AMENDMENT NO. 1010

At the request of Mr. SPECTER, his name was added as a cosponsor of amendment No. 1010 proposed to S. 1082, a bill to amend the Federal Food, Drug, and Cosmetic Act to reauthorize and amend the prescription drug user fee provisions, and for other purposes.

At the request of Mr. COCHRAN, the name of the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of amendment No. 1010 proposed to S. 1082, supra.

AMENDMENT NO. 1011

At the request of Ms. STABENOW, the names of the Senator from Utah (Mr. HATCH) and the Senator from Oklahoma (Mr. COBURN) were added as cosponsors of amendment No. 1011 proposed to S. 1082, a bill to amend the Federal Food, Drug, and Cosmetic Act to reauthorize and amend the prescription drug user fee provisions, and for other purposes.

AMENDMENT NO. 1016

At the request of Mr. SPECTER, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of amendment No. 1016 intended to be proposed to S. 1082, a bill to amend the Federal Food, Drug, and Cosmetic Act to reauthorize and amend the prescription drug user fee provisions, and for other purposes.

AMENDMENT NO. 1024

At the request of Mr. SALAZAR, the name of the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of amendment No. 1024 intended to be proposed to S. 1082, a bill to amend the Federal Food, Drug, and Cosmetic Act to reauthorize and amend the prescription drug user fee provisions, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DURBIN (for himself, Mr. GRASSLEY, Ms. CANTWELL, Mrs. CLINTON, Mr. HARKIN, and Mr. OBAMA):

S. 1276. A bill to establish a grant program to facilitate the creation of methamphetamine precursor electronic logbook systems, and for other purposes; to the Committee on the Judiciary.

Mr. DURBIN. Mr. President, I rise today to introduce the bipartisan Methamphetamine Production Prevention Act of 2007. I am pleased to have the support and cosponsorship of Senator GRASSLEY for this important legislation, and I look forward to working closely with Chairman LEAHY and Ranking Member SPECTER to advance the bill through the judiciary Committee and to secure its enactment into law.

The Methamphetamine Production Prevention Act will take the next step toward wiping out the domestic production of methamphetamine, or ''meth.'' The bill will make it easier to use electronic logbook systems in order to monitor sales of meth precursor drugs and notify enforcement agencies when individuals illegally stockpile these precursors by traveling from pharmacy to pharmacy.

This legislation is endorsed by the National Alliance of State Drug Enforcement Agencies, the National Narcotics Officers' Associations' Coalition, the National Criminal Justice Association, the National Sheriffs' Association, the Major County Sheriffs' Association, the National Troopers Coalition, the National District Attorneys Association, the National Association of Counties, and the Community Anti-Drug Coalitions of America. I also want to commend and thank Illinois Attorney General Lisa Madigan and her staff for their assistance in preparing this legislation.

For years, the manufacture and use of methamphetamine have plagued communities in Illinois and throughout the Nation. Meth is unique among illegal drugs in that its harms stem not only from its distribution and use, but also from the clandestine manufacturing labs that meth ''cooks'' use to make meth. These labs pose serious dangers to those who live nearby and to the surrounding environment. Law enforcement agencies in Illinois and elsewhere are forced to devote a significant percentage of their time to locating, busting, and cleaning up meth labs.

The Combat Methamphetamine Epidemic Act, ''Combat Meth Act,'' enacted in 2006, took several important steps to reduce domestic meth manufacturing. These steps included limiting the amount of meth precursor drug products that a purchaser can buy, such as pseudoephedrine, and requiring pharmacies to keep written or electronic logbooks recording each precursor purchase. The Combat Meth Act has led to a drop in the number of meth labs discovered in many States.

However, domestic meth cooks have begun adapting to the Combat Meth Act. They have figured out how to circumvent the act's restrictions by ''smurfing,'' or purchasing illegal amounts of meth precursor drugs by traveling to multiple pharmacies that keep written logbooks and buying legal quantities at each one. According to Illinois law enforcement authorities, smurfing now accounts for at least 90 percent of the pseudoephedrine used to make meth in Illinois.

The next step in combating domestic meth production is to promote the use of effective electronic logbook systems. Law enforcement experts agree that if pharmacies maintain electronic logbook information and share that information with appropriate law enforcement and regulatory agencies, this information can be used to prevent the sale of meth precursor drugs in excess of legal limits, and to identify and prosecute ''smurfs'' and meth cooks.

This legislation, the Methamphetamine Production Prevention Act, facilitates and encourages the use of meth precursor electronic logbook systems in several ways.

First, the bill revises the technical logbook requirements in the Combat Meth Act. While the Combat Meth Act provides for the use of electronic logbook systems, several of the act's requirements are not tailored for logbooks kept in electronic form. For example, under the act, a prospective purchaser must ''enter[] into the logbook his or her name, address, and the date and time of the sale.'' This requirement is unwieldy for retailers who use electronic logbook systems, because many purchasers cannot type quickly or accurately. The Methamphetamine Production Prevention Act would permit retailers' employees to type the name and address of a purchaser into an electronic logbook system, and would allow retailers to use software programs that automatically record the date and time of each sale. Under the bill, a retail employee would have to ensure that the name the employee types into the system matches the name on the ID that the purchaser is currently required to present.

Also, the Combat Meth Act requires purchasers to sign a logbook at the time of sale, regardless of whether the seller uses a paper or electronic logbook. Collecting and retaining electronic signatures requires a large amount of computer memory, and the transmission of these electronic signature files to law enforcement agencies does not provide a significant law enforcement benefit. Sellers who use electronic logbook systems should be given the option of collecting signatures on paper, as long as those signatures are stored for the requisite 2-year retention period, and as long as the signatures are clearly linked to the electronically-captured sale information.

The Methamphetamine Production Prevention Act would permit a seller who uses an electronic logbook to collect purchaser signatures through any of three different methods: (1) having the purchaser sign an electronic signature device; (2) having the purchaser sigh a bound paper book in which the signature is placed adjacent to a unique identifier number, or a printed sticker that clearly links the signature to the purchaser's logbook information; or (3) having the purchaser sign a document that the seller prints out at the time of sale that displays the required logbook information and contains a signature line. These options ensure that each purchaser's signature will be collected, but they give sellers flexibility in developing cost-effective electronic logbook systems.

The Methamphetamine Production Prevention Act would also create a small but important Federal grant program to help States plan, create or enhance electronic logbook systems. Several States, including Oklahoma, Arkansas, West Virginia and Kentucky, have already begun developing electronic logbook systems, and many other States are considering them. The Methamphetamine Production Prevention Act authorizes $3 million in grants

to States and localities, with grants capped at a maximum of $300,000. The bill imposes a 25-percent State matching requirement, to ensure that States have, invested in their logbook systems and have a stake in ensuring the successful operation of these systems.

Instead of mandating how States design their electronic logbook systems, the bill provides incentives for States to design effective logbook systems. Because meth smurfs frequently travel across State lines to stockpile meth precursors, State efforts to develop electronic logbook systems will be more successful if those efforts are coordinated with the activities of other states. The bill would therefore give priority to grant applicants whose logbook systems are developed in consultation with a working group of key Federal, State and private stakeholders spearheaded by the National Alliance for Model State Drug Laws. This working group will advise States on best practices in developing logbook systems and will help States develop logbook systems that are compatible and interoperable with other systems across the country.

The bill also gives a grantmaking preference to applicants whose logbook systems are statewide, are capable of sharing information in real time, and are designed to share information across jurisdictional boundaries. At the same time, the bill preserves the privacy safeguards currently established under the Combat Meth Act and State law. To promote accountability, the bill requires the Attorney General to provide an annual report to Congress that evaluates the grant program and its effectiveness in curtailing meth production.

The Methamphetamine Production Prevention Act does not mandate the use of electronic logbook systems, nor does it mandate the features that an electronic logbook system must possess. The bill respects the fact that States have enacted various types of anti-meth restrictions above the Federal Combat Meth Act baseline, and that pharmacies and retailers in different States have different capabilities with regard to electronic tracking. At the same time, we want to encourage States to coordinate their development of methamphetamine precursor electronic logbook systems so that smurfs will not be able to supply their meth labs by hopping across State lines. Our bill aims to strike a balance by coordinating the various State efforts, while still allowing States the flexibility to innovate and to respond to their specific State needs.

There are many actions besides promoting electronic logbook systems that we must take to address the scourge of methamphetamine. For example, we must provide for the prevention and treatment of meth use, and we must also prevent the illegal distribution of meth and its precursors over the Internet and from other countries. However, law enforcement experts agree that electronic logbook systems are an important tool in our effort to combat meth, particularly domestic meth labs. We can, and should, do more to help make these logbook systems work.

By facilitating and encouraging the use of electronic logbook systems, the Methamphetamine Production Prevention Act will help wipe out domestic meth labs and the environmental and social harms they cause. The bill will also help free up law enforcement resources from meth lab busts and cleanup, allowing our law enforcement agencies to focus on other crime prevention and enforcement efforts. The production of methamphetamine has plagued our communities for far too long, and this legislation takes a critical step to stop it. I urge the Senate to pass this important bill.

Mr. President, 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. 1276

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 ''Methamphetamine Production Prevention Act of 2007''.

SEC. 2. FINDINGS.

Congress finds that—

(1) the manufacture, distribution and use of methamphetamine have inflicted damages on individuals, families, communities, businesses, the economy, and the environment throughout the United States;

(2) methamphetamine is unique among illicit drugs in that the harms relating to methamphetamine stem not only from its distribution and use, but also from the manufacture of the drug by ''cooks'' in clandestine labs throughout the United States;

(3) Federal and State restrictions limiting the sale of legal drug products that contain methamphetamine precursors have reduced the number and size of domestic methamphetamine labs;

(4) domestic methamphetamine cooks have managed to circumvent restrictions on the sale of methamphetamine precursors by ''smurfing'', or purchasing impermissibly large cumulative amounts of precursor products by traveling from retailer to retailer and buying permissible quantities at each retailer;

(5) although Federal and State laws require retailers of methamphetamine precursor products to keep written or electronic logbooks recording sales of precursor products, retailers are not always required to transmit this logbook information to appropriate law enforcement and regulatory agencies, except upon request;

(6) when retailers' logbook information regarding sales of methamphetamine precursor products is kept in a database in an electronic format and transmitted between retailers and appropriate law enforcement and regulatory agencies, such information can be used to further reduce the number of domestic methamphetamine labs by preventing the sale of methamphetamine precursors in excess of legal limits, and by identifying and prosecuting ''smurfs'' and others involved in methamphetamine manufacturing;

(7) States and local governments are already beginning to develop such electronic logbook database systems, but they are hindered by a lack of resources;

(8) efforts by States and local governments to develop such electronic logbook database systems may also be hindered by logbook recordkeeping requirements contained in section 310(e) of the Controlled Substances Act (21 U.S.C. 830(e)) that are tailored to written logbooks and not to electronic logbooks; and

(9) providing resources to States and localities and making technical corrections to the Combat Methamphetamine Epidemic Act of 2005 will allow more rapid and widespread development of such electronic logbook systems, thereby reducing the domestic manufacture of methamphetamine and its associated harms.

SEC. 3. DEFINITIONS.

In this Act—

(1) the term ''local'' means a county, city, town, township, parish, village, or other general purpose political subdivision of a State;

(2) the term ''methamphetamine precursor electronic logbook system'' means a system by which a regulated seller electronically records and transmits to an electronic database accessible to appropriate law enforcement and regulatory agencies information regarding the sale of a scheduled listed chemical product that is required to be maintained under section 310(e) of the Controlled Substances Act (21 U.S.C. 830(e)) (as amended by this Act), State law governing the distribution of a scheduled listed chemical product, or any other Federal, State, or local law;

(3) the terms ''regulated seller'' and ''scheduled listed chemical product'' have the meanings given such terms in section 102 of the Controlled Substances Act (21 U.S.C. 802); and

(4) the term ''State''—

(A) means a State of the United States, the District of Columbia, and any commonwealth, territory, or possession of the United States; and

(B) includes an ''Indian tribe'', as that term is defined in section 102 of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 479a).

SEC. 4. AUTHORIZATION FOR EFFECTIVE METHAMPHETAMINE PRECURSOR ELECTRONIC LOGBOOK SYSTEMS.

Section 310(e)(1) of the Controlled Substances Act (21 U.S.C. 830(e)(1)) is amended—

(1) in subparagraph (A)(iii), by striking ''a written or electronic list'' and inserting ''a written list or an electronic list that complies with subparagraph (H)''; and

(2) adding at the end the following:

''(H) ELECTRONIC LOGBOOKS.—

''(i) IN GENERAL.—A logbook maintained in electronic form shall include, for each sale to which the requirement of subparagraph (A)(iii) applies, the name of any product sold, the quantity of that product sold, the name and address of each purchaser, the date and time of the sale, and any other information required by State or local law.

''(ii) SELLERS.—In complying with the requirements of clause (i), a regulated seller may—

''(I) ask a prospective purchaser for the name and address, and enter such information into the electronic logbook, and if the seller enters the name and address of the prospective purchaser into the electronic logbook, the seller shall determine that the name entered into the electronic logbook corresponds to the name provided on the identification presented by the purchaser under subparagraph (A)(iv)(I)(aa); and

''(II) use a software program that automatically and accurately records the date and time of each sale.

''(iii) PURCHASERS.—A prospective purchaser in a sale to which the requirement of

subparagraph (A)(iii) applies that is being documented in an electronic logbook shall provide a signature in at least 1 of the following ways:

''(I) Signing a device presented by the seller that captures signatures in an electronic format.

''(II) Signing a bound paper book.

''(III) Signing a printed document that corresponds to the electronically-captured logbook information for such purchaser.

''(iv) ELECTRONIC SIGNATURES.—

''(I) DEVICE.—Any device used under clause (iii)(I) shall—

''(aa) preserve each signature in a manner that clearly links that signature to the other electronically-captured logbook information relating to the prospective purchaser providing that signature; and

''(bb) display information that complies with subparagraph (A)(v).

''(II) DOCUMENT RETENTION.—A regulated seller that uses a device under clause (iii)(I) to capture signatures shall maintain each such signature for not less than 2 years after the date on which that signature is captured.

''(v) PAPER BOOKS.—

''(I) IN GENERAL.—Any bound paper book used under clause (iii)(II) shall—

''(aa) ensure that the signature of the prospective purchaser is adjacent to a unique identifier number or a printed sticker that clearly links that signature to the electronically-captured logbook information relating to that prospective purchaser; and

''(bb) display information that complies with subparagraph (A)(v).

''(II) DOCUMENT RETENTION.—A regulated seller that uses bound paper books under clause (iii)(II) shall maintain any entry in such books for not less than 2 years after the date on which that entry is made.

''(vi) PRINTED DOCUMENTS.—

''(I) IN GENERAL.—Any printed document used under clause (iii)(III) shall—

''(aa) be printed by the seller at the time of the sale that document relates to;

''(bb) display information that complies with subparagraph (A)(v);

''(cc) for the relevant sale, list the name of each product sold, the quantity sold, the name and address of the purchaser, and the date and time of the sale;

''(dd) contain a clearly identified signature line for a purchaser to sign; and

''(ee) include a notice that the signer has read the printed information and agrees that it is accurate.

''(II) DOCUMENT RETENTION.—

''(aa) IN GENERAL.—A regulated seller that uses printed documents under clause (iii)(III) shall maintain each such document for not less than 2 years after the date on which that document is signed.

''(bb) SECURE STORAGE.—Each signed document shall be inserted into a binder or other secure means of document storage immediately after the purchaser signs the document.''.

SEC. 5. GRANTS FOR METHAMPHETAMINE PRECURSOR ELECTRONIC LOGBOOK SYSTEMS.

(a) ESTABLISHMENT.—The Attorney General of the United States, through the Office of Justice Programs of the Department of Justice, may make grants, in accordance with such regulations as the Attorney General may prescribe, to State and local governments to plan, develop, implement, or enhance methamphetamine precursor electronic logbook systems.

(b) USE OF FUNDS.—

(1) IN GENERAL.—A grant under this section may be used to enable a methamphetamine precursor electronic logbook system to—

(A) indicate to a regulated seller, upon the entry of information regarding a prospective purchaser into the methamphetamine precursor electronic logbook system, whether that prospective purchaser has been determined by appropriate law enforcement or regulatory agencies to be eligible, ineligible, or potentially ineligible to purchase a scheduled listed chemical product under Federal, State, or local law; and

(B) provide contact information for a prospective purchaser to use if the prospective purchaser wishes to question a determination by appropriate law enforcement or regulatory agencies that the prospective purchaser is ineligible or potentially ineligible to purchase a scheduled listed chemical product.

(2) ACCESS TO INFORMATION.—Any methamphetamine precursor electronic logbook system planned, developed, implemented, or enhanced with a grant under this section shall prohibit accessing, using, or sharing information entered into that system for any purpose other than to—

(A) ensure compliance with this Act, section 310(e) of the Controlled Substances Act (21 U.S.C. 830(e)) (as amended by this Act), State law governing the distribution of any scheduled listed chemical product, or other applicable Federal, State, or local law; or

(B) facilitate a product recall to protect public safety.

(c) GRANT REQUIREMENTS.—

(1) MAXIMUM AMOUNT.—The Attorney General shall not award a grant under this section in an amount that exceeds $300,000.

(2) DURATION.—The period of a grant made under this section shall not exceed 3 years.

(3) MATCHING REQUIREMENT.—Not less than 25 percent of the cost of a project for which a grant is made under this section shall be provided by non-Federal sources.

(4) PREFERENCE FOR GRANTS.—In awarding grants under this section, the Attorney General shall give priority to any grant application involving a proposed or ongoing methamphetamine precursor electronic logbook system that is—

(A) statewide in scope;

(B) capable of real-time capture and transmission of logbook information to appropriate law enforcement and regulatory agencies;

(C) designed in a manner that will facilitate the exchange of logbook information between appropriate law enforcement and regulatory agencies across jurisdictional boundaries, including State boundaries; and

(D) developed and operated, to the extent feasible, in consultation and ongoing coordination with the Drug Enforcement Administration, the Office of Justice Programs, the Office of National Drug Control Policy, the non-profit corporation described in section 1105 of the Office of National Drug Control Policy Reauthorization Act of 2006 (21 U.S.C. 1701 note), other Federal, State, and local law enforcement and regulatory agencies, as appropriate, and regulated sellers.

(5) ANNUAL REPORT.—

(A) IN GENERAL.—Not later than December 31 of each calendar year in which funds from a grant received under this section are expended, the Attorney General shall submit a report to Congress containing—

(i) a summary of the activities carried out with grant funds during that year;

(ii) an assessment of the effectiveness of the activities described in clause (i) on the planning, development, implementation or enhancement of methamphetamine precursor electronic logbook systems;

(iii) an assessment of the effect of the activities described in clause (i) on curtailing the manufacturing of methamphetamine in the United States and the harms associated with such manufacturing; and

(iv) a strategic plan for the year following the year of that report.

(B) ADDITIONAL INFORMATION.—The Attorney General may require the recipient of a grant under this section to provide information relevant to preparing any report under subparagraph (A) in a report that grant recipient is required to submit to the Office of Justice Programs of the Department of Justice.

SEC. 6. STUDY.

(a) IN GENERAL.—Not later than 1 year after the date on which grant funds under section 5 are first distributed, the Comptroller General of the United States shall conduct a study and submit to Congress a report regarding the effectiveness of methamphetamine precursor electronic logbook systems that receive funding under that section.

(b) CONTENTS.—The report submitted under subsection (a) shall include—

(1) a summary of the activities carried out with grant funds during the previous year;

(2) an assessment of the effectiveness of the activities described in paragraph (1) on the planning, development, implementation or enhancement of methamphetamine precursor electronic logbook systems in the United States;

(3) an assessment of the extent to which proposed or operational methamphetamine precursor electronic logbook systems in the United States, including those that receive funding under section 5, are—

(A) statewide in scope;

(B) capable of real-time capture and transmission of logbook information to appropriate law enforcement and regulatory agencies;

(C) designed in a manner that will facilitate the exchange of logbook information between appropriate law enforcement and regulatory agencies across jurisdictional boundaries, including State boundaries; and

(D) developed and operated, to the extent feasible, upon consultation with and in ongoing coordination with the Drug Enforcement Administration, the Office of Justice Programs, the Office of National Drug Control Policy, the non-profit corporation described in section 1105 of the Office of National Drug Control Policy Reauthorization Act of 2006 (21 U.S.C. 1701 note), other Federal, State, and local law enforcement and regulatory agencies, as appropriate, and regulated sellers;

(4) an assessment of the effect of methamphetamine precursor electronic logbook systems, including those that receive funding under this Act, on curtailing the manufacturing of methamphetamine in the United States and reducing its associated harms;

(5) recommendations for further curtailing the domestic manufacturing of methamphetamine and reducing its associated harms; and

(6) such other information as the Comptroller General determines appropriate.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this Act—

(1) $3,000,000 for fiscal year 2008; and

(2) such sums as may be necessary for each fiscal year thereafter.

Mr. GRASSLEY. Mr. President, I am pleased to join my colleague, Senator DURBIN, in introducing the Methamphetamine Production Prevention Act of 2007. Together we offer this important legislation in an effort to strengthen existing law by providing some necessary changes and updates.

During my time in the Senate, I have come to the floor many times to speak about methamphetamine and how it has destroyed individuals, families, and

communities across the country. The Midwest was hit especially hard by meth and the impacts of this drug were devastating to rural areas. As opposed to other illegal drugs, meth is often times home cooked and made in rural areas using ingredients that are largely available over the counter. I am proud to say that Congress has taken action to attack this problem head on by working to cut off access to these over the counter products that form the basis of the drug.

Legislation such as the Combat Methamphetamine Act of 2005, Combat Meth Act of 2005, which was included into the USA Patriot Act Reauthorization in 2005 immediately impacted the production of home cooked meth. Just a week ago when I joined with Senator FEINSTEIN in introducing two other separate bills, the Saving Kids from Dangerous Drugs Act and the Drug Endangered Children Act, I noted that because of the efforts of Congress in passing the Combat Meth Act, the number of clandestine meth lab seizures has dropped across the country.

The Combat Meth Act was a tremendous step in the right direction limiting access to psuedoephedrine, PSE, the main ingredient in methamphetamine. The Combat Meth Act required this product to be removed from store shelves and placed behind the counter at pharmacies across the country. It also limited the number of products containing PSE a person could buy at once. Further, it required a logbook system be kept by pharmacies containing information regarding the individuals that purchased products containing PSE.

Despite these successes, ever determined meth cooks and users have learned how to game this system and continue to produce home grown meth.

The preferred method of these meth cooks is to ''smurf'' between different pharmacies for PSE products. Smurfing occurs when a person visits a number of different locations buying the legal maximum amount of PSE product at each site. The result is an amount of PSE sufficient to produce home cooked meth. Smurfing occurs because the Combat Meth Act only required that retailers keep a logbook which could be kept on paper or electronically. It did not require interoperability or electronic transmission of data. As a result, these unscrupulous individuals have learned that if they provide false information or visit multiple stores, tracking and arresting these individuals is more difficult and time consuming for law enforcement. This is especially true in metropolitan communities that share a common border, one such example is the Quad Cities on the Iowa/Illinois border.

Recently, the Quad City Times highlighted the successes of the Combat Meth Act in an article titled, The Next Step in Meth War. This article detailed the efforts of a Scott County Deputy and his dedication in fighting the meth war. One noteworthy portion of this article raised a question about the lengths that were required for this deputy to do his job in combating mom and pop meth labs. The article stated, ''Now we're stuck with this image of a detective in each Iowa county sorting through thousands of paper forms.'' It read further, ''He must call county to county to find out if those purchasing the limit in Scott County might be doing so elsewhere as well.'' This statement gets right to the heart of our bill. We can't effectively combat meth if we don't close the smurfing loophole.

To address this loophole, Senator DURBIN and I have introduced the Methamphetamine Production Prevention Act of 2007. This legislation would revise the technical requirements of the Combat Meth Act to allow for electronic logbook systems. The bill would also create a Federal grant program for states looking to create or enhance existing electronic logbook systems. Finally, this bill would prioritize these Federal grants to states that design and implement the most effective systems for sharing information via an electronic logbook system.

This legislation will take a big step forward in closing this loophole that home grown meth cooks abuse. Additionally, it does so without creating burdensome mandates upon states to meet requirements. This bill facilitates innovation and growth by offering financial assistance to states looking to create an electronic logbook system. By avoiding mandates, this legislation seeks to promote innovation and growth of electronic logbook systems.

This bill has broad support from the law enforcement community and has been endorsed by the National Sheriffs' Association, the National Narcotics Officers' Associations' Coalition, National Alliance of State Drug Enforcement Agencies, the National Criminal Justice Association, the National Troopers Coalition, the National District Attorneys Association, the National Association of Counties, and the Community Anti-Drug Coalitions of America among others.

As you can see, this legislation has a broad base of support. Working together, state and local governments can use this legislation and grant program to create interoperable networks that will reduce the illegal smurfing of PSE products and lead us to the goal of ending domestic production of meth. I urge my colleagues, join us in support of this important legislation and pass the Methamphetamine Production Prevention Act of 2007 and help wipe out domestic production of meth.

Mr. President, I ask unanimous consent that the aforementioned article be printed in the RECORD.

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

[From the Quad-City Times]

THE NEXT STEP IN METH WAR

Scott County Deputy Robert Jackson figures he searched through 12,000 cold medicine receipts to find three possible meth-making offenders. Needles have better odds in haystacks.

His diligent work has nailed at least three alleged meth makers who tried to skirt Iowa law restricting purchase of pseudoephedrine, a key ingredient in making the recreational poison.

When Iowa lawmakers began talking about toughening meth laws in 2005, we were among those cautious about what that would mean to the privacy and convenience of the 99.9 percent of Iowans who bought cold medicine for their colds. But the scourge that is meth convinced us the intrusion was minor and the impact could be major. We joined those supporting the bill, which became law.

Jackson's success in tracking down offenders affirms the intent was correct. ''When I first started doing it, I'd find 12 offenders at a time,'' Jackson says of his paper-trail detective work. Meth makers, indeed, were driving from store to store to buy enough of the key ingredient to make enough meth to sell.

Now he says the pickings are slimmer. And, he says, the county's biggest pharmacies are talking among themselves, inquiring about people who are trying to buck the limit of 7,500 milligrams of pseudoephedrine per month. That's eliminated the high volume meth makers.

What's left, Jackson surmises, are personal meth-using addicts who cook smaller amounts for themselves and a little to deal. Jackson warns that meth use still rages, fueled by drugs shipped from southern states. But the dangerous labs, set up in hotels, cars, even public parks, have diminished considerably, thanks to laws restricting access to ingredients.

Now we're stuck with this image of a detective in each Iowa county sorting through thousands of paper forms. Although the record-keeping is required, Jackson must get a court order to view the records. He must call county to county to find out if those purchasing the limit in Scott County might be doing so elsewhere as well.

We're wondering if a central registry of some sort might help enforcement statewide, alerting authorities to individuals making purchases in multiple counties. Compiling the information electronically at the site of purchase certainly would add costs and require careful planning to assure privacy for the 99 percent of law-abiding psuedoephedrine buyers. But it would trim significant enforcement cost by eliminating the hours that officers like Det. Jackson spend combing paper records. And it would detect meth-makers skirting the law by spreading out their purchases over several counties.

By Mr. CARDIN (for himself and Ms. SNOWE):

S. 1282. A bill to amend the Internal Revenue Code of 1986 to provide for the exclusion from gross income of certain wages of a certified master teacher, and for other purposes; to the Committee on Finance.

Mr. CARDIN. Mr. President, as you know, teachers are the most valuable resource when it comes to educating our Nation's children. Under the No Child Left Behind Act, (NCLB), States are required to recruit highly qualified teachers, yet schools in rural or high poverty areas have trouble attracting and retaining these teachers. It is for this reason that Senator Snowe and I have joined together to introduce The Master Teacher Act of 2007.

We have an education problem in America. The schools that most need

experienced educators simply do not have the resources to attract and keep the best teachers. We must give our schools the tools they need to prepare our students to succeed.

As currently designated by NCLB, 100 percent of our Nation's schools must meet Adequate Yearly Progress, AYP, in reading/language arts and mathematics by the 2013/2014 school year. To date, almost 26 percent of schools in the U.S. are not making the grade. According to a report released by the National Education Association last year, fewer schools met AYP in the 2004/2005 school year than the prior school year. In my home State of Maryland, 311 out of 1,429 schools, or almost 22 percent, did not make Adequate Yearly Progress, as defined by the No Child Left Behind Act and the State targets. During the 2005–2006 school year, 79 schools, or about 6 percent of Maryland's elementary and secondary schools had missed Adequate Yearly Progress toward State achievement targets for 5 or more consecutive years. As a result they were placed in restructuring and were subject to a variety of major school-wide reform strategies. A large majority of these restructuring schools are urban schools, and more than half are in the Baltimore City Public School System.

According to research, teacher quality is the schooling factor with the most profound effect on student achievement. Good teachers can make up to a full year's difference in learning growth for students and overwhelm the impact of any other educational investment, including smaller class sizes.

Unfortunately, our educational system pairs the children most behind with teachers who, on average, have less experience, less education, and less skill than those who teach other children. Certainly, there are exceptions, excellent and experienced teachers who have devoted their lives to at-risk students. But the overall patterns are clear.

Despite evidence that teachers become more effective after several years experience, students in high-poverty and high-minority schools are assigned to novice teachers almost twice as often as children in low-poverty schools. Classes in high-poverty and high-minority schools are much more likely to be taught by teachers without a major or minor in the subject they teach. Certainly, there are excellent first-year teachers and ineffective veterans. Indeed, mastery of a subject matter does not necessarily translate into effective teaching. But these proxies for teacher effectiveness are backed by substantial bodies of research. Studies of effective teachers reveal they are distributed among our Nation's schools in a manner that actually enlarges achievement gaps.

We will only close student achievement gaps when we improve teacher quality and experience. We must make obtaining advanced training and experience in teaching more accessible and teaching at-risk students more desirable. In short, we must establish a class of ''master teachers'' with extensive experience and training who are willing to teach for an extended period of time in the schools that need them the most.

Fortunately, research also shows even modest monetary incentives lower teacher attrition, especially in high-risk school districts. Our legislation will reward master teachers with a 25 percent Federal tax exemption on their salary for four years if they agree to teach in a school that is not meeting AYP. A master teacher is a teacher that has at least 5 years of teaching experience in a public elementary or secondary school, holds a master's degree, meets the definition of highly qualified as defined by the NCLB, and has obtained advanced certification in their state licensing system. Each State would have a cap of 10 percent of public school teachers eligible to receive master teacher tax treatment at a time. This program would go into effect in 2007 and end with the 2013/2014 school year, when NCLB requires that 100 percent of students perform at the proficient level.

Good teachers are essential to a successful education system; they are the profession charged with educating our future work force. The Master Teacher Act of 2007 will provide our children access to the best possible teachers and our teachers much needed financial support.

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. 1282

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

SECTION 1. MASTER TEACHER EXCLUSION.

(a) MASTER TEACHER EXCLUSION.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 139A the following new section:

''SEC. 139B. CERTAIN WAGES OF CERTIFIED MASTER TEACHERS.

''(a) 25 PERCENT EXCLUSION.—Gross income does not include 25 percent of wages earned by a certified master teacher in remuneration for employment at a qualified school in need of improvement or a Head Start program assisted under the Head Start Act (42 U.S.C. 9831 et seq.).

''(b) CERTIFIED MASTER TEACHER.—For purposes of this section—

''(1) IN GENERAL.—The term 'certified master teacher' means any eligible teacher who is certified by a State as being eligible for the exclusion from gross income provided under subsection (a) with respect to wages earned during a 4-year certification period. A teacher shall not be treated as a certified master teacher except during the certification period.

''(2) RECERTIFICATION PROHIBITED.—A teacher shall not be certified as a certified master teacher for more than one certification period.

''(3) STATE LIMITATION ON NUMBER OF CERTIFIED MASTER TEACHERS.—A State may not certify any teacher if such certification would result (at the time of such certification) in more than 10 percent of the State's public school teachers being certified master teachers.

''(c) QUALIFIED SCHOOL IN NEED OF IMPROVEMENT.—For purposes of this section, the term 'qualified school in need of improvement' means, with respect to any certified master teacher—

''(1) the school in need of improvement which first employs such teacher during the certification period,

''(2) any school in need of improvement which subsequently employs such teacher, but only if each school in need of improvement which previously employed such teacher during the certification period has ceased to be a school in need of improvement, and

''(3) any school described in paragraph (1) or (2) which ceases to be a school in need of improvement, but only if such teacher was employed by such school (during such teacher's certification period) at the time that such school ceased to be a school in need of improvement.

''(d) SCHOOL IN NEED OF IMPROVEMENT.—For purposes of this section, the term 'school in need of improvement' means a public elementary or secondary school that—

''(1) is identified for school improvement, corrective action, or restructuring under section 1116 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6316), and

''(2) is eligible for a schoolwide program under section 1114 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6314).

''(e) ELIGIBLE TEACHER.—For purposes of this section, the term 'eligible teacher' means a teacher who—

''(1) has had at least 5 years of teaching experience in a public elementary or secondary school,

''(2) is highly qualified, as defined in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801),

''(3) has a master's degree, and

''(4) has earned—

''(A) advanced certification in the teacher's State licensing system, or

''(B) in the case of a teacher in a State that does not offer advanced certification, certification from the National Board for Professional Teaching Standards.

''(f) CERTIFICATION PERIOD.—For purposes of this section, the term 'certification period' means, with respect to any certified master teacher, the 4-year period described in subsection (b).

''(g) STATE IDENTIFICATION REQUIRED ON RETURN.—With respect to any certified master teacher, no exclusion shall be allowed under subsection (a) for any taxable year unless the certified master teacher includes the State in which the teacher has been certified on the certified master teacher's return of tax for such taxable year.

