangements directly with a stenographer and shall notify the other parties of these arrangements not less than 3 days before the date of the hearing. The requesting party shall pay the costs of obtaining the record. If the transcript is agreed by the parties, or determined by the arbitrator to be the official record of the proceeding, it shall be provided to the arbitrator and made available to the other parties for inspection, at a date, time, and place determined by the arbitrator.

''(9) TIMELY RESOLUTION.—

''(A) IN GENERAL.—Upon submission of a complaint by the claimant, the respondent shall have not more than 30 days to file an answer.

''(B) EVIDENCE.—After the answer is filed by the respondent, the arbitrator shall direct each party to file documents and to provide evidence in a timely manner so that the hearing may be held not later than 90 days after the date of the filing of the answer.

''(C) EXTENSIONS.—In extraordinary circumstances (including multiparty, multidistrict, or complex litigation) the arbitrator may grant a limited extension of the time limits under this paragraph, or the parties may agree to such an extension.

''(D) DECISION.—The arbitrator shall notify each party of its decision not later than 30 days after the hearing.

''(10) WRITTEN DECISION.—The arbitrator shall provide each party with a written explanation of the factual and legal basis for the decision. This written decision shall describe the application of an identified contract term, statute, or legal precedent. The decision of the arbitrator shall be subject to review only as provided in subsection (c)(2) of this section and sections 10, 11, and 16 of this title.

''(11) EXPENSES.—The arbitrator or independent arbitration administration organization, as applicable, shall have the authority to—

''(A) provide for reimbursement of arbitration fees to the claimant, in whole or in part, as part of the remedy in accordance with applicable law or in the interests of justice; and

''(B) waive, defer, or reduce any fee or charge due from the claimant in the event of extreme hardship.

''(12) SMALL CLAIMS OPT OUT.—

''(A) IN GENERAL.—Each party shall have the right to opt out of binding arbitration and to proceed in any small claims court with jurisdiction over the claim. For purposes of this paragraph, no court with jurisdiction to hear claims in excess of $50,000 shall be considered a small claims court.

''(B) EXCEPTION.—If a complaint in small claims court is amended to exceed the lesser of the jurisdictional amount of that court or a claim for $50,000 in total damages, the small claims court exemption of this paragraph shall not apply and the parties shall proceed by arbitration.

''(c) DENIAL OF RIGHTS.—

''(1) DENIAL OF RIGHTS BY PARTY MISCONDUCT.—

''(A) IN GENERAL.—At any time during an arbitration proceeding, any party may file a motion with the arbitrator asserting that another party has deprived the movant of a right granted by this section and seeking relief.

''(B) AWARD BY ARBITRATOR.—If the arbitrator determines that the movant has been deprived of a right granted by this section by another party, the arbitrator shall award the movant a monetary amount, which shall not exceed the reasonable expenses incurred by the movant in filing the motion, including attorneys' fees, unless the arbitrator finds that—

''(i) the motion was filed without the movant first making a good faith effort to obtain discovery or the realization of another right granted by this section;

''(ii) the opposing party's nondisclosure, failure to respond, response, or objection was substantially justified; or

''(iii) the circumstances otherwise make an award of expenses unjust.

''(2) DENIAL OF RIGHTS BY ARBITRATOR.—

''(A) IN GENERAL.—A losing party in an arbitration proceeding may file a petition in the United States district court in the State in which the party that did not draft the contract resided at the time the contract was entered into to assert that the arbitrator violated a right granted to the party by this section and to seek relief.

''(B) REVIEW.—A United States district court may grant a petition filed under subparagraph (A) if the court finds clear and convincing evidence that an action or omission of the arbitrator resulted in a deprivation of a right of the petitioner under this section that was not harmless. If such a finding is made, the court shall order a rehearing before a new arbitrator selected in the same manner as the original arbitrator as the exclusive judicial remedy provided by this section.

''(d) LIMITATION ON CLAIMS.—Except as otherwise expressly provided in this section, nothing in this section may be construed to be the basis for any claim in law or equity.

