of S. 1146, a bill to amend title 38, United States Code, to improve health care for veterans who live in rural areas, and for other purposes.

S. 1147

At the request of Mrs. MURRAY, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. 1147, a bill to amend title 38, United States Code, to terminate the administrative freeze on the enrollment into the health care system of the Department of Veterans Affairs of veterans in the lowest priority category for enrollment (referred to as ''Priority 8'').

S. 1219

At the request of Mr. BINGAMAN, the name of the Senator from Arkansas (Mr. PRYOR) was added as a cosponsor of S. 1219, a bill to amend the Internal Revenue Code of 1986 to provide taxpayer protection and assistance, and for other purposes.

S. 1233

At the request of Mr. CRAIG, the name of the Senator from Texas (Mr. CORNYN) was added as a cosponsor of S. 1233, a bill to provide and enhance intervention, rehabilitative treatment, and services to veterans with traumatic brain injury, and for other purposes.

S. 1353

At the request of Mr. WYDEN, the name of the Senator from Montana (Mr. TESTER) was added as a cosponsor of S. 1353, a bill to nullify the determinations of the Copyright Royalty Judges with respect to webcasting, to modify the basis for making such a determination, and for other purposes.

S. 1356

At the request of Mr. BROWN, the name of the Senator from Vermont (Mr. SANDERS) was added as a cosponsor of S. 1356, a bill to amend the Federal Deposit Insurance Act to establish industrial bank holding company regulation, and for other purposes.

S. 1382

At the request of Mr. REID, the names of the Senator from Mississippi (Mr. LOTT) and the Senator from South Carolina (Mr. DEMINT) were added as cosponsors of S. 1382, a bill to amend the Public Health Service Act to provide the establishment of an Amyotrophic Lateral Sclerosis Registry.

S. 1398

At the request of Mr. REID, the name of the Senator from Michigan (Ms. STABENOW) was added as a cosponsor of S. 1398, a bill to expand the research and prevention activities of the National Institute of Diabetes and Digestive and Kidney Diseases, and the Centers for Disease Control and Prevention with respect to inflammatory bowel disease.

S. 1545

At the request of Mr. SALAZAR, the name of the Senator from Florida (Mr. NELSON) was added as a cosponsor of S. 1545, a bill to implement the recommendations of the Iraq Study Group.

S. 1553

At the request of Mrs. FEINSTEIN, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 1553, a bill to provide additional assistance to combat HIV/AIDS among young people, and for other purposes.

S. 1603

At the request of Mr. MENENDEZ, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 1603, a bill to authorize Congress to award a gold medal to Jerry Lewis, in recognition of his outstanding service to the Nation.

S. 1607

At the request of Mr. BAUCUS, the name of the Senator from Illinois (Mr. OBAMA) was added as a cosponsor of S. 1607, a bill to provide for identification of misaligned currency, require action to correct the misalignment, and for other purposes.

S. 1624

At the request of Mr. BAUCUS, the name of the Senator from Ohio (Mr. BROWN) was added as a cosponsor of S. 1624, a bill to amend the Internal Revenue Code of 1986 to provide that the exception from the treatment of publicly traded partnerships as corporations for partnerships with passive-type income shall not apply to partnerships directly or indirectly deriving income from providing investment adviser and related asset management services.

S. 1661

At the request of Mr. DORGAN, the names of the Senator from Arkansas (Mr. PRYOR) and the Senator from New Jersey (Mr. LAUTENBERG) were added as cosponsors of S. 1661, a bill to communicate United States travel policies and improve marketing and other activities designed to increase travel in the United States from abroad.

S. 1711

At the request of Mr. BIDEN, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 1711, a bill to target cocaine kingpins and address sentencing disparity between crack and powder cocaine.

S. 1713

At the request of Mr. OBAMA, the names of the Senator from Oregon (Mr. WYDEN), the Senator from New York (Mrs. CLINTON), the Senator from California (Mrs. FEINSTEIN), the Senator from Connecticut (Mr. LIEBERMAN), the Senator from Connecticut (Mr. DODD) and the Senator from Oklahoma (Mr. COBURN) were added as cosponsors of S. 1713, a bill to provide for the issuance of a commemorative postage stamp in honor of Rosa Parks.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. MCCASKILL:

S. 1723. A bill to amend the Inspector General Act of 1978 to enhance the independence of the Inspectors General, to create a Council of the Inspectors General on Integrity and Efficiency, and for other purposes; to the Committee on Homeland Security and Governmental Affairs.

Mrs. MCCASKILL. Mr. President, I rise to talk about something great Congress did 30 years ago. They passed the Inspector General Act. That act has provided a layer of accountability in our Government that is very important. Unfortunately, there are still times that the inspector generals in our Government are not given the respect and deference they deserve. That is why today I am introducing the Improving Government Accountability Act.

If one thinks about the inspector generals, what they are is a first line of defense on behalf of taxpayers and against Government waste and inefficiency. They are the first line of defense because they are inside Federal agencies. Let's be honest, inspector generals inside Federal agencies are facing mountains of waste and inefficiency. If they are to do their jobs the way Congress intended, they must be independent, and their work must be immediately accessible to the public.

We have had some troubling incidents over the last several years as it relates to the independence, the qualifications and, frankly, the integrity of our inspector generals. That is why this legislation is necessary. That is why this legislation is so important.

The legislation will do several things. First, all inspector generals will be appointed for terms of 7 years. That will make sure they cannot arbitrarily be removed from their position by a department head who is getting nervous about information they are providing to the public in terms of accountability.

Second, Congress must be notified of the removal of any inspector general and, very importantly, the reasons for the removal before they can be removed from office.

Third, all inspector generals will have their own legal counsel to avoid using the agency counsel. This is important because if they are going to have independence, they must have independent legal advice about their ability to do their job.

Fourth, no inspector general can accept a bonus. The bonuses are given by the heads of the agencies. That is an inherent conflict. If you know that you please the head of your agency and you get more money, what kind of shortcuts are you going to take? What are you going to be willing to gloss over in order not to embarrass the head of that agency with information you have discovered about waste and inefficiency?

Fifth, in the event of a vacancy, the Council on Integrity and Efficiency will recommend to the appointing authority three possible replacements. They will not have the ability to dictate the replacement for the IG, but it will provide the appointing authority with three qualified people to take

over the important function of inspector general.

Also key in this legislation is that instead of making their annual budget requests to the agencies they oversee, the IG budget requests will go straight to the Office of Management and Budget, or OMB, that sends the President's budget request to Congress.

Next, all inspector general Web sites must be directly accessible from the home page of the agency. I asked my staff to take a tour through Government agency Web sites to see how easy it was to find out what the IGs had been up to in those agencies. It was remarkably difficult. In many instances we couldn't even find the inspector general's information on the home page of that agency. The public ought to be able to go on the page of any Federal agency and immediately click on the last inspector general report, find out what that inspector general found and, frankly, ought to be able to ask the question, what has been done about it. There will be a way for the public to anonymously send allegations of waste, fraud, and abuse directly to the IG offices.

Our office found that only three of 27 sampled Federal agencies have an obvious direct link from their home page to the IG's Web site. Clearly, we are not focused on making this information available to the public. Frankly, all the auditors in the world, all the inspector generals in the world do no good if the public can't learn the information. Because if the public doesn't know about it, it isn't going to have the cleansing effect it should. Only six of the 27 sampled IGs have an obvious direct link on their home page to report waste, fraud, and abuse. That is very important.

I give credit to Representative JIM COOPER of Tennessee who has been working on this legislation in the House. I am excited to join him in this effort. Senator COLLINS and Senator LIEBERMAN have some of these provisions in their Accountability in Government Contracting Act, of which I am also proud to be a cosponsor.

There have been specific examples that have occurred recently. I won't go into them other than to say, we had one Commerce IG who refused to resign after an investigation showed that he had committed malfeasance in office. However, after much pressure from Congress, he finally did step down. We have another inspector general who has been accused of trying to block the serving of a search warrant at NASA. Think about that, trying to block the serving of a search warrant that had been issued by a court of law. We have another IG who was not reappointed by President Bush and said publicly it was because at the Department of Homeland Security, he was seen as a traitor, and he was intimidated about not issuing reports that might reflect badly on the agency.

Bottom line, we should protect inspector generals. They are precious. They are important to what we do. We can talk all we want about oversight, but if we can't get the information from inside these agencies, frankly, we are not going to be effective in Congress with any kind of oversight. The information the inspector generals provide is crucial to Congress and crucial to the public. This legislation would make sure that they are qualified, protected, independent, and the public knows what they are up to.

I urge my colleagues to get excited about this legislation and maybe, uncharacteristically, move it quickly through the Senate.

By Mr. SCHUMER (for himself and Mr. CRAPO):

S. 1726. A bill to regulate certain State taxation of interstate commerce, and for other purposes; to the Committee on Finance.

Mr. SCHUMER. Mr. President, I want to speak about the bill I am introducing today with Senator CRAPO, the Business Activity Tax Simplification Act of 2007. Our bill tries to address a very important question: How should States tax businesses that locate their operations in a few States, but have customers and earn income in many States? This issue has grown in importance in recent years, and the Supreme Court's decision last week not to get involved in the issue raises the stakes even further.

The crux of the issue is this: A majority of States impose corporate income and other so-called ''business activity taxes'' only when companies have ''physical presence,'' such as employees or property, in their States. However, some States contend that the mere presence of a business's customers, or an ''economic presence,'' is all that is necessary to impose a business activity tax. These companies are facing a confusing and costly assortment of State and local tax rules, some enacted by legislatures and others imposed upon them by State revenue authorities and upheld by State courts.

Senator CRAPO and I introduced similar legislation in the 109th Congress to try to address this problem of double taxation and tax practices that vary from State to State. That bill came close to passing the House, but some last-minute objections were raised. Now, the need for legislation and congressional action has taken on new urgency, and we have revised the bill to address many of the concerns expressed last year.

Just last week, the U.S. Supreme Court denied certiorari in two cases that challenged the constitutionality of State taxation of out-of-State companies with no physical presence in a State. The States involved in these cases, West Virginia and New Jersey, asserted theories of economic nexus to tax out-of-State corporations. They claimed that because some customers of such corporations reside in the State, even though the corporation is not physically present, they are subject to business activity taxes.

The first case involves a credit card company headquartered in Delaware. The bank issued credit cards nationwide, including credit cards issued to West Virginia customers. The bank had no property or employees, no office or any other physical presence, in the State. The second case involves a Delaware holding company that licensed intellectual property trademarks and trade names to a customer that does business in New Jersey. The holding company itself had no offices, employees, or property in New Jersey, and did not otherwise have a physical presence in the State. In both cases, the State courts ruled that the out-of-State corporation was taxable.

What is so disappointing about the Supreme Court's silence on this issue is the fact that these State court decisions conflict with an earlier Supreme Court ruling. In 1992, in Quill Corp. v. North Dakota, the Supreme Court prohibited States from forcing out-of-State corporations from collecting sales and use tax, unless the corporation has a physical presence in the taxing State. However, some State courts have held that the physical presence test established by Quill creates no such limitations on the imposition of business activity taxes.

Currently, 19 States take the position that a State has the right to tax a business merely because it has a customer within the State, even if the business has no physical presence in the State whatsoever.

These States' actions in pursuing these taxes have caused uncertainty and widespread litigation, so much so that it has created a chilling effect on foreign and interstate commerce. I have spoken out against double taxation on many issues in the past, and the double tax in these cases, while not as large, is just as wrong.

Let me be clear about this: I know that several Governors and State revenue commissioners have spoken out against the legislation because they don't like the Federal Government telling them what they can and cannot tax. They are also concerned about any revenue they might lose as a result. But if the States are collecting a tax they shouldn't be collecting in the first place, the fact that they might lose a small amount of revenue is not the most persuasive argument, in my view.

I believe Congress has a responsibility to create a uniform nexus standard for tax purposes so that goods and services can flow freely between the States. Firm guidance on what activities can be conducted within a State will provide certainty to tax administrators and businesses, reduce multiple taxation or the same income, and will reduce compliance and enforcement costs for States and businesses alike.

The last time Congress acted on this issue was in 1959, when Public Law 86–272 was enacted to prohibit States from imposing ''income taxes'' on sales of ''tangible personal property'' by a business whose sole activity within a State

was soliciting sales. No one can deny that in the almost 50 years since, interstate commerce has taken on a whole new character. New technologies allow companies headquartered in one State to provide services to consumers across the country. The Internet is replacing bricks-and-mortar stores. Companies and consumers are increasingly linked across State lines.

The Business Activity Tax Simplification Act of 2007 addresses these changes over the last 48 years both modernizing Public Law 86–272 and codifying the physical presence standard. Our bill extends the protections of the 1959 law to include solicitation activities performed in connection with all sales and transactions, not just sales of tangible personal property. The bill protects the free flow of information, including broadcast signals from outside the State, from becoming the basis for taxation of out-of-State businesses.

BATSA also protects activities where the business is a consumer in the State. It makes little sense to impose tax on out-of-State businesses that purchases goods or services from an in-State company. Obviously, in this very common scenario, the out-of-State business is not using these goods or services to generate any revenue in the State. Why should they be subject to tax?

Most importantly, BATSA codifies the physical presence standard. States and localities can only impose business activity taxes on businesses within their jurisdiction that have employees in the State, or real or tangible personal property that is either leased or owned. It is consistent with current law and sound tax policy, which holds that a tax should not be imposed by a State unless that State provides benefits or protections to the taxpayer. Further, the physical presence standard is the basis for each and every one of our treaties with foreign nations—adoption of a more nebulous standard by the States undermines these international treaties.

We need to act now. Already, State legislatures are interpreting the court's denial of cert as an affirmation of their position that they are free to enact whatever policies affecting interstate commerce that are beneficial to their particular State revenue needs, regardless of the national impact. Because the court will not review their nexus standard and Congress has not acted, States now have an ideal opportunity to raise revenues from out-of-State corporations regardless of the national impact.

Only 3 days after the Supreme Court denied cert, the New Hampshire Assembly added an amendment to the State budget at 3:40 a.m. to allow the State to collect revenue from out-of-State businesses. The denial of cert thereby resulted almost immediately in a $10 million to $100 million windfall for New Hampshire. No one can deny that this was an extremely aggressive action; why else would the legislature have taken such drastic measures to tack on this amendment it? the wee hours of the morning?

States are clearly overreaching in their efforts to collect these taxes, and it creates a difficult situation for businesses. It is laughable to think that a company would decide to cut off all transactions with individuals within a certain State to avoid similar laws. And so they will have to start paying taxes to States where they start generating no revenue, hiring no employees, and contributing nothing to the State's economy from their phantom presence aside from these taxes. But these companies are not going to stand idly by and be double-taxed; they will simply declare less income in their home States as a result.

I know that my legislation with Senator CRAPO has raised concerns in the past. The States have argued that BAT legislation represents an intrusion into their authority to govern. But I believe the contrary: A fundamental aspect of American federalism is that Congress has the authority and responsibility under the commerce clause to ensure that interstate commerce is not burdened by State actions.

In fact, the exercise of such congressional power is necessary in order to prevent excessive burdens from being placed on businesses engaged on interstate activity by virtue of their customer's residing in a particular State. Congress must act to ensure certainty, predictability, and fairness of taxation of multistate corporations. The lack of a bright-line physical presence standard encourages each State to act in its own self interest by taking action to maximize its revenues, regardless of the potential double taxation that results.

Let me address a few concerns that have been raised about the bill. Opponents claim that BATSA includes so many exceptions to the physical presence standard that large, multistate companies will utilize the legislation to ensure they pay minimum State tax nationwide. But our bill explicitly States that it preserves States' authority to adopt or continue to use their own tax compliance tools.

In response to those who say that this legislation will be a huge hit to State budgets, the figures just don't add up. There have been a number of studies done, but even the highest revenue estimate represents only a very small percentage of the total amount of business activity taxes collected by the States. The studies leave out one important fact, however: Companies affected by double-taxation are going to declare less income in their home States, if they have to pay taxes on that same income to another State.

Let me cite just one example from a company in my State. In 2005, Citigroup paid 63 percent of all it State and local taxes to New York State and New York City, all based on physical presence in the State and the city. As more States follow the lead of New Hampshire, the city and State of New York will be getting less from Citibank, one way or another, as they won't want to be double taxed, once by New York because of our physical presence and again in New Hampshire and other States because they have customers in those States. This is why any revenue loss estimates from any city or State are overblown.

In short, this is no longer a theoretical discussion. Federal legislation is required to stop this food fight.

I believe that Congress has a duty to prevent some States from impeding the free flow and development of interstate commerce and to prevent double taxation. That is why I am asking my colleagues on both sides of the aisle, including the chairman and ranking member of the Finance Committee, to carefully consider this legislation.

Mr. CRAPO. Mr. President, I would like to thank my colleague from New York, Senator SCHUMER, for the work he has done on this bill. He shares my grave concerns about the devastating impact that legal interpretations of Public Law 86–272 are having on foreign and interstate commerce. I'm pleased that we can work together in a bipartisan effort to make changes to a law that is in serious need of updating and clarification in view of the more service-oriented economy we have today driven in large part by modern technology's profound transformation of business transactions. This is why we are introducing the Business Activity Tax Simplification Act of 2007, or BATSA, today.

Congress has a Constitutional responsibility to ensure that interstate commerce is not unduly burdened by State actions, including unfair and burdensome taxation of such commerce. Public Law 86–272 was enacted almost 50 years ago, for just these purposes. Ways of conducting multi-state business have changed, and, in the absence of any clarifying legislation, some state courts have interpreted taxation activity under an ''economic presence'' approach. This approach does not reflect the intent or spirit of the Commerce Clause of the Constitution; furthermore, it creates a climate of uncertainty that inhibits business expansion and innovation. Businesses have to take into account the very real possibility that they will be taxed multiple times for the same business activity. These ''business activity taxes'' are certainly appropriate when a business has a physical presence in a State; these taxes are inappropriate when imposed by a State where that business's customer happens to reside, but in which the business has no physical presence.

States' efforts to impose improper business activity taxes have been furthered by the Supreme Court's recent silence on this issue. Recent State court rulings are in conflict with the high Court's ruling in Quill Corp. v. North Dakota in 1992. In that ruling,

the Supreme Court prohibited States from forcing out-of-state corporations to collect sales and use taxes unless such corporation had a physical presence in the taxing State. As my colleague from New York pointed out a few minutes ago, State courts in both New Jersey and West Virginia have held that the physical presence test in Quill only applies to sales and use taxes, not business activity taxes. I share my colleague's deep concern with the fact that the appeals of these two cases to the Supreme Court were denied certiorari just last week. This denial underscores the urgency of BATSA.

This effort by a large number of States to impose business activity taxes based on economic presence has the potential to open a Pandora's Box of negative implications for businesses. Without clarification by Congress, States will be free to enact revenue-raising nexus legislation and policies that, by definition, will not and cannot take into account the national impact of such activities. The eleventh-hour enactment of economic nexus legislation by the New Hampshire State Legislature just days after the Supreme Court denial of certiorari in the New Jersey and West Virginia cases is a sign of things to come. For many businesses, this will serve as a death knell for growth and expansion.

BATSA will help clarify the intent of Public Law 86–272. BATSA codifies the ''physical presence'' standard and will eliminate confusion for State tax administrators and businesses alike. It's consistent with current law and the notion that a tax should not be imposed by a State unless that State provides benefits or protections to the taxpayer. BATSA clarifies that an out-of-state business must have nexus under both the Due Process Clause and the Commerce Clause. This standard is also consistent with the standards we have in place with regard to our trading partners abroad.