''(h) TERMINATION.—This section shall not apply to any taxable year beginning after December 31, 2013.''.

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 139A the following new item:

''Sec. 139B. Certain wages of certified master teachers.''.

(c) REPORT TO CONGRESS.—The Secretary of the Treasury shall transmit to the Congress for each of calendar years 2007 through 2013 an annual report stating, with respect to each State, the number of individuals certified by such State as certified master teachers who were allowed an exclusion from gross income under section 139B of the Internal Revenue Code of 1986 for a taxable year ending in such calendar year.

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

By Mr. PRYOR (for himself and Mr. CHAMBLISS):

S. 1283. A bill to amend title 10, United States Code, to improve the management of medical care, personnel actions, and quality of life issues for members of the Armed Forces who are receiving medical care in an outpatient status, and for other purposes; to the Committee on Armed Services.

Mr. CHAMBLISS. Mr. President, I rise today to join my colleague and my good friend, the Senator from Arkansas, Mr. PRYOR, in introducing legislation to ensure that the medical needs of wounded service men and women are properly met and that the military bureaucracy does not interfere with their recovery progress.

We have watched with embarrassment and compassion as the unacceptable conditions of some of our military medical care facilities and housing facilities were revealed and shown to the public. Clearly, we owe our wounded military personnel the best treatment and care that can be offered. This bill we are introducing today will help provide that.

Let me say, first of all, I have recently had the opportunity to visit the Eisenhower Medical Center at Fort Gordon, GA, as well as the medical facility at Fort Benning, GA, and I am reminded once again that medical care given to our military men and women is truly second to none. Are there exceptions? Sure. There are problems that arise from time to time in the delivery of health care services to our military men and women. Our purpose today is to try to make some of the bureaucracy go away and to try to help make sure our medical suppliers at all of our military facilities around the country and around the world have the ability to deliver the very best medical care to our men and women.

Our bill, S. 1283, the Wounded Warrior Assistance Act of 2007, will improve the access to and quality of the health care our military personnel receive by requiring that case managers for personnel in medical holdover status handle no more than 17 cases and review each case once a week.

Our bill will also create a system of patient advocates who can help personnel navigate the cumbersome medical board and review process, as well as add necessary funding to hire additional physicians.

Our bill increases training for health care professionals, medical case managers, and patient advocates, with an emphasis on identifying and treating difficult-to-diagnose and complex conditions, such as post-traumatic stress disorder and traumatic brain injury.

Our bill establishes a toll-free hotline for patients and their families to report problems with medical facilities or patient care and creates an independent advocate to counsel servicemembers appearing before medical evaluation boards.

Our bill creates a wounded warrior battalion, which will be an Army pilot program to improve the transition from military to civilian life for wounded combat veterans, as well as track and assist members of the Armed Forces who are in outpatient status and in need of medical treatment. More than 24,900 soldiers have been wounded in Iraq. We owe it to them and their loved ones to have a responsive health care system in place, in addition to the very best medical care available.

This legislation increases the resources available to our veterans in order to allow them to focus on their recovery rather than redtape. Heroes such as these need and deserve the best medical care and attention we can offer them, and this bill will help provide that. They do not need to be disadvantaged by an outdated, bureaucratic process that adds more stress to their recovery process.

Our legislation is a step in the right direction to reform and modernize the outpatient treatment process and will increase the morale and welfare of our recovering servicemembers. They deserve our fullest support, and we are committed to meeting their needs.

This bill mirrors H.R. 1538, which was passed by the House of Representatives by a vote of 426 to 0 on March 28 of this year.

I thank Senator PRYOR for the chance to work together with him on this important legislation. He and I have had the opportunity to work on any number of measures during our now going on 5 years in the Senate. He is a true champion of not just our wounded but all of our military personnel, and it has been a pleasure to work with him.

I commend this bill to all of my colleagues. I hope we can move to a swift passage of the bill so we can present it to the President for his signature. I urge my colleagues to support it.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. PRYOR. Mr. President, I thank the Senator from Georgia for his kind remarks. Of course, everybody in the Senate knows what a friend to the men and women in uniform Senator CHAMBLISS has been since he has been in the Senate. I am sure that also relates back to his House days. He has really been a fabulous leader for our soldiers, and it is an honor for me to ask him to join me in the Wounded Warrior Act.

Last Friday, I had the chance to go to Walter Reed and see three Arkansans who were injured in various ways in Iraq. It is always a sobering experience to go see our soldiers whom we are so proud of. We are proud of the people who put on the uniform and put their lives in jeopardy for the principles of this country. And we have other facilities, not just Walter Reed. I know that is the one that gets the most publicity nationally. Obviously, every State or region has a lot of facilities. In Little Rock, there is the John McClellan Veterans Hospital, which I visited not too long ago, and we have at least a couple of other very good facilities in our State. They offer, generally speaking, great care. We know that sometimes people fall through the cracks, but we are very proud of our VA presence in the State of Arkansas.

I must say that in my office in Little Rock—and the one here, for that matter—we have people on staff who deal and work with soldiers virtually on a daily basis—people who are in the VA system who, for some reason, have run into some bureaucratic roadblock or a file gets lost or a record gets lost or some box doesn't get checked or whatever the case may be. We, more or less, like many colleagues here, have full-time staff who do that on virtually a full-time basis. We are honored to help the citizens of our State in any way we can, but we also would like to say that we can help the VA system run better and provide better health care with less bureaucracy.

Arkansas has had about 40 soldiers killed in Iraq. It has been a very hard circumstance for our State to go through. It impacts every community in the State and almost every family in the State. In addition to those 40, which obviously are going to get more notice and publicity and discussion, as they should, there are 369 Arkansans who have been injured in Iraq. Those numbers track fairly well what the national numbers are.

Across this Nation, there have been 11,215 soldiers, at last count, who have been wounded in Iraq so severely that they have not been able to return to duty. So it is critical that we have legislation such as the Wounded Warrior Assistance Act. It will require case managers for outpatients to handle no more than 17 cases. They will have to review each case weekly. It creates a system of patient advocates within our health care system. It increases training for health care professionals, medical case managers, and patient advocates, with an emphasis on identifying and treating post-traumatic stress disorder and traumatic brain injuries. It establishes a toll-free hotline for patients and families to report problems with medical facilities or patient care. It creates an independent advocate to counsel servicemembers appearing before medical evaluation boards. We think all of those are healthy, positive, and constructive reforms. We think the time has come for this to happen.

Senator CHAMBLISS, a few moments ago, mentioned that the House passed this legislation 426 to 0. They did that late last month. It is the Senate's turn to weigh in and be on record for helping our wounded warriors.

The Wounded Warrior Assistance Act allows them to focus on healing and not be frustrated by redtape. It improves the access and quality of care our veterans receive. It puts an advocate on their side. We know that with any large organization, there will be

some bureaucracy and files will be lost and information gets misplaced. We understand that. But, hopefully, what this will do is streamline the process and make the system work a lot better for those who have been willing to make the sacrifice for this country.

Mr. President, I think this is important legislation because it does good things, but it is also symbolic legislation. It shows our members of the military that we are willing—their Government and the people of this country—to stand behind them during and after their Active-Duty service.

I ask that my colleagues give this legislation their strong consideration. The House passed it overwhelmingly. I hope we will have broad-based, bipartisan support in this body. It is an honor for me to offer it with my lead cosponsor, Senator CHAMBLISS of Georgia.

I yield the floor.

By Mr. DORGAN (for himself, Ms. MIKULSKI, Mr. DURBIN, Ms. STABENOW, Mr. ROCKEFELLER, Mr. LEVIN, Mrs. FEINSTEIN, Mr. JOHNSON, Mr. HARKIN, Mr. FEINGOLD, Mr. LEAHY, Mr. KOHL, and Mr. KENNEDY):

S. 1284. A bill to amend the Internal Revenue Code of 1986 to provide for the taxation of income of controlled foreign corporations attributable to imported property; to the Committee on Finance.

Mr. DORGAN. Mr. President, today I am joined by Senators MIKULSKI, DURBIN, STABENOW, ROCKEFELLER, LEVIN, FEINSTEIN, JOHNSON, HARKIN, FEINGOLD, LEAHY, KOHL, and KENNEDY in introducing legislation to close an insidious loophole in the U.S. Tax Code that actually rewards U.S. companies that move American manufacturing jobs overseas. Some may think this is a belated April Fools' Day joke; regrettably, it is not. Let me explain how this perverse tax break for these companies works.

When a U.S. company closes down a U.S. manufacturing plant, fires its American workers, and moves those good-paying jobs to China or other locations abroad, U.S. tax laws allow these firms to defer paying any U.S. income taxes on the earnings from those now foreign-manufactured products until those profits are returned, if ever, to this country. This tax break is not available to American companies that make the very same products here on American soil. So the U.S. company that decides to stay at home suffers a competitive disadvantage, a disadvantage that our tax laws have helped to create. Multinational companies ought to pay the same taxes that domestic companies pay. At a minimum, U.S. companies that keep their jobs here should not be put at a competitive disadvantage by Federal tax policy.

The notion that granting large tax breaks to companies that move their manufacturing operations offshore is good for this country is utter nonsense. Among other things, those who support this half-cocked fiscal policy claim that shutting down U.S. manufacturing operations and moving them abroad will result in more U.S. jobs and increase our exports.

However, this assertion is not supported by the facts. According to the latest available data, the number of foreign manufacturing affiliates has grown from 7,420 to 8,490, up some 14 percent since 1993. From 1993 though 2004, U.S. companies moved 1 million manufacturing jobs offshore to their foreign affiliates.

Throughout this entire period, this perverse deferral break has been in effect. Has it resulted in new U.S. manufacturing jobs? No. We have lost some 3.2 million U.S. manufacturing jobs since 2000 alone. Has this misguided tax subsidy resulted in higher exports from U.S. companies to their foreign affiliates as the proponents of this tax subsidy suggest? No. In fact, imports into the United States from the foreign subsidiaries of U.S. companies more than doubled from $92 billion in 1993 to $203 billion in 2004. And the balance of trade with foreign affiliates of U.S. firms plummeted to a $72 billion deficit in 2004 as compared to $3.4 billion in 1997.

I have been working to end this wrong-headed Federal tax break for many years. Senator MIKULSKI and I have forced the Senate to vote to repeal this tax subsidy several times. I have described stories on the Senate floor about a number of American companies that have moved production overseas, companies like Huffy bicycles and Radio Flyer little red wagons to China; Samsonite, which went to Mexico and then China; Levi's, which are now made all over the world, everywhere except in the very country that invented them; Maytag, which now makes appliances in Mexico and Korea; and Fruit of the Loom, which moved to Mexico. And I would point out, once again, that this tax deferral break given to companies like Radio Flyer or formerly to Huffy bicycles is not available to American companies that make the very same products on U.S. main streets.

But we have run into stiff opposition from many U.S. multinational companies, their lobbyists, and some policymakers who claim our proposal would impede the ability of U.S. firms to compete and grow in the global economy. That is hogwash. This proposal does nothing to hinder U.S. multinationals that produce abroad from competing with foreign firms in foreign markets. The legislation we are introducing today is carefully targeted; it ends the deferral tax break only where U.S. multinationals produce goods abroad and ship those products back to the U.S. market. In more technical language, this legislation would end tax deferral for the ''imported property'' income of controlled foreign corporations. The proposal also adds a new separate foreign tax credit basket for imported property income. The separate foreign tax credit basket is an anti-abuse provision that will stop U.S. multinational companies from using the foreign tax credit to shelter profits generated in a tax haven country by preventing the cross-crediting of high foreign taxes on general income against the U.S. tax on imported property income that is subject to low foreign taxes.

The tax experts with the Joint Committee on Taxation estimate that this pernicious tax break will costs U.S. taxpayers some $15.5 billion over the next decade. It is no wonder that the powerful lobby for the largest U.S. multinational firms has fought to keep this tax loophole fully intact. But as I have told my colleagues on the Senate floor a number of times, I intend to offer this proposal again and again until this tax subsidy is finally repealed.

I understand that some U.S. companies will still choose, with or without this tax subsidy, to dislocate thousands of workers in America in search of cheaper labor, lax regulation, and greater profits abroad at whatever the cost. They will be free to do so. But at least U.S. taxpayers will not be asked to provide billions of dollars in tax subsidies for those who do.

I urge all of my colleagues in the Senate, Democrats and Republicans alike, to take a fresh look at this issue and help us do what Congress should have done many years ago; that is, repeal this ill-conceived tax break once and for all.

By Mr. DURBIN (for himself, Mr. SPECTER, Mr. FEINGOLD, and Mr. OBAMA):

S. 1285. A bill to reform the financing of Senate elections, and for other purposes; to the Committee on Rules and Administration.

Mr. DURBIN. Mr. President, 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. 1285

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Fair Elections Now Act''.

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

TITLE I—FAIR ELECTIONS FINANCING OF SENATE ELECTION CAMPAIGNS

Subtitle A—Fair Elections Financing Program

SEC. 101. FINDINGS AND DECLARATIONS.

(a) UNDERMINING OF DEMOCRACY BY CAMPAIGN CONTRIBUTIONS FROM PRIVATE SOURCES.—The Senate finds and declares that the current system of privately financed campaigns for election to the United States Senate has the capacity, and is often perceived by the public, to undermine democracy in the United States by—

(1) creating a conflict of interest, perceived or real, by encouraging Senators to accept large campaign contributions from private interests that are directly affected by Federal legislation;

(2) diminishing or giving the appearance of diminishing a Senator's accountability to constituents by compelling legislators to be accountable to the major contributors who finance their election campaigns;

(3) violating the democratic principle of ''one person, one vote'' and diminishing the meaning of the right to vote by allowing monied interests to have a disproportionate and unfair influence within the political process;

(4) imposing large, unwarranted costs on taxpayers through legislative and regulatory outcomes shaped by unequal access to lawmakers for campaign contributors;

(5) driving up the cost of election campaigns, making it difficult for qualified candidates without personal wealth or access to campaign contributions from monied individuals and interest groups to mount competitive Senate election campaigns;

(6) disadvantaging challengers, because large campaign contributors tend to donate their money to incumbent Senators, thus causing Senate elections to be less competitive; and

(7) burdening incumbents with a preoccupation with fundraising and thus decreasing the time available to carry out their public responsibilities.

(b) ENHANCEMENT OF DEMOCRACY BY PROVIDING ALLOCATIONS FROM THE SENATE FAIR ELECTIONS FUND.—The Senate finds and declares that providing the option of the replacement of private campaign contributions with allocations from the Senate Fair Elections Fund for all primary, runoff, and general elections to the Senate would enhance American democracy by—

(1) eliminating the potentially inherent conflict of interest created by the private financing of the election campaigns of public officials, thus restoring public confidence in the integrity and fairness of the electoral and legislative processes;

(2) increasing the public's confidence in the accountability of Senators to the constituents who elect them;

(3) helping to eliminate access to wealth as a determinant of a citizen's influence within the political process and to restore meaning to the principle of ''one person, one vote'';

(4) reversing the escalating cost of elections and saving taxpayers billions of dollars that are (or that are perceived to be) currently allocated based upon legislative and regulatory agendas skewed by the influence of campaign contributions;

(5) creating a more level playing field for incumbents and challengers by creating genuine opportunities for all Americans to run for the Senate and by encouraging more competitive elections; and

(6) freeing Senators from the incessant preoccupation with raising money, and allowing them more time to carry out their public responsibilities.

SEC. 102. ELIGIBILITY REQUIREMENTS AND BENEFITS OF FAIR ELECTIONS FINANCING OF SENATE ELECTION CAMPAIGNS.

The Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following:

''TITLE V—FAIR ELECTIONS FINANCING OF SENATE ELECTION CAMPAIGNS

''SEC. 501. DEFINITIONS.

''In this title:

''(1) ALLOCATION FROM THE FUND.—The term 'allocation from the Fund' means an allocation of money from the Senate Fair Elections Fund to a participating candidate pursuant to sections 510 and 511.

''(2) FAIR ELECTIONS QUALIFYING PERIOD.—The term 'fair elections qualifying period' means, with respect to any candidate for Senator, the period—

''(A) beginning on the date on which the candidate files a statement of intent under section 503(a)(1); and

''(B) ending on the date that is 30 days before—

''(i) the date of the primary election; or

''(ii) in the case of a State that does not hold a primary election, the date prescribed by State law as the last day to qualify for a position on the general election ballot.

''(3) FAIR ELECTIONS START DATE.—The term 'fair elections start date' means, with respect to any candidate, the date that is 180 days before—

''(A) the date of the primary election; or

''(B) in the case of a State that does not hold a primary election, the date prescribed by State law as the last day to qualify for a position on the general election ballot.

''(4) FUND.—The term 'Fund' means the Senate Fair Elections Fund established by section 502.

''(5) IMMEDIATE FAMILY.—The term 'immediate family' means, with respect to any candidate—

''(A) the candidate's spouse;

''(B) a child, stepchild, parent, grandparent, brother, half-brother, sister, or half-sister of the candidate or the candidate's spouse; and

''(C) the spouse of any person described in subparagraph (B).

''(6) INDEPENDENT CANDIDATE.—The term 'independent candidate' means a candidate for Senator who is—

''(A) not affiliated with any political party; or

''(B) affiliated with a political party that—

''(i) in the case of a candidate in a State that holds a primary election for Senator, does not hold a primary election for Senator; or

''(ii) in the case of a candidate in a State that does not hold primary election for Senator, does not have ballot status in such State.

''(7) MAJOR PARTY CANDIDATE.—

''(A) IN GENERAL.—The term 'major party candidate' means a candidate for Senator who is affiliated with a major political party.

''(B) MAJOR POLITICAL PARTY.—The term 'major political party' means, with respect to any State, a political party of which a candidate for the office of Senator, President, or Governor in the preceding 5 years, received, as a candidate of that party in such State, 25 percent or more of the total number of popular votes cast for such office in such State.

''(8) MINOR PARTY CANDIDATE.—The term 'minor party candidate' means a candidate for Senator who is affiliated with a political party that—

''(A) holds a primary for Senate nominations; and

''(B) is not a major political party.

''(9) NONPARTICIPATING CANDIDATE.—The term 'nonparticipating candidate' means a candidate for Senator who is not a participating candidate.

''(10) PARTICIPATING CANDIDATE.—The term 'participating candidate' means a candidate for Senator who is certified under section 508 as being eligible to receive an allocation from the Fund.

''(11) QUALIFYING CONTRIBUTION.—The term 'qualifying contribution' means, with respect to a candidate, a contribution that—

''(A) is in the amount of $5 exactly;

''(B) is made by an individual who—

''(i) is a resident of the State with respect to which the candidate is seeking election; and

''(ii) is not prohibited from making a contribution under this Act;

''(C) is made during the fair elections qualifying period; and

''(D) meets the requirements of section 505(c).

''(12) SEED MONEY CONTRIBUTION.—The term 'seed money contribution' means a contribution or contributions by any 1 individual—

''(A) aggregating not more than $100; and

''(B) made to a candidate after the date of the most recent previous election for the office which the candidate is seeking and before the date the candidate has been certified as a participating candidate under section 508(a).

"SEC. 502. SENATE FAIR ELECTIONS FUND.

''(a) ESTABLISHMENT.—There is established in the Treasury a fund to be known as the 'Senate Fair Elections Fund'.

''(b) AMOUNTS HELD BY FUND.—The Fund shall consist of the following amounts:

''(1) PROCEEDS FROM RECOVERED SPECTRUM.—Proceeds deposited into the Fund under section 309(j)(8)(E)(ii)(II) of the Communications Act of 1934.

''(2) EXCESS SPECTRUM USER FEES.—Amounts deposited in the Fund under section 315A(f)(2)(B)(ii) of the Communications Act of 1934.

''(3) VOLUNTARY CONTRIBUTIONS.—Voluntary contributions to the fund.

''(4) QUALIFYING CONTRIBUTIONS, PENALTIES, AND OTHER DEPOSITS.—Amounts deposited into the Fund under—

''(A) section 504(2) (relating to limitation on amount of seed money);

''(B) section 505(d) (relating to deposit of qualifying contributions);

''(C) section 506(c) (relating to exceptions to contribution requirements);

''(D) section 509(c) (relating to remittance of allocations from the Fund);

''(E) section 513 (relating to violations); and

''(F) any other section of this Act.

''(5) INVESTMENT RETURNS.—Interest on, and the proceeds from, the sale or redemption of, any obligations held by the Fund under subsection (c).

''(c) INVESTMENT.—The Commission shall invest portions of the Fund in obligations of the United States in the same manner as provided under section 9602(b) of the Internal Revenue Code of 1986.

''(d) USE OF FUND.—

''(1) IN GENERAL.—The sums in the Senate Fair Elections Fund shall be used to make allocations to participating candidates in accordance with sections 510 and 511.

''(2) INSUFFICIENT AMOUNTS.—Under regulations established by the Commission, rules similar to the rules of section 9006(c) of the Internal Revenue Code shall apply.

"SEC. 503. ELIGIBILITY FOR ALLOCATIONS FROM THE FUND.

''(a) IN GENERAL.—A candidate for Senator is eligible to receive an allocation from the Fund for any election if the candidate meets the following requirements:

''(1) The candidate files with the Commission a statement of intent to seek certification as a participating candidate under this title during the period beginning on the fair elections start date and ending on the last day of the fair elections qualifying period.

''(2) The candidate has complied with the seed money contribution requirements of section 504.

''(3) The candidate meets the qualifying contribution requirements of section 505.

''(4) Not later than the last day of the fair elections qualifying period, the candidate files with the Commission an affidavit signed by the candidate and the treasurer of the candidate's principal campaign committee declaring that the candidate—

''(A) has complied and, if certified, will comply with the contribution and expenditure requirements of section 506;

''(B) if certified, will comply with the debate requirements of section 507;

''(C) if certified, will not run as a nonparticipating candidate during such year in any election for the office that such candidate is seeking; and

''(D) has either qualified or will take steps to qualify under State law to be on the ballot.

''(b) GENERAL ELECTION.—Notwithstanding subsection (a), a candidate shall not be eligible to receive an allocation from the Fund for a general election or a general run off election unless the candidate's party nominated the candidate to be placed on the ballot for the general election or the candidate qualified to be placed on the ballot as an independent candidate, and the candidate is qualified under State law to be on the ballot.

"SEC. 504. SEED MONEY CONTRIBUTION REQUIREMENT.

''A candidate for Senator meets the seed money contribution requirements of this section if the candidate meets the following requirements:

''(1) SEPARATE ACCOUNTING.—The candidate maintains seed money contributions in a separate account.

''(2) LIMITATION ON AMOUNT.—The candidate deposits into the Senate Fair Elections Fund or returns to donors an amount equal to the amount of any seed money contributions which, in the aggregate, exceed the sum of—

''(A) in the case of an independent candidate, the amount which the candidate would be entitled to under section 510(c)(3); and

''(B) in the case of any other candidate, the amount which the candidate would be entitled to under section 510(c)(1).

''(3) USE OF SEED MONEY.—The candidate makes expenditures from seed money contributions only for campaign-related costs.

''(4) RECORDS.—The candidate maintains a record of the name and street address of any contributor of a seed money contribution and the amount of any such contribution.

''(5) REPORT.—Unless a seed money contribution or an expenditure made with a seed money contribution has been reported previously under section 304, the candidate files with the Commission a report disclosing all seed money contributions and expenditures not later than 48 hours after receiving notification of the determination with respect to the certification of the candidate under section 508.

"SEC. 505. QUALIFYING CONTRIBUTION REQUIREMENT.

''(a) IN GENERAL.—A candidate for Senator meets the requirement of this section if, during the fair elections qualifying period, the candidate obtains a number of qualifying contributions equal to the sum of—

''(1) 2,000; plus

''(2) 500 for each congressional district in excess of 1 in the State with respect to which the candidate is seeking election.

''(b) SPECIAL RULE FOR CERTAIN CANDIDATES.—

''(1) IN GENERAL.—Notwithstanding subsection (a), in the case of a candidate described in paragraph (2), the requirement of this section is met if, during the fair elections qualifying period, the candidate obtains a number of qualifying contributions equal to 150 percent of the number of qualifying contributions that such candidate would be required to obtain without regard to this subsection.

''(2) CANDIDATE DESCRIBED.—A candidate is described in this paragraph if—

''(A) the candidate is a minor party candidate or an independent candidate; and

''(B) in the most recent general election involving the office of Senator, President, or Governor in the State in which the candidate is seeking office, the candidate and all candidates of the same political party as such candidate received less than 5 percent of the total number of votes cast for each such office.

''(c) REQUIREMENTS RELATING TO RECEIPT OF QUALIFYING CONTRIBUTION.—Each qualifying contribution—

''(1) may be made by means of a personal check, money order, debit card, or credit card;

''(2) shall be payable to the Senate Fair Elections Fund;

''(3) shall be accompanied by a signed statement containing—

''(A) the contributor's name and home address;

''(B) an oath declaring that the contributor—

''(i) is a resident of the State in which the candidate with respect to whom the contribution is made is running for election;

''(ii) understands that the purpose of the qualifying contribution is to show support for the candidate so that the candidate may qualify for public financing;

''(iii) is making the contribution in his or her own name and from his or her own funds;

''(iv) has made the contribution willingly; and

''(v) has not received any thing of value in return for the contribution; and

''(4) shall be acknowledged by a receipt that is sent to the contributor with a copy kept by the candidate for the Commission and a copy kept by the candidate for the election authorities in the State with respect to which the candidate is seeking election.

''(d) DEPOSIT OF QUALIFYING CONTRIBUTIONS.—

''(1) IN GENERAL.—Not later than 21 days after obtaining a qualifying contribution, a candidate shall—

''(A) deposit such contribution into the Senate Fair Elections Fund, and

''(B) remit to the Commission a copy of the receipt for such contribution.

''(2) DEPOSIT OF CONTRIBUTIONS AFTER CERTIFICATION.—Notwithstanding paragraph (1), all qualifying contributions obtained by a candidate shall be deposited into the Senate Fair Elections Fund and all copies of receipts for such contributions shall be remitted to the Commission not later than—

''(A) in the case of a candidate who is denied certification under section 508, 3 days after receiving a notice of denial of certification under section 508(a)(2); and

''(B) in any other case, not later than the last day of the fair elections qualifying period.

''(e) VERIFICATION OF QUALIFYING CONTRIBUTIONS.—The Commission shall establish procedures for the auditing and verification of qualifying contributions to ensure that such contributions meet the requirements of this section. Such procedures may provide for verification through the means of a postcard or other method, as determined by the Commission.

"SEC. 506. CONTRIBUTION AND EXPENDITURE REQUIREMENTS.

''(a) GENERAL RULE.—A candidate for Senator meets the requirements of this section if, during the election cycle of the candidate, the candidate—

''(1) except as provided in subsection (b), accepts no contributions other than—

''(A) seed money contributions;

''(B) qualifying contributions made payable to the Senate Fair Elections Fund;

''(C) allocations from the Senate Fair Elections Fund under sections 510 and 511; and

''(D) vouchers provided to the candidate under section 315A of the Communications Act of 1934;

''(2) makes no expenditures from any amounts other than from—

''(A) amounts received from seed money contributions;

''(B) amounts received from the Senate Fair Elections Fund; and

''(C) vouchers provided to the candidate under section 315A of the Communications Act of 1934; and

''(3) makes no expenditures from personal funds or the funds of any immediate family member (other than funds received through seed money contributions).

For purposes of this subsection, a payment made by a political party in coordination

with a participating candidate shall not be treated as a contribution to or as an expenditure made by the participating candidate.

''(b) CONTRIBUTIONS FOR LEADERSHIP PACS, ETC.—A political committee of a participating candidate which is not an authorized committee of such candidate may accept contributions other than contributions described in subsection (a)(1) from any person if—

''(1) the aggregate contributions from such person for any for a calendar year do not exceed $100; and

''(2) no portion of such contributions is disbursed in connection with the campaign of the participating candidate.

''(c) EXCEPTION.—

''(1) IN GENERAL.—Notwithstanding subsection (a), a candidate shall not be treated as having failed to meet the requirements of this section if any contributions accepted before the date the candidate files a statement of intent under section 503(a)(1) are not expended and are—

''(A) returned to the contributor; or

''(B) submitted to the Federal Election Commission for deposit in the Senate Fair Elections Fund.

''(2) SPECIAL RULE FOR SEED MONEY CONTRIBUTIONS AND CONTRIBUTIONS FOR LEADERSHIP PACS.—For purposes of paragraph (1), a candidate shall not be required to return, donate, or submit any portion of the aggregate amount of contributions from any person which is $100 or less to the extent that such contribution—

''(A) otherwise qualifies as a seed money contribution; or

''(B) otherwise meets the requirements of subsection (b).

''(3) SPECIAL RULE FOR CONTRIBUTIONS BEFORE THE DATE OF ENACTMENT OF THIS TITLE.—Notwithstanding subsection (a), a candidate shall not be treated as having failed to meet the requirements of this section if any contributions accepted before the date of the enactment of this title are not expended and are—

''(A) returned to the contributor;

''(B) donated to an organization described in section 170(c) of the Internal Revenue Code of 1986;

''(C) donated to a political party;

''(D) used to retire campaign debt; or

''(E) submitted to the Federal Election Commission for deposit in the Senate Fair Elections Fund.

''SEC. 507. DEBATE REQUIREMENT.

''A candidate for Senator meets the requirements of this section if the candidate participates in at least—

''(1) 1 public debate before the primary election with other participating candidates and other willing candidates from the same party and seeking the same nomination as such candidate; and

''(2) 2 public debates before the general election with other participating candidates and other willing candidates seeking the same office as such candidate.

''SEC. 508. CERTIFICATION BY COMMISSION.

''(a) IN GENERAL.—Not later than 5 days after a candidate for Senator files an affidavit under section 503(a)(4), the Commission shall—

''(1) certify whether or not the candidate is a participating candidate; and

''(2) notify the candidate of the Commission's determination.

''(b) REVOCATION OF CERTIFICATION.—

''(1) IN GENERAL.—The Commission may revoke a certification under subsection (a) if—

''(A) a candidate fails to qualify to appear on the ballot at any time after the date of certification; or

''(B) a candidate otherwise fails to comply with the requirements of this title.

''(2) REPAYMENT OF BENEFITS.—If certification is revoked under paragraph (1), the candidate shall repay—

''(A) to the Senate Fair Elections Fund an amount equal to the value of benefits received under this title plus interest (at a rate determined by the Commission) on any such amount received; and

''(B) to Federal Communications Commission an amount equal to the amount of the dollar value of vouchers which were received from the Federal Communications Commission under section 315A of the Communications Act of 1934 and used by the candidate.

''SEC. 509. BENEFITS FOR PARTICIPATING CANDIDATES.

''(a) IN GENERAL.—A participating candidate shall be entitled to—

''(1) for each election with respect to which a candidate is certified as a participating candidate—

''(A) an allocation from the Fund to make or obligate to make expenditures with respect to such election, as provided in section 510;

''(B) fair fight funds, as provided in section 511; and

''(2) for the general election, vouchers for broadcasts of political advertisements, as provided in section 315A of the Communications Act of 1934 (47 U.S.C. 315A).

''(b) RESTRICTION ON USES OF ALLOCATIONS FROM THE FUND.—Allocations from the Fund received by a participating candidate under sections 510 and 511 may only be used for campaign-related costs.

''(c) REMITTING ALLOCATIONS FROM THE FUND.—Not later than the date that is 45 days after the date of the election, a participating candidate shall remit to the Commission for deposit in the Senate Fair Elections Fund any unspent amounts paid to such candidate under this title for such election.

''SEC. 510. ALLOCATIONS FROM THE FUND.

''(a) IN GENERAL.—The Commission shall make allocations from the Fund under section 509(a)(1)(A) to a participating candidate—

''(1) in the case of amounts provided under subsection (c)(1), not later than 48 hours after the date on which such candidate is certified as a participating candidate under section 508;

''(2) in the case of a general election, not later than 48 hours after—

''(A) the date the certification of the results of the primary election or the primary runoff election; or

''(B) in any case in which there is no primary election, the date the candidate qualifies to be placed on the ballot; and

''(3) in the case of a primary runoff election or a general runoff election, not later than 48 hours after the certification of the results of the primary election or the general election, as the case may be.

''(b) METHOD OF PAYMENT.—The Commission shall distribute funds available to participating candidates under this section through the use of an electronic funds exchange or a debit card.

''(c) AMOUNTS.—

''(1) PRIMARY ELECTION ALLOCATION; INITIAL ALLOCATION.—

''(A) IN GENERAL.—Except as provided in subparagraphs (B), the Commission shall make an allocation from the Fund for a primary election to a participating candidate in an amount equal to 67 percent of the base amount with respect to such participating candidate.

''(B) INDEPENDENT CANDIDATES.—In the case of a participating candidate who is an independent candidate, the Commission shall make an initial allocation from the Fund in an amount equal to 25 percent of the base amount with respect to such candidate.

''(C) REDUCTION FOR EXCESS SEED MONEY.—An allocation from the Fund for any candidate under this paragraph shall be reduced by an amount equal to the aggregate amount of seed money contributions received by the candidate in excess of the sum of—

''(i) $75,000; plus

''(ii) $7,500 for each congressional district in excess of 1 in the State with respect to which the candidate is seeking election.

''(2) PRIMARY RUNOFF ELECTION ALLOCATION.—The Commission shall make an allocation from the Fund for a primary runoff election to a participating candidate in an amount equal to 25 percent of the amount the participating candidate was eligible to receive under this section for the primary election.

''(3) GENERAL ELECTION ALLOCATION.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the Commission shall make an allocation from the Fund for a general election to a participating candidate in an amount equal to the base amount with respect to such candidate.