''(e) DEFINITIONS.—In this section—

''(1) the term 'contract' means a contract evidencing a transaction involving commerce; and

''(2) the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, and the Virgin Islands.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections at the beginning of chapter 1 of title 9, United States Code, is amended by adding at the end the following:

''17. Election of arbitration.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any contract (as that term is defined in section 17 of title 9, United States Code, as added by this Act) entered into after the date that is 6 months after the date of enactment of this Act.

By Mr. MENENDEZ (for himself, Mr. BAUCUS, and Ms. CANTWELL):

S. 1137. A bill authorize grants to carry out projects to provide education on preventing teen pregnancies, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. MENENDEZ. Mr. President, today I am introducing the Teen Pregnancy Prevention Responsibility and Opportunity Act, legislation that creates a comprehensive approach to fighting teen pregnancy and giving young people the support they need to make informed decisions.

The results of a 1997 congressionally-ordered study were released this month. The 6-year study found that youth who participate in abstinence education programs are no more or less likely to engage in sex than those who do not participate in abstinence education programs. Both groups are reported to have similar numbers of sexual partners, and to have sex for the first time at about the same age; around 15 years old. This proves that abstinence-only education isn't working.

But rather than invest in proven programs, the Bush administration continues to insist on a narrow-minded, misguided approach of abstinence-only education. As this study demonstrates, abstinence-only just doesn't cut it. The United States continues to have the highest teen-pregnancy rate and teen birth rate in the western industrialized world. In a human context, this impacts one-third of all teenage girls. In a fiscal context, these unintended pregnancies cost the United States at least $9 billion annually despite Federal appropriations of about $176 million a

year towards promoting abstinence until marriage.

American taxpayers deserve a better rate of return on their investment. American youth deserve quality education, positive role models, effective after school programs, employment opportunities, and medically and scientifically accurate family life education. The time is now for a new direction in sex education.

Adolescents need to know we care. They need to know we care as parents, as educators, as business people, as politicians, and as healthcare providers. They need to know we want them to become successful contributing members of society, but for that to happen we must commit to and invest in them. We need to be opening doors for these young people, and that is just what my Teen Pregnancy Prevention, Responsibility and Opportunity Act will do.

The Teen Pregnancy Prevention, Responsibility and Opportunity Act will establish a comprehensive program for reducing adolescent pregnancy through education and information programs, as well as positive activities and role models both in school and out of school.

While we have done a good job of progressively decreasing teen pregnancy, we can do better. With the sons of teen mothers more likely to end up in prison, and the daughters of teen mothers more likely to end up teen mothers themselves, we must act now to break this problematic cycle.

The time is now to make a real difference in the lives of our youth, and to give them the support they need to grow and lead positive lives.

Our schools, community and faith-based organizations need access to funds to teach age-appropriate, factually and medically accurate, and scientifically-based family life education.

We need programs that encourage teens to delay sexual activity.

We need to provide services and interventions for sexually active teens.

We need to educate both young men and women about the responsibilities and pressures that come along with parenting.

We need to help parents communicate with teens about sexuality.

We need to teach young people responsible decision-making.

And, we need to fund after school programs that will enrich their education, and offer character and counseling services.

We know that after school programs reduce risky adolescent behavior by involving teens in positive activities that also provide positive life skills. Teenage girls who play sports, for instance, are more likely to wait to become sexually active, and to have fewer partners. They are consequently less likely to become pregnant.

Let us join together to recommit ourselves to continuing to decrease the incidence of teen pregnancy, and recommit ourselves to offering family life education and positive after school programs that will foster responsible young adults.