BATSA modernizes Public Law 86–272 by extending the protections under that law to include solicitation activities performed in connection with all sales and transactions, not just tangible personal property. BATSA applies to all business activity taxes, not just net income taxes. This includes gross receipts taxes, gross profits taxes, single business taxes, franchise taxes, capital stock taxes and business and occupation taxes. It does not apply to transaction taxes such as sales and use taxes.

BATSA protects the free flow of information, critical in our modern era of Internet business and protects the activities where the business is a consumer in that State. And, as my colleague, Senator SCHUMER, rightly pointed out, it is counterintuitive to impose taxes on an out-of-state company purchasing goods or services from an in-State company, since the out-of-state company isn't generating any revenue for the State.

BATSA upholds the approach of disregarding certain de minimus activities codified in Public Law 86–272.

States have argued that BATSA will result in substantial lost State tax revenue. In fact, according to the Congressional Budget Office, the projected total loss of revenue to states from BATSA in year one of enactment represents just 0.2 percent of all State and local taxes paid by businesses in 2005. And the CBO cost estimate is actually less than the cost claimed by the National Governor's Association in its own revenue estimates.

I will tell you what BATSA does not do. BATSA does not help large companies avoid paying their fair share of State taxes, stating explicitly that States retain the authority to adopt or continue to use anti-tax avoidance compliance tools. It expressly endorses statutory and regulatory tools at States' disposal to combat tax abuse. Industry and activity-specific safe harbors included in prior bills do not exist in this legislation.

In the glaring absence of Supreme Court clarification on Quill Corp. v. North Dakota, and in the presence of confusing state court interpretations of that decision and ongoing, and legally-creative revenue-raising schemes by States, it's imperative that Congress act now to preserve the free flow of commerce between States. The Business Activity Tax Simplification Act of 2007 provides that clarification. BATSA ensures that one standard of taxation applies for taxing multi-state companies, so that companies are not unjustly taxed multiple times by different States on the same income. I hope that our colleagues here in the Senate will support this important legislation that will protect the business expansion in our country that keeps our economy competitive and thriving.

By Ms. COLLINS (for herself, Mr. WARNER, Mr. CHAMBLISS, Ms. SNOWE, Mr. ISAKSON, Mr. LUGAR, Mr. CORNYN, Mr. COLEMAN, and Mr. VOINOVICH):

S. 1727. A bill to amend the Internal Revenue Code of 1986 to provide for a credit against income tax for certain educator expenses, and for other purposes; to the Committee on Finance.

Ms. COLLINS. Mr. President, I rise today, along with my good friends, Senators WARNER, CHAMBLISS, SNOWE, ISAKSON, LUGAR, CORNYN, COLEMAN, and VOINOVICH, to introduce the Teacher Tax Credit Act of 2007.

As we approach the end of the school year, it is appropriate once again to consider tax relief to help cover the out-of-pocket expenses our Nation's teachers incur to improve the education of our children.

Many times in the past, we have come to the floor to offer legislation on this subject. In 2001, Senator WARNER and I offered legislation which resulted in the enactment of the existing $250 teacher tax deduction. That deduction expires at the end of this year. Earlier this session, Senator WARNER and I offered legislation to make that deduction permanent, raise it to $400, and expand it to cover professional development expenses.

Today, we introduce legislation that would provide teachers with an alternative tax credit for books, supplies, and equipment they purchase for their students, as well as for professional development expenses. The tax credit would be set at 50 percent of such expenditures so that teachers would receive 50 cents of tax relief for every dollar of their own money they spend, up to $300.

Our rationale in proposing a tax credit as an alternative to the existing deduction is simple, deductions only reduce tax liability indirectly, by reducing taxable income. The value of the deduction is equal to the taxpayer's marginal tax rate, or what we call their tax ''bracket.'' For example, for teachers in the 25 percent tax bracket, a $100 deduction would reduce their tax liability by 25 percent, or $25.

By contrast, the tax credit we are proposing would reduce the amount of taxes paid by a teacher by 50 percent for each dollar that a teacher spends on school supplies or professional development expenses, regardless of the tax bracket the teacher is in. A teacher who took the maximum credit amount of $300 would save 50 percent of that amount—$150—in taxes.

We have made an effort to ensure that the tax benefit we are proposing will make all teachers who use it better off, relative to the current deduction. Let me take a moment to explain how we have done this: first, the tax credit is structured as an alternative teachers can choose either the deduction or the credit, whichever works best for their tax situation. Second, the level of the credit, if adopted in its present form, would provide a net after-tax benefit of $150. This is significantly higher than the net after-tax benefit that most teachers can receive using the current $250 deduction.

It is even higher than the net after-tax benefit that would result from the $400 deduction Senator WARNER and I proposed earlier this year. Teachers in the 25 percent tax bracket would get a net after-tax benefit of $100 from a $400 deduction, so they will see an increase of $50 under the credit system that we are proposing today. Even teachers in the highest tax bracket, which is currently set at 35 percent, would see a small increase in the net benefit they would receive under this credit, compared to a $400 deduction.

I should also note that some teachers make so little they do not even have the tax liability to offset this credit. To make sure these teachers are also compensated for the money they spend on classroom supplies and professional development, the credit Senator WARNER and I are proposing is fully refundable.

It is remarkable how much the average teacher spends every year out of

his or her own pocket to buy supplies and other materials for their students. Many of us are familiar with a survey of the National Education Association that found that teachers spend, on average, $443 a year on classroom supplies. Other surveys show that they are spending even more than that.

The NEA's data also shows that the average teacher in the U.S. still does not make $50,000, and in many States, including Maine, they average less than $40,000. When you realize that the average teacher is not particularly well paid, it speaks volumes about their dedication that they are willing to make that kind of investment to support the teaching they provide to their students.

Indeed, I have spoken to dozens of teachers in my home State who tell me they routinely spend far in excess of the $300 credit limit on materials they use in their classrooms. At every school I visit, I find teachers who are spending their own money to improve the educational experiences of their students by supplementing classroom supplies. Year after year, these teachers spend hundreds of dollars on books, bulletin boards, computer software, crayons, construction paper, tissue paper, stamps and inkpads. For example, Anita Hopkins and Kathi Toothaker, elementary school teachers from Augusta, Maine, purchase books for their students to have as a classroom library as well as workbooks and sight cards. They also purchase special prizes for positive reinforcement for students. Mrs. Hopkins estimates that she spends $800 to $1,000 of her own money on extra materials to make learning fun and to create a stimulating learning experience.

It is important that this credit also be available to teachers who incur expenses for professional development. While this tax relief provides modest assistance to educators, it is my view that students are its ultimate beneficiaries. Studies consistently show that well-qualified teachers, and involved parents, are the most important contributors to student success. Educators themselves understand just how important professional development is to their ability to make a positive impact in the classroom. Teachers in Maine repeatedly tell me that they need, and want, more professional development. But tight school budgets often make funds to support this development impossible to get. By providing a credit for professional development expenses, this amendment will help teachers take that additional course or pursue that advanced degree that will make them even better at what they love to do.

Our bill makes it a priority to reimburse educators for just a small part of what they invest in our children's future. It is both sound education policy and sensible tax policy. I hope our colleagues will join us in support of this important initiative.

I ask unanimous consent that a letter of support be printed in the RECORD.

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

NATIONAL EDUCATION ASSOCIATION,
Washington, DC, June 27, 2007.

Senator SUSAN COLLINS,
Senator JOHN WARNER,
U.S. Senate,
Washington, DC.

DEAR SENATORS COLLINS AND WARNER: On behalf of the National Education Association's (NEA) 3.2 million members, we would like to express our strong support for your proposal to create a tax credit for educators' classroom supply and professional development expenses. We thank you for your continued leadership and advocacy on this important issue.

As you know, educators across the country make considerable financial sacrifices as they reach into their own pockets to purchase classroom supplies. Studies show that teachers spend more of their own funds each year to supply their classrooms, including purchasing essential items such as pencils, glue, scissors, and facial tissues. For example, NEA's 2003 report Status of the American Public School Teacher, 2000–2001 found that teachers spent an average of $443 a year on classroom supplies. More recently, the National School Supply and Equipment Association found that in 2005–2006, educators spent out of their own pockets an average of $826.00 for supplies and an additional $926 for instructional materials, for a total of $1,752.

By creating a tax credit, your legislation would reduce the amount of taxes paid by a teacher by 50 percent for each dollar he or she spends on school supplies. Thus, a teacher taking the maximum credit of $300 would save $150 in taxes, regardless of his or her tax bracket. As a result, your bill will make a real difference for many educators, who often must sacrifice other personal needs in order to pay for classroom supplies.

NEA also strongly supports your proposal to cover out-of-pocket professional development expenses under the tax credit. Teacher quality is the single most critical factor in maximizing student achievement. Ongoing professional development is essential to ensure that educators stay up-to-date on the skills and knowledge necessary to prepare students for the challenges of the 21st century. Your bill will make a critical difference in helping educators access quality training.

We thank you again for your work on this important legislation and look forward to continuing to work with you to support our nation's educators.

Sincerely,

DIANE SHUST,
Director of Government Relations.
RANDALL MOODY,
Manager of Federal Advocacy.

Mr. WARNER. Mr. President, I rise today in support, once again, of America's teachers by joining with Senator COLLINS in introducing the Teacher Tax Credit Act of 2007. Other original cosponsors of this bill include Senators CHAMBLISS, COLEMAN, CORNYN, ISAKSON, LUGAR, SNOWE, and VOINOVICH.

Senator COLLINS and I have worked closely for some time now in support of legislation to provide our teachers with tax relief in recognition of the many out-of-pocket expenses they incur as part of their profession. In the 107th Congress, we were successful in providing much needed tax relief for our Nations' teachers with passage of H.R. 3090, the Job Creation and Worker Assistance Act of 2002.

This legislation, which was signed into law by President Bush, included the Collins/Warner Teacher Tax Relief Act of 2001 provisions that provided a $250 above-the-line deduction for educators who incur out-of-pocket expenses for supplies they bring into the classroom to better the education of their students. These important provisions provided almost half a billion dollars worth of tax relief to teachers all across America in 2002 and 2003.

In the 108th Congress we were able to successfully extend the provisions of the Teacher Tax Relief Act for 2004 and 2005. In the 109th Congress we were able to successfully extend the provisions for 2006 and 2007.

While these provisions will provide substantial relief to America's teachers, our work is not yet complete.

It is now estimated that the average teacher spends $826 out of their own pocket each year on classroom materials—materials such as pens, pencils, and books. First-year teachers spend even more. Why do they do this? Simply because school budgets are not adequate to meet the costs of education. Our teachers dip into their own pocket to better the education of America's youth.

Moreover, in addition to spending substantial money on classroom supplies, many teachers spend even more money out of their own pocket on professional development. Such expenses include tuition, fees, books, and supplies associated with courses that help our teachers become even better instructors.

The fact is that these out-of-pocket costs place lasting financial burdens on our teachers. This is one reason our teachers are leaving the profession. Little wonder that our country is in the midst of a teacher shortage.

Accordingly, Senator COLLINS and I have joined together to take another step forward by introducing legislation today that creates a refundable tax credit for teachers. The Teacher Tax Credit Act of 2007 will simply provide a refundable tax credit up to $150 for classroom expenses and professional development expenses.

I ask unanimous consent to have printed in the RECORD at the end of my statement the attached letter from the National Education Association endorsing the Collins-Warner Teacher Tax Credit Act of 2007. I will also ask unanimous consent to have printed in the RECORD at the end of my statement the attached letter from the Virginia Education Association endorsing the Collins-Warner Teacher Tax Credit Act of 2007.

Mr. President, our teachers have made a personal commitment to educate the next generation and to strengthen America. In my view, the Federal Government should recognize

the many sacrifices our teachers make in their career.

In addition to the refundable tax credit legislation that we are introducing today, earlier this year Senator COLLINS and I introduced S. 505, The Teacher Tax Relief Act of 2007. S. 505 will build upon current law by increasing the above-the-line deduction, as President Bush has called for, from $250 allowed under current law to $400; allowing educators to include professional development costs within that $400 deduction; and making the teacher tax relief provisions in the law permanent.

The Teacher Tax Credit Act of 2007 is another step forward in providing our educators with the recognition they deserve.

Mr. President, I ask unanimous consent that the letters to which I referred be printed in the RECORD.

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

NATIONAL EDUCATION ASSOCIATION,
Washington, DC, June 27, 2007

Senator SUSAN COLLINS,
Senator JOHN WARNER,
U.S. Senate,
Washington, DC.

DEAR SENATORS COLLINS AND WARNER: On behalf of the National Education Association's (NEA) 3.2 million members, we would like to express our strong support for your proposal to create a tax credit for educators' classroom supply and professional development expenses. We thank you for your continued leadership and advocacy on this important issue.

As you know, educators across the country make considerable financial sacrifices as they reach into their own pockets to purchase classroom supplies. Studies show that teachers spend more of their own funds each year to supply their classrooms, including purchasing essential items such as pencils, glue, scissors, and facial tissues. For example, NEA's 2003 report Status of the American Public School Teacher, 2000–2001 found that teachers spent an average of $443 a year on classroom supplies. More recently, the National School Supply and Equipment Association found that in 2005–2006, educators spent out of their own pockets an average of $826.00 for supplies and an additional $926 for instructional materials, for a total of $1,752.

By creating a tax credit, your legislation would reduce the amount of taxes paid by a teacher by 50 percent for each dollar he or she spends on school supplies. Thus, a teacher taking the maximum credit of $300 would save $150 in taxes, regardless of his or her tax bracket. As a result, your bill will make a real difference for many educators, who often must sacrifice other personal needs in order to pay for classroom supplies.

NEA also strongly supports your proposal to cover out-of-pocket professional development expenses under the tax credit. Teacher quality is the single most critical factor in maximizing student achievement. Ongoing professional development is essential to ensure that educators stay up-to-date on the skills and knowledge necessary to prepare students for the challenges of the 21st century. Your bill will make a critical difference in helping educators access quality training.

We thank you again for your work on this important legislation and look forward to continuing to work with you to support our nation's educators.

Sincerely,

DIANE SHUST,
Director of Government Relations.
RANDALL MOODY,
Manager of Federal Advocacy.

VIRGINIA EDUCATION ASSOCIATION,
Richmond, VA, June 28, 2007.

Senator JOHN WARNER,
U.S. Senate,
Washington, DC.

DEAR SENATOR WARNER: On behalf of the members of the Virginia Education Association, I am delighted and proud that you are again proposing to create a tax credit for educators' classroom supply and professional development expenses. Virginia teachers and I appreciate your continued leadership on this matter because it obviously affects Virginia educators—and educators around the nation—directly in the pocketbook.

As I'm sure you are aware, the National Education Association reported in a study entitled the Status of the American Public School Teacher, 2000–2001 that teachers spent an average of $443 a year on classroom supplies. Since that time, the average spending for supplies and materials is estimated to have increased to over $1,750 annually. Add to that the out of pocket expense of professional development and you realize the sacrifice and commitment of our nation's teachers to a quality education for their classrooms and the professional commitment they have for themselves.

The bill you are sponsoring with Senator Collins recognizes teachers' dedication and will make a significance difference for many educators. Again, I thank you.

Sincerely,

PRINCESS MOSS,
President,
Virginia Education Association.

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

S. 1729. A bill to amend titles 18 and 28 of the United States Code to provide incentives for the prompt payments of debts owed to the United States and the victims of crime by imposing surcharges on unpaid judgments owed to the United States and to the victims of crime, to provide for offsets on amounts collected by the Department of Justice for Federal agencies, to increase the amount of special assessments imposed upon convicted persons, to establish an Enhanced Financial Recovery Fund to enhance, supplement, and improve the debt collection activities of the Department of Justice, to amend title 5, United States Code, to provide to assistant United States attorneys the same retirement benefits as are afforded to Federal law enforcement officers, and for authorized purposes; to the Committee on the Judiciary.

Mr. LEAHY. Mr. President, today I join with Senator COCHRAN to introduce a bill that will provide parity between the retirement benefits granted to assistant U.S. attorneys and those granted to other Federal law enforcement officers.

There are 5,500 assistant U.S. attorneys in 93 offices throughout the United States, all of whom are serving on the front lines to uphold the rule of law. Having served as a prosecutor for many years in Vermont, I know well the integral role prosecutors play in the administration of justice. Prosecutors are a crucial component of our justice system, and should be recognized as such when they reach the end of their careers.

Probation officers, deputy marshals, corrections officers, and even corrections employees not serving in a law enforcement role receive enhanced benefits greater than those received by assistant U.S. attorneys. This is an inequity that should be remedied. By correcting this disparity, Congress would also help the Federal justice system retain experienced prosecutors. Of all the prosecutors who leave the government for the private sector, 60 to 70 percent do so with experience of between 6 and 15 years. With the Department of Justice's rapidly expanding role in combating terrorism, we cannot afford to lose the experienced men and women who serve in this vital role.

This legislation also addresses concerns about the cost to the Federal Government of providing enhanced retirement benefits to assistant U.S. attorneys. Proponents of the bill have helped craft provisions that would assist the Department of Justice in recovering money owed to the Federal Government as a result of judgments and other fines. By bolstering the Department's ability to collect the funds it is owed, resources would be freed up to provide the parity in retirement benefits sought by assistant U.S. attorneys. The result of the creative efforts to fund these benefits in an alternative manner is that the Department of Justice will, through its duties as the Nation's law enforcement agency, be able to provide the benefits its employees deserve at little or no cost to the taxpayer.

By passing this legislation, we will signal the Federal Government's recognition that prosecutors in our society fulfill a critical role. Congress can send the message that the service of these prosecutors is a valued and indispensable component of our Federal justice system. I hope all Senators will join us in supporting this legislation to ensure that Federal policy equally respects the contributions of all members of the law enforcement community in keeping our society safe and secure.

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

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

S. 1729

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 ''Enhanced Financial Recovery and Equitable Retirement Treatment Act of 2007''.

TITLE I—ENHANCED FINANCIAL RECOVERY

SEC. 101. IMPOSITION OF CRIMINAL SURCHARGE.

(a) IN GENERAL.—Section 3612 of title 18, United States Code, is amended by striking subsection (g) and inserting the following:

''(g) IMPOSITION OF SURCHARGE.—

''(1) IN GENERAL.—A surcharge shall be imposed upon a defendant if there are any unpaid criminal monetary penalties as of the date specified in subsection (f)(1).

''(2) AMOUNT OF SURCHARGE.—The surcharge imposed under paragraph (1) shall be—

''(A) 5 percent of the unpaid principal balance; or

''(B) $50, if the unpaid balance is less than $1,000.

''(3) ALLOCATION OF PAYMENTS.—

''(A) FINE OR SPECIAL ASSESSMENT.—If a surcharge is imposed under paragraph (1) for a fine or special assessment—

''(i) an amount equal to 95 percent of each principal payment made by a defendant shall be credited to the Crime Victims Fund established under section 1402 of the Victims of Crime Act of 1984 (42 U.S.C. 10601); and

''(ii) an amount equal to 5 percent of each principal payment shall be credited to the Department of Justice Enhanced Financial Recovery Fund established under section 104 of the Enhanced Financial Recovery and Equitable Retirement Treatment Act of 2007.