''(B) UNCONTESTED ELECTIONS.—

''(i) IN GENERAL.—The Commission shall make an allocation from the Fund to a participating candidate for a general election that is uncontested in an amount equal to 25 percent of the base amount with respect to such candidate.

''(ii) UNCONTESTED ELECTIONS.—For purposes of this subparagraph, an election is uncontested if not more than 1 candidate has received contributions (including payments from the Senate Fair Elections Fund) in an amount equal to or greater than the lesser of—

''(I) the amount in effect for a candidate in such election under paragraph (1)(C), or

''(II) an amount equal to 50 percent of the base amount with respect to such candidate.

''(C) REDUCTION FOR EXCESS SEED MONEY.—The allocation from the Fund for the general election for any participating candidate in a State that does not hold a primary election shall be reduced by an amount equal to the aggregate amount of seed money contributions received by the candidate in excess of the sum of—

''(i) $75,000; plus

''(ii) $7,500 for each congressional district in excess of 1 in the State with respect to which the candidate is seeking election.

''(4) GENERAL RUNOFF ELECTION ALLOCATION.—The Commission shall make an allocation from the Fund for a general runoff election to a participating candidate in an amount equal to 25 percent of the base amount with respect to such candidate.

''(d) BASE AMOUNT.—

''(1) IN GENERAL.—Except as otherwise provided in this subsection, the base amount for any candidate is an amount equal to the sum of—

''(A) $750,000; plus

''(B) $150,000 for each congressional district in excess of 1 in the State with respect to which the candidate is seeking election.

''(2) MINOR PARTY AND INDEPENDENT CANDIDATES.—

''(A) REDUCED AMOUNT FOR CERTAIN CANDIDATES.—

''(i) IN GENERAL.—In the case of a minor party candidate or independent candidate described clause (ii), the base amount is an amount equal to the product of—

''(I) a fraction the numerator of which is the highest percentage of the vote received by the candidate or a candidate of the same political party as such candidate in the election described in clause (ii) and the denominator of which is 25 percent; and

''(II) the amount that would (but for this paragraph) be the base amount for the candidate under paragraph (1).

''(ii) CANDIDATE DESCRIBED.—A candidate is described in this clause if, in the most recent general election involving the office of Senator, President, or Governor in the State in which the candidate is seeking office—

''(I) such candidate, or any candidate of the same political party as such candidate, received 5 percent or more of the total number of votes cast for any such office; and

''(II) such candidate and all candidates of the same political party as such candidate received less than 25 percent of the total number of votes cast for each such office.

''(B) EXCEPTION.—Subparagraph (A) shall not apply to any candidate if such candidate receives a number of qualifying contributions which is greater than 150 percent of the number of qualifying contributions such candidate is required to receive in order to meet the requirements of section 505(a).

''(3) INDEXING.—In each odd-numbered year after 2010—

''(A) each dollar amount under paragraph (1) shall be increased by the percent difference between the price index (as defined in section 315(c)(2)(A)) for the 12 months preceding the beginning of such calendar year and the price index for calendar year 2008;

''(B) each dollar amount so increased shall remain in effect for the 2-year period beginning on the first day following the date of the last general election in the year preceding the year in which the amount is increased and ending on the date of the next general election; and

''(C) if any amount after adjustment under subparagraph (A) is not a multiple of $100, such amount shall be rounded to the nearest multiple of $100.

''(4) ADJUSTMENT BY MEDIA MARKET.—

''(A) IN GENERAL.—The Commission, in consultation with the Federal Communications Commission, shall establish an index reflecting the costs of the media markets in each State.

''(B) ADJUSTMENT.—At the beginning of each year, the Commission shall increase the amount under paragraph (1) (after application of paragraph (3)) based on the index established under subparagraph (A).

''SEC. 511. PAYMENT OF FAIR FIGHT FUNDS.

''(a) DETERMINATION OF RIGHT TO PAYMENT.—

''(1) IN GENERAL.—The Commission shall, on a regular basis, make a determination on—

''(A) the amount of opposing funds with respect to each participating candidate, and

''(B) the applicable amount with respect to each participating candidate.

''(2) BASIS OF DETERMINATIONS.—The Commission shall make determinations under paragraph (1) based on—

''(A) reports filed by the relevant opposing candidate under section 304(a) with respect to amounts described in subsection (c)(1)(A)(i)(I); and

''(B) reports filed by political committees under section 304(a) and by other persons under section 304(c) with respect to—

''(i) opposing funds described in clauses (ii)(I) and (iii)(I) of subsection (c)(1)(A); and

''(ii) applicable amounts described in subparagraphs (B)(i) and (C)(i) of subsection (b)(2).

''(3) REQUESTS FOR DETERMINATION RELATING TO CERTAIN ELECTIONEERING COMMUNICATIONS.—

''(A) IN GENERAL.—A participating candidate may request to the Commission to make a determination under paragraph (1) with respect to any relevant opposing candidate with respect to—

''(i) opposing funds described in clauses (ii)(II) and (iii)(II) of subsection (c)(1)(A); and

''(ii) applicable amounts described in subparagraphs (B)(ii) and (C)(ii) of subsection (b)(2).

''(B) TIME FOR MAKING DETERMINATION.—In the case of any such request, the Commission shall make such determination and notify the participating candidate of such determination not later than—

''(i) 24 hours after receiving such request during the 3-week period ending on the date of the election, and

''(ii) 48 hours after receiving such request at any other time.

''(b) PAYMENTS.—

''(1) IN GENERAL.—The Commission shall make available to the participating candidate fair fight funds in an amount equal to the amount of opposing funds that is in excess of the applicable amount—

''(A) immediately after making any determination under subsection (a) with respect to any participating candidate during the 3-week period ending on the date of the election, and

''(B) not later than 24 hours after making such determination at any other time.

''(2) APPLICABLE AMOUNT.—For purposes of this section, the applicable amount is an amount equal to the sum of—

''(A) the sum of—

''(i) the amount of seed money contribution received by the participating candidate;

''(ii) in the case of a general election, the value of any vouchers received by the candidate under section 315A of the Communications Act of 1934; plus

''(iii)(I) in the case of a participating candidate who is a minor party candidate running in a general election or an independent candidate, the allocation from the Fund which would have been provided to such candidate for such election if such candidate were a major party candidate; or

''(II) in the case of any other participating candidate, an amount equal to the allocation from the Fund to such candidate for such election under section 510(c);

''(B) the sum of—

''(i) the amount of independent expenditures made advocating the election of the participating candidate; plus

''(ii) the amount of disbursements for electioneering communications which promote or support such participating candidate;

''(C) the sum of—

''(i) the amount of independent expenditures made advocating the defeat of the relevant opposing candidate; plus

''(ii) the amount of disbursements for electioneering communications which attack or oppose the relevant opposing candidate; plus

''(D) the amount of fair fight funds previously provided to the participating candidate under this subsection for the election.

''(3) LIMITS ON AMOUNT OF PAYMENT.—The aggregate of fair fight funds that a participating candidate receives under this subsection for any election shall not exceed 200 percent of the allocation from the Fund that the participating candidate receives for such election under section 510(c).

''(c) DEFINITIONS.—For purposes of this section—

''(1) OPPOSING FUNDS.—

''(A) IN GENERAL.—The term 'opposing funds' means, with respect to any participating candidate for any election, the sum of—

''(i)(I) the greater of the total contributions received by the relevant opposing candidate or the total expenditures made by such relevant opposing candidate; or

''(II) in the case of a relevant opposing candidate who is a participating candidate, an amount equal to the sum of the amount of seed money contributions received by the relevant opposing candidate, the value of any vouchers received by the relevant opposing candidate for the general election under section 315A of the Communications Act of 1934, and the allocation from the Fund under section 510(c) for the relevant opposing candidate for such election;

''(ii) the sum of—

''(I) the amount of independent expenditures made advocating the election of such relevant opposing candidate; plus

''(II) the amount of disbursements for electioneering communications which promote or support such relevant opposing candidate; plus

''(iii) the sum of—

''(I) the amount of independent expenditures made advocating the defeat of such participating candidate; plus

''(II) the amount of disbursements for electioneering communications which attack or oppose such participating candidate.

''(2) RELEVANT OPPOSING CANDIDATE.—The term 'relevant opposing candidate' means, with respect to any participating candidate, the opposing candidate of such participating candidate with respect to whom the amount under paragraph (1) is the greatest.

''(3) ELECTIONEERING COMMUNICATION.—The term 'electioneering communication' has the meaning given such term under section 304(f)(3), except that subparagraph (A)(i)(II)(aa) thereof shall be applied by substituting '30' for '60'.

''SEC. 512. ADMINISTRATION OF THE SENATE FAIR ELECTIONS SYSTEM.

''(a) REGULATIONS.—The Commission shall prescribe regulations to carry out the purposes of this title, including regulations—

''(1) to establish procedures for—

''(A) verifying the amount of valid qualifying contributions with respect to a candidate;

''(B) effectively and efficiently monitoring and enforcing the limits on the use of personal funds by participating candidates;

''(C) the expedited payment of fair fight funds during the 3-week period ending on the date of the election;

''(D) monitoring the use of allocations from the Fund under this title through audits or other mechanisms; and

''(E) returning unspent disbursements and disposing of assets purchased with allocations from the Fund;

''(2) providing for the administration of the provisions of this title with respect to special elections;

''(3) pertaining to the replacement of candidates;

''(4) regarding the conduct of debates in a manner consistent with the best practices of States that provide public financing for elections; and

''(5) for attributing expenditures to specific elections for the purposes of calculating opposing funds.

''(b) OPERATION OF COMMISSION.—The Commission shall maintain normal business hours during the weekend immediately before any general election for the purposes of administering the provisions of this title, including the distribution of fair fight funds under section 511.

''(c) REPORTS.—Not later than April 1, 2009, and every 2 years thereafter, the Commission shall submit to the Senate Committee on Rules and Administration a report documenting, evaluating, and making recommendations relating to the administrative implementation and enforcement of the provisions of this title.

''SEC. 513. VIOLATIONS AND PENALTIES.

''(a) CIVIL PENALTY FOR VIOLATION OF CONTRIBUTION AND EXPENDITURE REQUIREMENTS.—If a candidate who has been certified as a participating candidate under section 508(a) accepts a contribution or makes an expenditure that is prohibited under section 506, the Commission shall assess a civil penalty against the candidate in an amount that is not more than 3 times the amount of

the contribution or expenditure. Any amounts collected under this subsection shall be deposited into the Senate Fair Elections Fund.

''(b) REPAYMENT FOR IMPROPER USE OF FAIR ELECTIONS FUND.—

''(1) IN GENERAL.—If the Commission determines that any benefit made available to a participating candidate under this title was not used as provided for in this title or that a participating candidate has violated any of the dates for remission of funds contained in this title, the Commission shall so notify the candidate and the candidate shall pay to the Senate Fair Elections Fund an amount equal to—

''(A) the amount of benefits so used or not remitted, as appropriate, and

''(B) interest on any such amounts (at a rate determined by the Commission).

''(2) OTHER ACTION NOT PRECLUDED.—Any action by the Commission in accordance with this subsection shall not preclude enforcement proceedings by the Commission in accordance with section 309(a), including a referral by the Commission to the Attorney General in the case of an apparent knowing and willful violation of this title.''.

SEC. 103. REPORTING REQUIREMENTS FOR NONPARTICIPATING CANDIDATES.

(a) IN GENERAL.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) is amended by adding at the end the following:

''(i) NONPARTICIPATING CANDIDATES.—

''(1) INITIAL REPORT.—

''(A) IN GENERAL.—Each nonparticipating candidate who is opposed to a participating candidate and who receives contributions or makes expenditures aggregating more than the threshold amount shall, within 48 hours of the date such aggregate contributions or expenditures exceed the threshold amount, file with the Commission a report stating the total amount of contributions received and expenditures made or obligated by such candidate.

''(B) THRESHOLD AMOUNT.—For purposes of this paragraph, the term 'threshold amount' means 75 percent of the allocation from the Fund that a participating candidate would be entitled to receive in such election under section 510 if the participating candidate were a major party candidate.

''(2) PERIODIC REPORTS.—

''(A) IN GENERAL.—In addition to any reports required under subsection (a), each nonparticipating candidate who is required to make a report under paragraph (1) shall make the following reports:

''(i) A report which shall be filed not later than 5 P.M. on the forty-second day before the date on which the election involving such candidate is held and which shall be complete through the forty-fourth day before such date.

''(ii) A report which shall be filed not later than 5 P.M. on the twenty-first day before the date on which the election involving such candidate is held and which shall be complete through the twenty-third day before such date.

''(iii) A report which shall be filed not later than 5 P.M. on the twelfth day before the date on which the election involving such candidate is held and which shall be complete through the fourteenth day before such date.

''(B) ADDITIONAL REPORTING WITHIN 2 WEEKS OF ELECTION.—Each nonparticipating candidate who is required to make a report under paragraph (1) and who receives contributions or makes expenditures aggregating more than $1,000 at any time after the fourteenth day before the date of the election involving such candidate shall make a report to the Commission not later than 24 hours after such contributions are received or such expenditures are made.

''(C) CONTENTS OF REPORT.—Each report required under this paragraph shall state the total amount of contributions received and expenditures made or obligated to be made during the period covered by the report.

''(3) DEFINITIONS.—For purposes of this subsection and section 309(a)(13), the terms 'nonparticipating candidate', 'participating candidate', and 'allocation from the Fund' have the respective meanings given to such terms under section 501.''.

(b) INCREASED PENALTY FOR FAILURE TO FILE.—Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437(g)) is amended by adding at the end the following new paragraph:

''(13) INCREASED CIVIL PENALTIES WITH RESPECT TO REPORTING BY NONPARTICIPATING CANDIDATES.—For purposes of paragraphs (5) and (6), any civil penalty with respect to a violation of section 304(i) shall not exceed the greater of—

''(A) the amount otherwise applicable without regard to this paragraph; or

''(B) for each day of the violation, 3 times the amount of the fair fight funds under section 511 that otherwise would have been allocated to the participating candidate but for such violation.''.

SEC. 104. MODIFICATION OF ELECTIONEERING COMMUNICATION REPORTING REQUIREMENTS.

Paragraph (2) of section 304(f) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(f)(2)) is amended by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively, and by inserting after subparagraph (D) the following new subparagraph:

''(E) in the case of a communication referring to any candidate in an election involving a participating candidate (as defined under section 501(9)), a transcript of the electioneering communication.''.

SEC. 105. LIMITATION ON COORDINATED EXPENDITURES BY POLITICAL PARTY COMMITTEES WITH PARTICIPATING CANDIDATES.

(a) IN GENERAL.—Section 315(d)(3) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(d)) is amended—

(1) by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively; and

(2) by inserting before subparagraph (B), as redesignated by paragraph (1), the following new subparagraph:

''(A) in the case of a candidate for election to the office of Senator who is a participating candidate (as defined in section 501), the lesser of—

''(i) 10 percent of the allocation from the Senate Elections Fund that the participating candidate is eligible to receive for the general election under section 510(c)(3); or

''(ii) the amount which would (but for this subparagraph) apply with respect to such candidate under subparagraph (B);''.

(b) CONFORMING AMENDMENT.—Subparagraph (B) of section 315(d)(3) of such Act, as redesignated by subsection (a), is amended by inserting ''who is not a participating candidate (as so defined)'' after ''office of Senator''.

SEC. 106. AUDITS.

Section 311(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 438(b)) is amended—

(1) by inserting ''(1)'' before ''The Commission''; and

(2) by adding at the end the following:

''(2) AUDITS OF PARTICIPATING CANDIDATES.—

''(A) IN GENERAL.—Notwithstanding paragraph (1), after every primary, general, and runoff election, the Commission shall conduct random audits and investigations of not less than 30 percent of the authorized committees of candidates who are participating candidates (as defined in section 501).

''(B) SELECTION OF SUBJECTS.—The subjects of audits and investigations under this paragraph shall be selected on the basis of impartial criteria established by a vote of at least 4 members of the Commission.''.

Subtitle B—Senate Fair Elections Fund Revenues

SEC. 111. DEPOSIT OF PROCEEDS FROM RECOVERED SPECTRUM AUCTIONS.

Section 309(j)(8)(E)(ii) of the Communications Act of 1934 (47 U.S.C. 309(j)(8)(E)(ii)) is amended—

(1) by striking ''deposited in'' and inserting the following: ''deposited as follows:

''(I) 90 percent of such proceeds deposited in''; and

(2) by adding at the end the following:

''(II) 10 percent of such proceeds deposited in the Senate Fair Elections Fund established under section 502 of the Federal Election Campaign Act of 1972.''.

Subtitle C—Fair Elections Review Commission

SEC. 121. ESTABLISHMENT OF COMMISSION.

(a) ESTABLISHMENT.—There is established a commission to be known as the ''Fair Elections Review Commission'' (hereafter in this subtitle referred to as the ''Commission'').

(b) DUTIES.—

(1) REVIEW OF FAIR ELECTIONS FINANCING.—

(A) IN GENERAL.—After each general election for Federal office, the Commission shall conduct a comprehensive review of the Senate fair elections financing program under title V of the Federal Election Campaign Act of 1974, including—

(i) the number and value of qualifying contributions a candidate is required to obtain under section 505 of such Act to qualify for allocations from the Fund;

(ii) the amount of allocations from the Senate Fair Elections Fund that candidates may receive under sections 510 and 511 of such Act;

(iii) the overall satisfaction of participating candidates with the program; and

(iv) such other matters relating to financing of Senate campaigns as the Commission determines are appropriate.

(B) CRITERIA FOR REVIEW.—In conducting the review under subparagraph (A), the Commission shall consider the following:

(i) REVIEW OF QUALIFYING CONTRIBUTION REQUIREMENTS.—The Commission shall consider whether the number and value of qualifying contributions required strikes a balance between the importance of voter choice and fiscal responsibility, taking into consideration the number of primary and general election participating candidates, the electoral performance of those candidates, program cost, and any other information the Commission determines is appropriate.

(ii) REVIEW OF PROGRAM ALLOCATIONS.—The Commission shall consider whether allocations from the Senate Elections Fund under sections 510 ad 511 of the Federal Election Campaign Act of 1974 are sufficient for voters in each State to learn about the candidates to cast an informed vote, taking into account the historic amount of spending by winning candidates, media costs, primary election dates, and any other information the Commission determines is appropriate.

(2) REPORT, RECOMMENDATIONS, AND PROPOSED LEGISLATIVE LANGUAGE.—

(A) REPORT.—Not later than March 30 following any general election for Federal office, the Commission shall submit a report to Congress on the review conducted under paragraph (1). Such report shall contain a detailed statement of the findings, conclusions, and recommendations of the Commission

based on such review, and shall contain any proposed legislative language (as required under subparagraph (C)) of the Commission.

(B) FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS.—A finding, conclusion, or recommendation of the Commission shall be included in the report under subparagraph (A) only if not less than 3 members of the Commission voted for such finding, conclusion, or recommendation.

(C) LEGISLATIVE LANGUAGE.—

(i) IN GENERAL.—The report under subparagraph (A) shall include legislative language with respect to any recommendation involving—

(I) an increase in the number or value of qualifying contributions; or

(II) an increase in the amount of allocations from the Senate Elections Fund.

(ii) FORM.—The legislative language shall be in the form of a proposed bill for introduction in Congress and shall not include any recommendation not related to matter described subclause (I) or (II) of clause (i)

SEC. 122. STRUCTURE AND MEMBERSHIP OF THE COMMISSION.

(a) APPOINTMENT.—

(1) IN GENERAL.—The Commission shall be composed of 5 members, of whom—

(A) 1 shall be appointed by the Majority Leader of the Senate;

(B) 1 shall be appointed by the Minority Leader of the Senate; and

(C) 3 shall be appointed jointly by the members appointed under subparagraphs (A) and (B).

(2) QUALIFICATIONS.—

(A) IN GENERAL.—The members shall be individuals who are nonpartisan and, by reason of their education, experience, and attainments, exceptionally qualified to perform the duties of members of the Commission.

(B) PROHIBITION.—No member of the Commission may be—

(i) a member of Congress;

(ii) an employee of the Federal government;

(iii) a registered lobbyist; or

(iv) an officer or employee of a political party or political campaign.

(3) DATE.—Members of the Commission shall be appointed not later than 60 days after the date of the enactment of this Act.

(4) TERMS.—A member of the Commission shall be appointed for a term of 5 years.

(b) VACANCIES.—A vacancy on the Commission shall be filled not later than 30 calendar days after the date on which the Commission is given notice of the vacancy, in the same manner as the original appointment. The individual appointed to fill the vacancy shall serve only for the unexpired portion of the term for which the individual's predecessor was appointed.

(c) CHAIRPERSON.—The Commission shall designate a Chairperson from among the members of the Commission.

SEC. 123. POWERS OF THE COMMISSION.

(a) MEETINGS AND HEARINGS.—

(1) MEETINGS.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out the purposes of this Act.

(2) QUORUM.—Four members of the Commission shall constitute a quorum for purposes of voting, but a quorum is not required for members to meet and hold hearings.

(b) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out the provisions of this Act. Upon request of the Chairperson of the Commission, the head of such department or agency shall furnish such information to the Commission.

(c) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(d) GIFTS.—The Commission may accept, use, and dispose of gifts or donations of services or property.

SEC. 124. ADMINISTRATION.

(a) COMPENSATION OF MEMBERS.—

(1) IN GENERAL.—

(A) IN GENERAL.—Each member, other than the Chairperson, shall be paid at a rate equal to the daily equivalent of the minimum annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Commission.

(B) CHAIRPERSON.—The Chairperson shall be paid at a rate equal to the daily equivalent of the minimum annual rate of basic pay prescribed for level III of the Executive Schedule under section 5314 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Commission.

(2) TRAVEL EXPENSES.—Members shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code, while away from their homes or regular places of business in performance of services for the Commission.

(b) PERSONNEL.—

(1) DIRECTOR.—The Commission shall have a staff headed by an Executive Director. The Executive Director shall be paid at a rate equivalent to a rate established for the Senior Executive Service under section 5382 of title 5, United States Code.

(2) STAFF APPOINTMENT.—With the approval of the Chairperson, the Executive Director may appoint such personnel as the Executive Director and the Commission determines to be appropriate.

(3) ACTUARIAL EXPERTS AND CONSULTANTS.—With the approval of the Chairperson, the Executive Director may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(4) DETAIL OF GOVERNMENT EMPLOYEES.—Upon the request of the Chairperson, the head of any Federal agency may detail, without reimbursement, any of the personnel of such agency to the Commission to assist in carrying out the duties of the Commission. Any such detail shall not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

(5) OTHER RESOURCES.—The Commission shall have reasonable access to materials, resources, statistical data, and other information from the Library of Congress and other agencies and elected representatives of the executive and legislative branches of the Federal Government. The Chairperson of the Commission shall make requests for such access in writing when necessary.

SEC. 125. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out the purposes of this subtitle.

SEC. 126. EXPEDITED CONSIDERATION OF COMMISSION RECOMMENDATIONS.

(a) INTRODUCTION AND COMMITTEE CONSIDERATION.—

(1) INTRODUCTION.—Not later than 60 days after the Commission files a report under section 121(b), the Majority Leader of the Senate, or the Majority Leader's designee, shall introduce any proposed legislative language submitted by the Commission under section 121(b)(2)(C) in the Senate (hereafter in this section referred to as a ''Commission bill'').

(2) COMMITTEE CONSIDERATION.—

(A) REFERRAL.—A Commission bill introduced in the Senate shall be referred to the Committee on Rules and Administration of the Senate.

(B) REPORTING.—Not later than 60 calendar days after the introduction of the Commission bill, the Committee on Rules and Administration shall hold a hearing on the bill and report the bill to the Senate. No amendment shall be in order to the bill in the Committee.

(C) DISCHARGE OF COMMITTEE.—If the Committee on Rules and Administration has not reported a Commission bill at the end of 60 calendar days after its introduction, such committee shall be automatically discharged from further consideration of the Commission bill and it shall be placed on the appropriate calendar.

(b) EXPEDITED PROCEDURE.—

(1) FLOOR CONSIDERATION IN THE SENATE.—

(A) IN GENERAL.—Not later than 60 calendar days after the date on which a committee has reported or has been discharged from consideration of a Commission bill, the Majority Leader of the Senate, or the Majority Leader's designee shall move to proceed to the consideration of the Commission bill. It shall also be in order for any member of the Senate to move to proceed to the consideration of the bill at any time after the conclusion of such 60-day period.

(B) MOTION TO PROCEED.—A motion to proceed to the consideration of a Commission bill is privileged in the Senate. The motion is not debatable and is not subject to a motion to postpone consideration of the Commission bill or to proceed to the consideration of other business. A motion to reconsider the vote by which the motion to proceed is agreed to or not agreed to shall not be in order. If the motion to proceed is agreed to, the Senate shall immediately proceed to consideration of the Commission bill without intervening motion, order, action, or other business, and the Commission bill shall remain the unfinished business of the Senate until disposed of.

(C) AMENDMENTS, MOTIONS, AND APPEALS.—No amendment shall be in order in the Senate, and any debatable motion or appeal is debatable for not to exceed 5 hours to be divided equally between those favoring and those opposing the motion or appeal.

(D) LIMITED DEBATE.—Consideration in the Senate of the Commission bill and on all debatable motions and appeals in connection therewith, shall be limited to not more than 40 hours, which shall be equally divided between, and controlled by, the Majority Leader and the Minority Leader of the Senate or their designees. A motion further to limit debate on the Commission bill is in order and is not debatable. All time used for consideration of the Commission bill, including time used for quorum calls (except quorum calls immediately preceding a vote), shall come from the 40 hours of consideration.

(E) VOTE ON PASSAGE.—

(i) IN GENERAL.—The vote on passage in the Senate of the Commission bill shall occur immediately following the conclusion of the 40-hour period for consideration of the Commission bill under subparagraph (D) and a request to establish the presence of a quorum.

(ii) OTHER MOTIONS NOT IN ORDER.—A motion in the Senate to postpone consideration of the Commission bill, a motion to proceed to the consideration of other business, or a motion to recommit the Commission bill is not in order. A motion in the Senate to reconsider the vote by which the Commission bill is agreed to or not agreed to is not in order.

(2) FLOOR CONSIDERATION IN THE HOUSE.—

(A) IN GENERAL.—If a Commission bill is agreed to in the Senate, the Majority Leader

of the House of Representatives, or the Majority Leader's designee shall move to proceed to the consideration of the Commission bill not later than 30 days after the date the House or Representatives receives notice of such agreement. It shall also be in order for any member of the House of Representatives to move to proceed to the consideration of the bill at any time after the conclusion of such 30-day period.

(B) MOTION TO PROCEED.—A motion to proceed to the consideration of a Commission bill is privileged in the House of Representatives. The motion is not debatable and is not subject to a motion to postpone consideration of the Commission bill or to proceed to the consideration of other business. A motion to reconsider the vote by which the motion to proceed is agreed to or not agreed to shall not be in order. If the motion to proceed is agreed to, the House of Representatives shall immediately proceed to consideration of the Commission bill without intervening motion, order, action, or other business, and the Commission bill shall remain the unfinished business of the House of Representatives until disposed of.

(C) AMENDMENTS, MOTIONS, AND APPEALS.—No amendment shall be in order in the House of Representatives, and any debatable motion or appeal is debatable for not to exceed 5 hours to be divided equally between those favoring and those opposing the motion or appeal.

(D) LIMITED DEBATE.—Consideration in the House of Representatives of the Commission bill and on all debatable motions and appeals in connection therewith, shall be limited to not more than 40 hours, which shall be equally divided between, and controlled by, the Majority Leader and the Minority Leader of the House of Representatives or their designees. A motion further to limit debate on the Commission bill is in order and is not debatable. All time used for consideration of the Commission bill, including time used for quorum calls (except quorum calls immediately preceding a vote), shall come from the 40 hours of consideration.

(E) VOTE ON PASSAGE.—

(i) IN GENERAL.—The vote on passage in the House of Representatives of the Commission bill shall occur immediately following the conclusion of the 40-hour period for consideration of the Commission bill under subparagraph (D) and a request to establish the presence of a quorum.

(ii) OTHER MOTIONS NOT IN ORDER.—A motion in the House of Representatives to postpone consideration of the Commission bill, a motion to proceed to the consideration of other business, or a motion to recommit the Commission bill is not in order. A motion in the House of Representatives to reconsider the vote by which the Commission bill is agreed to or not agreed to is not in order.

(c) RULES OF SENATE AND HOUSE OF REPRESENTATIVES.—This section is enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a Commission bill, and it supersedes other rules only to the extent that it is inconsistent with such rules, and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

TITLE II—VOTER INFORMATION

SEC. 201. BROADCASTS RELATING TO CANDIDATES.

(a) LOWEST UNIT CHARGE; NATIONAL COMMITTEES.—Section 315(b) of the Communications Act of 1934 (47 U.S.C. 315(b)) is amended—

(1) by striking ''to such office'' in paragraph (1) and inserting ''to such office, or by a national committee of a political party on behalf of such candidate in connection with such campaign,''; and

(2) by inserting ''for pre-emptible use thereof'' after ''station'' in subparagraph (A) of paragraph (1).

(b) BROADCAST RATES.—Section 315(b) of the Communications Act of 1934 (47 U.S.C. 315(b)), as amended by subsection (a), is amended—

(1) in paragraph (1)(A), by striking ''paragraph (2)'' and inserting ''paragraphs (2) and (3)''; and

(2) by adding at the end the following:

''(3) PARTICIPATING CANDIDATES.—In the case of a participating candidate (as defined under section 501(10) of the Federal Election Campaign Act of 1971), the charges made for the use any broadcasting station for a television broadcast shall not exceed 80 percent of the lowest charge described in paragraph (1)(A) during—

''(A) the 45 days preceding the date of a primary or primary runoff election in which the candidate is opposed; and

''(B) the 60 days preceding the date of a general or special election in which the candidate is opposed.

''(4) RATE CARDS.—A licensee shall provide to a candidate for Senate a rate card that discloses—

''(A) the rate charged under this subsection; and

''(B) the method that the licensee uses to determine the rate charged under this subsection.''.

(c) PREEMPTION; AUDITS.—Section 315 of such Act (47 U.S.C. 315) is amended—

(1) by redesignating subsections (f) and (g) as subsections (e) and (f), respectively and moving them to follow the existing subsection (e);

(2) by redesignating the existing subsection (e) as subsection (c); and

(3) by inserting after subsection (c) (as redesignated by paragraph (2)) the following:

''(d) PREEMPTION.—

''(1) IN GENERAL.—Except as provided in paragraph (2), and notwithstanding the requirements of subsection (b)(1)(A), a licensee shall not preempt the use of a broadcasting station by a legally qualified candidate for Senate who has purchased and paid for such use.

''(2) CIRCUMSTANCES BEYOND CONTROL OF LICENSEE.—If a program to be broadcast by a broadcasting station is preempted because of circumstances beyond the control of the station, any candidate or party advertising spot scheduled to be broadcast during that program shall be treated in the same fashion as a comparable commercial advertising spot.

''(e) AUDITS.—During the 45-day period preceding a primary election and the 60-day period preceding a general election, the Commission shall conduct such audits as it deems necessary to ensure that each broadcaster to which this section applies is allocating television broadcast advertising time in accordance with this section and section 312.''.

(d) REVOCATION OF LICENSE FOR FAILURE TO PERMIT ACCESS.—Section 312(a)(7) of the Communications Act of 1934 (47 U.S.C. 312(a)(7)) is amended—

(1) by striking ''or repeated'';

(2) by inserting ''or cable system'' after ''broadcasting station''; and

(3) by striking ''his candidacy'' and inserting ''the candidacy of the candidate, under the same terms, conditions, and business practices as apply to the most favored advertiser of the licensee''.

(e) STYLISTIC AMENDMENTS.—Section 315 of such Act (47 U.S.C. 315) is amended—

(1) by striking ''the'' in subsection (f)(1), as redesignated by subsection (b)(1), and inserting ''BROADCASTING STATION.—'';

(2) by striking ''the'' in subsection (f)(2), as redesignated by subsection (b)(1), and inserting ''LICENSEE; STATION LICENSEE.—''; and

(3) by inserting ''REGULATIONS.—'' in subsection (g), as redesignated by subsection (b)(1), before ''The Commission''.

SEC. 202. POLITICAL ADVERTISEMENT VOUCHERS FOR PARTICIPATING CANDIDATES.

(a) IN GENERAL.—Title III of the Communications Act of 1934 (47 U.S.C. 301 et seq.) is amended by inserting after section 315 the following:

''SEC. 315A. POLITICAL ADVERTISEMENT VOUCHER PROGRAM.

''(a) IN GENERAL.—The Commission shall establish and administer a voucher program for the purchase of airtime on broadcasting stations for political advertisements in accordance with the provisions of this section.

''(b) CANDIDATES.—The Commission shall only disburse vouchers under the program established under subsection (a) to individuals who meet the following requirements:

''(1) QUALIFICATION.—The individual is certified by the Federal Election Commission as a participating candidate (as defined under section 501(10) of the Federal Election Campaign Act of 1971) with respect to a general election for Federal office under section 508 of the Federal Election Campaign Act of 1971.

''(2) AGREEMENT.—The individual has agreed in writing—

''(A) to keep and furnish to the Federal Election Commission such records, books, and other information as it may require; and

''(B) to repay to the Federal Communications Commission, if the Federal Election Commission revokes the certification of the individual as a participating candidate (as so defined), an amount equal to the dollar value of vouchers which were received from the Commission and used by the candidate.

''(c) AMOUNTS.—The Commission shall disburse vouchers to each candidate certified under subsection (b) in an aggregate amount equal to $100,000 multiplied by the number of congressional districts in the State with respect to which such candidate is running for office.