The time is now to invest in our teens. We cannot afford to let doors close on them. Instead we must continue to open the door of opportunity. I urge my colleagues to join me in supporting this important legislation.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 150—EXPRESSING THE SENSE OF THE SENATE THAT PUBLIC SERVANTS SHOULD BE COMMENDED FOR THEIR DEDICATION AND CONTINUED SERVICE TO THE NATION DURING PUBLIC SERVICE RECOGNITION WEEK, MAY 7 THROUGH 13, 2007

Mr. AKAKA (for himself, Mr. VOINOVICH, Mr. LIEBERMAN, Ms. COLLINS, Mr. LEVIN, Mr. STEVENS, Mr. CARPER, Mr. WARNER, and Mr. LAUTENBERG) submitted the following resolution; which was referred to the Committee on Homeland Security and Governmental Affairs:

S. RES. 150

Whereas Public Service Recognition Week provides an opportunity to recognize the important contributions of public servants and honor the diverse men and women who meet the needs of the Nation through work at all levels of government;

Whereas millions of individuals work in government service in every city, county, and State across America and in hundreds of cities abroad;

Whereas public service is a noble calling involving a variety of challenging and rewarding professions;

Whereas Federal, State, and local governments are responsive, innovative, and effective because of the outstanding work of public servants;

Whereas the United States of America is a great and prosperous Nation, and public service employees contribute significantly to that greatness and prosperity;

Whereas the Nation benefits daily from the knowledge and skills of these highly trained individuals;

Whereas public servants—

(1) provide vital strategic support functions to our military and serve in the National Guard and Reserves;

(2) fight crime and fire;

(3) ensure equal access to secure, efficient, and affordable mail service;

(4) deliver social security and medicare benefits;

(5) fight disease and promote better health;

(6) protect the environment and the Nation's parks;

(7) enforce laws guaranteeing equal employment opportunities and healthy working conditions;

(8) defend and secure critical infrastructure;

(9) help the Nation recover from natural disasters and terrorist attacks;

(10) teach and work in our schools and libraries;

(11) develop new technologies and explore the earth, moon, and space to help improve our understanding of how our world changes;

(12) improve and secure our transportation systems;

(13) keep the Nation's economy stable; and

(14) defend our freedom and advance United States interests around the world;

Whereas members of the uniformed services and civilian employees at all levels of government make significant contributions to the general welfare of the United States, and are on the front lines in the fight against terrorism and in maintaining homeland security;

Whereas public servants work in a professional manner to build relationships with other countries and cultures in order to better represent America's interests and promote American ideals;

Whereas public servants alert Congress and the public to government waste, fraud, abuse, and dangers to public health;

Whereas the men and women serving in the Armed Forces of the United States, as well as those skilled trade and craft Federal employees who provide support to their efforts, are committed to doing their jobs regardless of the circumstances, and contribute greatly to the security of the Nation and the world;

Whereas public servants have bravely fought in armed conflict in defense of this Nation and its ideals and deserve the care and benefits they have earned through their honorable service;

Whereas government workers have much to offer, as demonstrated by their expertise and innovative ideas, and serve as examples by passing on institutional knowledge to train the next generation of public servants;

Whereas May 7 through 13, 2007, has been designated Public Service Recognition Week to honor America's Federal, State, and local government employees; and

Whereas Public Service Recognition Week is celebrating its 23rd anniversary through job fairs, student activities, and agency exhibits: Now, therefore, be it

Resolved, That the Senate—

(1) commends public servants for their outstanding contributions to this great Nation during Public Service Recognition Week and throughout the year;

(2) salutes their unyielding dedication and spirit for public service;

(3) honors those government employees who have given their lives in service to their country;

(4) calls upon a new generation to consider a career in public service as an honorable profession; and

(5) encourages efforts to promote public service careers at all levels of government.

Mr. AKAKA. Mr. President, today I rise to submit a resolution to honor Federal, State, and local government employees during Public Service Recognition Week. I am proud to be joined in this effort by Senators VOINOVICH, LIEBERMAN, COLLINS, LEVIN, STEVENS, CARPER, WARNER, and LAUTENBERG and by Representative DANNY DAVIS, chairman of the House Federal Workforce Subcommittee, who is submitting this resolution in the House.

We all recognize the important work performed by public servants and the impact they have on all of our lives. Over hundreds of years, our country has grown and prospered due in large part to the dedication of public servants at all levels of government. Each day public servants, in small and large ways, work to maintain, and in many cases enhance, the quality of our lives.

Whether they are saving lives as firefighters, police officers, or members of the Coast Guard; preserving our environment by patrolling parks, discovering new ways to live ''green,'' or