''(B) RESTITUTION.—If a surcharge is imposed under paragraph (1) for a restitution obligation—

''(i) an amount equal to 95 percent of each principal payment shall be paid to any victim identified by the court; and

''(ii) an amount equal to 5 percent of each principal payment shall be credited to the Department of Justice Enhanced Financial Recovery Fund established under section 104 of the Enhanced Financial Recovery and Equitable Retirement Treatment Act of 2007.

''(C) SURCHARGES.—For any payment made by a defendant after the full amount of a surcharge imposed under paragraph (1) has been satisfied, the full amount of such payment shall be credited to the principal amount due or accrued interest, as the case may be.

''(4) DEFINITIONS.—In this section—

''(A) the term 'criminal monetary penalties' includes the principal amount of any amount imposed as a fine, restitution obligation, or special assessment, regardless of whether any payment schedule has been imposed; and

''(B) the term 'principal payment' does not include any amount that is imposed as interest, penalty, or a surcharge.''.

(b) CONFORMING AMENDMENTS.—Section 3612 of title 18, United States Code, is amended—

(1) by striking subsections (d) and (e); and

(2) by redesignating subsections (f) through (i), as amended by this Act, as subsection (d) through (g), respectively.

SEC. 102. IMPOSITION OF CIVIL SURCHARGE.

(a) IN GENERAL.—Section 3011 of title 28, United States Code, is amended to read as follows:

''§ 3011. Imposition of surcharge

''(a) IN GENERAL.—A surcharge shall be imposed on a defendant if there is an unpaid balance due to the United States on any money judgment in a civil matter recovered in a district court as of—

''(1) the fifteenth day after the date of the judgment; or

''(2) if the day described in paragraph (1) is a Saturday, Sunday, or legal public holiday, the next day that is not a Saturday, Sunday, or legal holiday.

''(b) AMOUNT OF SURCHARGE.—A surcharge imposed under subsection (a) shall be—

''(1) 5 percent of the unpaid principal balance; or

''(2) $50, if the unpaid balance is less than $1,000.

''(c) ALLOCATION OF PAYMENTS.—If a surcharge is imposed under subsection (a)—

''(1) an amount equal to 95 percent of each principal payment made by a defendant shall be credited as otherwise provided by law; and

''(2) an amount equal to 5 percent of each principal payment shall be credited to the Department of Justice Enhanced Financial Recovery Fund established under section 104 of the Enhanced Financial Recovery and Equitable Retirement Treatment Act of 2007.

''(d) SURCHARGES.—For any payment made by a defendant after the full amount of a surcharge imposed under subsection(a) has been satisfied, the full amount of such payment shall be credited to the principal amount due or accrued interest, as the case may be.

''(e) DEFINITIONS.—In this section—

''(1) the term 'principal payment' does not include any amount that is imposed as interest, penalty, or a surcharge; and - included in title 18, but not here?

''(2) the term 'unpaid balance due to the United States' includes any unpaid balance due to a person that was represented by the Department of Justice in the civil matter in which the money judgment was entered.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections at the beginning of subchapter A of chapter 176 of title 28, United States Code, is amended by striking the item relating to section 3011 and inserting the following:

''3011. Imposition of surcharge.''.

SEC. 103. INCREASE IN THE AMOUNT OF SPECIAL ASSESSMENTS.

Section 3013 of title 18, United States Code, is amended by striking subsection (a) and inserting the following:

''(a) The court shall assess on any person convicted of an offense against the United States—

''(1) in the case of an infraction or a misdemeanor—

''(A) if the defendant is an individual—

''(i) the amount of $10 in the case of an infraction or a class C misdemeanor;

''(ii) the amount of $25 in the case of a class B misdemeanor; and

''(iii) the amount of $100 in the case of a class A misdemeanor; and

''(B) if the defendant is a person other than an individual—

''(i) the amount of $100 in the case of an infraction or a class C misdemeanor;

''(ii) the amount of $200 in the case of a class B misdemeanor; and

''(iii) the amount of $500 in the case of a class A misdemeanor; and

''(2) in the case of a felony—

''(A) the amount of $200 if the defendant is an individual; and

''(B) the amount of $1,000 if the defendant is a person other than an individual.''.

SEC. 104. ENHANCED FINANCIAL RECOVERY FUND.

(a) ESTABLISHMENT.—There is established in the Treasury a separate account known as the Department of Justice Enhanced Financial Recovery Fund (in this section referred to as the ''Fund'').

(b) DEPOSITS.—Notwithstanding section 3302 of title 31, United States Code, or any other law regarding the crediting of collections, there shall be credited as an offsetting collection to the Fund an amount equal to—

(1) 2 percent of any amount collected pursuant to civil debt collection litigation activities of the Department of Justice (in addition to any amount credited under section 11013 of the 21st Century Department of Justice Appropriations Authorization Act (28 U.S.C. 527 note));

(2) 5 percent of all amounts collected as restitution due to the United States pursuant to the criminal debt collection litigation activities of the Department of Justice;

(3) any surcharge collected under section 3612(g) of title 18, United States Code, as amended by this Act, or section 3011 of title 28, United States Code, as amended by this Act; and

(4) 50 percent of any special assessment collected under section 3013(a) of title 18, United States Code, as amended by this Act.

(c) AVAILABILITY.—The amounts credited to the Fund shall remain available until expended.

(d) PAYMENTS FROM THE FUND.—

(1) AMOUNT.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the Attorney General shall use not less than $20,000,000 of the Fund in each fiscal year, to the extent that funds are available, for the civil and criminal debt collection activities of the Department of Justice, including restitution judgments where the beneficiaries are the victims of crime.

(B) EXCEPTIONS.—

(i) ADJUSTMENT OF AMOUNT.—In each fiscal year following the first fiscal year in which deposits into the Fund are greater than $20,000,000, the amount to be used under paragraph (1) shall be increased by a percentage equal to the change in the Consumer Price Index for the calendar year preceding that fiscal year.

(ii) LIMITATION.—In any fiscal year, amounts in the Fund shall be available to the extent that the amount appropriated in that fiscal year for the purposes described in subparagraph (A) is not less than an amount equal to the amount appropriated for such activities in fiscal year 2006, adjusted annually in the same proportion as increases reflected in the amount of aggregate level of appropriations for the Executive Office of United States Attorneys and United States Attorneys.

(2) USE OF FUNDS.—

(A) IN GENERAL.—Funds used under paragraph (1) shall be used to enhance, supplement, and improve civil and criminal debt collection litigation activities of the Department of Justice, primarily such activities by United States attorneys' offices. A portion of such sums may be used by the Department of Justice to provide legal, investigative, accounting, and training support to the United States attorneys' offices.

(B) LIMITATION ON USE.—Funds used under paragraph (1) may not be used to determine whether a defendant is guilty of an offense or liability to the United States (except incidentally for the provision of assistance necessary or desirable in a case to ensure the preservation of assets or the imposition of a judgment which assists in the enforcement of a judgment or in a proceeding directly related to the failure of a defendant to satisfy the monetary portion of a judgment).

(e) OTHER USE OF FUNDS.—After using funds under subsection (d), the Attorney General may use amounts remaining in the Fund for additional civil or criminal debt collection activities, for personnel expenses, for personnel benefit expenses incurred as a result of this Act or the amendments made by this Act, or for other prosecution and litigation expenses. The availability of amounts from the Fund shall have no effect on the implementation of title II or the amendments made by title II.

(f) DEFINITION.—In this section, the term ''United States''—

(1) includes—

(A) the executive departments, the judicial and legislative branches, the military departments, and independent establishments of the United States; and

(B) corporations primarily acting as instrumentalities or agencies of the United States; and

(2) except as provided in paragraph (1), does not include any contractor of the United States.

SEC. 105. EFFECTIVE DATES.

(a) IN GENERAL.—The amendments made by section 101 and section 103 shall apply to any offense committed on or after the date of enactment of this Act, including any offense involving conduct that continued on or after the date of enactment of this Act.

(b) FUND AND SURCHARGES.—

(1) IN GENERAL.—Section 104 and the amendments made by section 102 shall take effect 30 days after the date of enactment of this Act.

(2) PENDING CASES.—The amendments made by section 102 shall apply to any case pending on or after the date of enactment of this Act.

TITLE II—EQUITABLE RETIREMENT TREATMENT OF ASSISTANT UNITED STATES ATTORNEYS

SEC. 201. RETIREMENT TREATMENT OF ASSISTANT UNITED STATES ATTORNEYS.

(a) CIVIL SERVICE RETIREMENT SYSTEM.—

(1) ASSISTANT UNITED STATES ATTORNEY DEFINED.—Section 8331 of title 5, United States Code, is amended—

(A) in paragraph (28), by striking ''and'' at the end;

(B) in paragraph (29) relating to dynamic assumptions, by striking the period and inserting a semicolon;

(C) by redesignating paragraph (29) relating to air traffic controllers as paragraph (30);

(D) in paragraph (30), as so redesignated, by striking the period and inserting ''; and''; and

(E) by adding at the end the following:

''(31) 'assistant United States attorney' means an assistant United States attorney appointed under section 542 of title 28.''.

(2) RETIREMENT TREATMENT.—Chapter 83 of title 5, United States Code, is amended by adding after section 8351 the following:

''§ 8352. Assistant United States attorneys

''Except as provided under the Enhanced Financial Recovery and Equitable Retirement Treatment Act of 2007 (including the provisions relating to the non-applicability of mandatory separation requirements under section 8335(b) and 8425(b) of this title), an assistant United States attorney shall be treated in the same manner and to the same extent as a law enforcement officer for purposes of this chapter.''.

(3) TECHNICAL AND CONFORMING AMENDMENTS.—

(A) TABLE OF SECTIONS.—The table of sections for chapter 83 of title 5, United States Code, is amended by inserting after the item relating to section 8351 the following:

''8352. Assistant United States attorneys.''.

(B) MANDATORY SEPARATION.—Section 8335(a) of title 5, United States Code, is amended by striking ''8331(29)(A)'' and inserting ''8331(30)(A)''.

(b) FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—

(1) ASSISTANT UNITED STATES ATTORNEY DEFINED.—Section 8401 of title 5, United States Code, is amended—

(A) in paragraph (34), by striking ''and'' at the end;

(B) in paragraph (35), by striking the period and inserting ''; and''; and

(C) by adding at the end the following:

''(36) 'assistant United States attorney' means an assistant United States attorney appointed under section 542 of title 28.''.

(2) RETIREMENT TREATMENT.—Section 8402 of title 5, United States Code, is amended by adding at the end the following:

''(h) Except as provided under the Enhanced Financial Recovery and Equitable Treatment Act of 2006 (including the provisions relating to the non-applicability of mandatory separation requirements under section 8335(b) and 8425(b) of this title), an assistant United States attorney shall be treated in the same manner and to the same extent as a law enforcement officer for purposes of this chapter.''.

(c) MANDATORY SEPARATION.—Sections 8335(b)(1) and 8425(b)(1) of title 5, United States Code, are each amended by adding at the end the following: ''This subsection shall not apply in the case of an assistant United States attorney.''.

SEC. 202. PROVISIONS RELATING TO INCUMBENTS.

(a) DEFINITIONS.—In this section—

(1) the term ''assistant United States attorney'' means an assistant United States attorney appointed under section 542 of title 28, United States Code.

(2) the term ''incumbent'' means an individual who is serving as an assistant United States attorney on the effective date of this section.

(b) NOTICE REQUIREMENT.—Not later than 9 months after the date of enactment of this Act, the Department of Justice shall take measures reasonably designed to provide notice to incumbents on—

(1) their election rights under this title; and

(2) the effects of making or not making a timely election under this title.

(c) ELECTION AVAILABLE TO INCUMBENTS.—

(1) IN GENERAL.—An incumbent may elect, for all purposes, to be treated—

(A) in accordance with the amendments made by this title; or

(B) as if this title had never been enacted.

(2) FAILURE TO ELECT.—Failure to make a timely election under this subsection shall be treated in the same way as an election under paragraph (1)(A), made on the last day allowable under paragraph (3).

(3) TIME LIMITATION.—An election under this subsection shall not be effective unless the election is made not later than the earlier of—

(A) 120 days after the date on which the notice under subsection (b) is provided; or

(B) the date on which the incumbent involved separates from service.

(d) LIMITED RETROACTIVE EFFECT.—

(1) EFFECT ON RETIREMENT.—In the case of an incumbent who elects (or is deemed to have elected) the option under subsection (c)(1)(A), all service performed by that individual as an assistant United States attorney (and, with respect to subparagraph (B) of this paragraph, any service performed by such individual pursuant to an appointment under sections 515, 541, 543, and 546 of title 28, United States Code) shall—

(A) to the extent performed on or after the effective date of that election, be treated in accordance with applicable provisions of subchapter III of chapter 83 or chapter 84 of title 5, United States Code, as amended by this title; and

(B) to the extent performed before the effective date of that election, be treated in accordance with applicable provisions of subchapter III of chapter 83 or chapter 84 of title 5, United States Code, as if the amendments made by this title had then been in effect.

(2) NO OTHER RETROACTIVE EFFECT.—Nothing in this title (including the amendments made by this title) shall affect any of the terms or conditions of an individual's employment (apart from those governed by subchapter III of chapter 83 or chapter 84 of title 5, United States Code) with respect to any period of service preceding the date on which such individual's election under subsection (c) is made (or is deemed to have been made).

(e) INDIVIDUAL CONTRIBUTIONS FOR PRIOR SERVICE.—

(1) IN GENERAL.—An individual who makes an election under subsection (c)(1)(A) shall, with respect to prior service performed by such individual, deposit, with interest, to the Civil Service Retirement and Disability Fund the difference between the individual contributions that were actually made for such service and the individual contributions that would have been made for such service if the amendments made by section 202 of this title had then been in effect.

(2) EFFECT OF NOT CONTRIBUTING.—If the deposit required under paragraph (1) is not paid, all prior service of the incumbent shall remain fully creditable as law enforcement officer service, but the resulting annuity shall be reduced in a manner similar to that described in section 8334(d)(2)(B) of title 5, United States Code.

(3) PRIOR SERVICE DEFINED.—In this subsection, the term ''prior service'' means, with respect to any individual who makes an election (or is deemed to have made an election) under subsection (c)(1)(A), all service performed as an assistant United States attorney, but not exceeding 20 years, performed by such individual before the date as of which applicable retirement deductions begin to be made in accordance with such election.

(f) REGULATIONS.—The Office of Personnel Management shall prescribe regulations necessary to carry out this title, including provisions under which any interest due on the amount described under subsection (e) shall be determined.

SEC. 203. EFFECTIVE DATES.

(a) IN GENERAL.—The amendments made by section 201 shall take effect on the first day of the first applicable pay period beginning on or after 120 days after the date of enactment of this Act.

(b) INCUMBENTS.—Section 202 of this title shall take effect 120 days after the date of enactment of this Act.

By Mr. SMITH (for himself, Mr. CONRAD, Ms. STABENOW, Ms. SNOWE, and Ms. COLLINS):

S. 1730. A bill to amend part A of title IV of the Social Security Act, to reward States for engaging individuals with disabilities in work activities, and for other purposes; to the Committee on Finance.

Mr. SMITH. Mr. President, I rise today to introduce Pathways to Independence Act of 2007, along with Senators CONRAD, STABENOW, SNOWE, and COLLINS. This legislation includes two important provisions that will help States transition Temporary Assistance for Needy Families, TANF, recipients who have disabilities into work.

States currently face a conflict between the new Federal TANF requirements, as reauthorized by the Deficit Reduction Act of 2006, DRA, and the nondiscrimination requirements of the Americans with Disabilities Act. In order to comply with the ADA, States must make modifications to the work requirements they impose on TANF recipients with disabilities to ensure that they can participate in the program and move toward gainful employment. However, under new Federal TANF rules, States only get credit when recipients participate in a narrow set of activities for a specific number of hours each week, with limited flexibility for people with disabilities.

Our legislation would allow States to create modified employability plans for people with disabilities and get credit toward the TANF participation rate if

recipients comply with the requirements in those plans. This would encourage States to engage people with disabilities in appropriate employment-focused activities without fear of facing Federal penalties for not meeting their TANF work rates. The bill also would allow states To exclude people with pending SSI applications and severe temporary disabilities from the work rates.

This legislation allows states to receive full credit when a modified employability plan is developed for a family that includes a person with a disability. The bill requires States that receive credit for families on their caseload with modified employability plans to submit annual reports to the Department of Health and Human Services, HHS, on the types of modifications made and disabled populations served. It also requires HHS to compile this information and send an annual report to Congress.

This approach is appealing to States for many reasons. It allows States to design a system and receive credit for moving a person progressively over time from rehabilitation toward work. It also creates a more realistic work structure for individuals with disabilities and/or addictions who otherwise may fall out of the system either through sanction or discouragement, despite their need for financial assistance.

In July 2002, the General Accounting Office reported that as many as 44 percent of TANF families have a parent or child with a physical or mental impairment. This is almost three times higher than the rate among the non-TANF population in the United States. In 8 percent of TANF families, there is both a parent and a child with a disability; among non-TANF families, this figure is 1 percent. The GAO's work confirmed the findings of earlier studies, including work by the Urban Institute and the HHS Inspector General.

These figures mean that we need to make sure that the TANF program gives States the ability and incentives to serve families in their TANF programs and help them to move from welfare to work. This is the lesson that Oregon and many other States already have learned when they developed and refined their TANF programs.

Most individuals with disabilities who receive TANF are able to engage in work activities and move toward employment, and many will either need no modifications to standard work activities or only minor modifications. Those with more serious conditions may need more intensive services and more significant adjustment to the basic work requirements. Under the bill, a qualified professional must make a determination that an individual has a disability and the state must document the types of modifications, if any, that the individual needs to succeed in moving toward employment.

Our bill proposes the creation of a more appropriate path for those who have disabling conditions, both short- and long-term, recognizing the barriers many of these families face both financially and emotionally. The current strategy of rapid employment for all TANF recipients is not always feasible. This bill will help families with disabilities achieve and maintain stability during the transition from welfare to becoming more financially secure and independent of Government assistance.

Over 20 individual States, including Oregon, and the National Governors Association, representing all 50 States and five territories have identified problems with how the current rules affect their ability to serve individuals with disabilities appropriately and meet the TANF work requirements. They have asked for modifications to the new TANF requirements like the ones proposed in our bill.

I look forward to working with my cosponsors, Senators CONRAD, STABENOW, SNOWE, and COLLINS on these important provisions, and I urge my colleagues to join us in support of this legislation.

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

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

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 ''Pathways to Independence Act of 2007''.

SEC. 2. AUTHORIZATION OF MODIFIED EMPLOYABILITY PLAN FOR INDIVIDUALS WITH DISABILITIES.

(a) IN GENERAL.—Section 407(c)(2) of the Social Security Act (42 U.S.C. 607(c)(2)) is amended by adding at the end the following new subparagraph:

''(E) INDIVIDUALS WITH DISABILITIES COMPLYING WITH A MODIFIED EMPLOYABILITY PLAN DEEMED TO BE MEETING WORK PARTICIPATION REQUIREMENTS.—

''(i) MODIFIED EMPLOYABILITY PLAN.—A State may develop a modified employability plan for an adult or minor child head of household recipient of assistance who has been determined by a qualified medical, mental health, addiction, or social services professional (as determined by the State) to have a disability, or who is caring for a family member with a disability (as so determined). The modified employability plan shall—

''(I) include a determination that, because of the disability of the recipient or the individual for whom the recipient is caring, reasonable modification of work activities, hourly participation requirements, or both, is needed in order for the recipient to participate in work activities;

''(II) set forth the modified work activities in which the recipient is required to participate;

''(III) set forth the number of hours per week for which the recipient is required to participate in such modified work activities based on the State's evaluation of the family's circumstances;

''(IV) set forth the services, supports, and modifications that the State will provide to the recipient or the recipient's family;

''(V) be developed in cooperation with the recipient; and

''(VI) be reviewed not less than every 6 months.