''(d) USE.—

''(1) EXCLUSIVE USE.—Vouchers disbursed by the Commission under this section may be used only for the purchase of broadcast airtime for political advertisements relating to a general election for the office of Senate by the participating candidate to which the vouchers were disbursed, except that—

''(A) a candidate may exchange vouchers with a political party under paragraph (2); and

''(B) a political party may use vouchers only to purchase broadcast airtime for political advertisements for generic party advertising, to support candidates for State or local office in a general election, or to support participating candidates of the party in a general election for Federal office, but only if it discloses the value of the voucher used as an expenditure under section 315(d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441(d)).

''(2) EXCHANGE WITH POLITICAL PARTY COMMITTEE.—

''(A) IN GENERAL.—An individual who receives a voucher under this section may transfer the right to use all or a portion of

the value of the voucher to a committee of the political party of which the individual is a candidate in exchange for money in an amount equal to the cash value of the voucher or portion exchanged.

''(B) CONTINUATION OF CANDIDATE OBLIGATIONS.—The transfer of a voucher, in whole or in part, to a political party committee under this paragraph does not release the candidate from any obligation under the agreement made under subsection (b)(2) or otherwise modify that agreement or its application to that candidate.

''(C) PARTY COMMITTEE OBLIGATIONS.—Any political party committee to which a voucher or portion thereof is transferred under subparagraph (A)—

''(i) shall account fully, in accordance with such requirements as the Commission may establish, for the receipt of the voucher; and

''(ii) may not use the transferred voucher or portion thereof for any purpose other than a purpose described in paragraph (1)(B).

''(D) VOUCHER AS A CONTRIBUTION UNDER FECA.—If a candidate transfers a voucher or any portion thereof to a political party committee under subparagraph (A)—

''(i) the value of the voucher or portion thereof transferred shall be treated as a contribution from the candidate to the committee, and from the committee to the candidate, for purposes of sections 302 and 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 432 and 434);

''(ii) the committee may, in exchange, provide to the candidate only funds subject to the prohibitions, limitations, and reporting requirements of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.); and

''(iii) the amount, if identified as a 'voucher exchange' shall not be considered a contribution for the purposes of sections 315 or 506 of that Act.

''(e) VALUE; ACCEPTANCE; REDEMPTION.—

''(1) VOUCHER.—Each voucher disbursed by the Commission under this section shall have a value in dollars, redeemable upon presentation to the Commission, together with such documentation and other information as the Commission may require, for the purchase of broadcast airtime for political advertisements in accordance with this section.

''(2) ACCEPTANCE.—A broadcasting station shall accept vouchers in payment for the purchase of broadcast airtime for political advertisements in accordance with this section.

''(3) REDEMPTION.—The Commission shall redeem vouchers accepted by broadcasting stations under paragraph (2) upon presentation, subject to such documentation, verification, accounting, and application requirements as the Commission may impose to ensure the accuracy and integrity of the voucher redemption system. The Commission shall use amounts in the Political Advertising Voucher Account established under subsection (f) to redeem vouchers presented under this subsection.

''(4) EXPIRATION.—

''(A) CANDIDATES.—A voucher may only be used to pay for broadcast airtime for political advertisements to be broadcast before midnight on the day before the date of the Federal election in connection with which it was issued and shall be null and void for any other use or purpose.

''(B) EXCEPTION FOR POLITICAL PARTY COMMITTEES.—A voucher held by a political party committee may be used to pay for broadcast airtime for political advertisements to be broadcast before midnight on December 31st of the odd-numbered year following the year in which the voucher was issued by the Commission.

''(5) VOUCHER AS EXPENDITURE UNDER FECA.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), for purposes of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), the use of a voucher to purchase broadcast airtime constitutes an expenditure as defined in section 301(9)(A) of that Act (2 U.S.C. 431(9)(A)).

''(B) PARTICIPATING CANDIDATES.—The use of a voucher to purchase broadcast airtime by a participating candidate shall not constitute an expenditure for purposes of section 506 of such Act.

''(f) POLITICAL ADVERTISING VOUCHER ACCOUNT.—

''(1) IN GENERAL.—The Commission shall establish an account to be known as the Political Advertising Voucher Account, which shall be credited with commercial television and radio spectrum use fees assessed under this subsection, together with any amounts repaid or otherwise reimbursed under this section or section 508(b)(2)(B) of the Federal Election Campaign Act of 1971.

''(2) SPECTRUM USE FEE.—

''(A) IN GENERAL.—The Commission shall assess, and collect annually, from each broadcast station, a spectrum use fee in an amount equal to 2 percent of each broadcasting station's gross advertising revenues for such year.

''(B) AVAILABILITY.—

''(i) IN GENERAL.—Any amount assessed and collected under this paragraph shall be used by the Commission as an offsetting collection for the purposes of making disbursements under this section, except that—

''(I) the salaries and expenses account of the Commission shall be credited with such sums as are necessary from those amounts for the costs of developing and implementing the program established by this section; and

''(II) the Commission may reimburse the Federal Election Commission for any expenses incurred by the Commission under this section.

''(ii) DEPOSIT OF EXCESS FEES INTO SENATE FAIR ELECTIONS FUND.—If the amount assessed and collected under this paragraph for years in any election period exceeds the amount necessary for making disbursements under this section for such election period, the Commission shall deposit such excess in the Senate Fair Elections Fund.

''(C) FEE DOES NOT APPLY TO PUBLIC BROADCASTING STATIONS.—Subparagraph (A) does not apply to a public telecommunications entity (as defined in section 397(12) of this Act).

''(3) ADMINISTRATIVE PROVISIONS.—Except as otherwise provided in this subsection, section 9 of this Act applies to the assessment and collection of fees under this subsection to the same extent as if those fees were regulatory fees imposed under section 9.

''(g) DEFINITIONS.—In this section:

''(1) BROADCASTING STATION.—The term 'broadcasting station' has the meaning given that term by section 315(f)(1) of this Act.

''(2) FEDERAL ELECTION.—The term 'Federal election' means any regularly-scheduled, primary, runoff, or special election held to nominate or elect a candidate to Federal office.

''(3) FEDERAL OFFICE.—The term 'Federal office' has the meaning given that term by section 301(3) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(3)).

''(4) POLITICAL PARTY.—The term 'political party' means a major party or a minor party as defined in section 9002(3) or (4) of the Internal Revenue Code of 1986 (26 U.S.C. 9002(3) or (4)).

''(5) OTHER TERMS.—Except as otherwise provided in this section, any term used in this section that is defined in section 301 or 501 of the Federal Election Campaign of 1971 (2 U.S.C. 431) has the meaning given that term by either such section of that Act.

''(h) REGULATIONS.—The Commission shall prescribe such regulations as may be necessary to carry out the provisions of this section. In developing the regulations, the Commission shall consult with the Federal Election Commission.''.

SEC. 203. FCC TO PRESCRIBE STANDARDIZED FORM FOR REPORTING CANDIDATE CAMPAIGN ADS.

(a) IN GENERAL.—Within 90 days after the date of enactment of this Act, the Federal Communications Commission shall initiate a rulemaking proceeding to establish a standardized form to be used by broadcasting stations, as defined in section 315(f)(1) of the Communications Act of 1934 (47 U.S.C. 315(f)(1)), to record and report the purchase of advertising time by or on behalf of a candidate for nomination for election, or for election, to Federal elective office.

(b) CONTENTS.—The form prescribed by the Commission under subsection (a) shall require, broadcasting stations to report, at a minimum—

(1) the station call letters and mailing address;

(2) the name and telephone number of the station's sales manager (or individual with responsibility for advertising sales);

(3) the name of the candidate who purchased the advertising time, or on whose behalf the advertising time was purchased, and the Federal elective office for which he or she is a candidate;

(4) the name, mailing address, and telephone number of the person responsible for purchasing broadcast political advertising for the candidate;

(5) notation as to whether the purchase agreement for which the information is being reported is a draft or final version; and

(6) the following information about the advertisement:

(A) The date and time of the broadcast.

(B) The program in which the advertisement was broadcast.

(C) The length of the broadcast airtime.

(c) INTERNET ACCESS.—In its rulemaking under subsection (a), the Commission shall require any broadcasting station required to file a report under this section that maintains an Internet website to make available a link to such reports on that website.

SEC. 204. LIMIT ON CONGRESSIONAL USE OF THE FRANKING PRIVILEGE.

(a) IN GENERAL.—Section 3210(a)(6) of title 39, United States Code, is amended by striking subparagraph (A) and inserting the following:

''(A)(i) Except as provided in clause (ii), Member of Congress or a Congressional Committee or Subcommittee of which such Member is Chairman or Ranking Member shall not mail any mass mailing as franked mail during the period which begins 90 days before date of the primary election and ends on the date of the general election with respect to any Federal office which such Member holds, unless the Member has made a public announcement that the Member will not be a candidate for reelection to such office in that year.

''(ii) A Member of Congress or a Congressional Committee or Subcommittee of which such Member is Chairman or Ranking Member may mail a mass mailing as franked mail if—

''(I) the purpose of the mailing is to communicate information about a public meeting; and

''(II) the content of the mailed matter includes only the name of the Member, Committee, or Subcommittee, as appropriate, and the date, time, and place of the public meeting.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 3210(a)(6) of title 39, United States Code, is amended by striking subparagraph (B) and by redesignating subparagraphs (C) through (F) as subparagraphs (B) through (E), respectively.

(2) Section 3210(a)(6)(E) of title 39, United States Code, as redesignated by paragraph (1), is amended by striking ''subparagraphs (A) and (C)'' and inserting ''subparagraphs (A) and (B)''.

TITLE III—RESPONSIBILITIES OF THE FEDERAL ELECTION COMMISSION

SEC. 301. PETITION FOR CERTIORARI.

Section 307(a)(6) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437d(a)(6)) is amended by inserting ''(including a proceeding before the Supreme Court on certiorari)'' after ''appeal''.

SEC. 302. FILING BY SENATE CANDIDATES WITH COMMISSION.

Section 302(g) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(g)) is amended to read as follows:

''(g) FILING WITH THE COMMISSION.—All designations, statements, and reports required to be filed under this Act shall be filed with the Commission.''.

SEC. 303. ELECTRONIC FILING OF FEC REPORTS.

Section 304(a)(11) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)(11)) is amended—

(1) in subparagraph (A), by striking ''under this Act—'' and all that follows and inserting ''under this Act shall be required to maintain and file such designation, statement, or report in electronic form accessible by computers.'';

(2) in subparagraph (B), by striking ''48 hours'' and all that follows through ''filed electronically)'' and inserting ''24 hours''; and

(3) by striking subparagraph (D).

TITLE IV—MISCELLANEOUS PROVISIONS

SEC. 401. SEVERABILITY.

If any provision of this Act or amendment made by this Act, or the application of a provision or amendment to any person or circumstance, is held to be unconstitutional, the remainder of this Act and amendments made by this Act, and the application of the provisions and amendment to any person or circumstance, shall not be affected by the holding.

SEC. 402. REVIEW OF CONSTITUTIONAL ISSUES.

An appeal may be taken directly to the Supreme Court of the United States from any final judgment, decree, or order issued by any court ruling on the constitutionality of any provision of this Act or amendment made by this Act.

SEC. 403. EFFECTIVE DATE.

Except as otherwise provided for in this Act, this Act and the amendments made by this Act shall take effect on January 1, 2008.

By Mr. SMITH (for himself, Mr. CONRAD, Mr. KERRY, Mr. BINGAMAN, and Ms. SNOWE):

S. 1288. A bill to amend the Internal Revenue Code of 1986 and the Employee Retirement Income Security Act of 1974 to increase the retirement security of women and small business owners, and for other purposes; to the Committee on Finance.

Mr. SMITH. Mr. President, today I am introducing the Women's Retirement Security Act of 2007. This measure has the potential to make a significantly positive impact on the ability of Americans to save for their retirement years. This is a truly bi-partisan bill and I am pleased to be joined today in introducing this important legislation with Senators CONRAD, KERRY, BINGAMAN and SNOWE.

Preparing for retirement and achieving financial security are daunting tasks for all Americans; however, women face many unique challenges. Women are more likely to work part-time or work in industries where employers are less likely to offer retirement benefits. And many women have significant gaps in their work histories due to caring for children or elderly parents.

As a result, women receive substantially less income during retirement than men. What makes this trend even more disturbing is the fact that women generally live longer. So if anything, women should be entering retirement with more income.

The Women's Retirement Security Act of 2007 works to narrow the retirement income gap between men and women. For example, because women are more likely than men to work part-time, the bill will require employers to allow long-term, part-time employees to make elective deferrals to their 401(k) plans. In addition, the bill expands the Saver's Credit, which is a tax credit for certain low and moderate-income individuals, so that more Americans will benefit.

The bill also creates automatic IRAs. Over 75 million Americans work for an employer that does not sponsor a retirement plan. This is almost half of all working Americans. The Women's Retirement Security Act will allow those employees not covered by a qualified retirement plan to save for retirement through automatic payroll deposits to IRAs. Under the bill, employers with more than 10 employees that don't sponsor a retirement plan would be required to offer an option for their employees to make regular payroll deposits to IRAs. This concept is very similar to direct deposit of paychecks to employees' bank accounts, which many employers already do.

Another key component provides incentives for lifetime payments. Since women generally live longer than men, they must be particularly concerned with protecting against the risk of exhausting their retirement income. Life annuities help ensure that older Americans will not outlive their retirement savings, adding stability and security in retirement years. The Women's Retirement Security Act encourages annuitization by allowing individuals to exclude from taxation a portion of payments from qualified or nonqualified annuities that last a lifetime.

I look forward to working with my colleagues to narrow the pension gap between men and women by enacting the important reforms in this legislation.

I ask unanimous consent that a copy of this legislation be printed in the RECORD. I also ask unanimous consent that my statement be included in the RECORD next to the bill.

Thank you.

Mr. KERRY. Mr. President, I am pleased to join my colleagues Senators SMITH, CONRAD, SNOWE, and BINGAMAN in introducing the Women's Retirement Security Act of 2007. This legislation comes on the heels of the passage of the Pension Protection Act of 2006, which makes improvements to the defined benefit pension plan system.

The legislation that we are introducing today builds upon that legislation and focuses on defined contribution plans. Our pension system has shifted away from defined benefit plans to defined contribution plans. We should make it easier for employers to offer defined contribution plans and for individuals to participate in these plans.

At a time when we have a negative savings rate that is the lowest since the Great Depression, we should provide appropriate incentives to help individuals save for retirement. In an effort to achieve this, the Women's Retirement Security Act of 2007 focuses on increasing retirement savings, the preservation of income, equity in divorce, improving financial literacy, and encouraging small businesses to enter and remain in the employer retirement plan system.

This legislation increases savings by allowing employees to contribute a portion of their paycheck to an individual retirement account (IRA) if their employer does not offer a pension plan. Automatic IRAs will help the 71 million workers that do not have employer-sponsored plans. It is a low-cost, sensible solution that provides a stepping stone toward employer-sponsored retirement plans. More workers are likely to contribute to an IRA if the contribution is deducted from their payroll. Automatic IRAs will help combat the inertia that is a factor in our low savings rate. The bill also provides a tax credit to help small businesses with the cost of implementation.

The Pension Protection Act of 2006 increase made the tax credit for contributions to qualified pension plans permanent, commonly referred to as the saver's credit, permanent. Our legislation builds upon this provision by making this credit refundable and making it 50 percent of the contribution for all eligible taxpayers. The annual contribution eligible for this credit is $2,000. In 2005, five million households benefited from this provision. These changes will help many more benefit from this important credit. Making the credit refundable will help those who are struggling and do not have enough income to save.

Women are often placed at a disadvantage in our retirement system because they cycle in and out of the work force. The Women's Retirement Security Act of 2007 addresses this issue by requiring employers that offer defined contribution plans to cover part-time employees that meet specific requirements.

Pension coverage needs to improve, particularly for small businesses. In

2004, only 26 percent of workers at firms with fewer than 25 employees participated in pension plans. Progress has been made on providing coverage to small businesses. Currently, more than 19 million workers are covered by small business retirement plans, but more than 36 million Americans work for firms with less than 25 employees.

The Women's Retirement Security Act of 2007 provides a start-up credit for new small business retirement contributions. In addition, it removes rules that discourage small employers from adopting deferral only plans.

I look forward to continuing to work with my colleagues to help improve the retirement of mothers, sisters, daughters, and wives. We should work together to provide incentives that encourage participation in retirement plans and remove barriers preventing employers from offering them.

Thank you.

By Mr. CRAIG:

S. 1289. A bill to amend title 38, United States Code, to modify the salary and terms of judges of the United States Court of Appeals for Veterans Claims, to modify authorities for the recall of retired judges of such court, and for other purposes; to the Committee on Veterans' Affairs.

Mr. CRAIG. Mr. President, I have sought recognition today to comment on a bill I am introducing to help ensure the long-term ability of the United States Court of Appeals for Veterans Claims to promptly dispense justice in all veterans cases.

In 1988, Congress created this court to hear appeals from decisions of the Department of Veterans Affairs, most commonly on veterans' claims for disability compensation based on injuries or diseases they suffered during service. As was discussed at a hearing I called last year while serving as chairman of the Committee on Veterans' Affairs, the CAVC is facing some serious challenges, which may impede its ability to consistently provide timely decisions to our Nation's veterans.

In fact, between 2004 and 2006 the court experienced something akin to a ''perfect storm.'' The last four of the original judges, who were appointed when the court was created, all retired, taking 60 years of experience with them; the court's incoming caseload experienced a dramatic 67-percent increase; and the court was left with a single judge who had at least 2 years of experience deciding these often complex cases. As a consequence, the court received 30 percent more cases than it decided during that time and the number of pending cases doubled in less than 2 years. With over 6,000 cases still pending, almost 4,000 more than a decade ago, and with the court continuing to receive record levels of incoming cases, veterans seeking justice from the court may feel the effects of this ''perfect storm'' for many years to come, as the court struggles to eliminate the existing backlog and to keep up with new appeals.

For the men and women who have served, sacrificed, and suffered for our Nation, I believe we must take steps to ensure that they will receive timely decisions on their appeals, not just today but for many years to come. That is why I am introducing this bill to help the court deal with its existing caseload and to help ensure that, in the long term, the court will not face such a devastating combination of events.

As one means of helping with the current caseload, the bill would modify the rules that govern the recall of retired judges. Under current law, a retiring judge may opt to be recall eligible, which means the judge may be involuntarily called back to work for up to 90 days per year when needed and may voluntarily serve up to 180 days per year. For this court, like other Federal courts, the option of receiving help from retired judges can be an extremely important resource. In fact, last year, after the court began recalling retired judges to help with its caseload, the court's productivity rose over 19 percent in 3 months.

In view of the obvious value of having experienced retired judges continue to decide veterans' cases and the fact that they currently receive the same salary as active judges regardless of how much, if any, service they provide in a year, it would be a win-win situation for veterans, the court, and taxpayers if a retired judge opted to return to the bench more frequently or for longer periods than current law permits. To allow for that possibility, the bill would eliminate the 180-day cap and permit a retired judge to voluntarily serve in recall status as many days during a year as he or she wishes.

Also, because the court may need an unprecedented level of service from retired judges in the next several years to help deal with its caseload, the bill would provide an incentive for the current complement of recall-eligible judges to provide as much service as practical during that time. Specifically, the bill would provide that, once a recall-eligible judge has served an aggregate of 5 years of recall service, the judge will no longer be subject to involuntarily recall and will continue to receive the same salary, that of an active judge.

To put that into perspective, if a retired judge were to be recalled for 90 days each year, as current law permits, it would take 20 years to provide the equivalent of 5 years of recall service. In addition to allowing judges to accelerate their service into fewer years, at a time when it may be most beneficial to veterans, this change may also encourage retired judges to serve in recall status for longer periods of time. This should help minimize concerns expressed by the Chief Judge in recent years about how much retired judges would be able to accomplish in the limited 90 day recall period. With these changes, the court should have the judicial resources it needs to handle its caseload in the near term.

In addition, this bill would take steps to ensure that the court, in the long run, is not faced with a difficult transition like the one it experienced in recent years. By way of background, the original judges, except for one who died, all retired between 2000 and 2005, with four of those retirements occurring within a single 12-month period. Given the delays inherent in the appointment and confirmation process, this left the CAVC without a full complement of active judges for much of that 5-year period. As the Chief Judge testified in 2006, functioning with less than seven judges ''led to a backlog'' of cases at the court.

Perhaps more significantly, this cluster of retirements meant that, as of August 2005, the court had only one judge, the new Chief Judge, who had at least 2 years of experience on the bench. In the words of that Chief Judge, ''no other Federal court would be faced with the transition that we were faced with as of August 2005. Where else in the Federal judiciary system could I, the junior judge . . . suddenly become the senior judge, and have all of the experience of the court departing?'' The Chief Judge also opined that ''[t]his turnover on the Court has had great significance, particularly in the short term, on the Court's case management.''

The effects of this turnover may have been magnified by the fact that this court deals with a very specialized area of law, which by all accounts has become increasingly complex in recent years. In fact, the Veterans of Foreign Wars of the United States recently described veterans' law as ''a complex thicket of court decisions and statutory requirements.''

To further complicate the situation, the court experienced a dramatic rise in the number of incoming cases in recent years. In fact, in 2005 the court received 37 percent more cases than it had received in any prior year and, then, in 2006 the court received an even higher level of incoming cases. As I indicated earlier, the combined effect of these factors led the court to be ''in the red'' for several years, taking in almost 3,000 more cases than it decided.

Although some factors that have contributed to the court's challenges cannot be controlled, it seems clear that multiple retirements of experienced judges within a relatively short period of time can have a profound impact on the court's ability to decide veterans' cases. It is worth noting that Congress previously attempted to stagger the retirement dates of the judges by temporarily expanding the size of the court and by shortening the length of two judges' terms. Despite those efforts, it is possible that 6 of the 7 judges now on the bench will retire within a 4-year window, an even shorter period than the disruptive turnover between 2000 and 2005.

That is why I believe we need to try a completely new approach to help ensure that experienced judges will stay

on the bench for as long as practicable and will not retire in clusters as their terms expire. To that end, this bill would eliminate the term limits for any new judges appointed to the court and would provide those judges with full pay-of-the-office only when serving as an active judge or when providing service as a recalled retired judge. The combined effect of those provisions should encourage judges to stay on the bench longer before they retire and to regularly volunteer for recall service after they retire.

Yes, this represents a significant departure from the traditional model for article I courts. But as experience has shown, the current model is not adequate to consistently provide veterans with timely decisions on their claims and we simply cannot allow further disruptions in service to our Nation's heroes each time the court turns over. Once judges gain years of valuable experience in this complex, specialized area of law, we should not force them, and their experience, into retirement. Rather, we should take steps, as this bill would do, to permit veterans and the court to receive the maximum possible benefit from their years on the bench.

To avoid ''changing the rules'' on those judges who have already been appointed and confirmed, these changes would be prospective, applying only to judges appointed to the court on or after the date of enactment of this bill. In the meantime, I hope the changes to the current recall provisions that I mentioned earlier will help avoid a difficult transition when the current sitting judges retire.

In addition to these changes to the term limits and recall rules, the bill would require the Chief Judge, in conjunction with the court's stakeholders, to set guidelines for when recall would be appropriate, taking into account such factors as the number of active judges, temporary or prolonged increases or decreases in caseload, and the complexity of the caseload. It would also require the court to submit annual performance reports to Congress including information on the court's workload during the prior year, as well as an analysis of whether the standards for recalling judges were met and what service, if any, was performed by retired judges. Such guidelines should aid the court, retired judges, and Congress in planning for periods when recall will likely be used and when it will not.

More importantly, the number of recall-eligible judges and their level of activity are important factors that must be considered in determining whether the court has sufficient judicial resources. If current caseload trends continue and the court, even fully utilizing the services of recalled judges, is unable to provide veterans with the level of service they deserve, the addition of judgeships may need to be considered. These guidelines and reports will allow Congress to closely monitor that situation to ensure that the court has the necessary capacity.

Finally, the bill would recognize the critical and increasingly demanding role of the Chief Judge by allowing the salary of the Chief Judge to be increased by $7,000 per year, and the bill would direct the General Services Administration to provide Congress with a report as to the feasibility and desirability of converting the court's current location into a dedicated Veterans Courthouse and Justice Center.

It is my sincere hope that the fundamental changes in this bill will help ensure that the Court of Appeals for Veterans Claims is able to consistently provide veterans with timely decisions, now and for many years to come. I ask my colleagues to support this legislation.

I also 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. 1289

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 ''Veterans' Justice Assurance Act of 2007''.

SEC. 2. REPEAL OF TERM LIMITS FOR JUDGES OF THE UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS.

(a) IN GENERAL.—Section 7253(c) of title 38, United States Code, is amended to read as follows:

''(c) TERM OF OFFICE.—(1) Except as provided in paragraph (2), judges of the Court shall hold office during good behavior.

''(2) In the case of an individual who is serving a term of office as a judge of the Court on the date of the enactment of the Veterans' Justice Assurance Act of 2007, such term shall be 15 years. A judge who is nominated by the President for appointment to an additional term on the Court without a break in service and whose term of office expires while that nomination is pending before the Senate may continue in office for up to 1 year while that nomination is pending.''.

(b) CONFORMING AMENDMENT.—Section 7296(b)(2) of such title is amended by striking ''A judge who'' and inserting ''A judge who was appointed before the date of the enactment of the Veterans' Justice Assurance Act of 2007 and who''.

SEC. 3. INCREASED SALARY FOR CHIEF JUDGE OF UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS.

Section 7253(e) of title 38, United States Code, is amended—

(1) by inserting ''(1)'' before ''Each judge''; and

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

''(2) The annual salary rate under paragraph (1) for a judge shall be increased by $7,000 during any period that such judge is serving as chief judge of the Court.''.

SEC. 4. PROVISIONS RELATING TO RECALL OF RETIRED JUDGES OF THE UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS.

(a) ELIMINATION OF LIMIT ON SERVICE OF RETIRED JUDGES WHO VOLUNTARILY SERVE MORE THAN 90 DAYS.—Section 7257(b)(2) of title 38, United States Code, is amended by striking ''or for more than a total of 180 days (or the equivalent) during any calendar year''.

(b) NEW JUDGES RECALLED AFTER RETIREMENT RECEIVE PAY OF CURRENT JUDGES ONLY DURING PERIODS OF RECALL.—

(1) IN GENERAL.—Section 7296(c) of such title is amended by striking paragraph (1) and inserting the following:

''(1)(A) Except as provided in subparagraph (B), in the case of a judge who retires under subsection (b) of this section and elects under subsection (d) of this section to receive retired pay under this subsection, the retired pay of the judge shall (except as provided in paragraph (2) of this subsection and section 7257(d)(2) of this title) be the rate of pay applicable to that judge at the time of retirement (disregarding any increase in salary provided in accordance with section 7253(e)(2) of this title).

''(B) A judge who was appointed before the date of the enactment of the Veterans' Justice Assurance Act of 2007 and who retires under subsection (b) of this section and elects under subsection (d) of this section to receive retired pay under this subsection shall (except as provided in paragraph (2) of this subsection) receive retired pay as follows:

''(i) In the case of a judge who is a recall-eligible retired judge under section 7257 of this title or who was a recall-eligible retired judge under that section and was removed from recall status under subsection (b)(4) of that section by reason of disability, the retired pay of the judge shall be the pay of a judge of the court.

''(ii) In the case of a judge who at the time of retirement did not provide notice under section 7257 of this title of availability for service in a recalled status, the retired pay of the judge shall be the rate of pay applicable to that judge at the time of retirement.

''(iii) In the case of a judge who was a recall-eligible retired judge under section 7257 of this title and was removed from recall status under subsection (b)(3) of that section, the retired pay of the judge shall be the pay of the judge at the time of the removal from recall status.''.

(2) PAY DURING PERIOD OF RECALL.—Section 7257(d) of such title is amended to read as follows:

''(d)(1) The pay of a recall-eligible retired judge to whom section 7296(c)(1)(B) of this title applies is the pay specified in that section.

''(2) A judge who is recalled under this section who retired under chapter 83 or 84 of title 5 or to whom section 7296(c)(1)(A) of this title applies shall be paid, during the period for which the judge serves in recall status, pay at the rate of pay in effect under section 7253(e) of this title for a judge performing active service, less the amount of the judge's annuity under the applicable provisions of chapter 83 or 84 of title 5 or the judge's annuity under section 7296(c)(1)(A) of this title, whichever is applicable.''.

(3) NOTICE.—The last sentence of section 7257(a)(1) of such title is amended to read as follows: ''Such a notice provided by a retired judge to whom section 7296(c)(1)(B) of this title applies is irrevocable.''.

(c) LIMITATION ON INVOLUNTARY RECALLS.—Section 7257(b)(3) of such title is amended by adding at the end the following new sentence: ''This paragraph shall not apply to—

''(A) a judge to whom section 7296(c)(1)(A) of this title applies; or

''(B) a judge to whom section 7296(c)(1)(B) of this title applies and who has, in the aggregate, served at least five years (or the equivalent) of recalled service on the Court under this section.''.

(d) ESTABLISHMENT OF CASELOAD THRESHOLDS FOR DETERMINING WHEN TO RECALL RETIRED JUDGES.—Section 7257(b) of such title is amended by adding at the end the following new paragraph:

''(5) For purposes of paragraph (1), the chief judge shall establish guidelines for determining whether recall-eligible retired judges should be recalled on either a voluntary or involuntary basis, taking into account such factors as the number of active judges, temporary or prolonged increases or decreases in caseload, and the complexity of the caseload. In establishing such guidelines, the chief judge shall, to the extent practicable, consult with the following:

''(A) Organizations recognized by the Secretary for the representation of veterans under section 5902 of this title.

''(B) The bar association of the Court.

''(C) The Secretary.

''(D) Such persons or entities the chief judge considers appropriate.''.

SEC. 5. ADDITIONAL DISCRETION IN IMPOSITION OF PRACTICE AND REGISTRATION FEES.

Section 7285(a) of title 38, United States Code, is amended—

(1) in the first sentence, by inserting ''reasonable'' after ''impose a'';

(2) in the second sentence, by striking '', except that such amount may not exceed $30 per year''; and

(3) in the third sentence, by inserting ''reasonable'' after ''impose a''.

SEC. 6. ANNUAL REPORTS ON WORKLOAD OF UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS.

(a) IN GENERAL.—Subchapter III of chapter 72 of title 38, United States Code, is amended by adding at the end the following new section:

''§ 7288. Annual report

''(a) IN GENERAL.—The chief judge of the Court shall submit annually to the appropriate committees of Congress a report summarizing the workload of the Court for the last fiscal year that ended before the submission of such report. Such report shall include, with respect to such fiscal year, the following information:

''(1) The number of appeals filed.

''(2) The number of petitions filed.

''(3) The number of applications filed under section 2412 of title 28.

''(4) The number and type of dispositions.

''(5) The median time from filing to disposition.

''(6) The number of oral arguments.

''(7) The number and status of pending appeals and petitions and of applications described in paragraph (3).

''(8) A summary of any service performed by recalled retired judges during the fiscal year and an analysis of whether any of the caseload guidelines established under section 7257(b)(5) of this title were met during the fiscal year.

''(b) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term 'appropriate committees of Congress' means the Committee on Veterans' Affairs of the Senate and the Committee on Veterans' Affairs of the House of Representatives.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 72 of such title is amended by inserting after the item related to section 7287, the following new item:

''7288. Annual report.''.

SEC. 7. REPORT ON EXPANSION OF FACILITIES FOR UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS.

(a) FINDINGS.—Congress finds the following:

(1) The United States Court of Appeals for Veterans Claims is currently located in the District of Columbia in a commercial office building that is also occupied by other Federal tenants.

(2) In February 2006, the General Services Administration provided Congress with a preliminary feasibility analysis of a dedicated Veterans Courthouse and Justice Center that would house the Court and other entities that work with the Court.

(3) In February 2007, the Court notified Congress that the ''most cost-effective alternative appears to be leasing substantial additional space in the current location'', which would ''require relocating other current government tenants'' from that building.

(4) The February 2006 feasibility report of the General Services Administration does not include an analysis of whether it would be feasible or desirable to locate a Veterans Courthouse and Justice Center at the current location of the Court.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the United States Court of Appeals for Veterans Claims should be provided with appropriate office space to meet its needs, as well as to provide the image, security, and stature befitting a court that provides justice to the veterans of the United States; and

(2) in providing that space, Congress should avoid undue disruption, inconvenience, or cost to other Federal entities.

(c) REPORT.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Administrator of General Services shall submit to the Committee on Veterans' Affairs of the Senate and the Committee on Veterans' Affairs of the House of Representatives a report on the feasibility of—

(A) leasing additional space for the United States Court of Appeals for Veterans Claims within the building where the Court was located on the date of the enactment of this Act; and

(B) using the entirety of such building as a Veterans Courthouse and Justice Center.

(2) CONTENTS.—The report required by paragraph (1) shall include a detailed analysis of the following:

(A) The impact that the matter analyzed in accordance with paragraph (1) would have on Federal tenants of the building used by the Court.

(B) Whether it would be feasible to relocate such Federal tenants into office space that offers similar or preferable cost, convenience, and usable square footage.

(C) If relocation of such Federal tenants is found to be feasible and desirable, an analysis of what steps should taken to convert the building into a Veterans Courthouse and Justice Center and a time line for such conversion.

(3) COMMENT PERIOD.—The Administrator shall provide an opportunity to such Federal tenants—

(A) before the completion of the report required by paragraph (1), to comment on the subject of the report required by such paragraph; and

(B) before the Administrator submits the report required by paragraph (1) to the congressional committees specified in such paragraph, to comment on a draft of such report.

By Mr. CRAIG:

S. 1290. A bill to amend title 38, United States Code, to provide additional discretion to the Secretary of Veterans Affairs in contracting with State approving agencies, and for other purposes; to the Committee on Veterans' Affairs.

Mr. CRAIG. Mr. President, I have sought recognition today to comment on a bill I am introducing to ensure that veterans and their families have access to educational assistance benefits unimpeded by layers of bureaucracy and inflexible legal requirements.

Each year, the Department of Veterans Affairs provides educational assistance benefits to veterans, servicemembers, reservists, and their families to pursue a wide array of educational opportunities, including traditional college degrees, vocational training, apprenticeships, and on-the-job training programs. VA contracts with entities called ''State approving agencies,'' SAAs, to assess whether schools and training programs are of sufficient quality for individuals to receive VA education benefits while pursuing their programs. That SAA approval process was originally instituted after World War II to help stem abuses of veterans' education benefits, such as scam vocational and business schools profiting from those education benefits and then not providing veterans with an education of any value.

Today, unlike 60 years ago, schools and educational programs of all types may be scrutinized by a number of different entities, including the Department of Education, the Department of Labor, various national and regional accrediting bodies, and state licensing agencies. In fact, in 1995 the Government Accountability Office found that a substantial portion of the approval activities performed by SAAs overlapped with work done by others. Several years later, the Commission on Servicemembers and Veterans Transition Assistance concluded that veterans should be ''the primary judge of the appropriateness of accredited courses to their plans for the future'' and that ''[a]pproval of institutions accredited by accrediting bodies recognized by the Department of Education should suffice for veterans' training approval.''

In the years since those findings, Congress has altered the responsibilities of SAAs by requiring them to perform additional functions, such as promoting the development of apprenticeships and on-the-job training programs, conducting outreach services, and approving licensing tests. However, the traditional approval functions performed by SAAs, which are specifically required by statute, have not been significantly modified.

Last year, in order to assess whether veterans face unnecessary or inefficient barriers in accessing VA education benefits under the current system, I asked GAO to evaluate the extent to which SAA approval activities currently overlap with functions performed by the Departments of Labor and Education and what value is added by the services performed by SAAs. Let me give you a few examples of GAO's recent findings:

Many education and training programs approved by SAAs have also been approved by the Departments of Education or Labor and VA and SAAs have taken few steps to coordinate approval activities with those Departments.

To streamline approval processes, VA should collaborate with other agencies but, according to VA, that may be difficult because of the specific approval requirements in law.

VA does not require SAAs to track the amount of resources they spend on specific duties and functions, including those that may be performed by other agencies, and thus does not have all relevant information to make resource allocation decisions or to determine whether it is spending federal funds efficiently and effectively.

It is difficult to assess the effectiveness and progress of SAAs because VA does not have outcome-oriented performance measures in place to fully evaluate their performance.

Although I have no doubts about the dedication and sincerity of SAA personnel in the field, I believe GAO's findings demonstrate that we do not have a systematic or objective way to determine whether the current mix of services provided by SAAs, which are mandated by statute, are either necessary or beneficial to the veterans and their families who participate in VA's education programs. That is why I believe we should overhaul the entire statutory scheme regarding SAAs, as this bill would do, to help eliminate redundant administrative procedures, increase VA's flexibility in determining the nature and extent of services that should be performed by SAAs, and improve accountability for any activities they undertake.

Specifically, this bill would strike statutory provisions that mandate what activities SAAs must perform, how those functions must be carried out, and how VA must pay for them. Instead, VA would have authority to contract with SAAs for services that it deems valuable and to determine how those services should be performed, evaluated, and compensated. The bill would also require VA to coordinate approval activities performed by State approving agencies, the Department of Labor, the Department of Education, and other entities to reduce overlapping and unnecessary layers of bureaucracy. To ensure that VA, Congress, and other stakeholders will be able to objectively assess the effectiveness of any functions performed by SAAs, VA would be required to establish outcome-oriented performance measures and SAAs would be required to track and report information on the resources expended on all activities they perform.

Finally, the bill includes a provision, similar to legislation that the Senate passed last year, that would provide a $19 million spending authorization for SAAs effective at the start of the upcoming fiscal year and would allow, for the first time, SAA funding to be drawn from both mandatory spending accounts and discretionary accounts. By way of background, since 1988 VA payment for the services of SAAs has been made only out of funds available for ''readjustment benefits'', a VA account funded through mandatory appropriations, and has been subject to annual funding caps.

For the current fiscal year, SAA funding from this entitlement account is capped at $19 million, but under current law there will be a $6 million reduction in authorized spending, to $13 million, for every fiscal year thereafter. Although the provisions of this bill would maintain a $19 million funding level in future years, it is important to note that that level is a ceiling, not a floor. As with any private-sector business or good-government business model, budgeting and funding decisions should be linked to performance and VA should contract only for those services that are necessary and valuable.

In sum, this bill would provide VA with the flexibility to streamline approval processes, eliminate redundant bureaucratic procedures, focus resources on services that will meet the current needs of education program participants, and ensure that veterans and their families will not confront layers of bureaucracy and inflexible legal requirements in accessing their educational assistance benefits. I ask my colleagues to support this measure.

I also 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. 1290

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

SECTION 1. MODIFICATION OF AUTHORITIES FOR STATE APPROVING AGENCIES.

(a) TECHNICAL AMENDMENT TO SCOPE OF APPROVAL.—Section 3670 of title 38, United States Code, is amended—

(1) by striking subsection (b); and

(2) in subsection (a), by striking ''(a)''.

(b) MODIFICATION OF PROVISIONS RELATING TO APPROVAL OF COURSES.—

(1) MODIFICATION OF REQUIREMENT THAT STANDARDS FOR PROGRAMS OF APPRENTICESHIP BE APPROVED UNDER THE NATIONAL APPRENTICESHIP ACT.—Subsection (c)(1)(A) of section 3672 of such title is amended by striking ''pursuant to section 2 of the Act of August 16, 1937 (popularly known as the 'National Apprenticeship Act') (29 U.S.C. 50a),''.

(2) MODIFICATION OF REQUIREMENT TO PROMOTE DEVELOPMENT OF APPRENTICESHIP PROGRAMS.—Subsection (d) of such section is amended—

(A) in paragraph (1)—

(i) by striking ''and State approving agencies''; and

(ii) by striking ''shall utilize the services of'' and inserting ''may utilize the services of State approving agencies and''; and

(B) in paragraph (2), by striking ''shall'' and inserting ''may''.

(3) MODIFICATION OF REQUIREMENTS RELATING TO APPROVAL OF PROGRAM OF EDUCATION EXCLUSIVELY BY CORRESPONDENCE.—Subsection (e) of such section is amended by striking ''only if'' and all that follows through the period and inserting ''under such criteria as the Secretary prescribes pursuant to section 3675.''.

(c) RESTATEMENT OF REQUIREMENT FOR COORDINATION OF APPROVAL ACTIVITIES.—

(1) IN GENERAL.—Subsection (a) of section 3673 of such title is amended to read as follows:

''(a) IN GENERAL.—The Secretary shall take appropriate measures to ensure the coordination of approval activities performed by State approving agencies under this chapter and chapters 34 and 35 of this title and approval activities performed by the Department of Labor, the Department of Education, and other entities to reduce overlap and improve efficiency with respect to the activities.''.

(2) CONFORMING AMENDMENTS.—Such section is further amended—

(A) in subsection (b), by inserting ''FURNISHING MATERIALS.—'' before ''The Secretary''; and

(B) in the heading by striking ''**Cooperation**'' and inserting ''**Coordination of approval activities**''.

(3) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 36 of such title is amended by striking the item relating to section 3673 and inserting the following:

''3673. Coordination of approval activities.''.

(d) ADDITIONAL DISCRETION FOR THE SECRETARY OF VETERANS AFFAIRS FOR REIMBURSING STATE APPROVING AGENCIES FOR EXPENSES.—Section 3674 of such title is amended to read as follows:

''§ 3674. Reimbursement of expenses

''(a) IN GENERAL.—(1) Subject to subsections (b) and (c), the Secretary is authorized to enter into contracts or agreements with State and local agencies to pay such State and local agencies for reasonable and necessary expenses of salary and travel incurred by employees of such agencies and an allowance for administrative expenses in accordance with such criteria as the Secretary determines appropriate for activities performed pursuant to this chapter for purposes of chapters 30 through 35 of this title and chapters 1606 and 1607 of title 10.

''(2) Each such contract or agreement shall be conditioned upon such terms and conditions as the Secretary determines appropriate for services performed pursuant to this chapter, including the condition that the State approving agency shall collect and report annually to the Secretary, the Committee on Veterans' Affairs of the Senate, and the Committee on Veterans' Affairs of the House of Representatives information on—

''(A) the amount of resources expended on such services performed pursuant to that contract; and

''(B) the qualification and performance standards for State approving agency personnel responsible for such services.

''(b) SOURCE OF PAYMENTS.—Subject to subsection (c), the Secretary shall make payments authorized under subsection (a) to State and local agencies first out of amounts available for the payment of readjustment benefits and then from other amounts made available to make the payments.

''(c) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—(1) The total amount authorized and available under this section for any fiscal year may not exceed $19,000,000, except that the total amount made available for purposes of this section from amounts available for the payment of readjustment benefits may not exceed the following:

''(A) $19,000,000 for fiscal year 2007.

''(B) $13,000,000 for fiscal year 2008, and each subsequent fiscal year.

''(2) For any fiscal year in which the total amount that would be made available under this section would exceed the amount applicable to that fiscal year under paragraph (1) except for the provisions of this subsection, the Secretary shall provide that each agency shall receive the same percentage of the amount applicable to that fiscal year under paragraph (1) as the agency would have received of the total amount that would have been made available without the limitation of this subsection.''.

(e) EVALUATIONS OF AGENCY PERFORMANCE; QUALIFICATIONS AND PERFORMANCE OF AGENCY PERSONNEL.—Section 3674A of such title is amended—

(1) by striking subsection (b);

(2) in subsection (a), by striking ''(a)'';

(3) by redesignating paragraphs (1), (2), (3), and (4) as paragraphs (2), (3), (4), and (5), respectively;

(4) by inserting before paragraph (2), as redesignated by paragraph (3) of this subsection, the following new paragraph (1):

''(1) establish performance measures—

''(A) to assess the effectiveness of all services for which a State approving agency is

reimbursed pursuant to section 3674 of this title that are based on the outcomes of the services; and

''(B) to assess the effectiveness of the State approving agency in coordinating with other entities, including the Department of Labor and the Department of Education, to reduce overlap and improve efficiency in approval activities;'';

(5) by amending paragraph (2), as redesignated by paragraph (3) of this subsection, to read as follows:

''(2) conduct an annual evaluation of each State approving agency on the basis of the performance measures established under paragraph (1);''; and

(6) in paragraph (3), as redesignated by paragraph (3) of this subsection, by striking ''under paragraph (1)'' and inserting ''under paragraph (2)''.

(f) APPROVAL OF COURSES.—

(1) IN GENERAL.—Section 3675 of such title is amended to read as follows:

''§ 3675. Approval of courses

''(a) STANDARDS.—The Secretary shall establish standards of approval for accredited and nonaccredited courses offered by an educational institution that the Secretary determines are necessary to carry out the provisions of this chapter. Such standards shall be based on the following, as appropriate:

''(1) Student achievement.

''(2) Curricula, program objectives, and faculty.

''(3) Facilities, equipment, and supplies.

''(4) Institutional objectives, capacity, and administration.

''(5) Student support services.

''(6) Recruiting and admissions practices.

''(7) Record of student complaints.

''(8) Process related requirements, such as application requirements.

''(9) Such other criteria as the Secretary considers appropriate.

''(b) APPROVAL.—A State approving agency may approve courses offered by an educational institution when the standards established under subsection (a) have been satisfied by such educational institution. In performing such approval function, the State approving agency may, to the extent permitted by the Secretary, rely upon determinations made by other entities, including the Department of Labor and the Department of Education.

''(c) DISAPPROVAL.—Approval granted under this section may be revoked by the Secretary or a State approving agency under conditions established by the Secretary.''.

(2) CONFORMING AMENDMENT.—Section 3452(h) of such title is amended by striking ''an entrepreneurship course (as defined in section 3675(c)(2) of this title)'' and inserting ''a non-degree, non-credit course of business education that enables or assists a person to start or enhance a small business concern (as defined pursuant to section 3(a) of the Small Business Act (15 U.S.C. 362(a)))''.

(3) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 36 of such title is amended by striking the item related to section 3675 and inserting the following new item:

''3675. Approval of courses.''.

(g) MODIFICATION OF PROVISIONS RELATING TO APPROVAL OF NONACCREDITED COURSES.—

(1) IN GENERAL.—Section 3676 of such title is repealed.

(2) CONFORMING AMENDMENTS.—(A) Section 3677 of such title is redesignated as section 3676.

(B) Section 3672(d)(1) of such title is amended by striking ''sections 3677'' and inserting ''sections 3676''.

(C) Section 3687(a)(2) of such title is amended by striking ''section 3677'' and inserting ''section 3676''.

(3) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 36 of such title is amended by striking the item relating to section 3676 and inserting the following:

''3676. Approval of training on the job.''.

(h) NOTICE OF APPROVAL.—

(1) IN GENERAL.—Section 3678 of such title is amended to read as follows:

''SEC. 3677. NOTICE OF DETERMINATIONS BY STATE APPROVING AGENCIES.

''A State approving agency shall provide to the Secretary, an educational institution, or such other entities as the Secretary considers appropriate such notification as the Secretary may consider necessary regarding determinations made by the State approving agency pursuant to section 3675 of this title.''.

(2) CONFORMING AMENDMENT.—Section 3689(d) of such title is amended by striking ''3678'' and inserting ''3677''.

(3) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 36 of such title is amended by striking the items relating to section 3677 and 3678 and inserting the following:

''3677. Notice of determinations by State approving agencies.''.

(i) MODIFICATION OF PROVISIONS RELATING TO DISAPPROVAL OF COURSES.—

(1) IN GENERAL.—Section 3679 of such title is repealed.

(2) CONFORMING AMENDMENT.—Section 3689(d) of such title is amended by striking ''3679,''.

(3) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 36 of such title is amended by striking the item relating to section 3679.

(j) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date that is one year after the date of the enactment of this section.

By Mr. CRAIG:

S. 1293. A bill to amend titles 10 and 38, United States Code, to improve educational assistance for members and former members of the Armed Forces, and for other purposes; to the Committee on Veterans' Affairs.

Mr. CRAIG. Mr. President, I have sought recognition today to comment on a bill I am introducing to enhance educational assistance benefits provided to active duty servicemembers, veterans, members of the Guard and Reserve, and their survivors and dependents by the Department of Veterans Affairs, VA, and the Department of Defense.

In recent years, many veterans' organizations, members of Congress, and others have highlighted the need to modernize these education programs to support emerging and alternative education opportunities and to recognize that the role of Guard and Reserve members has been transformed since September 11, 2001. This bill would take significant steps in that direction by providing greater flexibility in the use of these education benefits, revising eligibility criteria to reflect current mobilization strategies for Guard and Reserve units, and enhancing the education program for our ''citizen soldiers'' who have been called up to serve in the war on terror.

First, this bill would provide veterans, Guard and Reserve members, and their spouses and dependents with additional flexibility in using existing education benefits. Traditionally, educational assistance benefits have been paid in equal monthly allotments throughout a semester or term. For veterans, the maximum basic rate is now $1,075 per month, which means a veteran may receive at least $9,675 over the course of an average school year and almost $39,000 during a 4-year college program.

This system works well for veterans attending a traditional four-year college. But, as the Commission on Servicemembers and Veterans Transition Assistance reported in 1999, the existing payment structure ''constrains veterans and servicemembers desiring to enroll in short-term career-focused technical courses,'' a problem that is ''especially acute if the cost of the course dramatically exceeds the benefits payable for the few months' duration of the course.''

That is why in 2001 I cosponsored legislation to establish an ''accelerated'' payment option for veterans' education benefits. With that program now in place, a veteran may receive an upfront, lump-sum payment of up to 60 percent of the cost of certain high-tech, high-cost programs. Since that option was made available, many veterans have used that additional flexibility to train for jobs in high technology sectors of the economy, such as the computer and telecommunications industry, the aerospace industry, and the electronics industry.

Then last year, as chairman of the Committee on Veterans' Affairs, I supported legislation that would have expanded this option to allow accelerated payments for short-term, high-cost education programs leading to jobs in any high growth sectors of the economy. Although VA also supported that legislation, VA testified that ''implementation would be challenging'' and that ''[i]t would be cleaner and more direct if the bill simply stated that all high-cost short-term courses were eligible for accelerated payments.''

Having taken those concerns into account, this bill would allow veterans to receive accelerated payments for any short-term, high-cost education programs, and it would authorize VA to spend up to $3 million for those payments in each fiscal year from 2009 to 2012. Not only would this provide veterans with the flexibility to pursue nontraditional or technical educational opportunities, but it may help veterans quickly obtain job skills that currently are in high demand.

For example, the trucking industry is now experiencing a critical shortage of trained drivers, but the GI Bill, as currently structured, may pay only a fraction of the cost for a veteran to take the 6 to 8 week training course, about $2,000 of a total $6,000 bill. With the availability of accelerated payments for those and other short-term, high-cost training programs, veterans may be able to obtain the skills needed

to thrive in sectors of the economy that, today, are growing rapidly and can provide them with lucrative, rewarding career opportunities.

In addition, the bill would, for the first time, provide Guard and Reserve members with the option of receiving accelerated payment of their education benefits. They, too, would be eligible to receive up-front, lump-sum payments of up to 60 percent of the cost of any short-term, high-cost education program. For fiscal years 2009 to 2012, the bill would authorize $2 million per year for the Montgomery GI bill, Selected Reserve program and $1 million per year for the smaller Reserve Educational Assistance Program to make these payments.

To ensure that the families of veterans also have flexibility in the use of their education benefits, the bill would extend the same accelerated payment option to participants in the Survivors' and Dependents' Educational Assistance program. It would authorize VA to spend up to $1 million per year for those payments in fiscal years 2009 to 2012.

The second principal goal of the bill is to update and enhance the education program for members of the Guard and Reserve who are called to active duty. In 2004, recognizing the increased sacrifices being made by our ''citizen soldiers'' who are fighting in the War on Terror, Congress created the Reserve Educational Assistance Program for Guard and Reserve members who are activated for at least 90 days after September 11, 2001. This program was a significant step in the right direction, providing a maximum benefit of $860 per month for 36 months, a total possible benefit of over $30,000.

However, the maximum monthly benefit requires a deployment of 2 continuous years or more of active duty, and the Secretary of Defense has recently announced that ''from this point forward, members of the Reserves will be involuntarily mobilized for a maximum of one year at any one time, in contrast to the current practice of sixteen to twenty-four months.'' To bring those eligibility criteria in line with current practice, this bill would allow members of the Guard or Reserve to receive the maximum benefits if they are deployed for an aggregate period of 3 or more years.

Finally, the bill would provide these ''citizen soldiers'' with access to a valuable option now available only under the Montgomery GI bill program for active duty servicemembers. Specifically, it would allow members of the Guard or Reserve to contribute up to $600 in order to receive an additional $150 per month in education benefits, which amounts to an additional $5,400 in benefits over the course of 36 months. Under this bill, Guard and Reserve members would, for the first time, have access to this valuable opportunity.

With these modifications, we can take significant strides towards ensuring that current education programs are up-to-date and flexible and that they provide members of the Guard and Reserve with benefits commensurate with the level of service they are now performing on behalf of the entire Nation. I urge my colleagues to support this legislation.

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. 1293

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 ''Veterans' Education and Vocational Benefits Improvement Act of 2007''.

SEC. 2. TEMPORARY EXPANSION OF COURSES FOR WHICH ACCELERATED PAYMENT OF EDUCATIONAL ASSISTANCE MAY BE MADE.

(a) ACCELERATED PAYMENT UNDER MONTGOMERY GI BILL FOR CERTAIN SHORT-TERM PROGRAMS.—

(1) IN GENERAL.—Section 3014A of title 38, United States Code, is amended—

(A) in subsection (b)—

(i) by striking ''who is—'' and inserting ''who—'';

(ii) by striking paragraph (1) and inserting the following new paragraph (1):

''(1)(A) is enrolled in an approved program of education that leads to employment in a high technology occupation in a high technology industry (as determined pursuant to regulations prescribed by the Secretary); or

''(B) during the period beginning on October 1, 2008, and ending on September 30, 2012, first enrolls in any other approved program of education not exceeding two years in duration and not leading to an associate, bachelors, masters, or other degree, subject to subsection (h); and''; and

(iii) in paragraph (2), by inserting ''is'' before ''charged''; and

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

''(h) The aggregate amount of basic educational assistance payable under this section in any fiscal year for enrollments covered by subsection (b)(1)(B) may not exceed $3,000,000.''.

(2) CONFORMING AMENDMENT.—Such section is further amended in the heading by striking ''**leading to employment in high technology occupation in high technology industry**''.

(3) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 30 of such title is amended in the item relating to section 3014A by striking ''leading to employment in high technology occupation in high technology industry''.

(b) ACCELERATED PAYMENT OF SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE.—

(1) IN GENERAL.—Subchapter IV of chapter 35 of such title is amended by inserting after section 3532 the following new section:

''§ 3532A. Accelerated payment of educational assistance allowance

''(a) The educational assistance allowance payable under section 3531 of this title with respect to an eligible person described in subsection (b) may, upon the election of such eligible person, be paid on an accelerated basis in accordance with this section.

''(b) An eligible person described in this subsection is an individual who—

''(1) during the period beginning on October 1, 2008, and ending on September 30, 2012, first enrolls in an approved program of education not exceeding two years in duration and not leading to an associate, bachelors, masters, or other degree, subject to subsection (h); and

''(2) is charged tuition and fees for the program of education that, when divided by the number of months (and fractions thereof) in the enrollment period, exceeds the amount equal to 200 percent of the monthly rate of educational assistance allowance otherwise payable with respect to the individual under section 3531 of this title.

''(c)(1) The amount of the accelerated payment of educational assistance payable with respect to an eligible person making an election under subsection (a) for a program of education shall be the lesser of—

''(A) the amount equal to 60 percent of the established charges for the program of education; or

''(B) the aggregate amount of educational assistance allowance to which the individual remains entitled under this chapter at the time of the payment.

''(2) In this subsection, the term 'established charges', in the case of a program of education, means the actual charges (as determined pursuant to regulations prescribed by the Secretary) for tuition and fees which similarly circumstanced individuals who are not eligible for benefits under this chapter and who are enrolled in the program of education would be required to pay. Established charges shall be determined on the following basis:

''(A) In the case of an individual enrolled in a program of education offered on a term, quarter, or semester basis, the tuition and fees charged the individual for the term, quarter, or semester.

''(B) In the case of an individual enrolled in a program of education not offered on a term, quarter, or semester basis, the tuition and fees charged the individual for the entire program of education.

''(3) The educational institution providing the program of education for which an accelerated payment of educational assistance allowance is elected by an eligible person under subsection (a) shall certify to the Secretary the amount of the established charges for the program of education.

''(d) An accelerated payment of educational assistance allowance made with respect to an eligible person under this section for a program of education shall be made not later than the last day of the month immediately following the month in which the Secretary receives a certification from the educational institution regarding—

''(1) the person's enrollment in and pursuit of the program of education; and

''(2) the amount of the established charges for the program of education.

''(e)(1) Except as provided in paragraph (2), for each accelerated payment of educational assistance allowance made with respect to an eligible person under this section, the person's entitlement to educational assistance under this chapter shall be charged the number of months (and any fraction thereof) determined by dividing the amount of the accelerated payment by the full-time monthly rate of educational assistance allowance otherwise payable with respect to the person under section 3531 of this title as of the beginning date of the enrollment period for the program of education for which the accelerated payment is made.

''(2) If the monthly rate of educational assistance allowance otherwise payable with respect to an eligible person under section 3531 of this title increases during the enrollment period of a program of education for which an accelerated payment of educational assistance allowance is made under this section, the charge to the person's entitlement

to educational assistance under this chapter shall be determined by prorating the entitlement chargeable, in the manner provided for under paragraph (1), for the periods covered by the initial rate and increased rate, respectively, in accordance with regulations prescribed by the Secretary.

''(f) The Secretary may not make an accelerated payment of educational assistance allowance under this section for a program of education with respect to an eligible person who has received an advance payment under section 3680(d) of this title for the same enrollment period.

''(g) The Secretary shall prescribe regulations to carry out this section. The regulations shall include requirements, conditions, and methods for the request, issuance, delivery, certification of receipt and use, and recovery of overpayment of an accelerated payment of educational assistance allowance under this section. The regulations may include such elements of the regulations prescribed under section 3014A of this title as the Secretary considers appropriate for purposes of this section.

''(h) The aggregate amount of educational assistance payable under this section in any fiscal year for enrollments covered by subsection (b)(1) may not exceed $1,000,000.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 35 of such title is amended by inserting after the item relating to section 3532 the following new item:

''3532A. Accelerated payment of educational assistance allowance.''.

(c) ACCELERATED PAYMENT OF EDUCATIONAL ASSISTANCE FOR MEMBERS OF THE SELECTED RESERVE.—

(1) IN GENERAL.—Chapter 1606 of title 10, United States Code, is amended by inserting after section 16131 the following new section:

''§ 16131A. Accelerated payment of educational assistance

''(a) The educational assistance allowance payable under section 16131 of this title with respect to an eligible person described in subsection (b) may, upon the election of such eligible person, be paid on an accelerated basis in accordance with this section.

''(b) An eligible person described in this subsection is a person entitled to educational assistance under this chapter who—

''(1) during the period beginning on October 1, 2008, and ending on September 30, 2012, first enrolls in an approved program of education not exceeding two years in duration and not leading to an associate, bachelors, masters, or other degree, subject to subsection (g); and

''(2) is charged tuition and fees for the program of education that, when divided by the number of months (and fractions thereof) in the enrollment period, exceeds the amount equal to 200 percent of the monthly rate of educational assistance allowance otherwise payable with respect to the person under section 16131 of this title.

''(c)(1) The amount of the accelerated payment of educational assistance payable with respect to an eligible person making an election under subsection (a) for a program of education shall be the lesser of—

''(A) the amount equal to 60 percent of the established charges for the program of education; or

''(B) the aggregate amount of educational assistance allowance to which the person remains entitled under this chapter at the time of the payment.

''(2) In this subsection, the term 'established charges', in the case of a program of education, means the actual charges (as determined pursuant to regulations prescribed by the Secretary of Veterans Affairs) for tuition and fees which similarly circumstanced individuals who are not eligible for benefits under this chapter and who are enrolled in the program of education would be required to pay. Established charges shall be determined on the following basis:

''(A) In the case of a person enrolled in a program of education offered on a term, quarter, or semester basis, the tuition and fees charged the individual for the term, quarter, or semester.

''(B) In the case of a person enrolled in a program of education not offered on a term, quarter, or semester basis, the tuition and fees charged the individual for the entire program of education.

''(3) The educational institution providing the program of education for which an accelerated payment of educational assistance allowance is elected by an eligible person under subsection (a) shall certify to the Secretary of Veterans Affairs the amount of the established charges for the program of education.

''(d) An accelerated payment of educational assistance allowance made with respect to an eligible person under this section for a program of education shall be made not later than the last day of the month immediately following the month in which the Secretary of Veterans Affairs receives a certification from the educational institution regarding—

''(1) the person's enrollment in and pursuit of the program of education; and

''(2) the amount of the established charges for the program of education.

''(e)(1) Except as provided in paragraph (2), for each accelerated payment of educational assistance allowance made with respect to an eligible person under this section, the person's entitlement to educational assistance under this chapter shall be charged the number of months (and any fraction thereof) determined by dividing the amount of the accelerated payment by the full-time monthly rate of educational assistance allowance otherwise payable with respect to the person under section 16131 of this title as of the beginning date of the enrollment period for the program of education for which the accelerated payment is made.

''(2) If the monthly rate of educational assistance allowance otherwise payable with respect to an eligible person under section 16131 of this title increases during the enrollment period of a program of education for which an accelerated payment of educational assistance allowance is made under this section, the charge to the person's entitlement to educational assistance under this chapter shall be determined by prorating the entitlement chargeable, in the manner provided for under paragraph (1), for the periods covered by the initial rate and increased rate, respectively, in accordance with regulations prescribed by the Secretary of Veterans Affairs.

''(f) The Secretary of Veterans Affairs shall prescribe regulations to carry out this section. The regulations shall include requirements, conditions, and methods for the request, issuance, delivery, certification of receipt and use, and recovery of overpayment of an accelerated payment of educational assistance allowance under this section. The regulations may include such elements of the regulations prescribed under section 3014A of title 38 as the Secretary of Veterans Affairs considers appropriate for purposes of this section.

''(g) The aggregate amount of educational assistance payable under this section in any fiscal year for enrollments covered by subsection (b)(1) may not exceed $2,000,000.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1606 of such title is amended by inserting after the item relating to section 16131 the following new item:

''16131A. Accelerated payment of educational assistance.''.

(d) ACCELERATED PAYMENT OF EDUCATIONAL ASSISTANCE FOR RESERVE COMPONENT MEMBERS SUPPORTING CONTINGENCY OPERATIONS AND OTHER OPERATIONS.—

(1) IN GENERAL.—Chapter 1607 of title 10, United States Code, is amended by inserting after section 16162 the following new section:

''§ 16162A. Accelerated payment of educational assistance

''(a) The educational assistance allowance payable under section 16162 of this title with respect to an eligible member described in subsection (b) may, upon the election of such eligible member, be paid on an accelerated basis in accordance with this section.

''(b) An eligible member described in this subsection is a member of a reserve component entitled to educational assistance under this chapter who—

''(1) during the period beginning on October 1, 2008, and ending on September 30, 2012, first enrolls in an approved program of education not exceeding two years in duration and not leading to an associate, bachelors, masters, or other degree, subject to subsection (g); and

''(2) is charged tuition and fees for the program of education that, when divided by the number of months (and fractions thereof) in the enrollment period, exceeds the amount equal to 200 percent of the monthly rate of educational assistance allowance otherwise payable with respect to the member under section 16162 of this title.

''(c)(1) The amount of the accelerated payment of educational assistance payable with respect to an eligible member making an election under subsection (a) for a program of education shall be the lesser of—

''(A) the amount equal to 60 percent of the established charges for the program of education; or

''(B) the aggregate amount of educational assistance allowance to which the member remains entitled under this chapter at the time of the payment.

''(2) In this subsection, the term 'established charges', in the case of a program of education, means the actual charges (as determined pursuant to regulations prescribed by the Secretary of Veterans Affairs) for tuition and fees which similarly circumstanced individuals who are not eligible for benefits under this chapter and who are enrolled in the program of education would be required to pay. Established charges shall be determined on the following basis:

''(A) In the case of a member enrolled in a program of education offered on a term, quarter, or semester basis, the tuition and fees charged the member for the term, quarter, or semester.

''(B) In the case of a member enrolled in a program of education not offered on a term, quarter, or semester basis, the tuition and fees charged the member for the entire program of education.

''(3) The educational institution providing the program of education for which an accelerated payment of educational assistance allowance is elected by an eligible member under subsection (a) shall certify to the Secretary of Veterans Affairs the amount of the established charges for the program of education.

''(d) An accelerated payment of educational assistance allowance made with respect to an eligible member under this section for a program of education shall be made not later than the last day of the month immediately following the month in which the Secretary of Veterans Affairs receives a certification from the educational institution regarding—

''(1) the member's enrollment in and pursuit of the program of education; and

''(2) the amount of the established charges for the program of education.

''(e)(1) Except as provided in paragraph (2), for each accelerated payment of educational assistance allowance made with respect to an eligible member under this section, the member's entitlement to educational assistance under this chapter shall be charged the number of months (and any fraction thereof) determined by dividing the amount of the accelerated payment by the full-time monthly rate of educational assistance allowance otherwise payable with respect to the member under section 16162 of this title as of the beginning date of the enrollment period for the program of education for which the accelerated payment is made.

''(2) If the monthly rate of educational assistance allowance otherwise payable with respect to an eligible member under section 16162 of this title increases during the enrollment period of a program of education for which an accelerated payment of educational assistance allowance is made under this section, the charge to the member's entitlement to educational assistance under this chapter shall be determined by prorating the entitlement chargeable, in the manner provided for under paragraph (1), for the periods covered by the initial rate and increased rate, respectively, in accordance with regulations prescribed by the Secretary of Veterans Affairs.

''(f) The Secretary of Veterans Affairs shall prescribe regulations to carry out this section. The regulations shall include requirements, conditions, and methods for the request, issuance, delivery, certification of receipt and use, and recovery of overpayment of an accelerated payment of educational assistance allowance under this section. The regulations may include such elements of the regulations prescribed under section 3014A of title 38 as the Secretary of Veterans Affairs considers appropriate for purposes of this section.

''(g) The aggregate amount of educational assistance payable under this section in any fiscal year for enrollments covered by subsection (b)(1) may not exceed $1,000,000.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1607 of such title is amended by inserting after the item relating to section 16162 the following new item:

''16162A. Accelerated payment of educational assistance.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2008.

SEC. 3. ENHANCEMENT OF EDUCATIONAL ASSISTANCE FOR RESERVE COMPONENT MEMBERS SUPPORTING CONTINGENCY OPERATIONS AND OTHER OPERATIONS.

(a) ASSISTANCE FOR THREE YEARS CUMULATIVE SERVICE.—Subsection (c)(4)(C) of section 16162 of title 10, United States Code, is amended by striking ''for two continuous years or more.'' and inserting ''for—

''(i) two continuous years or more; or

''(ii) an aggregate of three years or more.''.