''(ii) INCLUSION IN MONTHLY PARTICIPATION RATES.—For the purpose of determining monthly participation rates under subsection (b)(1)(B)(i), and notwithstanding paragraphs (1), (2)(A), (2)(B), (2)(C), and (2)(D) of this subsection and subsection (d) of this section, a recipient is deemed to be engaged in work for a month in a fiscal year if—

''(I) the State has determined that the recipient is in substantial compliance with activities and hourly participation requirements set forth in a modified employability plan that meets the requirements set forth in clause (i); and

''(II) the State complies with the reporting requirement set forth in clause (iii) for the fiscal year in which the month occurs.

''(iii) REPORTS.—

''(I) REPORT BY STATE.—With respect to any fiscal year for which a State counts a recipient as engaged in work pursuant to a modified employability plan, the State shall submit a report entitled 'Annual State Report on TANF Recipients Participating in Work Activities Pursuant to Modified Employability Plans Due to Disability' to the Secretary not later than March 31 of the succeeding fiscal year. The report shall provide the following information:

''(aa) The aggregate number of recipients with modified employability plans due to a disability.

''(bb) The percentage of all recipients with modified employability plans who substantially complied with activities set forth in the plans each month of the fiscal year.

''(cc) Information regarding the most prevalent types of physical and mental impairments that provided the basis for the disability determinations.

''(dd) The percentage of cases with a modified employability plan in which the recipient had a disability, was caring for a child with a disability, or was caring for another family member with a disability.

''(ee) A description of the most prevalent types of modification in work activities or hours of participation that were included in the modified employability plans.

''(ff) A description of the qualifications of the staff who determined whether individuals had a disability, of the staff who determined that individuals needed modifications to their work requirements, and of the staff who developed the modified employability plans.

''(II) REPORT BY SECRETARY.—The Secretary shall submit an annual report to Congress entitled 'Efforts in State TANF Programs to Promote and Support Employment for Individuals with Disabilities' not later than July 31 of each fiscal year that includes information on State efforts to engage individuals with disabilities in work activities for the preceding fiscal year. The report shall include the following:

''(aa) The number of individuals for whom each State has developed a modified employability plan.

''(bb) The types of physical and mental impairments that provided the basis for the disability determination, and whether the individual with the disability was an adult recipient or minor child head of household, a child, or a non-recipient family member.

''(cc) The types of modifications that States have included in modified employability plans.

''(dd) The extent to which individuals with a modified employability plan are participating in work activities.

''(ee) An analysis of the extent to which the option to establish such modified employability plans was a factor in States' achieving or not achieving the minimum participation rates under subsection (a) for the fiscal year.

''(iv) DEFINITIONS.—

''(I) DISABILITY.—For purposes of this subparagraph, the term 'disability' means a mental or physical impairment, including substance abuse or addiction, that—

''(aa) constitutes or results in a substantial impediment to employment; or

''(bb) substantially limits 1 or more major life activities.

''(II) MODIFIED WORK ACTIVITIES.—For purposes of this subparagraph, the term 'modified work activities' means activities the State has determined will help the recipient become employable and which are not subject to and do not count against the limitations and requirements under the preceding provisions of this subsection and of subsection (d).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2007.

SEC. 3. STATE OPTION TO EXCLUDE SSI APPLICANTS IN WORK PARTICIPATION RATE.

(a) IN GENERAL.—Section 407(b)(5) of the Social Security Act (42 U.S.C. 607(b)(5)) is amended by striking ''at its option, not require an individual'' and all that follows and inserting ''at its option—

''(A) not require an individual who is a single custodial parent caring for a child who has not attained 12 months of age to engage in work, and may disregard such an individual in determining the participation rates under subsection (a) of this section for not more than 12 months;

''(B) disregard for purposes of determining such rates for any month, on a case-by-case basis, an individual who is an applicant for or a recipient of supplemental security income benefits under title XVI or of social security disability insurance benefits under title II, if—

''(i) the State has determined that an application for such benefits has been filed by or on behalf of the individual;

''(ii) the State has determined that there is a reasonable basis to conclude that the individual meets the disability or blindness criteria applied under title II or XVI;

''(iii) there has been no final decision (including a decision for which no appeal is pending at the administrative or judicial level or for which the time period for filing such an appeal has expired) denying benefits; and

''(iv) not less than every 6 months, the State reviews the status of such application and determines that there is a reasonable basis to conclude that the individual continues to meet the disability or blindness criteria under title II or XVI; and

''(C) disregard for purposes of determining such rates for any month, on a case-by-case basis, an individual who the State has determined would meet the disability criteria for supplemental security income benefits under title XVI or social security disability insurance benefits under title II but for the requirement that the disability has lasted or is expected to last for a continuous period of not less than 12 months.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2007.

MENTAL HEALTH AMERICA,
Alexandria, VA, June 28, 2007.

Hon. GORDON SMITH,
Hon. DEBBIE STABENOW,
Hon. SUSAN COLLINS,
Hon. KENT CONRAD,
Hon. OLYMPIA SNOWE,
U.S. Senate,
Washington, DC.

DEAR SENATORS SMITH, CONRAD, STABENOW, SNOWE, AND COLLINS: I am writing to commend you for introducing the ''Pathways to Independence Act of 2007''. This legislation will enable States to engage individuals with mental health and substance use conditions in programs to help them successfully move from welfare to work.

Mental Health America is dedicated to helping all people live mentally healthier lives. Our network of over 320 State and local affiliates nationwide includes advocates, consumers of mental health services, family members of consumers, providers of mental health care, and other concerned citizens—all dedicated to improving mental health care and promoting mental wellness.

A large percentage of individuals who need and rely on the Temporary Assistance for Needy Families (TANF) program have significant mental health conditions and substance use disorders. Studies indicate that one-fourth to one-third of TANF recipients has serious mental health conditions, and some studies show that up to one-fifth of TANF recipients have substance use disorders. Moreover, more than one-fifth have learning disabilities and more than one-fifth have physical impairments. As you know, these rates are well above those for the general population and indicate a pressing need for access to care.

We are very concerned about changes made to the TANF program in reauthorizing legislation included in the Deficit Reduction Act (DRA). Individuals with mental health conditions, substance use disorders, or other disabling conditions will need assistance meeting the work requirements of the TANF program that were significantly tightened by the DRA. However, the regulations issued by the Department of Health and Human Services implementing the new DRA requirements provide such narrow definitions of the types of activities that can count toward a state's work participation rate (which determines Federal funding), we fear States will be discouraged from providing the services these individuals need in order to be engaged in the program and able to work. We are particularly alarmed that States are only allowed to count individuals receiving mental health or substance abuse treatment or rehabilitation activities as job readiness activities for 4 consecutive weeks and 6 weeks total per year before requiring that these individuals be engaged in full-time employment.

States are required under the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1973 (Rehab Act) to make modifications to Federal programs, including TANF, to enable individuals with disabilities to participate. However, if States provide ADA-required modifications to the work requirements for individuals with disabilities, including those with serious mental health conditions, they may not meet their work participation rates even if these TANF recipients are actively engaged in activities designed to help them secure full-time jobs.

Your bill would give States the flexibility they need in order to fully engage individuals with serious mental health conditions or substance use disorders in activities designed to move them successfully into employment. Specifically, your bill would allow States to develop ''modified employability plans'' for TANF recipients who are determined by qualified medical, mental health, or social services professionals either to have a disability or to be caring for a family member with a disability. These provisions would also enable States to meet the ADA and Rehab Act requirements to provide reasonable accommodations to these families without losing Federal TANF funds.

We greatly appreciate your on-going leadership in working to ensure that individuals with mental health conditions, substance use disorders, and other disabling conditions are able to fully participate in and benefit from the TANF program. We look forward to working with you toward swift enactment of the ''Pathways to Independence Act of 2007''.

Sincerely,

DAVID SHERN,
President & CEO.

CONSORTIUM FOR CITIZENS WITH DISABILITIES,
Washington, DC, June 28, 2007.

Hon. GORDON SMITH,
Hon. DEBBIE STABENOW,
Hon. SUSAN COLLINS,
Hon. KENT CONRAD,
Hon. OLYMPIA SNOWE,
U.S. Senate,
Washington, DC.

DEAR SENATORS SMITH, CONRAD, STABENOW, SNOWE, AND COLLINS: We are writing to thank you for introducing legislation that will allow States to more effectively serve families that include a person with a disability in the Temporary Assistance to Needy Families (TANF) program. We believe this legislation, if enacted, will significantly improve the ability of States to help families successfully move from welfare toward work while also ensuring that the needs of family members with disabilities are met. The undersigned organizations enthusiastically support this legislation.

The Consortium for Citizens with Disabilities (CCD) is a coalition of national consumer, advocacy, provider and professional organizations headquartered in Washington, DC. We work together to advocate for national public policy that ensures the self determination, independence, empowerment, integration, and inclusion of children and adults with disabilities in all aspects of society. The CCD TANF Task Force seeks to ensure that families that include persons with disabilities are afforded equal opportunities and appropriate accommodations under the TANF block grant.

Congress explicitly stated in the Personal Responsibility and Work Opportunity Reconciliation Act that, in implementing TANF, States are to comply with the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitative Services Act of 1973. The expectation, therefore, is that States will provide individualized treatment and an effective and meaningful opportunity to fully participate in the program. To achieve this, States must provide appropriate services, modify as necessary policies, practices, and procedures, and adopt non-discriminatory methods of administering the program. This expectation is also conveyed in guidance to the States issued by the Office of Civil Rights in the Department of Health and Human Services.

Under the Deficit Reduction Act (DRA), Congress reauthorized the TANF block grant program. The legislation retained States' obligation to comply fully with the ADA and Section 504 of the Rehabilitation Act of 1973, as amended while hindering States' ability to fully engage families that include a person with a disability. The DRA effectively increases the work participation rate for the TANF program and imposes penalties on States that fail to meet the participation rates. It does not allow States to receive credit toward the work participation rate for families whose employability plan has been modified to accommodate a person with a disability. It fails to ensure that States receive adequate credit for providing rehabilitative services to parents with disabilities to help them prepare for a successful transition to work. In short, existing policies do not provide States with credit for offering appropriate accommodation and services to families that include a person with a disability. Instead it increases the likelihood States offering such accommodations and services that ''do not count'' will face financial penalties.

HHS received comments from TANF administrators across the country who argued that the TANF provisions adopted under the DRA and reflected in HHS interim regulations severely impedes their ability to appropriately serve families that include a person with a disability. In a letter to Secretary Leavitt in response to the interim proposed regulations, the National Governor's Association stated that:

Governors continue to believe that States should have maximum flexibility in receiving credit for key rehabilitative and supportive services such as substance abuse, behavioral/mental health and domestic violence treatments in one or more work activity. These services are an imperative part of moving recipients, with barriers, to work and retaining employment. States need credit for these services in work activities that are fully countable for all hours of participation without time limit.

We believe your legislation provides appropriate flexibility for families who require accommodation due to a disability. Under this bill, States will receive credit, not face penalties, for investing in the supports necessary to help individuals with disabilities succeed in the labor market and achieve a higher degree of self-reliance. The flexibility provided in this bill can improve the overall performance of the TANF program by helping families at greatest risk move toward employment. To date, studies have demonstrated that a disproportionate number of families who exit the program without employment or other sources of financial assistance include a person with a disability. States can and must serve these families better and Congress should provide them with the tools to do so by supporting this legislation.

Thank you again for introducing this legislation and your leadership on this very important issue. We are grateful for your leadership on behalf of families that include an adult or child with a disability. We look forward to working with you and your staffs to ensure that this provision becomes law.

Sincerely,

American Dance Therapy Association.
American Music Therapy Association.
American Association on Intellectual & Developmental Disabilities.
American Psychological Association.
Association of University Centers on Disabilities (AUCD).
Bazelon Center for Mental Health Law.
Easter Seals, Inc.
Epilepsy Foundation.
Goodwill Industries International, Inc.
Learning Disabilities Association of America.
Mental Health America.
National Alliance on Mental Illness.
National Alliance to End Homelessness.
National Association of Councils on Developmental Disabilities.
National Association of County Behavioral Health and Developmental Disability Directors.
National Association of State Directors of Special Education.
National Association of State Head Injury Administrators.
National Association of State Mental Health Program Directors.
National Council for Community Behavioral Healthcare.
National Disability Rights Network.
The Arc of the United States.
United Cerebral Palsy.
United Spinal Association.

By Mr. CORNYN (for himself, Mr. VOINOVICH, and Mr. CHAMBLISS):

S. 1731. A bill to provide for the continuing review of unauthorized Federal programs and agencies and to establish a bipartisan commission for the purposes of improving oversight and eliminating wasteful Government spending; to the Committee on Homeland Security and Governmental Affairs.

Mr. CORNYN. Mr. President, I rise to introduce the United States Authorization and Sunset Commission Act of 2007. I am very pleased to be joined by my colleagues and good friends, Senator GEORGE VOINOVICH and Senator SAXBY CHAMBLISS, who share my commitment that every dime sent by taxpayers to Washington, DC, is spent wisely.

The United States Authorization and Sunset Commission Act of 2007 creates an eight member bipartisan Commission, made up of four Senators and four Representatives. The Commission will look at the effectiveness and efficiency of all Federal programs, but will especially focus on unauthorized and ineffective programs. The bill is modeled after the sunset process that the State of Texas instituted in 1977 to identify and eliminate waste, duplication, and inefficiency in government agencies. This process has led to the elimination of dozens of agencies that have outlived their usefulness and has saved Texas taxpayers hundreds of millions of dollars.

The job of the Commission is to ask the fundamental question: ''Is an agency or program still needed?''

The Commission has two major responsibilities. First, the Commission must submit a legislative proposal to Congress at least once every 10 years that includes a review schedule of at least 25 percent of unauthorized Federal programs and at least 25 percent of ineffective Federal programs or where effectiveness cannot be shown by the Office of Management and Budget's, OMB, Performance Assessment Rating Tool, PART. The Commission's schedule will abolish each program if Congress fails to either reauthorize the program or consider the Commission's recommendations within 2 years.

Second, the Commission must conduct a review of each program identified in its review schedule and send its recommendations for congressional review. Congress will then have 2 years to consider and pass the Commission's recommendations or to reauthorize the program before it is abolished.

Congress has two bites of the apple when it comes to evaluating Federal spending. First, when it authorizes a program and second when it appropriates the money for it. Yet a study by the Congressional Budget Office found that Congress spent just under $160 billion in 2006 on agencies and programs despite the fact that their authorization had expired. The list included hundreds of accounts, big and small, ranging from the Coast Guard, $8 billion, to the Administration on Aging, $1.5 billion, to section 8 tenant-based housing, $15.6 billion, to foreign relations programs, $9.5 billion. Many of these expired programs and agencies, perhaps most, deserve reauthorization. Nonetheless, Congress should aggressively determine whether these programs and agencies are working as intended and the Commission will help serve this purpose.

In addition, the Commission will use OMB's PART, which is a tool to assess and improve program performance. PART looks at all factors that affect and reflect program performance including program purpose and design, performance measurement, evaluations, and strategic planning, program management, and program results. Using PART, OMB has scored 793 Government programs and found that 4 percent are ineffective and the results for 24 percent could not be shown. Programs rated as ''ineffective'' or ''results not demonstrated'' account for $152 billion in budget authority.

The Commission's work will be guided by 10 criteria, including the program's effectiveness and efficiency, achievement of performance goals, and whether the program has fulfilled its legislative intent.

Unfortunately Congress has a tendency to create commissions and then ignore their work and continue on with business as usual. This bill solves this problem. It requires Congress to consider, debate, and vote on the Commission's report under expedited procedures.

The United States Authorization and Sunset Commission Act of 2007 is an important step to getting our fiscal house in order and to making sure that Congress gets back to the hard work of oversight to determine if programs actually fulfill their stated purpose or yield some unintended or counterproductive results. Periodic assessments are essential to good Government and this is what the Commission will provide to Congress and to taxpayers across the country. For this reason, I ask that my colleagues join me in cosponsoring the United States Authorization and Sunset Commission Act of 2007.

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

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

S. 1731

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''United States Authorization and Sunset Commission Act of 2007''.

SEC. 2. DEFINITIONS.

In this Act—

(1) the term ''agency'' means an Executive agency as defined under section 105 of title 5, United States Code;

(2) the term ''Commission'' means the United States Authorization and Sunset Commission established under section 3; and

(3) the term ''Commission Schedule and Review bill'' means the proposed legislation submitted to Congress under section 4(b).

SEC. 3. ESTABLISHMENT OF COMMISSION.

(a) ESTABLISHMENT.—There is established the United States Authorization and Sunset Commission.

(b) COMPOSITION.—The Commission shall be composed of 8 members (in this Act referred to as the ''members''), as follows:

(1) Four members appointed by the majority leader of the Senate, 1 of whom may include the majority leader of the Senate, with minority members appointed with the consent of the minority leader of the Senate.

(2) Four members appointed by the Speaker of the House of Representatives, 1 of whom may include the Speaker of the House of Representatives, with minority members appointed with the consent of the minority leader of the House of Representatives.

(3) The Director of the Congressional Budget Office and the Comptroller of the Government Accountability Office shall be non-voting ex officio members of the Commission.

(c) QUALIFICATIONS OF MEMBERS.—

(1) IN GENERAL.—

(A) SENATE MEMBERS.—Of the members appointed under subsection (b)(1), 4 shall be members of the Senate (not more than 2 of whom may be of the same political party).

(B) HOUSE OF REPRESENTATIVE MEMBERS.—Of the members appointed under subsection (b)(2), 4 shall be members of the House of Representatives, not more than 2 of whom may be of the same political party.

(2) CONTINUATION OF MEMBERSHIP.—

(A) IN GENERAL.—If a member was appointed to the Commission as a Member of Congress and the member ceases to be a Member of Congress, that member shall cease to be a member of the Commission.

(B) ACTIONS OF COMMISSION UNAFFECTED.—Any action of the Commission shall not be affected as a result of a member becoming ineligible under subparagraph (A).

(d) INITIAL APPOINTMENTS.—Not later than 90 days after the date of enactment of this Act, all initial appointments to the Commission shall be made.

(e) CHAIRPERSON; VICE CHAIRPERSON.—

(1) INITIAL CHAIRPERSON.—An individual shall be designated by the Speaker of the House of Representatives from among the members initially appointed under subsection (b)(2) to serve as chairperson of the Commission for a period of 2 years.

(2) INITIAL VICE CHAIRPERSON.—An individual shall be designated by the majority leader of the Senate from among the individuals initially appointed under subsection (b)(1) to serve as vice-chairperson of the Commission for a period of 2 years.

(3) ALTERNATE APPOINTMENTS OF CHAIRMEN AND VICE CHAIRMEN.—Following the termination of the 2-year period described under paragraphs (1) and (2), the Speaker and the majority leader of the Senate shall alternate every 2 years in appointing the chairperson and vice-chairperson of the Commission.