(b) CONTRIBUTIONS FOR INCREASED AMOUNT OF EDUCATIONAL ASSISTANCE.—

(1) IN GENERAL.—Such section is further amended by adding at the end the following new subsection:

''(f) CONTRIBUTIONS FOR INCREASED AMOUNT OF EDUCATIONAL ASSISTANCE.—(1)(A) Any individual eligible for educational assistance under this section may contribute amounts for purposes of receiving an increased amount of educational assistance as provided for in paragraph (2).

''(B) An individual covered by subparagraph (A) may make the contributions authorized by that subparagraph at any time while a member of a reserve component, but not more frequently than monthly.

''(C) The total amount of the contributions made by an individual under subparagraph (A) may not exceed $600. Such contributions shall be made in multiples of $20.

''(D) Contributions under this subsection shall be made to the Secretary concerned. Such Secretary shall deposit any amounts received as contributions under this subsection into the Treasury as miscellaneous receipts.

''(2) Effective as of the first day of the enrollment period following the enrollment period in which an individual makes contributions under paragraph (1), the monthly amount of educational assistance allowance applicable to such individual under this section shall be the monthly rate otherwise provided for under subsection (c) increased by—

''(A) an amount equal to $5 for each $20 contributed by such individual under paragraph (1) for an approved program of education pursued on a full-time basis; or

''(B) an appropriately reduced amount based on the amount so contributed as determined under regulations that the Secretary of Veterans Affairs shall prescribe, for an approved program of education pursued on less than a full-time basis.''.

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

S. 1294. A bill to strengthen national security by encouraging and assisting in the expansion and improvement of educational programs in order to meet critical needs at the elementary, secondary, and higher education levels, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. DURBIN. Mr. President, I urge my colleagues to support the Homeland Security Education Act. This bill encourages initiatives to increase the number of Americans trained in science, technology, engineering, math, and foreign languages.

More than a century ago, Henry Ford revolutionized transportation and industry with the creation of the Model T. This car and the process designed to create it were so innovative that it was copied by every other company. The Model T became the base model for all cars that followed. This is a classic American story. Some of the most important scientific breakthroughs in modern history have occurred in the labs, workshops, and classrooms of America. We take pride in our Nation's ability to meet any challenge and solve any problem with innovation and discovery. But we are falling behind. Today's innovations in the auto industry come not from Detroit but from Japan. Engineers in Asia are designing tomorrow's hybrid car while Henry Ford's company and other American companies are just trying to keep up.

America's colleges and universities can play an important role in reversing the decline in American innovation. The United States graduates some of the world's best engineers, scientists, and mathematicians, but a far higher proportion of the students in China, India, South Korea, and Japan are focusing on these fields. The National Academies of Science reports that in 2004, only 32 percent of the undergraduate degrees awarded in the United States were in science or engineering compared to 59 percent in China and 66 percent in Japan. If we do not address this crisis soon, China, India, and Japan will become the new centers for scientific and technological innovation, while American workers scramble to keep up. We must act now to ensure that America remains the world's economic, scientific, and technological leader.

American workers are also increasingly finding themselves at a disadvantage in a multilingual global community. In our increasingly global economy and with a heightened concern for security in the post–911 world, we need Americans who can speak a foreign language. Only 9 percent of American students enroll in a foreign language course in college. We especially need to focus on less commonly taught languages, including Arabic, Farsi, Chinese, and Korean, and other languages that are of particular value in the world today.

The best place to address both of these concerns is in the classroom. We must adapt our educational system by providing the teachers and resources needed to encourage students to study science, technology, engineering, mathematics, and foreign languages. The Homeland Security Education Act is an important step in the right direction.

This bill would encourage students to pursue math, science, technology, engineering, and critical foreign languages by providing them with $5,000 scholarships. Scientists, engineers, technology professionals, and those fluent in foreign languages would be encouraged to return to the classroom and use their career experiences to inspire students in high-need or low-income schools. New grant programs would encourage educational institutions, public entities, and businesses to enter into partnerships that improve math and science curricula, establish programs that promote students' foreign language proficiency along with their science and technological knowledge, and create and establish foreign language pathways from elementary school through college. Finally, the bill would fund a student loan repayment program for qualified individuals trained in science, technology, engineering, math, and foreign languages who join the Federal workforce.

Our country is quickly approaching a crisis of competitiveness. To avoid falling behind our international competitors in science and innovation, we must confront this problem immediately in our schools. We need to strengthen our students' proficiency in science, technology, engineering, math, and foreign languages and provide them with the incentives necessary to pursue careers in those fields. Today's students are tomorrow's innovators, scientists, and technology leaders, and we can't afford not to invest in them. I encourage my colleagues to join me in cosponsoring the Homeland Security Education Act.

Mr. President, 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. 1294

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Homeland Security Education Act''.

SEC. 2. FINDINGS AND PURPOSE.

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

(1) Investing in science, technology, engineering, mathematics, and foreign language education is essential to maintaining the competitive advantage and national security of the United States. Significant improvements in the quantity and quality of science, technology, engineering, mathematics, and foreign language instruction offered in United States elementary schools and secondary schools are necessary.

(2) For the past 3 decades, about one-third of the baccalaureate degrees awarded in the United States have been granted in science and engineering, compared to 59 percent in China and 66 percent in Japan.

(3) The United States is behind its European counterparts in foreign language skills, in that one-half of European citizens speak a second language while only 9 percent of Americans speak another language.

(4) Elementary schools and secondary schools in the United States need more qualified teachers, equipment, and resources to improve education in mathematics, science, and foreign languages.

(5) The optimum time to begin learning a second language is in elementary school, when children have the ability to learn and excel in several foreign language acquisition skills, including pronunciation.

(6) Foreign language study can increase children's capacity for critical and creative thinking skills, and children who study a second language show greater cognitive development in areas such as mental flexibility, creativity, tolerance, and higher order thinking skills.

(7) All people of the United States should strive to have a global perspective. To understand the world around us, we must acquaint ourselves with the languages, cultures, and history of other nations.

(8) Federal agencies have reported shortfalls in language capability that is integral to, or directly supports, every discipline and is an essential factor in national security readiness, disaster response, law enforcement, information superiority, and coalition peacekeeping or warfighting missions.

(b) PURPOSE.—It is the purpose of this Act to ensure the national security and the competitiveness of the United States through increasing the quantity, diversity, and quality of the teaching and learning of subjects in the fields of science, technology, engineering, mathematics, and foreign language.

SEC. 3. SCHOLARSHIPS FOR SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, AND FOREIGN LANGUAGE EDUCATION.

(a) PURPOSE.—It is the purpose of this section to establish and implement a program to award scholarships to individuals who are citizens, nationals, or permanent legal residents of the United States or citizens of the Freely Associated States (as defined in section 103 of the Higher Education Act of 1965 (20 U.S.C. 1003)), to serve as incentives for students to obtain degrees in science, technology, engineering, mathematics, and foreign language.

(b) SCHOLARSHIPS FOR SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, AND FOREIGN LANGUAGE EDUCATION.—Part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) is amended by adding at the end the following:

''Subpart 9—Scholarships for Science, Technology, Engineering, Mathematics, and Foreign Language Education

''SEC. 420K. SCHOLARSHIPS FOR SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, AND FOREIGN LANGUAGE EDUCATION.

''(a) PURPOSE.—It is the purpose of this section to award scholarships to students to provide incentives for pursuing and obtaining a baccalaureate degree in science, technology, engineering, mathematics, or a critical foreign language.

''(b) DEFINITIONS.—In this section:

''(1) CRITICAL FOREIGN LANGUAGE.—The term 'critical foreign language' means any language identified as critical by the National Security Education Board and the Secretary.

''(2) SCIENCE.—The term 'science' means any of the natural and physical sciences, including chemistry, biology, physics, and computer science. Such term shall not include any of the social sciences.

''(c) PROGRAM AUTHORIZED.—From the amounts appropriated under subsection (g), the Secretary shall carry out a program to award scholarships in the amount of $5,000 each to individuals who meet each of the following requirements:

''(1) The individual agrees to obtain a baccalaureate degree in science, technology, engineering, mathematics, or a critical foreign language.

''(2) The individual is a student at an institution of higher education who is in good academic standing and is capable, in the opinion of the Secretary, of maintaining good standing in such course of study.

''(d) SELECTION OF RECIPIENTS.—The Secretary shall promulgate regulations to establish a formula for the selection of scholarship recipients under this section that—

''(1) ensures fairness and equality for applicants in the selection process, based on the amounts appropriated under subsection (g); and

''(2) awards not less than 50 percent of amounts available under this section for an academic year for scholarships to students who meet the requirements described in subsection (c) and are eligible for a Federal Pell Grant under subpart 1 for such year.

''(e) FAILURE TO COMPLETE DEGREE.—If, by the end of the 5-year period beginning when an individual receiving a scholarship under this section begins a program of study in accordance with the agreement described in subsection (c)(1), the individual does not obtain a baccalaureate degree in science, technology, engineering, mathematics, or a critical foreign language, the individual shall reimburse the Federal Government for the amount of the scholarship, including interest, at a rate and schedule to be determined by the Secretary pursuant to regulations.

''(f) REPORT TO CONGRESS.—

''(1) PROPOSED REGULATIONS.—Not later than 180 days after the date of enactment of the Homeland Security Education Act, the Secretary shall—

''(A) publish the proposed regulations that the Secretary determines are necessary to carry out this section; and

''(B) submit to the appropriate committees of Congress a report on how the Secretary plans—

''(i) to implement the program under this section; and

''(ii) to advertise such program to institutions of higher education and potential applicants.

''(2) FINAL REGULATIONS.—Not later than 180 days after the last day of the comment period for the proposed regulations under paragraph (1)(A), the Secretary shall promulgate the final regulations to carry out this section.

''(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $100,000,000 for fiscal year 2008, and such sums as may be necessary for each of the 5 succeeding fiscal years.''.

SEC. 4. FEDERAL GRANTS TO PUBLIC SCHOOLS.

(a) IN GENERAL.—Title V of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7201 et seq.) is amended by adding at the end the following:

''PART E—STRENGTHENING MATHEMATICS AND SCIENCE EDUCATION

''SEC. 5701. DEFINITIONS.

''In this part:

''(1) CONDITIONAL AGREEMENT.—The term 'conditional agreement' means an arrangement between representatives of the private sector and a local educational agency to provide certain services and funds to the local educational agency, such as—

''(A) the donation of computer hardware and software;

''(B) the donation of science laboratory equipment suitable for students in kindergarten through grade 12;

''(C) the establishment of internship and mentoring opportunities for students who participate in mathematics, science, and information technology programs under this part;

''(D) the donation of scholarship funds for use at institutions of higher education by eligible students who have participated in the mathematics, science, and information technology programs under this part; and

''(E) the donation of technology tools.

''(2) PRIVATE SECTOR.—The term 'private sector' includes corporations, institutions of higher education, State or local government agencies, membership organizations, and other similar entities involved in the mathematics and science fields.

''(3) SCIENCE.—The term 'science' means any of the natural and physical sciences, including chemistry, biology, physics, and computer science. The term does not include any of the social sciences.

''SEC. 5702. FEDERAL GRANTS TO PUBLIC SCHOOLS.

''(a) GRANT PROGRAM AUTHORIZED.—The Secretary shall establish a demonstration program under which the Secretary shall award grants to local educational agencies to enable such agencies to—

''(1) develop and implement programs that—

''(A) build or expand mathematics and science curricula;

''(B) provide—

''(i) a rich standards-based course of study in mathematics and science to students; and

''(ii) opportunities for students who excel in mathematics or science, particularly students who are members of traditionally underrepresented groups in the fields of mathematics or science, to be mentored by adults currently active in the appropriate field;

''(2) provide mentoring opportunities for students in the fields of mathematics and science;

''(3) upgrade existing laboratory facilities; or

''(4) purchase the equipment necessary to establish and maintain such programs.

''(b) APPLICATION.—

''(1) IN GENERAL.—A local educational agency desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary

may require by regulation, in accordance with paragraph (3).

''(2) CONTENTS.—The application described in paragraph (1) shall include—

''(A) a description of the proposed activities under the grant, consistent with the uses of funds described in subsection (a);

''(B) a description of how programs under the grant will involve innovative experience learning, such as laboratory experience;

''(C) a description of any mathematics and science mentoring component (which may take place at the school, at a workplace and paired with internships, or via the Internet), including—

''(i) the program model and goals;

''(ii) the anticipated number of students served;

''(iii) the criteria for selecting students for the mentoring component; and

''(iv) the mentoring best practices that will be followed;

''(D) a description of any applicable higher education scholarship program, including—

''(i) the criteria for student selection;

''(ii) the duration of the scholarships;

''(iii) the number of scholarships to be awarded each year; and

''(iv) the funding levels for the scholarships;

''(E) evidence of the private sector participation and support in cash or in kind, as required under subsection (c); and

''(F) an assurance that, upon receipt of a grant under this part, the local educational agency will—

''(i) execute a conditional agreement with a representative of the private sector; and

''(ii) enter into an agreement with the Secretary to comply with the requirements of this part.

''(3) REGULATIONS.—Not later than 180 days after the date of enactment of the Homeland Security Education Act, the Secretary shall issue and publish proposed regulations for this subsection. Not later than 180 days after the date on which the period for comment concerning the proposed regulations ends, the Secretary shall issue the final guidelines under this subsection.

''(c) PRIVATE SECTOR PARTICIPATION.—A local educational agency receiving a grant under this section shall enter into a conditional agreement with a representative of the private sector regarding the programs carried out under this section, including not less than 1 conditional agreement with a private sector entity that has agreed to recruit the entity's employees or members in the mathematics and science fields to serve as mentors to students.

''(d) AWARD BASIS.—

''(1) IN GENERAL.—The Secretary shall select a local educational agency to receive a grant under this section on the basis of merit, as determined after the Secretary has conducted a comprehensive review of the application.

''(2) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to a local educational agency that is a high need local educational agency (as such term is defined in section 201(b) of the Higher Education Act of 1965).

''SEC. 5703. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this part $75,000,000 for fiscal year 2008, and such sums as may be necessary for each of the 5 succeeding fiscal years.''.

(b) TABLE OF CONTENTS.—The table of contents in section 2 of the Elementary and Secondary Education Act of 1965 is amended by inserting after the item relating to section 5618 the following:

''PART E—STRENGTHENING MATHEMATICS AND SCIENCE EDUCATION

''Sec. 5701. Definitions.

''Sec. 5702. Federal grants to public schools.

''Sec. 5703. Authorization of appropriations.''.

SEC. 5. FROM THE LABORATORY TO THE CLASSROOM SCHOLARSHIPS.

(a) PURPOSE.—The purpose of this section is to increase the amount of elementary and secondary educators with a background and expertise in scientific or engineering subjects by awarding scholarships to practicing scientists and engineers to encourage them to return to school to become certified or licensed elementary and secondary teachers in those disciplines.

(b) DEFINITIONS.—In this section:

(1) ELIGIBLE INDIVIDUAL.—The term ''eligible individual'' means a person who—

(A) is a citizen, national, or permanent legal resident of the United States or a citizen of 1 of the Freely Associated States (as defined in section 103 of the Higher Education Act of 1965 (20 U.S.C. 1003));

(B) holds a baccalaureate or graduate degree in a scientific or engineering field from an institution of higher education; and

(C) has not less than 3 years of work experience in a scientific or engineering position.

(2) INSTITUTION OF HIGHER EDUCATION.—The term ''institution of higher education'' has the meaning given the term in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)).

(3) QUALIFIED EXPENSES.—The term ''qualified expenses'' means the tuition, books, fees, supplies, and equipment required for a course of instruction, at the institution of higher education the eligible individual chooses to attend, that leads to elementary or secondary teaching certification or licensure in any State, and other expenses for completing a teacher preparatory program or obtaining a teaching certificate or license.

(4) SCIENTIFIC OR ENGINEERING.—The term ''scientific or engineering'' means any discipline within the natural sciences, physical sciences, technology, mathematics, or engineering subject areas.

(5) STATE.—The term ''State'' means each of the several States of the United States and the District of Columbia.

(c) PROGRAM AUTHORIZED.—

(1) IN GENERAL.—From amounts appropriated under subsection (f), the Secretary of Education shall award scholarships to eligible individuals which shall be used to enable the individuals to pay for qualified expenses and attend an institution of higher education of the individual's choosing.

(2) DESIGNATION.—A scholarship awarded under this section shall be known as a ''From the Laboratory to the Classroom Scholarship''.

(d) AMOUNT; DURATION.—

(1) AMOUNT.—A scholarship awarded under this section shall be in an amount of not more than $15,000 per year.

(2) DURATION OF SCHOLARSHIP.—A scholarship awarded to an eligible individual under this section shall be for the period of time required for the individual to complete a course of study leading to elementary or secondary school teacher certification or licensure in a State or a territory of the United States, except that no scholarship shall exceed a period of 2 years.

(e) TERMS OF SCHOLARSHIP.—

(1) EMPLOYMENT AS TEACHER.—As a condition of receiving a scholarship under this section, an eligible individual shall agree to be employed full-time as an elementary or secondary education teacher in science, mathematics, or engineering at a high-need, low-income school, as determined by the Secretary, for a period of not less than 5 years after receiving the teacher certification or licensure.

(2) FAILURE TO TEACH.—If an individual who receives a scholarship under this section does not comply with paragraph (1), the individual shall reimburse the Federal Government for the amount of such scholarship, including interest, at a rate and schedule to be determined by the Secretary.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

(1) $300,000,000 for fiscal year 2008;

(2) $375,000,000 for fiscal year 2009;

(3) $450,000,000 for fiscal year 2010; and

(4) $600,000,000 for each of the fiscal years 2011 through 2014.

SEC. 6. ENCOURAGING EARLY FOREIGN LANGUAGE STUDIES.

(a) IN GENERAL.—Title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6601 et seq.) is amended by adding at the end the following:

''PART E—ENCOURAGING EARLY FOREIGN LANGUAGE STUDIES

''SEC. 2501. ENCOURAGING EARLY FOREIGN LANGUAGE STUDIES.

''(a) PURPOSE.—It is the purpose of this section to improve the performance of students in the study of foreign languages by encouraging States, institutions of higher education, elementary schools, and secondary schools to participate in programs that—

''(1) upgrade the status and stature of foreign language teaching by encouraging institutions of higher education to assume greater responsibility for improving foreign language teacher education through the establishment of a comprehensive, integrated system of recruiting and advising such teachers;

''(2) focus on the education of foreign language teachers as a career-long process that should continuously stimulate the teachers' intellectual growth and upgrade the teachers' knowledge and skills;

''(3) bring foreign language teachers in elementary schools and secondary schools together with linguists or higher education foreign language professionals to increase the subject matter knowledge and improve the teaching skills of teachers through the use of more sophisticated resources that institutions of higher education are better able to provide than the schools; and

''(4) develop more rigorous foreign language curricula that are aligned with—

''(A) professional accepted standards for elementary and secondary education instruction; and

''(B) the standards expected for postsecondary study in foreign language.

''(b) DEFINITIONS.—In this section:

''(1) CRITICAL FOREIGN LANGUAGES.—The term 'critical foreign languages' refers to any language identified as critical by the National Security Education Board and the Secretary.

''(2) ELIGIBLE PARTNERSHIP.—The term 'eligible partnership' means a partnership that—

''(A) shall include—

''(i) a foreign language department of an institution of higher education; and

''(ii) a local educational agency; and

''(B) may include—

''(i) another foreign language department, or a teacher training department, of an institution of higher education;

''(ii) another local educational agency, or an elementary school or secondary school;

''(iii) a business;

''(iv) a nonprofit organization, including a museum;

''(v) a heritage or community center for language study;

''(vi) a national language resource and training center authorized under part A of title VI of the Higher Education Act of 1965; or

''(vii) the State foreign language coordinator or State educational agency.

''(3) HIGH NEED LOCAL EDUCATIONAL AGENCY.—The term 'high need local educational agency' has the meaning given the term in section 201(b) of the Higher Education Act of 1965.

''(4) SUMMER WORKSHOP OR INSTITUTE.—The term 'summer workshop or institute' means a workshop or institute that—

''(A) is conducted for a period of not less than 2 weeks during the summer;

''(B) provides direct interaction between students and faculty; and

''(C) provides for followup training during the academic year that—

''(i) except as provided in clause (ii) or (iii), shall be conducted in the classroom for a period of not less than 3 days, which may or may not be consecutive;

''(ii) if the program described in subparagraph (A) is for a period of not more than 2 weeks, shall be conducted for a period of more than 3 days; and

''(iii) may be conducted through distance education.

''(c) GRANTS TO PARTNERSHIPS.—

''(1) IN GENERAL.—The Secretary is authorized to award grants, on a competitive basis, to eligible partnerships to enable the eligible partnerships to pay the Federal share of the costs of carrying out the authorized activities described in this section.

''(2) DURATION.—A grant awarded under this section shall be for a period of 5 years.

''(3) FEDERAL SHARE.—The Federal share of the costs of the activities described in this section shall be—

''(A) 75 percent of the costs for the first year of a grant under this section;

''(B) 65 percent of such costs for the second such year; and

''(C) 50 percent of such costs for each of the third, fourth, and fifth such years.

''(4) NON-FEDERAL SHARE.—The non-Federal share of the costs of carrying out the authorized activities described in this section may be provided in cash or in kind, fairly evaluated.

''(5) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to eligible partnerships—

''(A) that include high need local educational agencies; or

''(B) that emphasize the teaching of the critical foreign languages.

''(d) APPLICATIONS.—

''(1) IN GENERAL.—Each eligible partnership desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require.

''(2) CONTENTS.—An application submitted under paragraph (1) shall include—

''(A) an assessment of the teacher quality and professional development needs of all the schools and educational agencies participating in the eligible partnership with respect to the teaching and learning of foreign languages;

''(B) a description of how the activities to be carried out by the eligible partnership will be based on a review of relevant research, and an explanation of why the activities are expected to improve student performance and to strengthen the quality of foreign language instruction; and

''(C) a description of—

''(i) how the eligible partnership will carry out the authorized activities described in subsection (e); and

''(ii) the eligible partnership's evaluation and accountability plan in accordance with subsection (f).

''(e) AUTHORIZED ACTIVITIES.—An eligible partnership that receives a grant under this section may use the grant funds to carry out activities such as—

''(1) creating opportunities for enhanced and ongoing professional development that improves the subject matter knowledge of foreign language teachers;

''(2) recruiting students from 4-year institutions of higher education with foreign language majors for teaching;

''(3) promoting strong teaching skills for foreign language teachers and teacher educators;

''(4) establishing foreign language summer workshops or institutes (including followup training) for teachers;

''(5) establishing distance learning programs for foreign language teachers;

''(6) designing programs to prepare a teacher at a school to provide professional development to other teachers at the school and to assist novice teachers at the school, including (if applicable) a mechanism to integrate experiences from a summer workshop or institute; and

''(7) developing instruction materials.

''(f) EVALUATION AND ACCOUNTABILITY PLAN.—Each eligible partnership receiving a grant under this section shall develop an evaluation and accountability plan for activities assisted under this section that includes strong performance objectives and measures for—

''(1) increased participation by students in advanced courses in foreign language;

''(2) increased percentages of secondary school classes in foreign language taught by teachers with academic majors in foreign language; and

''(3) increased numbers of foreign language teachers who participate in content-based professional development activities.

''(g) REPORT.—Each eligible partnership receiving a grant under this section shall annually report to the Secretary regarding the eligible partnership's progress in meeting the performance objectives described in subsection (f).

''(h) TERMINATION.—If the Secretary determines that an eligible partnership is not making substantial progress in meeting the performance objectives described in subsection (f) by the end of the third year of a grant under this section, the Secretary shall not make grant payments to the eligible partnership for the fourth and fifth years of the grant.

''(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $50,000,000 for fiscal year 2008, and such sums as may be necessary for each succeeding fiscal year.''.

(b) TABLE OF CONTENTS.—The table of contents in section 2 of the Elementary and Secondary Education Act of 1965 is amended by inserting after the item relating to section 2441 the following:

''PART E—ENCOURAGING EARLY FOREIGN LANGUAGE STUDIES

''Sec. 2501. Encouraging early foreign language studies.''.

SEC. 7. SCIENCE, ENGINEERING, TECHNOLOGY, AND ADVANCED FOREIGN LANGUAGE EDUCATION GRANT PROGRAM.

(a) PURPOSE.—It is the purpose of this section to support programs in institutions of higher education that encourage students—

(1) to develop an understanding of science, technology, and engineering;

(2) to develop foreign language proficiency; and

(3) to foster future international scientific collaboration.

(b) DEVELOPMENT.—The Secretary of Education shall develop and carry out a program to award grants to institutions of higher education that develop innovative programs for the teaching of foreign languages.

(c) REGULATIONS AND REQUIREMENTS.—The Secretary of Education shall promulgate regulations for the awarding of grants under subsection (b).

(d) APPLICATION.—An institution of higher education desiring a grant under this section shall submit an application to the Secretary of Education at such time, in such manner, and containing such information as the Secretary shall require.

(e) USE OF FUNDS.—An institution of higher education receiving a grant under this section shall use grant funds for, among other things—

(1) the development of an on-campus cultural awareness program by which students attend classes taught in the foreign language and study the science, technology, or engineering developments and practices in a non-English-speaking country;

(2) immersion programs where students study science, technology, or engineering related coursework in a non-English-speaking country; and

(3) other programs, such as summer workshops, that emphasize the intense study of a foreign language and science, technology, or engineering.

(f) GRANT DISTRIBUTION.—In awarding grants to institutions of higher education under this section, the Secretary of Education shall give priority to—

(1) institutions that have programs focusing on a curriculum that combines the study of foreign languages and the study of science and technology and produces graduates who have both skills; and

(2) institutions teaching the languages identified as critical by the National Security Education Board and the Secretary of Education.

(g) DEFINITIONS.—In this section:

(1) INSTITUTION OF HIGHER EDUCATION.—The term ''institution of higher education'' has the meaning given such term in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001).

(2) SCIENCE.—The term ''science'' means any of the natural and physical sciences, including chemistry, biology, physics, and computer science. Such term does not include any of the social sciences.

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $15,000,000 for fiscal year 2008, and such sums as may be necessary for each succeeding fiscal year.

SEC. 8. NATIONAL SECURITY EDUCATION PROGRAM SERVICE AGREEMENT.

Section 802(b)(2) of the David L. Boren National Security Education Act of 1991 (50 U.S.C. 1902(b)(2)) is amended to read as follows:

''(2) will—

''(A) in the case of a recipient of a scholarship, not later than 3 years after the date of the recipient's completion of the study for which scholarship assistance was provided under the program, work—

''(i) for not less than 1 year in a position in the Department of Defense, the Department of Homeland Security, the Department of State, or any element of the intelligence community that is certified by the Secretary as contributing to national security;

''(ii) if such recipient demonstrates to the Secretary of Defense that no position described in clause (i) is available, for not less than 1 year in a position in another department or agency of the Federal Government that is certified by the Secretary as contributing to national security; or

''(iii) if such recipient demonstrates to the Secretary of Defense that no position described in clause (i) or (ii) is available, for not less than 1 academic year in a position in the field of education in a discipline related to the studies supported under this section; or

''(B) in the case of a recipient of a fellowship, not later than 2 years after the date of the recipient's completion of the study for which the fellowship assistance was provided under the program, work—

''(i) for not less than 1 year in a position in the Department of Defense, the Department of Homeland Security, the Department of State, or any element of the intelligence community that is certified by the Secretary as contributing to national security;

''(ii) if such recipient demonstrates to the Secretary of Defense that no position described in clause (i) is available, for not less than 1 year in a position in another department or agency of the Federal Government that is certified by the Secretary as contributing to national security; or

''(iii) if such recipient demonstrates to the Secretary of Defense that no position described in clause (i) or (ii) is available, for not less than 1 academic year in a position in the field of education in a discipline related to the studies supported under this section.''.

SEC. 9. CRITICAL FOREIGN LANGUAGE EDUCATION PROGRAM.

(a) GRANTS AUTHORIZED.—From amounts appropriated under subsection (f), the Secretary of Education shall award grants to institutions of higher education to pay the Federal share of programs established by the institutions, in collaboration with elementary schools and secondary schools, for language learning pathways that train students from kindergarten through graduate education to be proficient in the critical foreign languages.

(b) APPLICATION REQUIREMENTS.—An institution of higher education desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary of Education shall require. In the application, the institution of higher education shall—

(1) demonstrate the ability of the institution to collaborate effectively with elementary schools and secondary schools to ensure that students who successfully achieve an advanced proficiency level in a critical foreign language at such schools will continue studying a foreign language at an institution of higher education and achieve a superior proficiency level while enrolled in an academic degree program;

(2) demonstrate that the program designed by the institution under this section can be replicated for use by other institutions of higher education and elementary schools and secondary schools in the United States; and

(3) agree to provide the non-Federal share of the costs of the program under this section.

(c) FEDERAL SHARE; NON-FEDERAL SHARE.—The Federal share of the costs of the program under this section shall be not more than 90 percent of such costs. The non-Federal share shall be not less than 10 percent of such costs, and may be provided in cash or in kind, fairly evaluated.

(d) PROGRAM.—A program assisted under this section may include—

(1) study or work abroad opportunities;

(2) experiential and community learning;

(3) distance learning;

(4) language learning for professional purposes, business, and other disciplines; and

(5) innovative opportunities for language learning through immersion, internships, and community service.

(e) DEFINITION OF CRITICAL FOREIGN LANGUAGE.—In this section, the term ''critical foreign language'' means any language identified as critical by the National Security Education Board and the Secretary of Education.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $50,000,000 for fiscal year 2008 and each succeeding fiscal year.

SEC. 10. WORLD LANGUAGE TEACHING SCHOLARSHIPS.

(a) PURPOSE.—The purpose of this section is to increase the number of elementary school and secondary school educators with foreign language proficiency by awarding scholarships to language proficient individuals to enable the individuals to become certified or licensed as foreign language teachers.

(b) DEFINITIONS.—In this section:

(1) ELIGIBLE INDIVIDUAL.—The term ''eligible individual'' means a person who—

(A) is a citizen, national, or permanent legal resident of the United States or is a citizen of 1 of the Freely Associated States (as defined in section 103 of the Higher Education Act of 1965 (20 U.S.C. 1003));

(B) holds at least a baccalaureate degree from an institution of higher education; and

(C) demonstrates written and verbal fluency in a critical foreign language.

(2) CRITICAL FOREIGN LANGUAGE.—The term ''critical foreign language'' means any language identified as critical by the National Security Education Board and the Secretary of Education.

(3) INSTITUTION OF HIGHER EDUCATION.—The term ''institution of higher education'' has the meaning given the term in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)).

(4) QUALIFIED EXPENSES.—The term ''qualified expenses'' means the tuition, books, fees, supplies, and equipment required for a course of instruction, at the institution of higher education the eligible individual chooses to attend, that leads to elementary or secondary teaching certification or licensure in any State, and other expenses for completing a teacher preparatory program or obtaining a teaching certificate or license.

(5) STATE.—The term ''State'' means each of the several States of the United States and the District of Columbia.

(c) PROGRAM AUTHORIZED.—

(1) IN GENERAL.—From amounts appropriated under subsection (e), the Secretary of Education shall award scholarships to eligible individuals that shall be used to pay for the qualified expenses of a teacher certification or licensure program.

(2) DESIGNATION.—A scholarship under this section shall be known as a ''World Language Teaching Scholarship''.

(d) AMOUNT; DURATION; TERMS.—

(1) AMOUNT.—A scholarship awarded under this section shall be in an amount of not more than $15,000 per year.

(2) DURATION OF SCHOLARSHIP.—A scholarship awarded to an eligible individual under this section shall be for the number of years required to complete a course of study leading to elementary or secondary school teaching certification or licensure in a State or a territory of the United States, except that no scholarship shall exceed a period of 2 years.

(3) TERMS OF SCHOLARSHIP.—

(A) EMPLOYMENT AS A TEACHER.—As a condition of receiving a scholarship under this section, an eligible individual shall agree to be employed full-time as a foreign language elementary or secondary education teacher at a high-need, low-income school, as determined by the Secretary, for a period of not less than 5 years.

(B) FAILURE TO TEACH.—If an individual who receives a scholarship under this section does not comply with subparagraph (A), the individual shall reimburse the Federal Government for the amount of such scholarship, including interest, at a rate and schedule to be determined by the Secretary.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

(1) $300,000,000 for fiscal year 2008;

(2) $375,000,000 for fiscal year 2009;

(3) $450,000,000 for fiscal year 2010; and

(4) $600,000,000 for each of the fiscal years 2011 through 2013.

SEC. 11. PILOT PROGRAM FOR STUDENT LOAN REPAYMENT FOR FEDERAL EMPLOYEES WITH CRITICAL SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, AND FOREIGN LANGUAGE SKILLS.

(a) IN GENERAL.—Subchapter VII of chapter 53 of title 5, United States Code, is amended by inserting after section 5379 the following:

''§ 5379a. Pilot program for student loan repayment for Federal employees with critical science, technology, engineering, mathematics, and foreign language skills

''(a) In this section:

''(1) The term 'agency' means any agency that, based on the agency's human capital strategic plan, has a shortfall in the number of individuals possessing critical science, technology, engineering, mathematics, and foreign language skills.

''(2) The term 'human capital strategic plan' means an agency's strategic plan under section 306 of this title.

''(3) The term 'student loan' means—

''(A) a loan made, insured, or guaranteed under part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.);

''(B) a loan made under part D or E of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087a et seq., 1087aa et seq.); or

''(C) a health education assistance loan made or insured under part A of title VII of the Public Health Service Act (42 U.S.C. 292 et seq.) or under part E of title VIII of such Act (42 U.S.C. 297a et seq.).

''(b) The Director of the Office of Personnel Management shall establish and administer a program under which not less than 3 but not more than 5 agencies, for a period of 5 years, shall set aside an amount, as described in subsection (d), to fund a student loan repayment program under section 5379 of this title to repay (by direct payments on behalf of the employee) any student loan previously taken out by employees possessing science, technology, engineering, mathematics, or foreign language skills deemed critical to an agency under the agency's human capital strategic plan.

''(c) A program established under this section shall remain in effect for the 5-year period beginning on the date of enactment of the Homeland Security Education Act. Notwithstanding the previous sentence, such program shall continue to pay an employee recruited under this program who is in compliance with this section and section 5379 of this title the employee's benefits under this section through the commitment period in accordance with section 5379(c).

''(d) Each agency participating in this program shall set aside enough funds to repay the student loans of at least one-half of the number of employees needed with critical science, technology, engineering, mathematics, or foreign language skills, according to the agency's human capital strategic plan.

''(e)(1) Not later than 60 days after the date of enactment of the Homeland Security Education Act and after consultations with the heads of agencies, the Director of the Office of Personnel Management shall propose regulations for the pilot program.

''(2) Not later than 180 days after the date on which the comment period for proposed regulations under paragraph (1) ends, the Director of the Office of Personnel Management shall promulgate final regulations.

''(f)(1)(A) Not later than 180 days after the date of enactment of the Homeland Security

Education Act, the Director of the Office of Personnel Management shall report to the appropriate committees of Congress on the implementation of the program under this section.

''(B) As part of its annual report on the Federal Government's student loan repayment program under section 5379, the Director of the Office of Personnel Management shall report on the status of the program established under this section and the success of such program in recruiting and retaining employees possessing such skills, including an assessment as to whether the program should be expanded to other agencies or to individuals possessing other critical skills.

''(2) The head of each agency establishing a student loan repayment program under this section shall provide any necessary information to the Director of the Office of Personnel Management to enable the Director to carry out this subsection.

''(g) For the purpose of enabling the Federal Government to recruit and retain employees possessing critical science, technology, engineering, mathematics, and foreign language skills under this section, there are authorized to be appropriated such sums as may be necessary to carry out this section for each fiscal year.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 53 of title 5, United States Code, is amended by inserting after the item relating to section 5379 the following:

''Sec. 5379a. Pilot program for student loan repayment for Federal employees with critical science, technology, engineering, mathematics, and foreign language skills.''.

Mr. AKAKA. Mr. President, I rise today, along with my friends Senators DURBIN and COCHRAN, to reintroduce legislation that will provide students much needed educational opportunities in foreign languages and science, technology engineering and mathematics, STEM.

The future economic health and security of our Nation depends on programs such as those called for in our legislation. This country's national security depends upon having a workforce with the necessary science, technology, engineering, math, and foreign language skills to rapidly and efficiently adapt to the challenges of globalization. Yet, we are falling behind.

According to a study conducted by the Committee on Economic Development, the Federal Bureau of Investigation and other Federal Government agencies do not have a sufficient number of personnel trained in critical languages to translate intelligence information in a timely manner. Similarly, a GAO report issued August 4, 2006, GAO–06–894 noted that the State Department was still suffering from gaps in language proficiency which could adversely impact its ability to communicate with foreign audiences and execute critical duties.

We all know that we live in a global marketplace. The United States, which has the world's largest economy, is the engine for global economic growth. However, this also means that American workers must compete with others in the global market for skilled labor. The signs have long been clear that we are failing to develop the next generation of workers. As a recent study by the National Center for Public Policy and Higher Education observes, in the United States ''about one-quarter of 15-year-olds fall into the lowest proficiency level on assessments of skills and knowledge.'' The United States ranks 16th among 27 countries in the number of students who earn a college degree or certificate. We can delay no longer in taking the steps to train students to compete and thrive in a multilingual and technologically complex environment.

Our bill the Homeland Security Education Act, provides schools with the framework they need to prepare our Nation's youth for the future. Its enactment is a critical step in reenergizing and reinvigorating our education system to meet the needs of our Nation. It will increase students' proficiency in foreign languages and encourage them to become scientists and engineers.

The Homeland Security Education Act provides schools with the equipment and materials necessary to teach STEM and foreign language courses by encouraging public private partnerships to improve science and math curricular—upgrade laboratory facilities; provide scholarships for students to study math, science, or engineering at the university level; and Establish internship and mentoring opportunities for students in grades K–12; developing cultural awareness and immersion programs in colleges and universities that combine science, technology, and engineering instruction with foreign language to expand international understanding and scientific collaboration; and creating language learning pathways to facilitate proficiency in critical foreign languages from kindergarten through graduate school.

In addition, this act addresses the shortage of STEM and foreign language teachers. Our Nation needs mathematicians, scientists, and linguists in order to compete in a global mart. Accordingly, our bill awards scholarships in the amount of $15,000 to language proficient individuals and to practicing scientists and engineers to encourage them to become certified to teach these critical skills to students in high-need, low-income schools. The bill would also allow National Security Education Program scholarship and fellowship recipients to meet their service requirements by teaching in critical areas if they cannot find a national security position in the Federal service. In addition, a key provision awards grants to build professional development programs, summer workshops or institutes, and foreign language distance learning programs for elementary and secondary school teachers in order to facilitate partnerships between 12 schools and institutions of higher education.

Not only do we need to encourage individuals and professionals to become teachers in these critical need areas, we also need to encourage students to study languages, science, technology, engineering, and math by underscoring the importance of these subjects to our country's security and economic well-being. As Secretary of Education Margaret Spellings noted in January 2006, only 44 percent of this country's high school students are studying any foreign language, while learning a second or even a third language is compulsory for students in the European Union, China, Thailand, and many other nations. Only 32 percent of undergraduates in the United States receive their degrees in science and engineering compared to 59 percent in China and 66 percent in Japan. Our children deserve better opportunities to become math, science, and language proficient. The Homeland Security Education Act helps correct this growing skill gap between students in the United States and students across the globe by providing scholarships for students to earn their degrees in STEM or a foreign language.

Mr. President, education is the foundation of our Nation's long-term security. In order to fulfill our role as a world leader, this Nation needs Americans who are well educated and can communicate and compete in a global environment. The bill we are introducing today will help us meet this essential goal.

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

S. 1298. A bill to amend the Social Security Act to establish a Federal Reinsurance Program for Catastrophic Health Care Costs; to the Committee on Finance.

Mr. KERRY. Mr. President, States like my home state of Massachusetts are setting an example for the rest of the country by taking bold steps to provide quality health coverage for everyone. Now it is time for Washington to do the same by bringing meaningful, affordable healthcare to the uninsured, in Massachusetts and across America.

In Massachusetts there is still a major obstacle in the overall goal of universal coverage: cost. The fact is the problem of the uninsured can't be solved unless the issue of skyrocketing health costs to families and businesses is also tackled. And fully reforming the healthcare system will require that the Federal Government begin shouldering some of the burden to help alleviate costs.

Healthcare costs are highly concentrated in this country. The very few who suffer from catastrophic illness or injury drive costs up for everyone. One percent of patients account for 25 percent of healthcare costs, and 20 percent of patients account for 80 percent of costs. To make healthcare more affordable, we must find a better way to share the immense burden of insuring the chronically ill and seriously injured.

Part of the reason that businesses and health plans today fail to cover

their workers is an aversion to risk, a fear that they will be saddled with a sick employee whose high premiums will bankrupt them. And patients who are catastrophically ill or injured often face the tragic combination of failing health and financial peril. But there's a way to combat these costs.

Congress should make employers and healthcare plans an offer they can't refuse. It's called ''reinsurance.'' Reinsurance provides a backstop for the high costs of healthcare. The Federal Government will reimburse a percentage of the highest cost cases if employers agree to offer a substantive insurance benefit to all full time employees, including preventative care and health promotion benefits that are proven to make care affordable. This means lower costs and lower premiums for both employers and employees. If the Federal Government can help small and large businesses bear the burden of cost in the most expensive cases, we'll dramatically improve the health of everyone.

Today I am introducing the Healthy Businesses, Healthy Workers Reinsurance Act, a bill that will make Government a partner in helping businesses with the heavy financial burden of those catastrophic cases: those that use over $50,000 in a single year in healthcare costs. Healthy Businesses, Healthy Workers will protect business owners from skyrocketing premiums, and provide more working families affordable, quality healthcare. With reinsurance, health insurance premiums for all of us will go down, by up to 10 percent under this plan. This plan does have a cost associated with it, but the benefits will outweigh the costs. We spend hundreds of billions of dollars each year on inefficient and wasteful health expenditures. We need to make sure that these funds are being spent wisely to ensure that we can lower health care costs and improve coverage.

I believe that even in today's sharply divided Washington, this plan is feasible. There is a growing bipartisan consensus that the Federal Government has a responsibility to help the catastrophically ill. Consider the Medicare prescription drug program: Despite its flaws, the bill did cover 95 percent of the cost of prescription drugs once seniors passed through the disastrous ''doughnut hole'' in their coverage. The same approach has been used to protect the insurance market from going under in case of another catastrophic act of terrorism.

As we take the next steps toward alleviating our Nation's healthcare crisis, a commonsense partnership between employers, families, and the government to share the costs of the sickest among us will lay the groundwork for achieving our ultimate goal: healthcare coverage for every single American.

I ask for 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. 1298

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 ''Healthy Businesses, Healthy Workers Reinsurance Act of 2007''.

SEC. 2. FINDINGS.

Congress finds the following:

(1) The cost of health insurance premiums for families has risen 87 percent since 2000, nearly 4 times the growth in overall inflation and workers earnings.

(2) Health insurance premium increases have resulted in a nearly 10 percentage point drop in the number of firms choosing to offer coverage to their workers over that time period.

(3) Today, just 48 percent of firms with between 3 and 9 employees offer health insurance benefits, down from 58 percent in 2001.

(4) The decline in employer-sponsored coverage has added to the growing problem of the uninsured. An additional 4 million Americans have been added to the ranks of the uninsured since 2001.

(5) Health care costs are highly concentrated. Twenty percent of the population that is catastrophically or chronically ill accounts for 80 percent of the health care spending, with just 1 percent driving a full 22 percent of health care costs.

SEC. 3. FEDERAL REINSURANCE PROGRAM FOR CATASTROPHIC HEALTH CARE COSTS.

(a) PROGRAM.—The Social Security Act (42 U.S.C. 301 et seq.) is amended by adding at the end the following new title:

''TITLE XXII—FEDERAL REINSURANCE PROGRAM FOR CATASTROPHIC HEALTH CARE COSTS

''SEC. 2201. OFFICE OF FEDERAL REINSURANCE.

''(a) IN GENERAL.—There is established within the Department of Health and Human Services an office to be known as the 'Office of Federal Reinsurance'.

''(b) DUTY.—The Office of Federal Reinsurance shall establish and administer the Federal Reinsurance Program for Catastrophic Health Care Costs in accordance with the provisions of this title.

''SEC. 2202. PROGRAM.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—The Office shall establish and administer a Federal Reinsurance Program for Catastrophic Health Care Costs under which reinsurance payments are provided to eligible health plans that experience catastrophic health care costs during a year with respect to an individual covered under the plan. For purposes of this title, the term 'individual covered under the plan' includes employees, retirees, spouses, and dependants.

''(2) PROGRAM TO BEGIN IN 2009.—The Office shall establish the Program in a manner so that reinsurance payments are made with respect to catastrophic health care costs occurring on or after January 1, 2009.

''(3) ELIGIBLE HEALTH PLAN.—

''(A) IN GENERAL.—In this title, the term 'eligible health plan' means any of the following:

''(i) A group health plan that meets the requirements described in subparagraph (B).

''(ii) A governmental plan (as defined in section 3(32) of the Employee Retirement Income Security Act of 1974) that meets the requirements described in subparagraph (B).

''(iii) A multiemployer plan (as defined in section 3(37) of the Employee Retirement Income Security Act of 1974) that meets the requirements described in subparagraph (B).

''(iv) A plan that offers coverage through health purchasing cooperatives in conjunction with a State health program that makes available health insurance coverage to the small group market and the individual market on the same terms and that meets the requirements described in subparagraph (B).

''(B) REQUIREMENTS.—The requirements described in this subparagraph are that—

''(i) the plan involved—

''(I) provides eligibility for health insurance coverage (after any waiting period (as defined in section 9801(b)(4))) to all full-time employees of the employer maintaining or contributing to the plan;

''(II) ensures that if there is a deductible under the plan, such deductible does not exceed $1,000 for an individual and $2,000 for a family;

''(III) ensures that the plan offers preventative benefits; and

''(IV) ensures that the plan employs effective high-cost case management tools (in accordance with the definition of disease management by the Disease Management Association of America) in order to reduce costs over time; and

''(ii) the employer maintaining or contributing to the plan involved pays at least 50 percent of the costs of health insurance coverage for each employee covered under the plan (regardless of whether the employee is a full-time or part-time employee).

''(C) COST-OF-LIVING ADJUSTMENT.—

''(i) IN GENERAL.—In the case of any calendar year after 2009. each dollar amount in subparagraph (B)(ii) shall be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) the cost-of-living adjustment determined under section 1(f)(3) of the Internal Revenue Code of 1986 for such calendar year determined by substituting 'calendar year 2008' for 'calendar year 1992' in subparagraph (B) thereof.

''(ii) DATE FOR DETERMINATION.—For purposes of clause (i), section 1(f)(4) of such Code shall be applied by substituting 'March 31' for 'August 31', and the Secretary of the Treasury shall publish the adjusted amounts under subparagraph (B)(ii) for the calendar year not later than June 1 of the preceding calendar year.

''(iii) ROUNDING.—If any increase under clause (i) is not a multiple of $50, such increase shall be rounded to the nearest multiple of $50.

''(D) EMPLOYER.—For purposes of this title, the term 'employer' includes the Federal government and any other governmental entity (within the meaning of section 5000(d) of Internal Revenue Code of 1986).

''(b) ENROLLMENT.—

''(1) PROCEDURES.—The Office shall establish procedures for the enrollment of eligible health plans in the Program.

''(2) APPLICATION AND ANNUAL RECERTIFICATION.—

''(A) IN GENERAL.—The procedures established under paragraph (1) shall include a process for an eligible health plan—

''(i) to submit an application to the Office for enrollment in the Program; and

''(ii) to be annually recertified for enrollment in the Program.

''(B) REQUIREMENT.—The application and recertification process under subparagraph (A) shall require that an eligible health plan submit to the Office—

''(i) a detailed description of the projected and actual reduction in total costs under the plan that are a result of the Program, including both individual and employer portions; and

''(ii) such other information determined appropriate by the Office.

''(3) APPROVAL.—

''(A) IN GENERAL.—The procedures established under paragraph (1) shall provide for the approval or disapproval of applications and requests for recertification submitted by eligible health plans under paragraph (2).

''(B) SPECIFIC REQUIREMENT.—The Office shall not approve an application or a request for recertification unless the Office finds that the eligible health plan is reducing total costs under the plan, based on the information submitted under paragraph (2)(B) and audits conducted under paragraph (4).

''(4) AUDITS.—The Office shall conduct audits of claims data of eligible health plans in order to ensure that the eligible health plan is in compliance with the requirements under the Program, including the requirement under paragraph (3)(B). An eligible health plan shall not be eligible for reinsurance payments unless it provides the Office with access to such data.

''(c) COST-SHARING IN COSTS OF PROGRAM.—

''(1) IN GENERAL.—An eligible health plan that participates in the Program shall pay the fee established by the Office under paragraph (2).

''(2) AUTHORIZATION.—The Office is authorized to charge a fee to each eligible health plan that participates in the Program. Any amounts collected shall be deposited into the Trust Fund.

''(3) REQUIREMENTS.—In establishing the fee under paragraph (2)—

''(A) the Office shall consult with interested parties; and

''(B) shall ensure that the amount of such fee is not excessive so as to unduly discourage eligible health plans from enrolling in the Program.

''(d) APPEALS PROCESS.—The Office shall establish an appeals process under the Program.

''(e) PROCEDURES TO PROTECT AGAINST FRAUD, WASTE, AND ABUSE.—The Office shall establish procedures to protect against fraud, waste, and abuse under the Program.

''SEC. 2203. REINSURANCE PAYMENTS.

''(a) AMOUNT.—

''(1) IN GENERAL.—The amount of a reinsurance payment under the Program to an eligible health plan that experiences catastrophic health care costs in a year with respect to an individual covered under the plan shall be an amount equal to 75 percent of such costs.

''(2) CATASTROPHIC HEALTH CARE COSTS.—

''(A) IN GENERAL.—In this title, the term 'catastrophic health care costs' means, with respect to a year, costs for medical care (as defined in section 9832(d)(3) of the Internal Revenue Code of 1986) provided under an eligible health plan to an individual covered under the plan, but only with respect to such costs which exceed $50,000.

''(B) NEGOTIATED PRICES.—In determining the amount of catastrophic health care costs under the Program, the eligible health care plan shall take into account any negotiated price concessions, such as discounts, direct or indirect subsidies, rebates, and direct or indirect remunerations, obtained by the plan.

''(C) INFLATION ADJUSTMENT.—

''(i) IN GENERAL.—In the case of a calendar year after 2009, the $50,000 amount in subparagraph (A) shall be increased by an amount equal to—

''(I) such dollar amount; multiplied by

''(II) the percentage (if any) by which the average of the medical care component of the Consumer Price Index for all urban consumers (United States city average) for the 12-month period ending with August of the preceding calendar year exceeds such average for the 12-month period ending with August 2008.

''(ii) ROUNDING.—If any dollar amount after being increased under clause (i) is not a multiple of $1,000, such dollar amount shall be rounded to the nearest multiple of $1,000.

''(b) REQUESTS FOR PAYMENT.—To be eligible for a reinsurance payment with respect to an individual for a year, an eligible health plan shall submit to the Office, at a time and in a manner determined appropriate by the Office, a request for payment that contains—

''(1) a certification—

''(A) that the plan paid or incurred catastrophic health care costs during the year with respect to the individual; and

''(B) of the amount of such costs; and

''(2) such other information determined appropriate by the Office.

''(c) PAYMENTS FROM TRUST FUND.—

''(1) IN GENERAL.—Payments to eligible health plans under the Program shall be made from the Trust Fund.

''(2) TAX TREATMENT.—For purposes of the Internal Revenue Code of 1986—

''(A) payments from the Trust Fund to the eligible health plan shall not be included in gross income; and

''(B) no deduction shall be allowed to the eligible health plan with respect to the payment of any catastrophic health care costs for the portion of such costs which was reimbursed from the Trust Fund.

''SEC. 2204. FEDERAL REINSURANCE FOR CATASTROPHIC HEALTH CARE COSTS TRUST FUND.

''(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Federal Reinsurance for Catastrophic Health Care Costs Trust Fund', consisting of such amounts as may be appropriated or credited to the Trust Fund (including any fees deposited under section 2202(c)).

''(b) MANDATORY APPROPRIATIONS.—There are appropriated to the Trust Fund such sums as may be necessary in order to make the reinsurance payments required under section 2203.

''(c) RULES REGARDING TRANSFERS TO AND MANAGEMENT OF TRUST FUND.—For purposes of this section, rules similar to the rules of sections 9601 and 9602 of the Internal Revenue Code of 1986 shall apply.

''(d) DISTRIBUTION OF AMOUNTS IN TRUST FUND.—Amounts in the Trust Fund shall be available for making payments under section 2203.

''SEC. 2205. REPORTS.

''(a) SECRETARY.—

''(1) IN GENERAL.—Not later than March 1, 2011, and biennially thereafter, the Secretary shall submit to Congress a report on the Program.

''(2) REQUIREMENTS.—

''(A) IN GENERAL.—Each report submitted under paragraph (1) shall contain—

''(i) a detailed description of the Program, including a detailed description of the impact the Program has had on reducing premiums for health insurance coverage and increasing the number of individuals with health insurance coverage; and

''(ii) any other information or recommendations determined appropriate by the Secretary.

''(B) INDIVIDUAL MARKET.—The first report submitted under paragraph (1) shall also contain recommendations regarding expanding the Program to the individual market.

''(C) CONSULTATION.—The Secretary shall consult with the National Association of Insurance Commissioners in preparing each report under paragraph (1).

''(b) GAO.—

''(1) IN GENERAL.—Not later than March 1, 2011, and biennially thereafter, the Comptroller General of the United States shall submit to Congress and the Secretary a report on the Program.

''(2) REQUIREMENTS.—

''(A) IN GENERAL.—Each report submitted under paragraph (1) shall contain—

''(i) a detailed description of the Program, including a detailed description of the impact the Program has had on reducing premiums for health insurance coverage and increasing the number of individuals with health insurance coverage; and

''(ii) any other information or recommendations determined appropriate by the Comptroller General.

''(B) INDIVIDUAL MARKET.—The first report submitted under paragraph (1) shall also contain recommendations regarding expanding the Program to the individual market.

''SEC. 2206. DEFINITIONS.

''In this title:

''(1) GROUP HEALTH PLAN.—The term 'group health plan' has the meaning given such term by section 5000(b)(1) of the Internal Revenue Code of 1986.

''(2) INDIVIDUAL MARKET; SMALL GROUP MARKET.—The terms 'individual market' and 'small group market' have the meanings given such terms by section 2791 of the Public Health Service Act.

''(3) OFFICE.—The term 'Office' means the Office of Federal Reinsurance established under section 2201.

''(4) PROGRAM.—The term 'Program' means the Federal Reinsurance Program for Catastrophic Health Care Costs under this title.

''(5) TRUST FUND.—The term 'Trust Fund' means the Federal Reinsurance for Catastrophic Health Care Costs Trust Fund established under section 2204.''.

(b) FUNDING START-UP ADMINISTRATIVE COSTS FOR PROGRAM.—

(1) IN GENERAL.—There are appropriated to the Secretary of Health and Human Services $200,000,000 to carry out the provisions of, and amendments made by, this Act.

(2) AVAILABILITY.—Amounts appropriated under paragraph (1) shall remain available until September 30, 2009.

Mr. REED. Mr. President, I join my colleague, Senator KERRY, in introducing the Reinsure America's Businesses Act of 2007. This legislation represents a critical step forward in bringing affordable health care to the uninsured and lowering the ever increasing costs of health care for families and businesses.

The bill that we are introducing today proposes that the Federal Government assume responsibility for the most burdensome risk for employers, and in doing so helps to provide greater access to lower priced health care. Under our legislation, the Federal Government will reimburse employers for a significant portion of the costs of their most ill employees—75 percent of medical bills in excess of $50,000. In exchange, employers agree to offer all of their workers preventative care and quality coverage.

At the heart of this bill lies the fact that 1 percent of patients account for 25 percent of health care costs, and 20 percent of the population that is catastrophically ill accounts for 80 percent of the costs. Planning for the unfortunate chance that one falls into one of these categories is precisely why individuals have health insurance. Yet it is also the primary reason why many employers, particularly small businesses where one critically ill individual can have a tremendous influence on the

overall cost, do not offer their employees health insurance. Through reinsurance, the Federal Government has an opportunity to absorb a large portion of this risk and encourage more affordable and meaningful employer sponsored health coverage. This legislation also eases the burden on health insurance companies by making rate determinations more predictable.

Federal reinsurance is an efficient use of Federal dollars because it spreads the burden across employers, the Federal Government, and employees, thereby lowering costs and increasing access to quality health care. Reinsurance reduces health insurance premiums for everyone; some estimates suggest as much as 10 percent. Actions to decrease the cost of health care and improve access to care are crucial if we are to combat ever-rising health care costs in this country. In Rhode Island, from 2000 to 2006, premiums increased 75 percent while median earnings went up only 23 percent. Uninsured rates have also grown in Rhode Island with more than 13 percent of residents under age 65 with no health insurance, up from 8.1 percent in 1999. Rhode Island is not unique; the entire country bears the burden of high health care costs and increasingly declining access. This legislation lays the groundwork for achieving our goal of making health care more affordable and more accessible to every American.

I am pleased to join with my colleague in introducing this important initiative and hope the Senate will give it prompt consideration.

By Mr. KENNEDY (for himself and Mr. KERRY):

S. 1302. A bill to amend title V of the Elementary and Secondary Education Act of 1965 to encourage and support parent, family, and community involvement in schools, to provide needed integrated services and comprehensive supports to children, and to ensure that schools are centers of communities, for the ultimate goal of assisting students to stay in school, become successful learners, and improve academic achievement; to the Committee on Health, Education, Labor, and Pensions.

Mr. KENNEDY. Mr. President, I am pleased today to introduce the Keeping Parents and Communities Engaged or Keeping PACE Act, to foster greater involvement of parents in their children's education, engage community partners in supporting the comprehensive learning needs of students in school, as well as to address our Nation's high dropout rate.

It is clear that engaged parents can make a positive difference in students' achievement. Parents are their children's first teachers, and they have immense influence over their children's attitudes, focus, priorities and goals. Well-informed parents are more likely to be involved, to ask questions, to suggest constructive changes and to make a difference in their child's education. They deserve to know what their children are learning and being tested on, what their children's grades and assessment scores mean, and how assessment data may be used for improvement. Informed and engaged parents can help turn around struggling schools.

We crafted the No Child Left Behind Act to recognize parents as full partners in their children's education. The Act includes essential requirements to develop parent involvement policies and programs, develop and release school report cards, and to establish a team of parents and community representatives to construct a plan to improve schools if they are identified as struggling. We should build on these important reforms. But in the upcoming reauthorization of the law, we must also explore new and innovative strategies to engage parents and communities in helping kids succeed in school.

Better coordination among parents, schools, and the community can also help create a network that enables and empowers students to take advantage of every opportunity to learn. That's particularly important for students needing the greatest help and attention in their learning and those who need more challenging schoolwork to keep them engaged and progressing, as well as students at risk of dropping out of school. Today, more than one million students who enter the ninth grade fail to receive a high school diploma 4 years later and approximately 7,000 students drop out of school every day. We've made great advances in recent years to improve the education of every student, but it remains clear that more must be done to respond to this challenge.

We must support and strengthen our elementary and secondary schools and do more to attend to the learning and nonacademic needs of our most at-risk students, which make such a difference in how well they master their subjects. That means support for community programs to meet children's social, intellectual, emotional, and physical needs. It means making parent involvement a top priority, and offering support to schools to involve parents and families more effectively in their children's education, including postsecondary education planning.

The Keeping PACE Act will address these fundamental issues. This bill amends the Elementary and Secondary Education Act of 1965 to encourage and support parent, family, and community involvement in schools, to provide needed supports and services to children, and to ensure that schools are centers of communities.

Educators recognize, on the basis of abundant research and common experience, that parental involvement is a critical element in children's academic and social development. Unfortunately, as noted in a recent report by Appleseed, too often, schools and districts continue to face challenges that impede efforts to effectively advance parental involvement. My bill enables States to award grants to local education agencies to assist schools in hiring and maintaining Parent and Community Outreach Coordinators. These coordinators will build critical partnerships among families, schools, and the community. They'll work with school principals, teachers, and staff to encourage parents to become more involved in their child's education and give them the tools necessary to become successful advocates for their children.

Last year, a Massachusetts pilot initiative placed 17 full-time Family and Community Outreach Coordinators in Boston Public Schools. The Coordinators were responsible for supporting families, teachers, and the community in a common effort to help students excel academically and socially.

Their efforts have worked. The Family and Community Outreach Coordinator at the Condon School in Boston, Massachusetts, has offered workshops for parents on middle school transition and math curriculum; coordinated parent participation on the School Climate Committee, an anti-bullying initiative at the school; helped teachers and parents make connections for parent-teacher conferences; and brought in over 200 parents to participate in the fall open house, where some teachers reported having contact with over 80 percent of their students' families. The Coordinator has also leveraged donations to the school through the generosity of local businesses.

The success of the coordinators led the Boston School Committee to approve its budget for the next school year with the addition of 14 more full-time Family and Community Outreach Coordinators. All together this means that almost 22 percent of Boston Public Schools will have a coordinator by September 2007–2008.

The director of the Harvard Family Research Project notes that many years of research confirm that ''now is the time . . . for action. The question we must ask is, in addition to quality schools, what non-school learning resources should we invest in and scale up to improve educational outcomes, narrow achievement gaps, and equip our children with the knowledge and skills needed to succeed in the complex and global 21st century.''

The bill answers that question and responds directly to these needs by creating new grants for community-based organizations to work in partnership with schools to bring essential comprehensive and integrated services to children in need. These support services may include health care, counseling, social services, enrichment, mentorship, and tutoring, services that can often spell the difference between a dropout and a graduate.

Rather than giving teachers, counselors, and principals more to do as they address the non-classroom needs

of students, every school should have a resource they can turn to for help with identifying student needs and leveraging community services to help all students succeed. We know that comprehensive, integrated supportive services increase graduation rates and improve student achievement. In one national report: 82 percent of tracked students improved their attendance in school; 86 percent of tracked students had fewer behavior incidents; 89 percent of tracked students had fewer suspensions. In addition, 98 percent of tracked students stayed in school and 85 percent of eligible seniors graduated. Students who are identified as needing these services, but do not receive them are more likely to drop out of school.

The Lucy Stone School in Boston, Massachusetts, demonstrates the effectiveness of student supports on learning. The once failing school took action and focused on improving core learning skills, a broad array of enrichment activities and health and social supports. Lucy Stone is making strong progress. Students in Grades 3 and 4 are passing the literacy MCAS at rates well above the Boston Public School average percentages, and are approaching State averages. Grade 4 math MCAS passing rates are approaching Boston and State averages as well.

In other communities, diverse community partners have played an important role in providing accelerated learning and mentoring opportunities that have made all the difference for students.

For example, a comprehensive evaluation of nine schools in New England found that classroom participation in community service outdoor learning projects increased student engagement and retention of science knowledge. And the ''Being Enthusiastic about Math and Science'' (BEAMS) enrichment program at the Jefferson National Lab in Virginia, which serves 1,800 inner-city students and their teachers, has resulted in increased achievement and attendance rates, and a better understanding of academic subjects, careers and applications among participating students.

The National Commission on Service Learning found that mentorships and internships with caring adults in a workplace resulted in higher grade point averages and better attendance than for students who spend less time with adult mentors.

There is one particular organization that has a demonstrated track record in helping leverage the integrated services and supports that students need to succeed in school. Communities in Schools (CIS) is the Nation's largest dropout prevention organization, and has a nearly 30-year track record of helping connect students, families and schools with supportive services to help them graduate and prepare for life. With affiliates operating in 27 States and the District of Columbia, Communities in Schools helps about 2 million students every year.

Community involvement means real help for children in need, and the evidence shows. For instance:

In Georgia, CIS currently supports graduation coaches directly serving approximately 37,000 high school students who are at risk of dropping out.

In the wake of Hurricane Katrina, CIS stepped in to provide morning classes and afternoon activities for students whose parents had lost their social support systems after they were forced to relocate to Houston, Texas.

There are also countless individual stories of community-based integrated services making a difference. In Texas, CIS helped 14-year-old Yeana Carbajal, who was born with cerebral palsy, to obtain proper medical attention and social services, enabling her to return to school after hip surgery when her doctors had told her that would be impossible. Yeana is now back in school and thriving academically and socially.

Another student, who at 14 became the primary caregiver of a mother who eventually died with AIDS, overcame homelessness and became the first in her family to graduate high school. A turning point for her came when she participated in a career exploration program coordinated through the community-based program office at her school. She discovered her special talents in the culinary arts, and is now an honor student at Johnson and Wales University.

Finally, a growing body of educational research suggests that student achievement improves in environments where learning is a community value, and where schools have the ability to address a broad range of educational needs. Many school districts have gone even further to respond to this research, by establishing full-service community schools that directly involve parents, families, and the entire community in education.

The Keeping PACE Act also responds to this research by providing new avenues to establish and support full-service community schools. These efforts have wide-ranging positive impacts, including ''better family functioning and parental involvement, healthy youth development and improved social behavior, improved academic achievement and learning outcomes, and enhanced community life.'' Two prominent researchers in the field further note, ''In community schools . . . schools are transformed into much more than just a portfolio of programs and services. They become a powerful agent for change in the lives of young people and their families and improve the climate of the entire school.''

This bill enables States to provide incentives to local education agencies that coordinate with mayors, community-based organizations, for-profit organizations and other community partners to re-design and modernize their current school plans and facilities to better link students with community resources. School districts across the country are beginning to recognize the benefits of planning a school not only as an academic center for students, but also as a neighborhood center that serves the entire community. Designing schools from the onset to leverage integrated services to students helps meet multiple local needs such as educational, health, social service, and recreational needs.

It's time for America to make a real commitment, and give real opportunity and real fairness to address the comprehensive learning needs of children and families, guarantee a place for parents and families in schools, and provide real hope to our students most at-risk of dropping out. Engaging parents and communities in the success of students enrolled in our public schools is critical to the future and prosperity of our entire Nation.

This bill is supported by 15 organizations representing education communities. I ask unanimous consent that their letters of support be printed in the RECORD.

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

COMMUNITIES IN SCHOOLS,
Alexandria, VA, April 16, 2007.

DEAR SENATOR KENNEDY: On behalf of Communities In Schools—our national offices and our network of local affiliates in 27 states and District of Columbia—I would like to congratulate you on the introduction of the Keeping Parents and Communities Engaged (Keeping PACE) Act. For 30 years Communities In Schools has been working to connect existing community resources with schools to improve student achievement. This legislation provides much needed structure, funding, and support at the federal level for critical community engagement activities in our nation's public schools. The Keeping PACE Act's provisions are research-based, effective, and fiscally responsible. Communities In Schools strongly supports this legislation.

While much of the rhetoric in education is about the problems in the system, the Keeping PACE Act offers a real solution to help to lower the high school dropout rate and raise the achievement level of students in need. Too often, students at risk of dropping out or not achieving academically have the talent, intelligence, and potential to achieve, but they need assistance to address challenges that may block their way. The Keeping PACE Act's three components provide a strong foundation to help students—particularly those at risk of dropping out of school—with their challenges by supporting: grants to states to support parent and community outreach coordinators in schools; grants to community-based organizations to engage schools and provide integrated services; and grants to help make schools the centers of their communities.