(f) TERMS OF MEMBERS.—

(1) MEMBERS OF CONGRESS.—Each member appointed to the Commission shall serve for a term of 6 years, except that, of the members first appointed under paragraphs (1) and (2) of subsection (b), 2 members shall be appointed to serve a term of 3 years.

(2) TERM LIMIT.—A member of the Commission who serves more than 3 years of a term may not be appointed to another term as a member.

(g) INITIAL MEETING.—If, after 90 days after the date of enactment of this Act, 5 or more members of the Commission have been appointed—

(1) members who have been appointed may—

(A) meet; and

(B) select a chairperson from among the members (if a chairperson has not been appointed) who may serve as chairperson until the appointment of a chairperson; and

(2) the chairperson shall have the authority to begin the operations of the Commission, including the hiring of staff.

(h) MEETING; VACANCIES.—After its initial meeting, the Commission shall meet upon the call of the chairperson or a majority of its members. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(i) POWERS OF THE COMMISSION.—

(1) IN GENERAL.—

(A) HEARINGS, TESTIMONY, AND EVIDENCE.—The Commission may, for the purpose of carrying out the provisions of this Act—

(i) hold such hearings and sit and act at such times and places, take such testimony, receive such evidence, administer such oaths; and

(ii) require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, that the Commission or such designated subcommittee or designated member may determine advisable.

(B) SUBPOENAS.—Subpoenas issued under subparagraph (A)(ii) may be issued to require attendance and testimony of witnesses and the production of evidence relating to any matter under investigation by the Commission.

(C) ENFORCEMENT.—The provisions of sections 102 through 104 of the Revised Statutes of the United States (2 U.S.C. 192 through 194) shall apply in the case of any failure of any witness to comply with any subpoena or to testify when summoned under authority of this paragraph.

(2) CONTRACTING.—The Commission may contract with and compensate government and private agencies or persons for services without regard to section 3709 of the Revised Statutes (41 U.S.C. 5) to enable the Commission to discharge its duties under this Act.

(3) INFORMATION FROM FEDERAL AGENCIES.—The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality of the Government, information, suggestions, estimates, and statistics for the purposes of this section. Each such department, bureau, agency, board, commission, office, establishment, or instrumentality shall, to the extent authorized by law, furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the chairperson.

(4) SUPPORT SERVICES.—

(A) GOVERNMENT ACCOUNTABILITY OFFICE.—The Government Accountability Office is authorized on a nonreimbursable basis to provide the Commission with administrative services, funds, facilities, staff, and other support services for the performance of the functions of the Commission.

(B) GENERAL SERVICES ADMINISTRATION.—The Administrator of General Services shall provide to the Commission on a nonreimbursable basis such administrative support services as the Commission may request.

(C) AGENCIES.—In addition to the assistance under subparagraphs (A) and (B), departments and agencies of the United States are authorized to provide to the Commission such services, funds, facilities, staff, and other support services as the Commission may determine advisable as may be authorized by law.

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

(6) IMMUNITY.—The Commission is an agency of the United States for purposes of part V of title 18, United States Code (relating to immunity of witnesses).

(7) DIRECTOR AND STAFF OF THE COMMISSION.—

(A) DIRECTOR.—The chairperson of the Commission may appoint a staff director and such other personnel as may be necessary to enable the Commission to carry out its functions, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that no rate of pay fixed under this subsection may exceed the equivalent of that payable to a person occupying a position at level II of the Executive Schedule. Any Federal Government employee may be detailed to the Commission without reimbursement from the Commission, and such detailee shall retain the rights, status, and privileges of his or her regular employment without interruption.

(B) PERSONNEL AS FEDERAL EMPLOYEES.—

(i) IN GENERAL.—The executive director and any personnel of the Commission who are employees shall be employees under section 2105 of title 5, United States Code, for purposes of chapters 63, 81, 83, 84, 85, 87, 89, 89A, 89B, and 90 of that title.

(ii) MEMBERS OF COMMISSION.—Clause (i) shall not be construed to apply to members of the Commission.

(C) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—With the approval of the majority of the Commission, the chairperson of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

(8) COMPENSATION AND TRAVEL EXPENSES.—

(A) COMPENSATION.—Members shall not be paid by reason of their service as members.

(B) TRAVEL EXPENSES.—Each member of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703(b) of title 5, United States Code.

(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as necessary for the purposes of carrying out the duties of the Commission.

(k) TERMINATION.—The Commission shall terminate on December 31, 2037.

SEC. 4. DUTIES AND RECOMMENDATIONS OF THE UNITED STATES AUTHORIZATION AND SUNSET COMMISSION.

(a) SCHEDULE AND REVIEW.—

(1) IN GENERAL.—Not later than 18 months after the date of the enactment of this Act and at least once every 10 years thereafter, the Commission shall submit to Congress a legislative proposal that includes the schedule of review and abolishment of agencies and programs (in this section referred to as the ''Commission Schedule and Review bill'').

(2) SCHEDULE.—The schedule of the Commission shall provide a timeline for the Commission's review and proposed abolishment of—

(A) at least 25 percent of unauthorized agencies or programs as measured in dollars, including those identified by the Congressional Budget Office under section 602(e)(3) of title 2, United States Code; and

(B) if applicable, at least 25 percent of the programs as measured in dollars identified by the Office of Management and Budget through its Program Assessment Rating

Tool program or other similar review program established by the Office of Management and Budget as ineffective or results not demonstrated.

(3) REVIEW OF AGENCIES.—In determining the schedule for review and abolishment of agencies under paragraph (1), the Commission shall provide that any agency that performs similar or related functions be reviewed concurrently.

(4) CRITERIA AND REVIEW.—The Commission shall review each agency and program identified under paragraph (1) in accordance with the following criteria as applicable:

(A) The effectiveness and the efficiency of the program or agency.

(B) The achievement of performance goals (as defined under section 1115(g)(4) of title 31, United States Code).

(C) The management of the financial and personnel issues of the program or agency.

(D) Whether the program or agency has fulfilled the legislative intent surrounding its creation, taking into account any change in legislative intent during the existence of the program or agency.

(E) Ways the agency or program could be less burdensome but still efficient in protecting the public.

(F) Whether reorganization, consolidation, abolishment, expansion, or transfer of agencies or programs would better enable the Federal Government to accomplish its missions and goals.

(G) The promptness and effectiveness of an agency in handling complaints and requests made under section 552 of title 5, United States Code (commonly referred to as the Freedom of Information Act).

(H) The extent that the agency encourages and uses public participation when making rules and decisions.

(I) The record of the agency in complying with requirements for equal employment opportunity, the rights and privacy of individuals, and purchasing products from historically underutilized businesses.

(J) The extent to which the program or agency duplicates or conflicts with other Federal agencies, State or local government, or the private sector and if consolidation or streamlining into a single agency or program is feasible.

(b) SCHEDULE AND ABOLISHMENT OF AGENCIES AND PROGRAMS.—

(1) IN GENERAL.—Not later than 18 months after the date of the enactment of this Act and at least once every 10 years thereafter, the Commission shall submit to the Congress a Commission Schedule and Review bill that—

(A) includes a schedule for review of agencies and programs; and

(B) abolishes any agency or program 2 years after the date the Commission completes its review of the agency or program, unless the agency or program is reauthorized by Congress.

(2) EXPEDITED CONGRESSIONAL CONSIDERATION PROCEDURES.—In reviewing the Commission Schedule and Review bill, Congress shall follow the expedited procedures under section 6.

(c) RECOMMENDATIONS AND LEGISLATIVE PROPOSALS.—

(1) REPORT.—Not later than 2 years after the date of enactment of this Act, the Commission shall submit to Congress and the President—

(A) a report that reviews and analyzes according to the criteria established under subsection (a)(4) for each agency and program to be reviewed in the year in which the report is submitted under the schedule submitted to Congress under subsection (a)(1);

(B) a proposal, if appropriate, to reauthorize, reorganize, consolidate, expand, or transfer the Federal programs and agencies to be reviewed in the year in which the report is submitted under the schedule submitted to Congress under subsection (a)(1); and

(C) legislative provisions necessary to implement the Commission's proposal and recommendations.

(2) ADDITIONAL REPORTS.—The Commission shall submit to Congress and the President additional reports as prescribed under paragraph (1) on or before June 30 of every other year.

(d) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to limit the power of the Commission to review any Federal program or agency.

(e) APPROVAL OF REPORTS.—The Commission Schedule and Review bill and all other legislative proposals and reports submitted under this section shall require the approval of not less than 5 members of the Commission.

SEC. 5. EXPEDITED CONSIDERATION OF COMMISSION RECOMMENDATIONS.

(a) INTRODUCTION AND COMMITTEE CONSIDERATION.—

(1) INTRODUCTION.—If any legislative proposal with provisions is submitted to Congress under section 4(c), a bill with that proposal and provisions shall be introduced in the Senate by the majority leader, and in the House of Representatives, by the Speaker. Upon introduction, the bill shall be referred to the appropriate committees of Congress under paragraph (2). If the bill is not introduced in accordance with the preceding sentence, then any Member of Congress may introduce that bill in their respective House of Congress beginning on the date that is the 5th calendar day that such House is in session following the date of the submission of such proposal with provisions.

(2) COMMITTEE CONSIDERATION.—

(A) REFERRAL.—A bill introduced under paragraph (1) shall be referred to any appropriate committee of jurisdiction in the Senate, any appropriate committee of jurisdiction in the House of Representatives, the Committee on the Budget and the Committee on Homeland Security and Governmental Affairs of the Senate, and the Committee on the Budget and the Committee on Homeland Security and Governmental Affairs of the House of Representatives.

(B) REPORTING.—Not later than 30 calendar days after the introduction of the bill, each committee of Congress to which the bill was referred shall report the bill or a committee amendment thereto.

(C) DISCHARGE OF COMMITTEE.—If a committee to which is referred a bill has not reported such bill at the end of 30 calendar days after its introduction or at the end of the first day after there has been reported to the House involved a bill, whichever is earlier, such committee shall be deemed to be discharged from further consideration of such bill, and such bill shall be placed on the appropriate calendar of the House involved.

(b) EXPEDITED PROCEDURE.—

(1) CONSIDERATION.—

(A) IN GENERAL.—Not later than 5 calendar days after the date on which a committee has been discharged from consideration of a bill, the majority leader of the Senate, or the majority leader's designee, or the Speaker of the House of Representatives, or the Speaker's designee, shall move to proceed to the consideration of the committee amendment to the bill, and if there is no such amendment, to the bill. It shall also be in order for any member of the Senate or the House of Representatives, respectively, to move to proceed to the consideration of the bill at any time after the conclusion of such 5-day period.

(B) MOTION TO PROCEED.—A motion to proceed to the consideration of a bill is highly privileged in the House of Representatives and is privileged in the Senate and is not debatable. The motion is not subject to amendment, to a motion to postpone consideration of the bill, or to a motion 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 or the House of Representatives, as the case may be, shall immediately proceed to consideration of the bill without intervening motion, order, or other business, and the bill shall remain the unfinished business of the Senate or the House of Representatives, as the case may be, until disposed of.

(C) LIMITED DEBATE.—Debate on the bill and all amendments thereto and on all debatable motions and appeals in connection therewith shall be limited to not more than 50 hours, which shall be divided equally between those favoring and those opposing the bill. A motion further to limit debate on the bill is in order and is not debatable. All time used for consideration of the bill, including time used for quorum calls (except quorum calls immediately preceding a vote) and voting, shall come from the 50 hours of debate.

(D) AMENDMENTS.—No amendment that is not germane to the provisions of the bill shall be in order in the Senate. In the Senate, an amendment, any amendment to an amendment, or any debatable motion or appeal is debatable for not to exceed 1 hour to be divided equally between those favoring and those opposing the amendment, motion, or appeal.

(E) VOTE ON FINAL PASSAGE.—Immediately following the conclusion of the debate on the bill, and the disposition of any pending amendments under subparagraph (D), the vote on final passage of the bill shall occur.

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

(2) CONSIDERATION BY OTHER HOUSE.—If, before the passage by one House of the bill that was introduced in such House, such House receives from the other House a bill as passed by such other House—

(A) the bill of the other House shall not be referred to a committee and may only be considered for final passage in the House that receives it under subparagraph (C);

(B) the procedure in the House in receipt of the bill of the other House, with respect to the bill that was introduced in the House in receipt of the bill of the other House, shall be the same as if no bill had been received from the other House; and

(C) notwithstanding subparagraph (B), the vote on final passage shall be on the bill of the other House.

Upon disposition of a bill that is received by one House from the other House, it shall no longer be in order to consider the bill that was introduced in the receiving House.

(3) CONSIDERATION IN CONFERENCE.—

(A) CONVENING OF CONFERENCE.—Immediately upon final passage of a bill that results in a disagreement between the 2 Houses of Congress with respect to a bill, conferees shall be appointed and a conference convened.

(B) ACTION ON CONFERENCE REPORTS IN THE SENATE.—

(i) MOTION TO PROCEED.—The motion to proceed to consideration in the Senate of the conference report on a bill may be made even though a previous motion to the same effect has been disagreed to.

(ii) DEBATE.—Consideration in the Senate of the conference report (including a message between Houses) on a bill, and all

amendments in disagreement, including all amendments thereto, and debatable motions and appeals in connection therewith, shall be limited to 20 hours, equally divided and controlled by the majority leader and the minority leader or their designees. Debate on any debatable motion or appeal related to the conference report (or a message between Houses) shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the conference report (or a message between Houses).

(iii) CONFERENCE REPORT DEFEATED.—Should the conference report be defeated, debate on any request for a new conference and the appointment of conferrees shall be limited to 1 hour, to be equally divided between, and controlled by, the manager of the conference report and the minority leader or the minority leader's designee, and should any motion be made to instruct the conferees before the conferees are named, debate on such motion shall be limited to ½ hour, to be equally divided between, and controlled by, the mover and the manager of the conference report. Debate on any amendment to any such instructions shall be limited to 20 minutes, to be equally divided between and controlled by the mover and the manager of the conference report. In all cases when the manager of the conference report is in favor of any motion, appeal, or amendment, the time in opposition shall be under the control of the minority leader or the minority leader's designee.

(iv) AMENDMENTS IN DISAGREEMENT.—In any case in which there are amendments in disagreement, time on each amendment shall be limited to 30 minutes, to be equally divided between, and controlled by, the manager of the conference report and the minority leader or the minority leader's designee. No amendment that is not germane to the provisions of such amendments shall be received.

(v) LIMITATION ON MOTION TO RECOMMIT.—A motion to recommit the conference report is not in order.

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

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and is deemed to be 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 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 they relate 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.

SEC. 6. EXPEDITED CONSIDERATION OF COMMISSION SCHEDULE AND REVIEW BILL.

(a) INTRODUCTION AND COMMITTEE CONSIDERATION.—

(1) INTRODUCTION.—The Commission Schedule and Review bill submitted under section 4(b) shall be introduced in the Senate by the majority leader, or the majority leader's designee, and in the House of Representatives, by the Speaker, or the Speaker's designee. Upon such introduction, the Commission Schedule and Review bill shall be referred to the appropriate committees of Congress under paragraph (2). If the Commission Schedule and Review bill is not introduced in accordance with the preceding sentence, then any member of Congress may introduce the Commission Schedule and Review bill in their respective House of Congress beginning on the date that is the 5th calendar day that such House is in session following the date of the submission of such aggregate legislative language provisions.

(2) COMMITTEE CONSIDERATION.—

(A) REFERRAL.—A Commission Schedule and Review bill introduced under paragraph (1) shall be referred to any appropriate committee of jurisdiction in the Senate, any appropriate committee of jurisdiction in the House of Representatives, the Committee on the Budget and the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on the Budget and the Committee on Oversight and Government Reform of the House of Representatives. A committee to which a Commission Schedule and Review bill is referred under this paragraph may review and comment on such bill, may report such bill to the respective House, and may not amend such bill.

(B) REPORTING.—Not later than 30 calendar days after the introduction of the Commission Schedule and Review bill, each Committee of Congress to which the Commission Schedule and Review bill was referred shall report the bill.

(C) DISCHARGE OF COMMITTEE.—If a committee to which is referred a Commission Schedule and Review bill has not reported such Commission Schedule and Review bill at the end of 30 calendar days after its introduction or at the end of the first day after there has been reported to the House involved a Commission Schedule and Review bill, whichever is earlier, such committee shall be deemed to be discharged from further consideration of such Commission Schedule and Review bill, and such Commission Schedule and Review bill shall be placed on the appropriate calendar of the House involved.

(b) EXPEDITED PROCEDURE.—

(1) CONSIDERATION.—

(A) IN GENERAL.—Not later than 5 calendar days after the date on which a committee has been discharged from consideration of a Commission Schedule and Review bill, the majority leader of the Senate, or the majority leader's designee, or the Speaker of the House of Representatives, or the Speaker's designee, shall move to proceed to the consideration of the Commission Schedule and Review bill. It shall also be in order for any member of the Senate or the House of Representatives, respectively, to move to proceed to the consideration of the Commission Schedule and Review bill at any time after the conclusion of such 5-day period.

(B) MOTION TO PROCEED.—A motion to proceed to the consideration of a Commission Schedule and Review bill is highly privileged in the House of Representatives and is privileged in the Senate and is not debatable. The motion is not subject to amendment, to a motion to postpone consideration of the Commission Schedule and Review bill, or to a motion 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 or the House of Representatives, as the case may be, shall immediately proceed to consideration of the Commission Schedule and Review bill without intervening motion, order, or other business, and the Commission Schedule and Review bill shall remain the unfinished business of the Senate or the House of Representatives, as the case may be, until disposed of.

(C) LIMITED DEBATE.—Debate on the Commission Schedule and Review bill and on all debatable motions and appeals in connection therewith shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the Commission Schedule and Review bill. A motion further to limit debate on the Commission Schedule and Review bill is in order and is not debatable. All time used for consideration of the Commission Schedule and Review bill, including time used for quorum calls (except quorum calls immediately preceding a vote) and voting, shall come from the 10 hours of debate.

(D) AMENDMENTS.—No amendment to the Commission Schedule and Review bill shall be in order in the Senate and the House of Representatives.

(E) VOTE ON FINAL PASSAGE.—Immediately following the conclusion of the debate on the Commission Schedule and Review bill, the vote on final passage of the Commission Schedule and Review bill shall occur.

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

(2) CONSIDERATION BY OTHER HOUSE.—If, before the passage by one House of the Commission Schedule and Review bill that was introduced in such House, such House receives from the other House a Commission Schedule and Review bill as passed by such other House—

(A) the Commission Schedule and Review bill of the other House shall not be referred to a committee and may only be considered for final passage in the House that receives it under subparagraph (C);

(B) the procedure in the House in receipt of the Commission Schedule and Review bill of the other House, with respect to the Commission Schedule and Review bill that was introduced in the House in receipt of the Commission Schedule and Review bill of the other House, shall be the same as if no Commission Schedule and Review bill had been received from the other House; and

(C) notwithstanding subparagraph (B), the vote on final passage shall be on the Commission Schedule and Review bill of the other House. Upon disposition of a Commission Schedule and Review bill that is received by one House from the other House, it shall no longer be in order to consider the Commission Schedule and Review bill that was introduced in the receiving House.

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

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and is deemed to be 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 Schedule and Review 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 they relate 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.