Communities In Schools is particularly pleased that the Keeping PACE Act provides support for community-based organizations that provide integrated student services. Community-based, integrated student services are interventions that improve student achievement by connecting community resources—such as mentoring, service-learning, and afterschool programs—with both the academic and social service needs of students. Programs focus energy, resources, and time on shared school and student goals. The core strategy of community-based, integrated student services is to leverage existing community resources and effectively

link these resources with students in need in order to address whatever barriers the students may face. This leverages a greater return on federal, state, and local investments that are already being made in education. Without coordination, however, many students cannot benefit from these programs. The Keeping PACE Act supports funding for this critical coordination and effectively leverages current federal, state, and local investments in education.

Importantly, research and experience establish that the model supported by the Keeping PACE Act works in all types of schools across the country—urban, rural, and suburban. By supporting community-based, integrated student services and parental involvement, the Keeping PACE Act provides strong support for a very effective strategy to address our nation's dropout rate and the achievement gap in communities across the country.

Thank you again for your leadership the Keeping PACE Act. This very important bill will go along way toward supporting the services that young people need and will make a huge difference in lowering the dropout rate and closing the achievement gap.

Sincerely,

DANIEL J. CARDINALI,
President.

CENTER FOR AMERICAN
PROGRESS ACTION FUND,
Washington, DC, April 16, 2007.

Hon. EDWARD M. KENNEDY,
Chairman, Committee on Health, Education, Labor and Pensions, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR KENNEDY: This letter is written to express the support of the Center for American Progress Action Fund for your PACE Act of 2007. The PACE Act takes great strides towards facilitating community support for low-income schools, a crucial step towards closing the achievement gap and providing all American children with equal educational opportunity.

Schools, families, communities, and children themselves all play important roles in promoting student learning. Children are more likely to do their best when all these players work together to ensure that challenges students face outside the classroom are addressed, rather than remaining as ongoing barriers to student learning and achievement.

Community schools reshape the structure of traditional schools and recast their roles in the community by explicitly positioning schools, families and communities as vital partners in fostering the health, well-being and academic growth of children. These schools help address the out-of-school needs of students and their families so that young people can focus on learning when they are in the classroom, and also take advantage of nurturing opportunities outside of the classroom.

Providing supplemental support services to students and their families has been shown to lead to real improvements in their well-being. Researchers have documented that students in community schools demonstrate positive outcomes, including higher test scores, fewer disciplinary problems, improved attendance and graduation rates, and diminished incidence of self-destructive behaviors.

We are pleased that the report by the Renewing Our Schools, Securing Our Future National Task Force on Public Education, issued by our sister organization, the Center for American Progress, has influenced the drafting of this legislation, and that the PACE Act reflects the community schools recommendations in that report. It is our hope that Congress and the nation as a whole will embrace the ideas in this important piece of legislation.

Best Regards,

JOHN PODESTA,
President and CEO.

CITIZEN SCHOOLS,
Boston, MA, April 13, 2007.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, DC.

DEAR SENATOR KENNEDY: I am writing in support of the Keeping Parents and Communities Engaged (Keeping PACE) Act of 2007. The Keeping PACE Act proposes a promising set of initiatives to strengthen two areas that are key to student success: parental involvement and coordinated community support.

At Citizen Schools, we see the importance of parental engagement and integrated student support systems every day. Citizen Schools operates a national network of afterschool programs that advance student achievement and mobilize adult volunteers to teach hands-on apprenticeship courses. Our programs blend real-world learning projects with rigorous academic and leadership development activities, preparing students in the middle grades for success in high school, college, the workforce, and civic life. Citizen Schools currently serves 3,000 students and engages 2,400 volunteers in California, Massachusetts, New Jersey, North Carolina and Texas. In Massachusetts, our programs operate in Boston, Lowell, Malden, New Bedford, Worcester, and Springfield.

Citizen Schools works intensively with low-income students, most of whom are struggling academically. A rigorous independent evaluation has reported that Citizen Schools' students significantly outperformed a matched comparison group on key metrics of school success and advancement, including grades and standardized test scores. These achievements would not be possible without the engagement and support of students' families and communities.

Our program also brings together students and adult volunteers, and we have seen the rewards that both groups derive from this opportunity to interact. As such, Citizen Schools wholeheartedly supports efforts that reduce the barriers between schools and communities.

The Keeping PACE Act will produce positive outcomes for our neediest students by facilitating parent involvement and access to community resources. Thank you for your leadership on this important issue.

Sincerely,

ERIC SCHWARZ,
President and CEO.

NATIONAL ASSOCIATION
FOR GIFTED CHILDREN,
Washington, DC, April 11, 2007.

Hon. EDWARD M. KENNEDY,
Chairman, Senate Committee on Health, Education, Labor and Pensions, Dirksen Senate Office Building, Washington, DC.

DEAR CHAIRMAN KENNEDY: The National Association for Gifted Children (NAGC), the largest organization devoted to meeting the needs of the nation's more than three million gifted and talented students, is writing to express its support of the Keeping Parents and Communities Engaged (Keeping PACE) Act.

In high-poverty school districts, little attention is being paid to finding and supporting the children who meet the requirements of NCLB-mandated tests and are ready to move to higher levels of achievement. Many low-income promising students may be trapped in schools that do not acknowledge the presence of gifted children, do not offer appropriate level of intellectual stimulation, and do not provide the services necessary to encourage talent development. This failure to address the learning needs of high-ability children is a tragedy for the children, their families, communities, and the nation.

The Keeping PACE Act will be a catalyst for developing the partnerships necessary to support bright children from disadvantaged backgrounds. The Act establishes an integrated service strategy for students and their families in several key areas—including mentoring, tutoring, and enrichment—which go a long to supporting the intellectual appetites of students who are unchallenged in the classroom, who want to explore in-depth learning on their own, or who need safe haven from negative peer attitudes towards academic achievement. We also applaud the Act's focus on assisting students and parents in planning for post-secondary educational opportunities. Many of these bright children will be the first in their families to pursue post-secondary options and they will need assistance to make appropriate decisions and to understand the range of grant and other funding opportunities available to high-achieving students.

NAGC is invested in building alliances with other national organizations that serve low-income learners and has made a strong commitment to enhancing the competency of teachers who work with underserved populations of students. We look forward to working with you and your office in support of this legislation and to strengthen NCLB in other ways for gifted and talented students.

Sincerely,

NANCY GREEN,
Executive Director.

NATIONAL COLLABORATION
FOR YOUTH,
Washington, DC, March 26, 2007.

Hon. EDWARD M. KENNEDY,
Russell Senate Office Building,
Washington, DC.

DEAR CHAIRMAN KENNEDY: The National Collaboration for Youth is writing to express its support of the Keeping Parents and Communities Engaged (Keeping PACE) Act.

The National Collaboration for Youth membership comprises national youth-serving organizations that have a presence in almost every community in the United States. The signers of this letter include community-based organizations, and organizations that conduct research, evaluation, and provide technical assistance to communities and schools across the country. As advocates striving to improve the conditions of young people in America, we believe that student achievement is enhanced when parents, caregivers and communities are engaged in education.

Research and experience demonstrate that improving the interaction between school and community, and providing integrated services and supports for students and their families in such areas as healthcare, employment, mentoring, tutoring, enrichment and recreation, will help to serve the intellectual, social, emotional, and physical well-being of students. Access to these and other related non-academic needs pave the way for the successful education of a young person. By incorporating family and community engagement with schools, the Keeping PACE Act will strengthen the Elementary and Secondary Education Act, and will be an important tool in reducing the school dropout rate and closing the achievement gap.

We look forward to continuing to work with you and your office to strengthen the goals of this legislation, and move it towards enactment. Please do not hesitate to contact us if we can be of any assistance.

Thank you for your leadership and public service.

Sincerely,

America's Promise—The Alliance for Youth, Marguerite Kondracke, President and CEO.

Big Brothers Big Sisters of America, Judy Vredenburgh, President and CEO.

Camp Fire USA, Jill Pasewalk, National President and CEO.

Communities In Schools, Inc., Daniel Cardinali, President.

First Focus, Bruce Lesley, President.

Forum for Youth Investment, Karen J. Pittman, Executive Director.

GLSEN—The Gay Lesbian and Straight Education Network, Kevin Jennings, Executive Director.

Leadership & Renewal Outfitters, Janet R. Wakefield, CEO.

MENTOR/National Mentoring Partnership, Gail Manza, Executive Director.

National Collaboration for Youth, Irv Katz, President and CEO.

National Network For Youth, Victoria Wagner, President and CEO.

YMCA of the USA, Neil Nicoll, President and CEO.

FIRST FOCUS,
Alexandria, VA, March 23, 2007.

Hon. EDWARD KENNEDY,
Chairman, Senate Committee on Health, Education, Labor and Pensions, Dirksen Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: It is a pleasure to formally endorse the Keeping Parents and Communities Engaged Act. This important legislation recognizes the critical role played by families and communities in improving the academic success of our students. We applaud this bill and look forward to working with you toward its enactment.

First Focus believes, and research demonstrates, that we must meet the needs of students in and outside the classroom in order to bolster their success in school. A study commissioned by the America's Promise Alliance analyzed the impact of having five key resources in children's lives: caring adults, safe places, a healthy start, an effective education, and opportunities to help others. Students with four or five of these resources were twice as likely as their peers with zero or one resource to get As in school, 40 percent more likely to volunteer, and twice as likely to avoid violence. The Keeping PACE Act is crucial because it will help to connect young people to an array of services and supports, thereby increasing their access to these and other important resources.

The debate surrounding the reauthorization of the No Child Left Behind Act will appropriately center on issues surrounding accountability, teacher quality, national standards and other important topics. We thank you for raising the importance of parent and community engagement as well. Every child can succeed, but we must provide them with the tools to do so. By building stronger connections between parents, schools, and communities, the Keeping PACE Act will help the nation be stronger supporters of our students.

Chairman Kennedy, thank you for your leadership. We look forward to working with you.

Sincerely,

BRUCE LESLEY,
President.

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

S. 1304. A bill to amend the National Trails System Act to designate the Arizona National Scenic Trail; to the Committee on Energy and Natural Resources.

Mr. MCCAIN. Mr. President, I am pleased to be joined today by Senator KYL in introducing the Arizona Trail Feasibility National Scenic Trail Act. This bill would designate the Arizona Trail as a National Scenic Trail. A similar bill is being introduced in the House of Representatives by Congresswoman GIFFORDS.

The Arizona Trail is a beautifully diverse stretch of public lands, mountains, canyons, deserts, forests, historic sites, and communities. The Trail is approximately 807 miles long and begins at the Coronado National Memorial on the U.S.-Mexico border and ends in the Bureau of Land Management's Arizona Strip District on the Utah border near the Grand Canyon. In between these two points, the trail winds through some of the most rugged, spectacular scenery in the Western United States. The corridor for the Arizona Trail encompasses the wide range of ecological diversity in the State, and incorporates a host of existing trails into one continuous trail. In fact, the trail route is so topographically diverse that a person can hike from the Sonoran Desert to Alpine forests in 1 day.

For over a decade, more than 16 Federal, State, and local agencies, as well as community and business organizations, have partnered to create, develop, and manage the Arizona Trail. Through their combined efforts, these agencies and the members of the Arizona Trail Association have completed over 90 percent of the longest contiguous land-based trail in the State of Arizona. Designating the Arizona Trail as a National Scenic Trail would help streamline the management of the high-use trail to ensure that this pristine stretch of diverse land is preserved for future generations to enjoy.

Since 1968, when the National Trails System Act was established, Congress has designated over 20 National trails. Before a trail receives a national designation, a Federal study is typically required to assess the feasibility of establishing a trail route. The Arizona Trail doesn't require a feasibility study because it's virtually complete with less than 60 miles left to build and sign. All but 1 percent of the trail resides on public land, and the unfinished segments don't involve private property. The trail meets the criteria to be labeled a National Scenic Trail and already appears on all Arizona State maps. Therefore, the Congress has reason to forego an unnecessary and costly feasibility study and proceed straight to National Scenic Trail designation.

The Arizona Trail is known throughout the State as boon to outdoor enthusiasts. The Arizona State Parks recently released data showing that two-thirds of Arizonans consider themselves trail users. Millions of visitors also use Arizona's trails each year. In one of the fastest-growing States in the U.S., the designation of the Arizona Trail as a National Scenic Trail would ensure the preservation of a corridor of open space for hikers, mountain bicyclists, cross country skiers, snowshoers, eco-tourists, equestrians, and joggers.

I urge my colleagues to support the passage of this legislation.

Mr. KYL. Mr. President, today I am pleased to join with Senator MCCAIN in introducing the Arizona National Scenic Trail Act. This bill would amend the National Trails System Act to designate the Arizona Trail as a national scenic trail. In 1968, Congress established the National Trails System to promote the preservation of historical resources and outdoor areas. National scenic and historic trails may be designated only by an act of Congress.

This is not a new proposal. Senator MCCAIN and I have been working on legislation relating to the Arizona Trail since the 108th Congress. Past legislation focused on conducting a feasibility study to determine whether the trail is physically possible and financially feasible. A feasibility study is generally the first step toward national trail designation, but such legislation was not successfully enacted. In the meantime the Arizona Trail Association and its State and Federal partners have continued to develop the trail with national designation in mind. Senator MCCAIN and I believe a feasibility study is not necessary. Let me explain: the Arizona Trail already exists. It extends over 800 continuous miles and is over 90 percent complete—clearly, it is physically possible. It is also financially feasible, as this trail does not require a single land acquisition, and commitments already exist to manage the trail and complete the remaining few miles of trail construction. This trail is ready for designation. In fact, the Arizona Trail is farther along than many national scenic trails that have already been designated by Congress.

The Arizona Trail is highly deserving of national designation. The trail is a roller coaster ride through the wide range of ecological diversity in the State. The trail corridor begins at the Coronado National Memorial on the U.S.–Mexico border and winds some 800 miles, ending on the Bureau of Land Management's Arizona Strip District on the Utah border. Between these two points, it invites recreationists to explore the State's most renowned mountains, canyons, deserts and forests, including the Grand Canyon and the Sonora Desert. This trail is unique in that it maximizes the incorporation of already existing public trails into one continuous trail to showcase some of the most spectacular scenery in the West.

Over 16 Federal, State and local agencies, as well as numerous community and business organizations and countless volunteers, have cooperated to develop and sustain the trail as a recreational resource for future generations. Designating the Arizona Trail

as a national scenic tail will help streamline its management, boost tourism and recreation, and preserve a magnificent natural, cultural, and historical experience of the American West. I urge my colleagues to enact this legislation at the earliest possible date.

By Mr. COLEMAN (for himself, Mr. LEVIN, and Mrs. MCCASKILL):

S. 1307. A bill to Include Medicare provider payments in the Federal Payment Levy Program, to require the Department of Health and Human Services to offset Medicare provider payments by the amount of the provider's delinquent Federal debt, and for other purposes; to the Committee on Finance.

Mr. COLEMAN. Mr. President, I rise to introduce the Medicare Provider Accountability Act on behalf of myself, and my colleagues Senator LEVIN and Senator MCCASKILL. This bill is a direct result of the recent bipartisan investigation by the Permanent Subcommittee on Investigations exposing Medicare physicians and related providers who cheat on their taxes. At our March 20 hearing, entitled ''Medicare Doctors Who Cheat On Their Taxes,'' the Subcommittee presented evidence that more than 21,000 physicians and other providers received millions of dollars through the Centers for Medicare and Medicaid Services, CMS, under Medicare Part B, even though they collectively owe more than $1.3 billion in undisputed Federal taxes as of September 30, 2006.

I think it is important to note that the vast majority of physicians are working hard to provide services to Medicare beneficiaries. In fact, I know that many doctors struggle with ongoing reductions in payments under the so-called Sustainable Growth Rate.

The focus of PSI's ongoing investigations has been tax fraud and government contractors. CMS is the only Federal agency of considerable size that has resisted participating in the Federal Payment Levy Program that I will describe later. As we looked into CMS, we found that there were physicians receiving payments from the government while they simultaneously withheld money from the government by cheating on taxes, and failing to pay child support or student loan debts. Through their actions, these ''bad apples'' are hurting efforts to promote the longterm sustainability of the Medicare Program.

What is disturbing is that the delinquent doctors identified by our investigation were not hardship cases but rather folks living the ''good life.'' This minority of physicians live in multimillion-dollar homes, own luxury vehicles and pleasure boats, and gamble with millions of dollars, yet still cheat the government.

Some of the most egregious examples that GAO discovered include the following:

An ambulance company received more than $1 million from Medicare in just the first 9 months of 2005, although it owed more than $11 million in back taxes.

One doctor has refused to pay Federal income taxes since the 1970s and now owes more than $3 million in unpaid Federal taxes, and more than $1 million to another Federal agency. He was paid approximately $100,000 by Medicare in the first 9 months of 2005. He tried to hide his assets by attempting to transfer property to his children.

Another physician who owes more than $1 million, primarily as payroll taxes withheld from his employees, received more than $1 million from Medicare between January and September 2005. He was flaunting his illegally gained windfall with a million-dollar home, 58-foot yacht, and ownership of several night clubs. His recently reported income is half a million dollars, but the compromise offer he made to the IRS only covers the penalty for nonpayment and not the overdue taxes themselves.

Another physician whose medical license is on probation owes more than $400,000 in unpaid Federal taxes. Despite this debt, he purchased a luxury vehicle predominantly with cash, deposited tens of thousands of dollars in cash in such a way as to avoid mandatory reporting to the IRS, and gambled away millions of dollars. Although he did report more than $600,000 in net profits for 2 recent years, he still managed to fall behind in his child support payments by tens of thousands of dollars and to default on his installment agreement with the IRS.

Unfortunately, the list goes on and on. Worse, as if failing to pay their taxes was not a sufficient insult to American taxpayers, Medicare providers also owed $33 million in child support, $27 million in unpaid student loans, $114 million owed to other Federal agencies, and $22 million in unpaid state income taxes.

While these figures and case studies are obviously disturbing, the good news is that the Federal Government has two marvelous programs for recovering Federal debt from Federal payments, the Federal Payment Levy Program, FPLP, for tax debt, and the Treasury Offset Program, TOP, for non-tax debt, such as delinquent student loans, child support, and money owed Federal agencies. The Financial Management Service, FMS, handles both of these programs and matches pending payments from the Federal Government against outstanding Federal tax debt in the case of FPLP, and against other outstanding federal debt in TOP. If such debt exists, a levy of 15 percent or more is imposed upon each payment made to the delinquent taxpayer until that debt is recovered. FMS currently screens most Federal payments for unpaid taxes, including salaries and payments to contractors and vendors.

The Government Accountability Office specifically recommended that CMS confer with the IRS and FMS to figure out how to get Medicare payments into the levy program. That recommendation came in six years ago, in 2001, so it is clear that CMS and the other agencies have been ''on notice'' about this very issue for years. In fact, although CMS has been sending information on payments to Medicare Part C and D providers to FMS for matching in FPLP, it has failed to include the more than $300 billion in payments to Part A and B providers.

As a result, the Federal Government has lost countless opportunities to levy Medicare payments made to tax-delinquent doctors and other suppliers. The GAO estimated that, if CMS had participated in the levy program, the government could have recouped anywhere between $50 million and $140 million of unpaid Federal taxes from these Medicare tax-cheats in just the first nine months of 2005 alone. That does not include potential millions recouped for delinquent student loans, unpaid child support, and back-taxes owed to States.

But we are not in the blame business, we are in the problem-solving business. So, the paramount question is how to fix this mess. Make no mistake: these are complex problems, but I am confident that we can fix them. This legislation is a good start.

The bill, entitled the Medicare Provider Accountability Act, has three prongs to assist the Federal government with the collection of these outstanding debts. It establishes a timetable for CMS to join the Federal Payment Levy Program for all payments to Medicare providers, and expressly authorizes CMS to participate in the Treasury Offset Program to collect nontax debt. Finally, it enables the IRS to begin levying payments earlier in the notice process.

First, this bill sets a deadline by which CMS must fully participate in the FPLP. Fifty percent of the payments to Part A and B providers must be sent to FMS for matching tax debt under FPLP within 1 year of enactment. Within 2 years of enactment, every Medicare provider payment, regardless of Part, will be checked by FMS under FPLP for outstanding Federal tax debt.

Second, this bill gives CMS the authority to submit payments to its providers to TOP, which it had previously been unable to do. CMS and FMS testified at the hearing that CMS cannot legally participate in TOP as a Federal disbursing authority, and that to do so will require a Legislative fix. This bill explicitly includes payments to Medicare providers as disbursements that can be offset, allowing for the recovery of delinquent student loans, overdue child support, debts owed to other federal agencies and state taxes.

In addition, this legislation enables IRS to levy Federal payments to recover delinquent tax debt earlier in the process. Currently, only about half of the $140 billion in tax debt eligible for

matching is ''turned on'' to allow FMS to begin levying payments through FPLP. This is a result of IRS's current procedure, sending four computer-generated notices followed by a Collection Due Process, CDP, notice. Although the delinquent taxpayer can enter a payment plan or challenge the amount throughout the process, the formal appeals process begins only after all of those notices are issued. This protracted process allows a delinquent taxpayer to drag out the process and prevent automatic levies anywhere from months to years. An additional problem beyond the delay is that by the time the appeals process concludes, the contractor may no longer be receiving Federal payments. This provision of the bill accelerates the collection process, enabling a postlevy appeals process, whereby the IRS can begin to levy Federal payments prior to the CDP notice. To be clear, this would permit the Government to begin levying payments earlier, while still preserving the taxpayer's right to appeal. This will not affect levies on third parties.

Congress has spent much of this session focusing on health care. We all know that we have a crisis looming with Medicare. In order to ensure the long term sustainability of the program, we need to be sure that the money that is going out through this program is being spent efficiently and effectively. We also need to be sure that the money that is coming into this program through our taxes is being collected efficiently and effectively. They are part and parcel of the same problem. As we look for money to spend on programs to benefit our most vulnerable, this legislation can go a long way to identifying possible sources.

I would especially like to thank Chairman Levin for his ongoing support of our efforts to address those who receive Federal payments without paying their taxes. This is truly a bipartisan effort and a bipartisan bill in its writing and its sponsorship.

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

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

S. 1307

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Medicare Provider Accountability Act''.

SEC. 2. INCLUSION OF MEDICARE PROVIDER PAYMENTS IN FEDERAL PAYMENT LEVY PROGRAM.

(a) IN GENERAL.—The Centers for Medicare and Medicaid Services shall take all necessary steps to participate in the Federal Payment Levy Program under section 6331(h) of the Internal Revenue Code of 1986 as soon as possible and shall ensure that—

(1) at least 50 percent of all payments under parts A and B of title XVIII of the Social Security Act are processed through such program within one year of the date of enactment of this Act, and

(2) all remaining payments under such parts A and B are processed through such program within two years of such date.

(b) ASSISTANCE.—The Financial Management Service and the Internal Revenue Service shall provide assistance to the Centers for Medicare and Medicaid Services to ensure that all payments described in subsection (a) are included in the Federal Payment Levy Program by the deadlines specified in that subsection.

SEC. 3. APPLICATION OF ADMINISTRATIVE OFFSET PROVISIONS TO MEDICARE PROVIDER PAYMENTS.

(a) IN GENERAL.—Section 3716 of title 31, United States Code, is amended—

(1) by inserting ''the Department of Health and Human Services,'' after ''United States Postal Service,'' in subsection (c)(1)(A), and

(2) by adding at the end of subsection (c)(3) the following new subparagraph:

''(D) This section shall apply to claims or debts, and to amounts payable, under title XVIII of the Social Security Act.''.

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

SEC. 4. STREAMLINING TAX LEVIES ON FEDERAL PAYMENTS.

(a) IN GENERAL.—Section 6330(f) of the Internal Revenue Code of 1986 (relating to jeopardy and State refund collection) is amended—

(1) by striking ''or'' at the end of paragraph (1),

(2) by striking the comma at the end of paragraph (2) and inserting ''; or'',

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

''(3) the Secretary has approved a levy, including a continuing levy under section 6331(h), on specified payments, as defined in section 6331(h)(2),'', and

(4) by striking the heading and inserting ''JEOPARDY, STATE REFUND, AND COLLECTION FROM FEDERAL PAYMENTS''.

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

Mr. LEVIN. Mr. President, I join today with my colleagues, Senator COLEMAN and Senator MCCASKILL, in introducing the Medicare Provider Accountability Act. This bill targets Medicare, a program which is indispensable to the health of our citizens, because some Medicare service providers are profiting from the program while abusing the federal tax system. The facts show that, while the vast majority of Medicare health care providers are honest, tax-paying citizens, others are getting paid with taxpayer dollars while, at the same time, failing to pay their taxes.

Legislation to stop this abuse is a product of the work of the Permanent Subcommittee on Investigations, on which I serve as Chairman and Senator COLEMAN serves as the Ranking Member. On March 20, 2007, a Subcommittee hearing presented testimony from the Government Accountability Office (GAO) showing that about 21,000 Medicare Part B health care providers, including doctors, ambulance companies, and medical laboratories, collectively owe more than $1 billion in delinquent taxes. GAO also determined that, despite this pending tax debt, during the first 9 months of 2005 alone, these health care providers had received payments on Medicare claims totaling around $140 million. In other words, these providers were stuffing taxpayer dollars in their pockets at the same time they were stiffing Uncle Sam by not paying their taxes.

Federal programs exist to stop this type of abuse. One key program is the Federal Payment Levy Program, which was established about ten years ago to enable the Federal government to identify federal payments being made to tax delinquents, and authorize the withholding of a portion of those taxpayer dollars to apply to the person's tax debt. That program has successfully collected taxes from federal payments made through the Treasury Department and by agencies like the Defense Department who screen their own payments to contractors through Treasury's Financial Management Service.

As our March hearing demonstrated, however, despite a legal requirement to do so, The Centers for Medicare and Medicaid Services (CMS) have never participated in the tax levy program with respect to Medicare Part A and B payments. This failure means that, year after year, as much as $300 billion in Federal Medicare payments have not been screened for unpaid taxes. The first substantive provision of our bill would redress this situation by mandating CMS to bring all Medicare part A and B payments into the Federal Payment Levy Program over the next two years.

The second part of our bill would enable CMS to participate in a similar automated program, known as the Treasury Offset Program, to collect non-tax debt, such as unpaid student loans and child support. GAO has determined that certain Medicare health care providers collectively owe hundreds of millions of dollars in student loans, child support, and unpaid state taxes that could be collected through administrative offsets.

The third and final part of our bill would eliminate a barrier to including a large part of IRS's uncollected tax assessments in the Federal Payment Levy Program for collection from Medicare provider payments, as well as other federal contractor payments. Right now, for a variety of legal and technical reasons, only 45 percent of the tax debt assessed but still uncollected in 2006 was actually made subject to levy under the federal program. In 2006, over half of this assessed tax debt—some $67 billion—was never ''turned on'' for actual collection under the tax levy program. Now, $67 billion is a big number, even by Washington standards.

One key reason that this tax debt was not ''turned on'' for collection by levy is that many of the accounts had not reached the stage in their processing where the required notice of intent to levy had been sent to the taxpayer. Until that notice is sent and the taxpayer has exhausted all rights of appeal available under the tax law, the

IRS is currently barred from placing a tax levy on the taxpayer's property. In the case of Medicare providers and other federal contractors, that means federal dollars continue to go into their pockets, without any withholding, despite their unpaid taxes.

While it may be appropriate to delay tax levies on most types of taxpayer property until a taxpayer's appeals are exhausted, it makes no sense to keep sending taxpayer dollars to a tax delinquent Medicare provider or other federal contractor while they are appealing the tax assessment. Withholding should be allowed when it is taxpayer dollars that are being paid to the tax delinquent. That's why our bill would create a special rule for federal payments, allowing a tax levy to be initiated and continue in effect, while the taxpayer's appeal goes forward. The taxpayer would retain the same due process rights, but a tax levy would be allowed to begin earlier in the administrative process; it would no longer have to wait until all of the taxpayer's appeal rights were exhausted. For property other than federal payments, the bill would maintain the current system, requiring a pre-levy notice and exhausted appeal rights before the property could be levied.

The vast majority of Medicare providers render valuable services to their patients, and they do so while paying their taxes. These honest health care providers are put at a competitive disadvantage by the Medicare tax cheats who reduce their operating costs by failing to pay taxes. Besides hurting honest businesses, this type of tax dodging hurts our country by undermining the fairness of our tax system and by forcing honest taxpayers to make up the shortfall needed to pay for basic federal protections—like health care. When these tax delinquents also receive large payments of federal funds, it adds insult to injury. We must force these tax dodgers to pay their tax debt, and a key tool is to subject any federal payments they receive to an effective tax levy program.

The Medicare Providers Accountability Act would target those tax dodgers by strengthening the tax levy program and subjecting additional hundreds of billions of dollars in federal payments each year to screening for unpaid taxes. An improved tax levy program would, in turn, strengthen federal tax enforcement, take a load off the shoulders of honest taxpayers, and reduce the tax gap. I urge my colleagues to join us in supporting the bill's enactment.

I ask unanimous consent that my remarks follow those of Senator COLEMAN in today's CONGRESSIONAL RECORD.

By Mr. SCHUMER (for himself, Mr. LOTT, and Mr. CONRAD):

S. 1310. A bill to amend title XVIII of the Social Security Act to provide for an extension of increased payments for ground ambulance services under the Medicare program; to the Committee on Finance.

Mr. SCHUMER. Mr. President, today I, along with Senators LOTT and CONRAD, introduce the Medicare Ambulance Payment Extension Act. Without this legislation, ambulance service providers stand to lose $306 million in Medicare reimbursement in 2008 and 2009 in addition to the nearly $150 million they will lose this year. Our legislation will restore $341 million in Medicare reimbursement with a 5 percent increase in payments for 2008 and 2009.

Ambulance services are a vital component of the health care and emergency response systems of our Nation. Unfortunately, ambulance services providers are being significantly underfunded in providing their critical services to Medicare patients. We need to ensure that our ambulance service providers have the financial resources necessary to provide all Americans with high quality, life-saving services.

Fortunately, in the Medicare Modernization Act of 2003, MMA, Congress implemented several provisions to provide temporary relief to help struggling ambulance service providers. The MMA ambulance provisions provided short-term relief through 1 percent urban and 2 percent rural increases, a mileage rate increase for long trips, a payment boost for ambulance transports in extremely rural areas, and a regional adjustment that helped a majority of providers depending on their state. While the rural payment boost and long trip increase are temporarily still intact, the 1 percent urban and 2 percent rural increases expired at the end of last year and the regional adjustment has dropped from 80 percent to only 20 percent of payments. If Congress does not act, ambulance service providers will lose over $450 million in relief from 2007 through 2009.

Ambulance service providers cannot afford to face decreased reimbursement in the coming years. Ambulances services respond to not only 911 calls and nonemergency requests but also as first responders to natural disasters and acts of terrorism. Medicare patients account for approximately 45 percent of the call volume of an ambulance operation. Ambulance service providers cannot afford to have half of their transports reimbursed at below the cost of providing services.

While all health care providers face reimbursement challenges, ambulance service providers are required by law to respond to a plea for emergency medical care, regardless of whether the provider will recoup the full, if any, cost of the service. This additional responsibility along with the requirement that ambulance service providers accept the Medicare ambulance fee schedule rate as payment in full has further deteriorated the financial stability of ambulance operations. With increased focus on ensuring that our first responders are prepared in the event of a terrorist attack or national disaster, we should be bolstering, not deteriorating, this health care safety net.

The Medicare Ambulance Payment Extension Act will ensure that patients across America will continue to have access to critical ambulance services. We urge our colleagues to support this legislation, and I look forward to its passage this year.

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

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

S. 1310

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Medicare Ambulance Payment Extension Act''.

SEC. 2. EXTENSION OF INCREASED MEDICARE PAYMENTS FOR GROUND AMBULANCE SERVICES.

Section 1834(l)(13) of the Social Security Act (42 U.S.C. 1395m(l)(13)) is amended—

(1) in subparagraph (A), in the heading, by striking ''IN GENERAL'' and inserting ''FOR THE SECOND HALF OF 2004 AND FOR 2005 AND 2006'';

(2) by redesignating subparagraph (B) as subparagraph (C);

(3) by inserting the following after subparagraph (A):

''(B) FOR 2008 AND 2009.—After computing the rates with respect to ground ambulance services under the other applicable provisions of this subsection, in the case of such services furnished on or after January 1, 2008, and before January 1, 2010, the fee schedule established under this section shall provide that the rate for the service otherwise established, after application of any increase under paragraphs (11) and (12), shall be increased by 5 percent.''; and

(4) in subparagraph (C), as redesignated by paragraph (2)—

(A) in the heading, by striking ''APPLICATION OF INCREASED PAYMENTS AFTER 2006'' and inserting ''NO EFFECT ON SUBSEQUENT PERIODS''; and

(B) by adding at the end the following new sentence: ''The increased payments under subparagraph (B) shall not be taken into account in calculating payments for services furnished after the period specified in such subparagraph.''.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 185—SUPPORTING THE IDEALS AND VALUES OF THE OLYMPIC MOVEMENT

Mr. SALAZAR (for himself, Mr. BROWN, Mr. ALLARD, Mr. LEAHY, Mrs. FEINSTEIN, and Mrs. CLINTON) submitted the following resolution; which was referred to the Committee on Commerce, Science, and Transportation:

S. RES. 185

Whereas, for over 100 years, the Olympic Movement has built a more peaceful and better world by educating young people through athletics, by bringing together athletes from many countries in friendly competition, and by forging new relationships bound by friendship, solidarity, sportsmanship, and fair play;

Whereas the United States Olympic Committee is dedicated to coordinating and developing athletic activity in the United