Mr. VOINOVICH. Mr. President, I am pleased to join my good friend and colleague Senator CORNYN in introducing the United States Authorization and Sunset Commission Act of 2007. This legislation would create a bipartisan commission to make recommendations to Congress on whether to reauthorize, reorganize, or terminate Federal programs. It would establish a systematic process to review unauthorized programs and agencies, and, if applicable, programs that are rated as ineffective or results not demonstrated under the

Program Assessment Rating Tool, PART. The Comptroller General and the Director of the Congressional Budget Office, CBO, would serve as ex-officio members, bringing their knowledge and experience and that of their organizations to the process.

Earlier this year, as it does every year, the CBO reported on programs that at one time had an explicit authorization that has either expired or will expire during the current session. This is always a lengthy report that runs 75 pages or more. In recent years, the total amount of unauthorized programs receiving appropriations reported by CBO has ranged between $160 billion and $170 billion annually.

I make this point, not to criticize or to imply that all unauthorized programs should be eliminated. Instead, it is to point out that what we are doing now is not working for us. We know that oversight is an important part of our job, but oversight takes time. How do we explain to our constituents that we do not have the time to distinguish between worthwhile programs and those that have outlived their purpose, are poorly targeted, operate inefficiently, or simply are not producing results?

As a sponsor of The Stop Over-Spending Act of 2007, ''S.O.S.,'' legislation, which includes several provisions from bills I introduced earlier this year, I want to work with my colleagues to pass legislation that allows us to convert some of the time spent on the annual budget cycle into time spent on oversight. A biennial budget cycle plus commissions such as this one and others that I have proposed to examine entitlement programs and increase program accountability all have a similar goal—to provide the time and the tools to reinvigorate congressional oversight.

This legislation does not take away our obligation to make difficult decisions about what programs to continue and those that we can no longer afford to support. What it does do is provide an opportunity to work smarter. I believe by establishing this Commission to do a thorough examination of programs and agencies, using established criteria, and a transparent reporting process, that we can carry out our responsibilities more efficiently and effectively.

I urge my colleagues to support The United States Authorization and Sunset Commission Act of 2007.

By Mr. DURBIN (for himself, Mr. SCHUMER, Ms. STABENOW, and Mr. BROWN):

S. 1733. A bill to authorize funds to prevent housing discrimination through the use of nationwide testing, to increase funds for the Fair Housing Initiatives Program, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

Mr. DURBIN. Mr. President, today, I introduce the Housing Fairness Act of 2007, legislation that would strengthen efforts to detect discrimination and enforce equal housing opportunities. This legislation is especially timely given that June is National Homeownership Month.

The Housing Fairness Act promotes equal housing opportunities for all people by authorizing funds to process complaints, investigate cases of housing discrimination, and develop and operate education and outreach programs to inform the general public of fair housing rights. The legislation also creates a competitive matching grant program for private nonprofit organizations to examine the causes of housing discrimination and segregation and their effects on education, poverty and economic development.

Despite the passage of the Fair Housing Act almost 40 years ago, more than 4 million fair housing violations still occur each year. When the Department of Housing and Urban Development designated certain real estate companies for investigation, studies uncovered an 87 percent rate of racial steering and a 20 percent denial rate for African-Americans and Latinos. In part due to fair housing violations, the homeownership gap between people of different racial and ethnic groups is larger than it was in 1940. These facts confirm that we need to be doing more to promote fair housing.

I invite my colleagues to cosponsor this legislation and work with me to find solutions to further detect discrimination and enforce the Fair Housing Act.

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

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

S. 1733

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 ''Housing Fairness Act of 2007''.

SEC. 2. TESTING FOR DISCRIMINATION.

(a) IN GENERAL.—The Secretary of Housing and Urban Development shall conduct a nationwide program of testing to—

(1) detect and document differences in the treatment of persons seeking to rent or purchase housing or obtain or refinance a home mortgage loan, and measure patterns of adverse treatment because of the race, color, religion, sex, familial status, disability status, or national origin of a renter, home buyer, or borrower; and

(2) measure the prevalence of such discriminatory practices across the housing and mortgage lending markets as a whole.

(b) ADMINISTRATION.—The Secretary of Housing and Urban Development shall enter into agreements with qualified fair housing enforcement organizations, as such organizations are defined under subsection (h) of section 561 of the Housing and Community Development Act of 1987 (42 U.S.C. 3616a(h)), for the purpose of conducting the testing required under subsection (a) .

(c) REPORT.—The Secretary of Housing and Urban Development shall report to Congress—

(1) on a biennial basis, the results of each round of testing required under subsection (a) along with any recommendations or proposals for legislative or administrative action to address any issues raised by such testing; and

(2) on an annual basis, a detailed summary of the calls received by the Fair Housing Administration's 24-hour toll-free telephone hotline.

(d) USE OF RESULTS.—The results of any testing required under subsection (a) may be used as the basis for the Secretary, or any State or local government or agency, public or private nonprofit organization or institution, or other public or private entity that the Secretary has entered into a contract or cooperative agreement with under section 561 of the Housing and Community Development Act of 1987 (42 U.S.C. 3616a) to commence, undertake, or pursue any investigation or enforcement action to remedy any discrimination uncovered as a result of such testing.

(e) DEFINITIONS.—As used in this section:

(1) DISABILITY STATUS.—The term ''disability status'' has the same meaning given the term ''handicap'' in section 802 of the Civil Rights Act of 1968 (42 U.S.C. 3602).

(2) FAMILIAL STATUS.—The term ''familial status'' has the same meaning given that term in section 802 of the Civil Rights Act of 1968 (42 U.S.C. 3602).

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out the provisions of this section $20,000,000 for fiscal year 2008 and each fiscal year thereafter.

SEC. 3. INCREASE IN FUNDING FOR THE FAIR HOUSING INITIATIVES PROGRAM.

Section 561 of the Housing and Community Development Act of 1987 (42 U.S.C. 3616a) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by inserting ''qualified'' before ''private nonprofit fair housing enforcement organizations,''; and

(B) in paragraph (2), by inserting ''qualified'' before ''private nonprofit fair housing enforcement organizations,'';

(2) by striking subsection (g) and inserting the following:

''(g) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated to carry out the provisions of this section $52,000,000 for each of fiscal years 2008 through 2012, of which—

''(A) not less than 75 percent of such amounts shall be for private enforcement initiatives authorized under subsection (b);

''(B) not more than 10 percent of such amounts shall be for education and outreach programs under subsection (d); and

''(C) any remaining amounts shall be used for program activities authorized under this section.

''(2) AVAILABILITY.—Any amount appropriated under this section shall remain available until expended.'';

(3) in subsection (h), in the matter following subparagraph (C), by inserting ''and meets the criteria described in subparagraphs (A) and (C)'' after ''subparagraph (B)''; and

(4) in subsection (d)—

(A) in paragraph (1)—

(i) in subparagraph (C), by striking ''; and'' and inserting a semicolon;

(ii) in subparagraph (D), by striking the period and inserting ''; and''; and

(iii) by adding at the end the following new subparagraph:

''(E) websites and other media outlets.'';

(B) in paragraph (2), by striking ''or other public or private entities'' and inserting ''or other public or private nonprofit entities''; and

(C) in paragraph (3), by striking ''or other public or private entities'' and inserting ''or other public or private nonprofit entities''.

SEC. 4. SENSE OF CONGRESS.

It is the sense of Congress that the Secretary of Housing and Urban Development should—

(1) fully comply with the requirements of section 561(d) of the Housing and Community Development Act of 1987 (42 U.S.C. 3616a(d)) to establish, design, and maintain a national education and outreach program to provide a centralized, coordinated effort for the development and dissemination of the fair housing rights of individuals who seek to rent, purchase, sell, or facilitate the sale of a home;

(2) utilize all amounts appropriated for such education and outreach program under section 561(g) of such Act; and

(3) promulgate regulations regarding the fair housing obligations of each recipient of Federal housing funds to affirmatively further fair housing, as that term is defined under title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.).

SEC. 5. GRANTS TO PRIVATE ENTITIES TO STUDY HOUSING DISCRIMINATION.

(a) GRANT PROGRAM.—The Secretary of Housing and Urban Development shall carry out a competitive matching grant program to assist private nonprofit organizations in—

(1) conducting comprehensive studies that examine—

(A) the causes of housing discrimination and segregation; and

(B) the effects of housing discrimination and segregation on education, poverty, and economic development; and

(2) implementing pilot projects that test solutions that will help prevent or alleviate housing discrimination and segregation.

(b) ELIGIBILITY.—To be eligible to receive a grant under this section, a private nonprofit organization shall—

(1) submit an application to the Secretary of Housing and Urban Development, containing such information as the Secretary shall require; and

(2) agree to provide matching non-Federal funds for 25 percent of the total amount of the grant, such funds may include items donated on an in-kind contribution basis.

(c) PREFERENCE.—In awarding any grant under this section, the Secretary of Housing and Urban Development shall give preference to any applicant who is—

(1) a qualified fair housing enforcement organization, as such organization is defined under subsection (h) of section 561 of the Housing and Community Development Act of 1987 (42 U.S.C. 3616a(h)); or

(2) a partner of any such organization.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out the provisions of this section $5,000,000 for each of fiscal years 2008 through 2012.

By Mrs. BOXER (for herself, Mr. LAUTENBERG, and Mr. KERRY):

S. 1734. A bill to provide for prostate cancer imaging research and education; to the Committee on Health, Education, Labor, and Pensions.

Mrs. BOXER. Mr. President, today I rise to introduce the Prostate Research, Imaging, and Men's Education Act. This important legislation addresses the urgent need for the development of new technologies to detect and diagnose prostate cancer, and for the education of the dangers of this deadly disease.

I thank my colleagues, Senator FRANK LAUTENBERG and Senator JOHN KERRY, for joining me as original cosponsors of this important legislation.

Prostate cancer is the second most common cancer in the United States, and the second leading cause of cancer related deaths in men. This cancer strikes one in every six men, making it even more prevalent than breast cancer, which strikes one in every seven women.

In 2007, more than 218,000 men will be diagnosed with prostate cancer, and more than 27,000 men will die from the disease. One new case occurs every 2.5 minutes and a man dies from prostate cancer every 19 minutes.

The Prostate Research, Imaging, and Men's Education Act, also known as the PRIME Act, will mirror the investment the Federal Government made in advanced imaging technologies, which led to life-saving breakthroughs in detection, diagnosis and treatment of breast cancer. This bill directs the Secretary of the Department of Health and Human Services, HHS, to expand research on prostate cancer, and provides the resources to develop innovative advanced imaging technologies for prostate cancer detection, diagnosis, and treatment.

The Prostate Research, Imaging, and Men's Education Act would also create a national campaign conducted through HHS to increase awareness about the need for prostate cancer screening, and the development of better screening techniques. Since African American men are 56 percent more likely to develop prostate cancer compared with Caucasian men and nearly 2.5 times as likely to die from the disease, this campaign will work with the Offices of Minority Health at HHS and the Centers for Disease Control and Prevention to ensure that this effort will reach the men most at risk from this disease.

The Prostate Research, Imaging and Men's Education Act will also promote research that improves prostate cancer screening blood tests. According to a recent National Cancer Institute study, current blood tests result in false-negative reassurances and numerous false-positive alarms. Some 15 percent of men with normal blood test levels actually have prostate cancer. Even when levels are abnormal, some 88 percent of men end up not having prostate cancer but undergoing unnecessary biopsies. Furthermore, the prostate is one of the last organs in a human body where biopsies are performed blindly, which can miss cancer even when multiple samples are taken.

Government initiative in research and education can be the key to diagnosing prostate cancer earlier and more accurately. This legislation would strengthen our efforts to fight this disease.

As June is Men's Health Month, this is an ideal time to draw attention to the issue affecting so many men across the Nation. I ask all my fellow Senators to join with me in ensuring the health of our husbands, brothers, sons, and friends against this disease.

By Mr. DODD:

S. 1736. A bill to amend title II of the Social Security Act to provide that the eligibility requirements for disability insurance benefits under which an individual must have 20 quarters of Social Security coverage in the 40 quarters preceding a disability shall not be applicable in the case of a disabled individual suffering from a covered terminal disease; to the Committee on Finance.

Mr. DODD. Mr. President, today I am introducing the Claire Collier Social Security Disability Insurance Fairness Act. This legislation will ensure that individuals suffering from certain terminal diseases are entitled to receive Social Security disability benefits. Under current law, an individual who contracts a covered terminal illness, and who has not been part of the workforce for a period of time, may not qualify for Social Security disability benefits they would otherwise be entitled to.

This bill is named after Claire Collier, a Stamford, Connecticut mother of three, who I first met a few years ago after she was diagnosed with amyotrophic lateral sclerosis, ALS, in 2003. ALS, commonly known as Lou Gehrig's disease, first strikes the nerve cells, then weakens the muscles, causes paralysis and tragically leads to death.

Three years ago, Claire applied for Social Security disability benefits. However, she was denied the benefits because she did not have enough work credits. Ms. Collier, who worked for more than 15 years as an events planner, does not qualify for Social Security disability benefits, even though she paid Social Security and Medicare taxes for more than 15 years. The reason is the Social Security Act mandates that an individual earn 20 quarters of Social Security earnings during the 10 years preceding a disability to collect benefits. This discriminates against people who have earned the required number of credits outside of the time period prescribed under current law.

Under the present system, hardworking Americans, such as Claire Collier, are being denied benefits at a time when they need them most. In Claire's case, the rules are especially unfair since she has been penalized for choosing to stay at home with her children prior to being diagnosed with ALS.

The bill I am sponsoring will change the eligibility standard. The Claire Collier legislation will amend the Social Security Act to provide that the eligibility standard for disability insurance benefits not be applicable in the case of a disabled individual suffering from a terminal illness.

Passage of this important legislation will simply ensure fairness. We should reward individuals who contribute to Social Security, not punish them. The Claire Collier Social Security Disability Insurance Fairness Act will eliminate inequity in the current system. I look forward to working with

my colleagues to see that this legislation is not only passed by this body soon, but that it is signed into law.

By Mr. BIDEN (for himself and Mrs. BOXER)

S. 1738. A bill to establish a Special Counsel for Child Exploitation Prevention and Interdiction within the Office of the Deputy Attorney General, to improve the Internet Crimes Against Children Task Force, to increase resources for regional computer forensic labs, and to make other improvements to increase the ability of law enforcement agencies to investigate and prosecute predators; to the Committee on the Judiciary.

Mr. BIDEN. Mr. President, I rise today to introduce the Combating Child Exploitation Act of 2007. This legislation takes a bold step forward in addressing child exploitation.

And, Mr. President, let me assure you, we need bold action. We have taken some important steps here in the Senate, including passing the Jacob Weterling Act, the Pam Lyncher Act, the Amber Alert program, and last year's Adam Walsh Act.

But, this is a problem that keeps growing and growing, and we need bold action to address this problem. If we do not act, we will probably be back here naming a new bill after another unfortunate child victim.

The bottom line is that the Internet has facilitated an exploding, multi-billion dollar market for child pornography, with 20,000 new images posted every week. This is a market that can only be supplied by the continued sexual assault and exploitation of more children and the research shows that victims are getting younger and they are being exposed to more sadistic abuse.

The FBI and the Department of Justice have testified before Congress that there are hundreds of thousands of people trafficking child pornography in this country and millions around the world.

We are not making a dent in this problem.

Don't get me wrong, there are many Federal, State and local investigators and prosecutors out there working tirelessly, but need to do much more.

We have not dedicated enough Federal agents to this problem and we have not provided enough support for States and local government.

The most troubling aspect, one that led to the drafting of this legislation is that we know where many of these people are and if we set the right priorities we can go pick them up.

Let me repeat that, we have new investigative techniques that will allow us to identify many of the people who are trafficking child pornography and we can go pick them up.

A very conservative estimate is that there are more than 400,000 people who we know who are trafficking child pornography on the Internet in the U.S. right now.

We can, with minimal effort, take these people down. But, due to lack of resources we are investigating less than 2 percent of these cases. Again, we are only investigating 2 percent of the known child pornography traffickers.

We also know that when law enforcement agents do investigate these cases, there is a local abused child in 30 percent off the cases. And, research shows that at least 55 percent of child pornography possessors have previously sexually assaulted children or attempted to do so. So, by picking up these known offenders, we are saving children.

Finally, it is important to note that every time one of these images or videos are shared, the child is victimized again and again.

So, to help ensure that law enforcement has the capacity to get the job done, I am introducing the Combating Child Exploitation Act of 2007.

First, this legislation will establish a Special Counsel in the Deputy Attorney General's Office to coordinate all activities related to preventing child exploitation. This will be one person who will be held accountable for results.

We will also congressionally require that there be at least one Internet Crimes Against Children Task Force, CAC, in each State. This program is poised to become the backbone for our investigative efforts here in the U.S. by forming a network of highly trained investigators to focus exclusively on combating child exploitation. Under this bill, we will triple the funding for the ICAC program to help with hiring, training, and investigative resources to form this Nation-wide network.

In addition, we will authorize over 250 new Federal agents to focus exclusively on this problem, including 125 new FBI agents, which will double the number of agents under the Innocent Images Program at the FBI, 95 new agents for the Immigration and Customs Enforcement Agency, ICE, and 31 new postal inspectors.

This bill will help us form a coordinated effort to go after child predators. As stated previously, we know where many of these people are and we need to go get them.

In my view, it is inexcusable that we are not putting the resources toward tracking the ones down who we know about and doing much more to find the others who are lurking in the shadows.

This legislation will get us on the right track and I urge my colleagues to support this effort.

By Mr. ROCKEFELLER (for himself and Mr. BROWN):

S. 1739. A bill to amend section 35 of the Internal Revenue Code of 1986 to improve the health coverage tax credit, and for other purposes; to the Committee on Finance.

Mr. ROCKEFELLER. Mr. President, last month, the Government Accountability Office, GAO, released yet another report about the Trade Adjustment Assistance, TAA, health coverage tax credit, HCTC. The report confirms what many in Congress have been saying since the HCTC program began, the credit is not enough, the program has several barriers to enrollment, the premiums are prohibitively high for some workers because of medical underwriting, and the program is very confusing and expensive to administer. Although the GAO reported a $19 million decrease in costs of administration between 2003 and the end of fiscal year 2006, administrative costs still make up approximately 34 percent of the total spending for the HCTC.

The Trade Adjustment Assistance Act is up for reauthorization this year. It is long past time for Congress to focus on the problems with the TAA health coverage tax credit and reauthorization presents us with that opportunity. That is why I am introducing legislation today that will make much-needed improvements to the HCTC program. And, I am proud that the distinguished Senator from Ohio, Mr. BROWN, is joining me in introducing this important bill. The TAA Health Coverage Improvement Act of 2007 offers solutions to many of the problems with the HCTC identified by the GAO. This legislation will go a long way to make the TAA health care tax credit a realistic option for displaced workers and their families.

When Congress passed the Trade Act of 2002, we made a promise to American workers that the potential loss of jobs will not equal the loss of health care coverage. Unfortunately, Congress has failed to make good on that promise. Since we passed this bill, I have heard from steel retirees and widows in my State about how unaffordable the TAA health care tax credit is. And I have been very frustrated, just as I was when this bill passed, that we were not able to make the credit more affordable and accessible for people who need it the most—laid-off workers and retirees with very limited income. We can fix these problems by including provisions from the TAA Health Coverage Improvement Act in the TAA reauthorization bill.

For a good number of supporters of the Trade Act of 2002, the health insurance tax credit was the single most important factor in overcoming their concerns about giving the President fast-track authority to move trade agreements through Congress. In my own judgment, the fast-track would not have passed Congress without the health care tax credit. The TAA health credit was the trade-off to balance the President's authority.

Yet, the success many of us envisioned for the health care tax credit has not been realized through implementation. The number of people who have been able to access the health care tax credit over the last 2 years is extremely disappointing. As of January 31, 2007, only 15,506 out of 252,280 who are eligible for the credit are enrolled

in the program. That is just over 6 percent, which means that almost 94 percent of those eligible are not participating.

In my home State of West Virginia, we have worked hard to promote the HCTC for trade-displaced workers. When Weirton Steel instituted significant layoffs, thousands of employees lost their jobs. In the aftermath, State and national officials, health plan staff, and representatives of the Independent Steelworkers Union and United Steel Workers worked collaboratively to provide continuous health care coverage for HCTC-eligible workers and retirees. The community really came together and worked around the clock to educate workers and retirees about their coverage options and to ensure they were enrolled in the HCTC.

Loss of employment is absolutely devastating to workers and their families. While health care coverage alone cannot replace job loss, it does help to ease the burden on displaced workers and their dependents. West Virginia is a model example of how HCTC can work. However, with only 6 percent of those eligible for HCTC enrolled across the country, there is still much more that needs to be done.

I must say to my colleagues that Congress has had a hand in these disappointing enrollment figures. We have ignored every opportunity to improve the health coverage tax credit and enhance the lives of workers displaced by trade. Members of this body have previously voted against TAA bills that would have extended Trade Adjustment Assistance to service workers and also addressed some of the problems the GAO has identified with the health coverage credit.

The TAA Health Coverage Improvement Act makes long overdue improvements to the TAA health care tax credit. First, this legislation addresses the issue of affordability. In addition to the GAO, several consumer advocacy groups and research organizations, including the Commonwealth Fund, the Center on Budget and Policy Priorities, and Families USA, have cited affordability of the credit as the primary reason for low participation in the HCTC program. The bottom line is that a 65 percent subsidy is not enough. With a 65 percent credit, an eligible individual still has to pay an average of $2,104 in annual premium costs for single coverage plus additional amounts for deductibles and co-payments. This figure is particularly astounding given the fact that the average worker, while actively employed and earning a paycheck, paid just $627 annually in 2006 for single employer-sponsored health insurance coverage. In other words, if you lose your job, you have to pay more than three times as much for health insurance, even if you get the HCTC. The TAA Health Coverage Improvement Act makes the credit more affordable by increasing the subsidy amount to 95 percent.

This legislation also addresses the issue of affordability by placing limits on the use of the individual market, as Congress intended under the original law. The Trade Act of 2002 specified that the health insurance credit could not be used for the purchase of health insurance coverage in the individual market except for HCTC-eligible workers who previously had a private, non-group coverage policy 30 days prior to separation from employment. However, States have been allowed by this Administration to create State-based coverage options in the individual market for any HCTC beneficiaries, including those who did not have individual market coverage one month prior to separation from employment.

Because of the Administration's interpretation of the law, there are people who had employer-based coverage prior to separation from employment who are now being covered in the individual market. This was not the intent of the law. To make matters worse, this interpretation undermines the consumer protections set forth in the law because individual market plans are allowed to vary premiums based on age and medical status. In one state that GAG reviewed for a previous report, because of medical underwriting, HCTC recipients in less-than-perfect health were charged almost 6 times the premiums charged to recipients rated in the healthiest category. The legislation I am introducing today addresses this problem by clarifying that States can only designate individual market coverage within guidelines of 30-day restriction and by requiring individual market plans to be community-rated.

Second, this legislation guarantees that eligible workers will have access to comprehensive group health coverage. Group coverage is what people know. The vast majority of laid-off workers and PBGC retirees had employer-sponsored group coverage prior to losing their jobs or pension benefits. The TAA Health Coverage Improvement Act designates the Federal Employees Health Benefit Plan, FEHBP, as a qualified group option in every State, so that displaced workers Nationwide will have access to the same type of affordable, comprehensive coverage they were used to when they were employed.

Third, the TAA Health Coverage Act clarifies the 3 month continuous coverage requirement. Under the original TAA statute, displaced workers are required to maintain 3 months of continuous health insurance coverage in order to qualify for certain consumer protections. Those protections are guaranteed issue, no preexisting condition exclusion, comparable premiums, and comparable benefits. Congress intended this 3 month period to be counted as the 3 months prior to separation from employment. However, the administration has interpreted the 3 month requirement as 3 months of health insurance coverage prior to enrollment in the new health plan, which usually is after separation from employment and after certification of TAA eligibility. Many laid-off workers and PBGC recipients cannot afford to maintain health coverage in the months between losing their jobs and TAA certification and, therefore, lose eligibility for the statutorily-provided consumer protections. This legislation corrects this problem by clarifying that three months of continuous coverage means 3 months prior to separation from employment.

Fourth, this bill allows spouses and dependents to receive the health coverage tax credit. Over the last 2 years, younger spouses and dependents of Medicare-eligible individuals have not been able to receive the subsidy because eligibility runs through the worker or retiree. This technicality is unfair to individuals who rely on health coverage through their spouses or parents. The TAA Health Coverage Improvement Act allows younger spouses and dependent children to retain eligibility for the health coverage tax credit in the event the qualified beneficiary becomes eligible for Medicare.

Finally, this legislation streamlines the HCTC enrollment process and makes it easier for trade-displaced workers to access health insurance coverage. According to GAO, two of the factors contributing to low participation include the complex nature of the HCTC program and the inability of workers to pay 100 percent of the premium during the up to 3 months before they begin to receive advance payments. The TAA Health Coverage Improvement Act improves consumer information about the HCTC by requiring that the Treasury Secretary's eligibility notice include a description of the HCTC program; specific contact information for state offices responsible for determining eligibility and providing enrollment assistance; a list of the HCTC coverage options in the sate; and a statement informing eligible individuals of the deadline to enroll in HCTC in order to avoid lapses in coverage. Additionally, our legislation includes a presumptive eligibility provision that allows displaced workers to enroll in a qualified health plan and receive the HCTC immediately upon application to the Department of Labor for certification. There is also a provision which directs the Treasury Secretary to pay 100 percent of the cost of premiums directly to the health plans during the months TAA-eligible workers are waiting for advance payment to begin.

As a former Governor, I know how important Trade Adjustment Assistance is to individuals who have lost their jobs due to trade. In West Virginia, thousands of workers have lost their jobs as a result of trade policy. While adjusting to the loss of employment, these individuals still have to pay mortgages, put food on the table, and care for their families. Finding affordable health care adds a significant burden to their worries. The TAA health coverage tax credit is designed

to help American workers retain health insurance coverage during this very difficult transition.

Unfortunately, the HCTC program is not living up to its potential. The Government Accountability Office has given us a very specific diagnosis of the problems. Now, it is up to us to fix them. I look forward to working with my colleagues to pass this important legislation in conjunction with reauthorization of the Trade Adjustment Assistance program.

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 printed in the RECORD, as follows:

S. 1739

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 ''TAA Health Coverage Improvement Act of 2007''.

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

SEC. 2. IMPROVEMENT OF THE AFFORDABILITY OF THE CREDIT.

(a) IMPROVEMENT OF AFFORDABILITY.—

(1) IN GENERAL.—Section 35(a) of the Internal Revenue Code of 1986 (relating to credit for health insurance costs of eligible individuals) is amended by striking ''65'' and inserting ''95''.

(2) CONFORMING AMENDMENT.—Section 7527(b) of such Code (relating to advance payment of credit for health insurance costs of eligible individuals) is amended by striking ''65'' and inserting ''95''.

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

SEC. 3. 100 PERCENT CREDIT AND PAYMENT FOR MONTHLY PREMIUMS PAID PRIOR TO CERTIFICATION OF ELIGIBILITY FOR THE CREDIT.

(a) IN GENERAL.—Subsection (a) of section 35 of the Internal Revenue Code of 1986, as amended by section 2(a)(1), is amended—

(1) by striking the subsection heading and all that follows through ''In case'' and inserting ''AMOUNT OF CREDIT.—

''(1) IN GENERAL.—In case''; and

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

''(2) 100 PERCENT CREDIT FOR MONTHS PRIOR TO ISSUANCE OF ELIGIBILITY CERTIFICATE.—The amount allowed as a credit against the tax imposed by subtitle A shall be equal to 100 percent in the case of the taxpayer's first eligible coverage months occurring prior to the issuance of a qualified health insurance costs credit eligibility certificate.''.

(b) PAYMENT FOR PREMIUMS DUE PRIOR TO CERTIFICATION OF ELIGIBILITY FOR THE CREDIT.—Section 7527 of the Internal Revenue Code of 1986 (relating to advance payment of credit for health insurance costs of eligible individuals) is amended by adding at the end the following new subsection:

''(e) PAYMENT FOR PREMIUMS DUE PRIOR TO ISSUANCE OF CERTIFICATE.—The program established under subsection (a) shall provide—

''(1) that the Secretary shall make payments on behalf of a certified individual of an amount equal to 100 percent of the premiums for coverage of the taxpayer and qualifying family members under qualified health insurance for eligible coverage months (as defined in section 35(b)) occurring prior to the issuance of a qualified health insurance costs credit eligibility certificate; and

''(2) that any payments made under paragraph (1) shall not be included in the gross income of the taxpayer on whose behalf such payments were made.''.

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

SEC. 4. ELIGIBILITY FOR CERTAIN PENSION PLAN RECIPIENTS; PRESUMPTIVE ELIGIBILITY.

(a) ELIGIBILITY FOR CERTAIN PENSION PLAN RECIPIENTS.—Subsection (c) of section 35 of the Internal Revenue Code of 1986 is amended—

(1) in paragraph (1)—

(A) in subparagraph (B), by striking ''and'' at the end;

(B) in subparagraph (C), by striking the period and inserting '', and''; and

(C) by adding at the end the following:

''(D) an eligible multiemployer pension participant.''; and

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

''(5) ELIGIBLE MULTIEMPLOYER PENSION RECIPIENT.—The term 'eligible multiemployer pension recipient' means, with respect to any month, any individual—

''(A) who has attained age 55 as of the first day of such month,

''(B) who is receiving a benefit from a multiemployer plan (as defined in section 3(37)(A) of the Employee Retirement Income Security Act of 1974), and

''(C) whose former employer has withdrawn from such multiemployer plan pursuant to section 4203(a) of such Act.''.

(b) PRESUMPTIVE ELIGIBILITY FOR PETITIONERS FOR TRADE ADJUSTMENT ASSISTANCE.—Subsection (c) of section 35 of the Internal Revenue Code of 1986, as amended by subsection (a), is amended by adding at the end the following new paragraph:

''(6) PRESUMPTIVE STATUS AS A TAA RECIPIENT.—The term 'eligible individual' shall include any individual who is covered by a petition filed with the Secretary of Labor under section 221 of the Trade Act of 1974. This paragraph shall apply to any individual only with respect to months which—

''(A) end after the date that such petition is so filed, and

''(B) begin before the earlier of—

''(i) the 90th day after the date of filing of such petition, or

''(ii) the date on which the Secretary of Labor makes a final determination with respect to such petition.''.

(c) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 7527(d) of such Code is amended by striking ''or an eligible alternative TAA recipient (as defined in section 35(c)(3))'' and inserting '', an eligible alternative TAA recipient (as defined in section 35(c)(3)), an eligible multiemployer pension recipient (as defined in section 35(c)(5), or an individual who is an eligible individual by reason of section 35(c)(6)''.

(2) Section 173(f)(4) of the Workforce Investment Act of 1998 (29 U.S.C. 2918(f)(4)) is amended—

(A) in subparagraph (B), by striking ''and'' at the end;

(B) in subparagraph (C), by striking the period and inserting a comma; and

(C) by inserting after subparagraph (C), the following new subparagraphs:

''(D) an eligible multiemployer pension recipient (as defined in section 35(c)(5) of the Internal Revenue Code of 1986), and

''(E) an individual who is an eligible individual by reason of section 35(c)(6) of the Internal Revenue Code of 1986.''.

(d) TECHNICAL AMENDMENT CLARIFYING ELIGIBILITY OF CERTAIN DISPLACED WORKERS RECEIVING A BENEFIT UNDER A DEFINED BENEFIT PENSION PLAN.—The first sentence of section 35(c)(2) of the Internal Revenue Code of 1986 is amended by inserting before the period the following: '', and shall include any such individual who would be eligible to receive such an allowance but for the fact that the individual is receiving a benefit under a defined benefit plan (as defined in section 3(35) of the Employee Retirement Income Security Act of 1974).''.

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

SEC. 5. CLARIFICATION OF 3-MONTH CREDITABLE COVERAGE REQUIREMENT.

(a) IN GENERAL.—Clause (i) of section 35(e)(2)(B) of the Internal Revenue Code of 1986 (defining qualifying individual) is amended by inserting ''(prior to the employment separation necessary to attain the status of an eligible individual)'' after ''9801(c)''.

(b) CONFORMING AMENDMENT.—Section 173(f)(2)(B)(ii)(I) of the Workforce Investment Act of 1998 (29 U.S.C. 2918(f)(2)(B)(ii)(I)) is amended by inserting ''(prior to the employment separation necessary to attain the status of an eligible individual)'' after ''1986''.

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

SEC. 6. TAA PRE-CERTIFICATION PERIOD RULE FOR PURPOSES OF DETERMINING WHETHER THERE IS A 63-DAY LAPSE IN CREDITABLE COVERAGE.

(a) ERISA AMENDMENT.—Section 701(c)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1181(c)(2)) is amended by adding at the end the following new subparagraph:

''(C) TAA-ELIGIBLE INDIVIDUALS.—

''(i) TAA PRE-CERTIFICATION PERIOD RULE.—In the case of a TAA-eligible individual, the period beginning on the date the individual has a TAA-related loss of coverage and ending on the date that is 5 days after the postmark date of the notice by the Secretary (or by any person or entity designated by the Secretary) that the individual is eligible for a qualified health insurance costs credit eligibility certificate for purposes of section 7527 of the Internal Revenue Code of 1986 shall not be taken into account in determining the continuous period under subparagraph (A).

''(ii) DEFINITIONS.—The terms 'TAA-eligible individual', and 'TAA-related loss of coverage' have the meanings given such terms in section 605(b)(4)(C).''.

(b) PHSA AMENDMENT.—Section 2701(c)(2) of the Public Health Service Act (42 U.S.C. 300gg(c)(2)) is amended by adding at the end the following new subparagraph:

''(C) TAA-ELIGIBLE INDIVIDUALS.—

''(i) TAA PRE-CERTIFICATION PERIOD RULE.—In the case of a TAA-eligible individual, the period beginning on the date the individual has a TAA-related loss of coverage and ending on the date that is 5 days after the postmark date of the notice by the Secretary (or by any person or entity designated by the Secretary) that the individual is eligible for a qualified health insurance costs credit eligibility certificate for purposes of section 7527 of the Internal Revenue Code of 1986 shall not be taken into account in determining the continuous period under subparagraph (A).

''(ii) DEFINITIONS.—The terms 'TAA-eligible individual', and 'TAA-related loss of coverage' have the meanings given such terms in section 2205(b)(4)(C).''.

(c) IRC AMENDMENT.—Section 9801(c)(2) of the Internal Revenue Code of 1986 (relating to not counting periods before significant breaks in creditable coverage) is amended by adding at the end the following new subparagraph:

''(D) TAA-ELIGIBLE INDIVIDUALS.—

''(i) TAA PRE-CERTIFICATION PERIOD RULE.—In the case of a TAA-eligible individual, the period beginning on the date the individual has a TAA-related loss of coverage and ending on the date which is 5 days after the postmark date of the notice by the Secretary (or by any person or entity designated by the Secretary) that the individual is eligible for a qualified health insurance costs credit eligibility certificate for purposes of section 7527 shall not be taken into account in determining the continuous period under subparagraph (A).

''(ii) DEFINITIONS.—The terms 'TAA-eligible individual', and 'TAA-related loss of coverage' have the meanings given such terms in section 4980B(f)(5)(C)(iv).''.

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

SEC. 7. CONTINUED QUALIFICATION OF FAMILY MEMBERS AFTER CERTAIN EVENTS.

(a) IN GENERAL.—Subsection (g) of section 35 of the Internal Revenue Code of 1986 is amended by redesignating paragraph (9) as paragraph (10) and inserting after paragraph (8) the following new paragraph:

''(9) CONTINUED QUALIFICATION OF FAMILY MEMBERS AFTER CERTAIN EVENTS.—

''(A) ELIGIBLE INDIVIDUAL BECOMES MEDICARE ELIGIBLE.—In the case of a month which would be an eligible coverage month with respect to an eligible individual but for subsection (f)(2)(A), such month shall be treated as an eligible coverage month with respect to any qualifying family member of such eligible individual (but not with respect to such eligible individual).

''(B) DIVORCE.—In the case of a month which would be an eligible coverage month with respect to a former spouse of a taxpayer but for the finalization of a divorce between the spouse and the taxpayer that occurs during the period in which the taxpayer is an eligible individual, such month shall be treated as an eligible coverage month with respect to such former spouse.

''(C) DEATH.—In the case of a month which would be an eligible coverage month with respect to an eligible individual but for the death of such individual, such month shall be treated as an eligible coverage month with respect to any qualifying family of such eligible individual.''.

(b) CONFORMING AMENDMENT.—Section 173(f) of the Workforce Investment Act of 1998 (29 U.S.C. 2918(f)) is amended by adding at the end the following:

''(8) CONTINUED QUALIFICATION OF FAMILY MEMBERS AFTER CERTAIN EVENTS.—

''(A) ELIGIBLE INDIVIDUAL BECOMES MEDICARE ELIGIBLE.—In the case of a month which would be an eligible coverage month with respect to an eligible individual but for subsection (f)(2)(A), such month shall be treated as an eligible coverage month with respect to any qualifying family member of such eligible individual (but not with respect to such eligible individual).

''(B) DIVORCE.—In the case of a month which would be an eligible coverage month with respect to a former spouse of a taxpayer but for the finalization of a divorce between the spouse and the taxpayer that occurs during the period in which the taxpayer is an eligible individual, such month shall be treated as an eligible coverage month with respect to such former spouse.

''(C) DEATH.—In the case of a month which would be an eligible coverage month with respect to an eligible individual but for the death of such individual, such month shall be treated as an eligible coverage month with respect to any qualifying family of such eligible individual.''.

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

SEC. 8. OFFERING OF FEDERAL GROUP COVERAGE.

(a) PROVISION OF GROUP COVERAGE.—

(1) IN GENERAL.—The Director of the Office of Personnel Management jointly with the Secretary of the Treasury shall establish a program under which eligible individuals (as defined in section 35(c) of the Internal Revenue Code of 1986) are offered enrollment under health benefit plans that are made available under FEHBP.

(2) TERMS AND CONDITIONS.—The terms and conditions of health benefits plans offered under paragraph (1) shall be the same as the terms and coverage offered under FEHBP, except that the percentage of the premium charged to eligible individuals (as so defined) for such health benefit plans shall be equal to 5 percent.

(3) STUDY.—The Director of the Office of Personnel Management jointly with the Secretary of the Treasury shall conduct a study of the impact of the offering of health benefit plans under this subsection on the terms and conditions, including premiums, for health benefit plans offered under FEHBP and shall submit to Congress, not later than 2 years after the date of the enactment of this Act, a report on such study. Such report may contain such recommendations regarding the establishment of separate risk pools for individuals covered under FEHBP and eligible individuals covered under health benefit plans offered under paragraph (1) as may be appropriate to protect the interests of individuals covered under FEHBP and alleviate any adverse impact on FEHBP that may result from the offering of such health benefit plans.

(4) FEHBP DEFINED.—In this section, the term ''FEHBP'' means the Federal Employees Health Benefits Program offered under chapter 89 of title 5, United States Code.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 35(e) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

''(K) Coverage under a health benefits plan offered under section 8(a)(1) of the TAA Health Coverage Improvement Act of 2007.''.

(2) Section 173(f)(2)(A) of the Workforce Investment Act of 1998 (29 U.S.C. 2918(f)(2)(A)) is amended by adding at the end the following new clause:

''(xi) Coverage under a health benefits plan offered under section 8(a)(1) of the TAA Health Coverage Improvement Act of 2007.''.

SEC. 9. ADDITIONAL REQUIREMENTS FOR INDIVIDUAL HEALTH INSURANCE COSTS.

(a) IN GENERAL.—Subparagraph (A) of section 35(e)(2) of such Code is amended by striking ''subparagraphs (B) through (H) of paragraph (1)'' and inserting ''paragraph (1) (other than subparagraphs (A), (I), and (K) thereof)''.

(b) RATING SYSTEM REQUIREMENT.—Subparagraph (J) of section 35(e)(1) of such Code is amended by adding at the end the following: ''For purposes of this subparagraph and clauses (ii), (iii), and (iv) of subparagraph (F), such term does not include any insurance unless the premiums for such insurance are restricted based on a community rating system (determined other than on the basis of age).''.

(c) CLARIFICATION OF CONGRESSIONAL INTENT TO LIMIT USE OF INDIVIDUAL HEALTH INSURANCE COVERAGE OPTION.—Section 35(e)(1)(J) (relating to qualified health insurance) is amended in the matter preceding clause (i), by inserting '', but only'' after ''under individual health insurance''.

(d) CONFORMING AMENDMENTS.—Section 173(f)(2) of the Workforce Investment Act of 1998 (29 U.S.C. 2918(f)(2)) is amended—

(1) in subparagraph (A)(x), by adding at the end the following: ''Such term does not include any insurance unless the premiums for such insurance are restricted based on a community rating system (determined other than on the basis of age).''; and

(2) in subparagraph (B)—

(A) in the matter preceding subclause (I), by inserting '', but only'' after ''under individual health insurance''; and

(B) in clause (i), by striking ''clauses (ii) through (viii) of subparagraph (A)'' and inserting ''subparagraph (A) (other than clauses (i), (x), and (xi) thereof)''.

SEC. 10. ALIGNMENT OF COBRA COVERAGE WITH TAA PERIOD FOR TAA-ELIGIBLE INDIVIDUALS.

(a) ERISA.—Section 605(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1165(b)) is amended—

(1) in the subsection heading, by inserting ''AND COVERAGE'' after ''ELECTION''; and

(2) in paragraph (2)—

(A) in the paragraph heading, by inserting ''AND PERIOD'' after ''COMMENCEMENT'';

(B) by striking ''and shall'' and inserting '', shall''; and

(C) by inserting '', and in no event shall the maximum period required under section 602(2)(A) be less than the period during which the individual is a TAA-eligible individual'' before the period at the end.

(b) INTERNAL REVENUE CODE OF 1986.—Section 4980B(f)(5)(C) of the Internal Revenue Code of 1986 is amended—

(1) in the subparagraph heading, by inserting ''AND COVERAGE'' after ''ELECTION''; and

(2) in clause (ii)—

(A) in the clause heading, by inserting ''AND PERIOD'' after ''COMMENCEMENT'';

(B) by striking ''and shall'' and inserting '', shall''; and

(C) by inserting '', and in no event shall the maximum period required under paragraph (2)(B)(i) be less than the period during which the individual is a TAA-eligible individual'' before the period at the end.

(c) PUBLIC HEALTH SERVICE ACT.—Section 2205(b) of the Public Health Service Act (42 U.S.C. 300bb–5(b)) is amended—

(1) in the subsection heading, by inserting ''AND COVERAGE'' after ''ELECTION''; and

(2) in paragraph (2)—

(A) in the paragraph heading, by inserting ''AND PERIOD'' after ''COMMENCEMENT'';

(B) by striking ''and shall'' and inserting '', shall''; and

(C) by inserting '', and in no event shall the maximum period required under section 2202(2)(A) be less than the period during which the individual is a TAA-eligible individual'' before the period at the end.

SEC. 11. NOTICE REQUIREMENTS.

Section 7527 of the Internal Revenue Code of 1986 (relating to advance payment of credit for health insurance costs of eligible individuals), as amended by section 3(b), is amended by adding at the end the following new subsection:

''(f) INCLUSION OF CERTAIN INFORMATION.—The notice by the Secretary (or by any person or entity designated by the Secretary) that an individual is eligible for a qualified health insurance costs credit eligibility certificate shall include—

''(1) information explaining how the program established under subsection (a) works with the credit established under section 35,

''(2) the name, address, and telephone number of the State office or offices responsible for determining that the individual is eligible for such certificate and for providing the individual with assistance with enrollment in qualified health insurance (as defined in section 35(e)),

''(3) a list of the coverage options that are treated as qualified health insurance (as so defined) by the State in which the individual resides, and

''(4) in the case of a TAA-eligible individual (as defined in section 4980B(f)(5)(C)(iv)(II)), a statement informing the individual that the individual has 63 days from the date that is 5 days after the postmark date of such notice to enroll in such insurance without a lapse in creditable coverage (as defined in section 9801(c)).''.

SEC. 12. ANNUAL REPORT ON ENHANCED TAA BENEFITS.

Not later than October 1 of each year (beginning in 2008) the Secretary of the Treasury, after consultation with the Secretary of Labor, shall report to the Committee on Finance and the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Ways and Means and the Committee on Education and the Workforce of the House of Representatives the following information with respect to the most recent taxable year ending before such date:

(1) The total number of participants utilizing the health insurance tax credit under section 35 of the Internal Revenue Code of 1986, including a measurement of such participants identified—

(A) by State, and

(B) by coverage under COBRA continuation provisions (as defined in section 9832(d)(1) of such Code) and by non-COBRA coverage (further identified by group and individual market).

(2) The range of monthly health insurance premiums offered and the average and median monthly health insurance premiums offered to TAA-eligible individuals (as defined in section 4980B(f)(5)(C)(iv)(II) of such Code) under COBRA continuation provisions (as defined in section 9832(d)(1) of such Code), State-based continuation coverage provided under a State law that requires such coverage, and each category of coverage described in section 35(e)(1) of such Code, identified by State and by the actuarial value of such coverage and the specific benefits provided and cost-sharing imposed under such coverage.

(3) The number of States applying for and receiving national emergency grants under section 173(f) of the Workforce Investment Act of 1998 (29 U.S.C. 2918(f)) and the time necessary for application approval of such grants.

(4) The cost of administering the health credit program under section 35 of such Code, by function, including the cost of subcontractors.

SEC. 13. EXTENSION OF NATIONAL EMERGENCY GRANTS.

(a) IN GENERAL.—Section 173(f) of the Workforce Investment Act of 1998 (29 U.S.C. 2918(f)) is amended—

(1) by striking paragraph (1) and inserting the following new paragraph:

''(1) USE OF FUNDS.—

''(A) HEALTH INSURANCE COVERAGE FOR ELIGIBLE INDIVIDUALS IN ORDER TO OBTAIN QUALIFIED HEALTH INSURANCE THAT HAS GUARANTEED ISSUE AND OTHER CONSUMER PROTECTIONS.—Funds made available to a State or entity under paragraph (4)(A) of subsection (a) shall be used to provide an eligible individual described in paragraph (4)(C) and such individual's qualifying family members with health insurance coverage for the 3-month period that immediately precedes the first eligible coverage month (as defined in section 35(b) of the Internal Revenue Code of 1986) in which such eligible individual and such individual's qualifying family members are covered by qualified health insurance that meets the requirements described in clauses (i) through (iv) of section 35(e)(2)(A) of the Internal Revenue Code of 1986 (or such longer minimum period as is necessary in order for such eligible individual and such individual's qualifying family members to be covered by qualified health insurance that meets such requirements).

''(B) ADDITIONAL USES.—Funds made available to a State or entity under paragraph (4)(A) of subsection (a) may be used by the State or entity for the following:

''(i) HEALTH INSURANCE COVERAGE.—To assist an eligible individual and such individual's qualifying family members with enrolling in health insurance coverage and qualified health insurance or paying premiums for such coverage or insurance.

''(ii) ADMINISTRATIVE EXPENSES AND START-UP EXPENSES TO ESTABLISH GROUP HEALTH PLAN COVERAGE OPTIONS FOR QUALIFIED HEALTH INSURANCE.—To pay the administrative expenses related to the enrollment of eligible individuals and such individuals' qualifying family members in health insurance coverage and qualified health insurance, including—

''(I) eligibility verification activities;

''(II) the notification of eligible individuals of available health insurance and qualified health insurance options;

''(III) processing qualified health insurance costs credit eligibility certificates provided for under section 7527 of the Internal Revenue Code of 1986;

''(IV) providing assistance to eligible individuals in enrolling in health insurance coverage and qualified health insurance;

''(V) the development or installation of necessary data management systems; and

''(VI) any other expenses determined appropriate by the Secretary, including start-up costs and on going administrative expenses, in order for the State to treat the coverage described in subparagraph (C), (D), (E), or (F)(i) of section 35(e)(1) of the Internal Revenue Code of 1986, or, only if the coverage is under a group health plan, the coverage described in subparagraph (F)(ii), (F)(iii), (F)(iv), (G), or (H) of such section, as qualified health insurance under that section.

''(iii) OUTREACH.—To pay for outreach to eligible individuals to inform such individuals of available health insurance and qualified health insurance options, including outreach consisting of notice to eligible individuals of such options made available after the date of enactment of this clause and direct assistance to help potentially eligible individuals and such individual's qualifying family members qualify and remain eligible for the credit established under section 35 of the Internal Revenue Code of 1986 and advance payment of such credit under section 7527 of such Code.

''(iv) BRIDGE FUNDING.—To assist potentially eligible individuals purchase qualified health insurance coverage prior to issuance of a qualified health insurance costs credit eligibility certificate under section 7527 of the Internal Revenue Code of 1986 and commencement of advance payment, and receipt of expedited payment, under subsections (a) and (e), respectively, of that section.

''(C) RULE OF CONSTRUCTION.—The inclusion of a permitted use under this paragraph shall not be construed as prohibiting a similar use of funds permitted under subsection (g).''; and

(2) by striking paragraph (2) and inserting the following new paragraph:

''(2) QUALIFIED HEALTH INSURANCE.—For purposes of this subsection and subsection (g), the term 'qualified health insurance' has the meaning given that term in section 35(e) of the Internal Revenue Code of 1986.''.

(b) FUNDING.—Section 174(c)(1) of the Workforce Investment Act of 1998 (29 U.S.C. 2919(c)(1)) is amended—

(1) in the paragraph heading, by striking ''AUTHORIZATION AND APPROPRIATION FOR FISCAL YEAR 2002'' and inserting ''APPROPRIATIONS''; and

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

''(A) to carry out subsection (a)(4)(A) of section 173—

''(i) $10,000,000 for fiscal year 2002; and

''(ii) $300,000,000 for the period of fiscal years 2008 through 2010; and''.

(c) REPORT REGARDING FAILURE TO COMPLY WITH REQUIREMENTS FOR EXPEDITED APPROVAL PROCEDURES.—Section 173(f) of the Workforce Investment Act of 1998 (29 U.S.C. 2918(f)) is amended by adding at the end the following new paragraph:

''(8) REPORT FOR FAILURE TO COMPLY WITH REQUIREMENTS FOR EXPEDITED APPROVAL PROCEDURES.—If the Secretary fails to make the notification required under clause (i) of paragraph (3)(A) within the 15-day period required under that clause, or fails to provide the technical assistance required under clause (ii) of such paragraph within a timely manner so that a State or entity may submit an approved application within 2 months of the date on which the State or entity's previous application was disapproved, the Secretary shall submit a report to Congress explaining such failure.''.

(d) TECHNICAL AMENDMENT.—Effective as if included in the enactment of the Trade Act of 2002 (Public Law 107–210; 116 Stat. 933), subsection (f) of section 203 of that Act is repealed.

By Mr. HATCH (for himself, Mr. KOHL, Mr. SPECTER, and Mr. CRAPO):

S. 1743. A bill to amend the Internal Revenue Code of 1986 to repeal the dollar limitation on contributions to funeral trusts; to the Committee on Finance.

Mr. HATCH. Mr. President, I rise today to introduce a bill to eliminate the current dollar limitation on Qualified Funeral Trusts, QFTs. Congress created these savings vehicles in 1997 to assist individuals and families who wanted to plan for, and prepay, funeral expenses. Yet, funeral costs are rising

rapidly, and the arbitrary cap that Congress imposed on QFTs makes planning more difficult. Today I am proud to introduce this bipartisan legislation, along with my colleague from Wisconsin, the chairman of the Special Committee on Aging, Senator KOHL. We are also joined by two of our distinguished colleagues, Senators SPECTER and CRAPO. The change would have a positive impact on the lives of older Americans and on their families. In addition, according to the Joint Committee on Taxation, it would have a slight, but positive, impact on the Federal treasury.

When Congress created QFTs, it did so as a tax simplification measure. Unfortunately, it capped the size of these trusts at $7,000, adjusted regularly for inflation. This year, the inflation-adjusted cap is $8,800, but in many instances, this amount is no longer sufficient to cover a family's funeral expenses. In Utah, the average cost of a full funeral and burial is $12,685. I am sure that in many other states it is even higher. Because of this contribution limit, even those who preplan their own funerals too often leave their heirs with substantial expenses. Even those who attempt to cover the entire expense may not have enough money to cover all costs after administrative fees and taxes are deducted.

This proposal would make Qualified Funeral Trusts more effective. The principal reason individuals set up Qualified Funeral Trust plans is to lift a financial burden from their children. Ordinarily, trusts for funeral expenses are grantor trusts, and the beneficiary is responsible for paying any tax on income generated by the trust. Congress recognized, however, that this result created an administrative burden for the beneficiary or the funeral director trustee. As a result, Congress enacted Section 685 of the Internal Revenue Code, allowing funeral director trustees to elect to pay the tax on income earned by funeral trusts. This tax simplification measure eased the paperwork burden and administrative costs on funeral director trustees, who were previously required to issue hundreds of 1099 forms to their elderly customers. It also eliminated the tax liability and confusion of many elderly Americans who previously received these forms. Unfortunately, only those trusts under the cap are currently eligible for designation as QFTs. By removing this restrictive cap, our legislation will eliminate unnecessary administrative burdens on beneficiaries and trustees.

Let me give you an example of how the current cap creates unnecessary confusion for families. I have used this example before. It remains worth telling. Four years ago, a constituent of mine wrote me about this situation. He was suffering from Parkinson's disease. So he began planning his own funeral in order that these decisions and this burden would be lifted from his children. Because of the cap on QFTs, however, which at the time was $7,800, this Utahn was not able to fully fund the funeral services he desired. It became necessary to have one of his sons complete this planning for him by opening up his own, separate trust that would help to cover the remaining expenses. We should not be making it hard for families to do the right thing. We should not be making families jump through extra hoops when all they are trying to do is make these responsible decisions, well in advance of need.

For older Americans, the primary benefits of this legislation are the ability to have all the money they have saved in the trust be applied to final expenses, instead of taxes, and the incentive to increase the amount of their contribution. Sixty percent of prefunded funerals were funded by trusts and elimination of the cap should raise this percentage. For funeral directors, this change would eliminate the burden and expense of issuing information documents to report income earned from the trust.

The National Funeral Directors Association supports this legislation. So too do numerous funeral homes that serve the people of Utah.

I have no doubt that many more of these funeral businesses, many of which are family-owned and family-run, that serve local communities from coast to coast support this legislation as well.

I think we can all agree that we should make it easier for those who are willing to provide for these necessary expenses in advance. Today, I ask my colleagues to join me in an effort to enact this important measure.

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. 1743

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

SECTION 1. REPEAL OF DOLLAR LIMITATION ON CONTRIBUTIONS TO FUNERAL TRUSTS.

(a) IN GENERAL.—Subsection (c) of section 685 of the Internal Revenue Code of 1986 (relating to treatment of funeral trusts) is repealed.

(b) CONFORMING AMENDMENT.—Subsections (d), (e), and (f) of such section are redesignated as subsections (c), (d), and (e), respectively.

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

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 260—STRENGTHENING THE POINT OF ORDER AGAINST MATTERS OUT OF SCOPE IN CONFERENCE REPORTS

Mr. DEMINT submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 260

Resolved,

SECTION 1. OUT OF SCOPE MATTERS IN CONFERENCE REPORTS.

(a) IN GENERAL.—A point of order may be made by any Senator against any item contained in a conference report that includes or consists of any matter not committed to the conferees by either House. The point of order may be made and disposed of separately for each item in violation of this section.

(b) DISPOSITION.—If the point of order raised against an item in a conference report under subsection (a) is sustained—

(1) the matter in such conference report shall be stricken; and

(2) when all other points of order under this section have been disposed of—

(A) the Senate shall proceed to consider the question of whether the Senate should recede from its amendment to the House bill, or its disagreement to the amendment of the House, and concur with a further amendment, which further amendment shall consist of only that portion of the conference report that has not been stricken (any modification of total amounts appropriated necessary to reflect the deletion of the matter struck from the conference report shall be made);

(B) the question shall be debatable; and

(C) no further amendment shall be in order.

(c) LIMITATION.—

(1) IN GENERAL.—In this section, the term ''matter not committed to the conferees by either House'' shall include any item which consists of a specific provision containing a specific level of funding for any specific account, specific program, specific project, or specific activity, when no such specific funding was provided for such specific account, specific program, specific project, or specific activity in the measure originally committed to the conferees by either House.

(2) RULE XXVIII.—For the purpose of rule XXVIII of the Standing Rules of the Senate, the term ''matter not committed'' shall include any item which consists of a specific provision containing a specific level of funding for any specific account, specific program, specific project, or specific activity, when no such specific funding was provided for such specific account, specific program, specific project, or specific activity in the measure originally committed to the conferees by either House.

(d) SUPERMAJORITY WAIVER AND APPEAL.—This section may be waived or suspended in the Senate only by an affirmative vote of ⅗ of the Members, duly chosen and sworn. An affirmative vote of ⅗ of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

SENATE RESOLUTION 261—EXPRESSING APPRECIATION FOR THE PROFOUND PUBLIC SERVICE AND EDUCATIONAL CONTRIBUTIONS OF DONALD JEFFRY HERBERT, FONDLY KNOWN AS ''MR. WIZARD''

Mr. COLEMAN (for himself, Mr. DOMENICI, Mr. ALEXANDER, Ms. KLOBUCHAR, Mr. FEINGOLD, and Mr. DURBIN) submitted the following resolution; which was referred to the Committee on the Judiciary: