NELSON) and the Senator from Pennsylvania (Mr. SPECTER) were added as cosponsors of amendment No. 4589 intended to be proposed to H.R. 2881, a bill to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes.

AMENDMENT NO. 4615

At the request of Mr. DODD, the name of the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of amendment No. 4615 intended to be proposed to H.R. 2881, a bill to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes.

AMENDMENT NO. 4616

At the request of Mr. ENSIGN, the name of the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of amendment No. 4616 intended to be proposed to H.R. 2881, a bill to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes.

AMENDMENT NO. 4618

At the request of Mr. SCHUMER, the name of the Senator from New Jersey (Mr. LAUTENBERG) was added as a cosponsor of amendment No. 4618 intended to be proposed to H.R. 2881, a bill to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes.

AMENDMENT NO. 4621

At the request of Mr. ISAKSON, the names of the Senator from Colorado (Mr. SALAZAR) and the Senator from Maryland (Ms. MIKULSKI) were added as cosponsors of amendment No. 4621 intended to be proposed to H.R. 2881, a bill to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CRAIG (for himself, Mr. WARNER, and Mr. INHOFE):

S. 2953. A bill to provide for the development and inventory of certain outer Continental Shelf resources, to suspend petroleum acquisition for the Strategic Petroleum Reserve, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. CRAIG. Mr. President, during consideration of the reauthorization of the FAA, a great deal of conversation has gone on on this floor about energy and the cost of energy. It is appropriate that we talk about it at a time when our airlines are struggling and we are attempting to reauthorize FAA. Part of the reason our airlines are struggling is the unprecedented aviation fuel prices. It is only one of the many reasons they are having difficulty today, but clearly the doubling of their costs are putting at risk their corporate structure and their ability to serve an American public.

But it is not just the airlines that are at risk. Every American consumer and every business is finding the tremendous increase in the cost of energy a significant problem. For example, just a few minutes ago, my BlackBerry buzzed. My wife Suzanne is out in Boise, ID. I got an e-mail about the temperature, which is 31 degrees in Boise this morning. At the bottom of the e-mail, she said regular gas just hit $3.53 a gallon. That is a lot of money. Now, that is not as much as others are paying across our Nation, but when an Idahoan fills their tank and they go from community to community, oftentimes they drive hundreds of miles—not just a few miles but literally hundreds of miles. Idaho is a great big Western State. Our distance is oftentimes a significant part of our commerce and our ability to conduct economic activity, and fuel prices have always been significant and important.

Idaho is also a large agricultural State. The cost of the production of foods today has gone up dramatically because of the cost of diesel, if you will, the cost of fertilizer, and all of those components that go into the production of food and the transporting of the food.

Part of the reason food is going up on the retail shelf of the supermarket today is the cost of getting it there, let alone the cost of producing and refining it. Many truckers are saying that just to fill up their truck now can be as much as $1,000. They are not able to change their freight rates to adjust as quickly to the high cost of energy, and they simply have to—this is the term—''eat it.'' Well, they cannot afford to eat it. Oftentimes, those trucks are simply turning off their motors and sitting idle.

So the impact of energy costs on our economy can be dramatic. I came to the floor yesterday to talk about it and to say that, in large part, the American consumer, in their frustration, is saying: Whom do we blame? I don't think they have to look any further than the U.S. Congress and the failure of this Congress—the House and Senate—over the last 20 years to do the things that were necessary to continue production, to ensure refinery capacity, to ensure exploration and the development of reserves, while we were doing all of the other things in conservation, in CAFE standards, assuring that we had a new form of transportation energy. But, no, we have failed to do the right things, and as a result of that, the American consumer is, in fact, paying a great deal for our failure.

What do we do to change that? Instead of just wringing our hands, there are all kinds of ideas out there about changing it.

Some would suggest that you just tax the big oil companies; if you just tax those big oil companies and put that money somewhere else, that will solve the problem. There is an old adage in economics that is quite simple: You usually get less of that which you tax. In other words, the higher you tax something, the less you are going to get from it. Do you want to, by taxation, nationalize America's independent oil companies? Is that a way to get production and more oil and gas at the pump? Remember, there are not any gas lines out there today. There aren't the kinds of lines we saw in the 1970s during the last energy crisis. There is supply. It is the cost of supply that we are frustrated about and the impact that cost is having on our economy.

Here is one of the problems we have. I talked about a Congress that failed, a public policy that failed, a policy that failed to continue to produce as demand went dramatically up—not just in this country but around the world.

The blue line on this chart is the supply line. As you can see, in the 1990s it peaked and it began to drop. That is, of course, U.S. production versus U.S. consumption. In other words, as a nation we began to produce less and less crude oil into our refineries.

Today, we are near 60 percent dependent upon other sources of energy, from outside our country, to come into our refineries and to go out of the gas pump to the consumer. In fact, you can see that the red line—demand—has gone up dramatically as our economy continued to grow over the years, as more people were driving cars, and as more cars consumed more gas.

The only way you are going to keep price down is when the supply line and the demand line are somewhat in concert, somewhat tracking each other. That simply stopped in the 1950s, as we began to grow increasingly dependent upon foreign nations.

We passed the Energy Policy Act of 2005, but it wasn't really directed at transportation fuels. Last year, we added to that and we began to address transportation fuels. We brought ethanol into the market by subsidizing that and allowing our farmers, and those who take corn from them, to produce ethanol to become increasingly effective in the market. That is working to some degree. In fact, it is estimated today that 20 cents would be put on the price of gas at the pump if

it wasn't for national and rural ethanol production. Now, it has caused other problems. Some would argue that it has caused problems in the food chain, and it probably has. I think the marketplace will work that out. So there are things we have been doing.

But I think, most importantly, it is the things we have not done. It is the failure of our country to recognize the increased dependency we were developing from other countries around the world. I think that has become one of our greater frustrations. While you have some on the campaign trail today talking about taxing the big oil companies, the big oil companies don't own the oil. It is the cartels. It is the nations. It is not oil companies, it is oil countries that we have to worry about today.

I didn't coin the phrase, but I use the phrase quite often, ''petro-nationalism.'' If I am a country and I am small but I am sitting on a pool of oil, I become rich overnight. The reason I become rich overnight is because Americans will come and buy my oil. If I want to form a cartel and I want to control the supply of that oil, then they will pay even more for it because Americans quit producing for themselves.

Here is a statistic that I find fascinating, and some have said that if we don't stop this in the near future, we will spend our Nation into poverty as we spend all of this money on oil. We are now spending well over $1 billion a day outside our country to buy oil. That is a phenomenal figure. Our neighbors to the north, we send them $280 million a day; to Saudi Arabia, we send $190 million a day; to Venezuela and Dictator Chavez, we send $160 million; to Nigeria, we send $140 million; to Algeria, we send $70 million. Do Venezuela and Nigeria and Algeria have our best interests in mind? I don't believe so. They have their own interests in mind. We are literally making them wealthy because we are buying their oil.

Many of us talk about energy independence, and last year when we passed that legislation I was talking about, the Energy Independence and Security Act of 2007, we did some very good things in it. As I said, we looked at increasing production by conservation, by CAFE standards, and by renewable fuels standards. We said to the automobile industry: You have to design cars that burn less, and in doing that, we will improve our overall position on dependency by dropping it significantly by 2030. But it takes a long time to redesign a car, make it efficient, produce it, and then sell it into the market.

Those are the realities of a problem where you cannot just fix this tomorrow. We cannot just change the price of gas at the pump tomorrow because we cannot fix the underlying problems instantly. But as I said earlier, if Congress is at fault, the problem in this, then Congress ought to be doing more about it. And it is not just wringing your hands and wanting to tax. It is doing things that get us back into production while we learn to conserve, while we have cleaner automobiles, while we look at alternative fuel sources, while we get more hybrid cars and electric plug-in cars in the market. That is all coming, but that is 10 years, 15 years, and 20 years out.

What do we do in the interim? I believe there is something we can do, and we ought to do. In America today and in our territorial waters we are sitting still on a lot of oil, a dramatic amount of oil. Some would argue under old U.S. Geological Survey analysis that we are sitting on at least 100 billion barrels of oil. If we are sitting on it, why aren't we using it? Once again, the politics of Congress and the politics of States enter into the debate.

A couple of years ago, I began to talk about an issue I called the no zone. What was I talking about at the time? I was talking about that area of the United States and Outer Continental Shelf of waters that we knew had large volumes of oil. But California said no. We said no in Alaska. We have said no off the east coast. We have said no around Florida. Because we have said no, the American consumer today is paying the highest price for gasoline ever. That is a fact. It is a simple reality. Our dependency on foreign nations grew. As I just expressed, over 60 percent of our oil is coming from outside the continental United States when we know there is a significant amount of oil outside the continent.

When I introduced this chart a couple of years ago and I began to talk about the no zone and there were a few folks wringing their hands, we went to work. We went to work and we looked at oil sales in the gulf and the development in the Outer Continental Shelf in the deep waters of the Gulf of Mexico.

Thanks to our effort, we did something. The American consumer needs to know we went into lease sale 181 off the coast of Florida. We looked at and found a tremendous amount of capability there and we began to develop it and we are developing it today. We have allowed other lease sales to occur. That is tremendously important. We are beginning to tap some of that oil supply that we know is out there and about which we ought to be doing more. That is what I think is important, and that is on what I think we ought to be focused.

To sit and wring our hands and tell the American people there is nothing we can do, and all we are going to do is go out and tax and tax, which will not produce—we ought to be talking about production. The legislation I have introduced today talks about production. It talks about production in a positive way.

I mentioned a few moments ago the action we took last year in lease sale 181. We were successful in bringing Florida along in their cooperation and understanding, which was phenomenally important.

We know there are millions of barrels of oil and trillions of cubic feet of gas out there. What is most significant about oil development in this region is that the infrastructure is in place. What do I mean? Refineries, pipelines, capacity. We don't have to wait 5, 6, and 7 years just to build the infrastructure. It is there, and the oil is under it. That is why we did lease sale 181. But there is a lot more we can and should do. That is why the legislation I have introduced today does just that. It doesn't start drilling, but it says a couple of things that are quite simple.

As we have heard others talk about the fact we are putting money into the Strategic Petroleum Reserve at this time, we are buying oil off the market and putting it underground in the salt domes in the South for a time of necessity, I suggest we stop doing that for the time being, and I suggest we take that money we are using for those purposes and we modernize our inventory of our known reserves, our unknown reserves, and our capacity because the true SPR—SPR means Strategic Petroleum Reserve—the greatest reserve in the world is to know what we have, where it is, and how we can access it. That is one of the most important things we can do for the consumers of America today.

I know it frustrated some of my Floridian friends when I talked about our inability because of policy to allow our companies to go in to the northern area off Cuba and drill because Cuba was allowing other countries to come in and develop. Just 90 miles—45 miles until you hit the zone—90 miles off our coast on the extreme of the Florida Keys there are foreign nations drilling oil today. India is there, and India has now discovered oil. China is there, and China has now discovered oil. We are not there today because our policy is 45 years old and still says: No, no, Americans cannot get involved with Cuba, even though we believe Cuba has phenomenal potential oil reserves. Shame on us.

America, listen up: It is Government policy today in large part that has caused you the pain at the pump, and it is very important that Government act today to reduce that pain.

The legislation I am offering would create an inventory that would do just that. It would allow us to know what our reserves are.

We have moratoriums off the coast of Florida, and yet we know there are huge oil reserves out there. Why are we not doing something about it? Well, it is local politics. It is national politics. It is green politics. It is politics. That is why we have the price of oil we have today, nothing more and nothing less but politics, and our economy is growing more fragile by the moment because of it.

Is it demagogic to say that? I don't think so. I don't think so at all. I pulled out the sign, the no zone. The no is a result of politics, whether it is the politics of the State of Florida or the

politics of the State of California or whether it is the national politics of this Senate that will not allow for us to drill for the reserves in what is known as ANWR, the Alaskan national wildlife area, where we know there is phenomenal abundance.

It was all done, all of this no, this political no was all done in the name of the environment. There was some reason at the time these old ideas were put in place. We had the oil spills off the coast of Santa Barbara, and as a result of that, Americans were concerned. So California said no more drilling there, and then we followed up.

A few years ago, we had a great national tragedy in the gulf area of our country. That tragedy was called Katrina. She came rolling up and through the gulf. We know what she did in New Orleans. She did something else nobody wants to talk about today. She knocked offline hundreds of oil wells that were producing out in the gulf—knocked them off. She even set some of the drilling rigs adrift. But not a drop of oil was spilled. Why? Because modern technology today and American know-how and a concern for protecting our environment has produced one of the cleanest deepwater oil drilling industries in the world. We are producing in this area of the gulf off the coast of Texas, off the coast of Louisiana, off the coast of Mississippi, and with 181, we just brought into or soon will be bringing into production off the coast of Alabama. Why not off the coast of Florida? Why not off the coast of California? Why not off the coast of the Carolinas, Virginia, and on up where we believe there is significant gas and oil reserves?

It is old politics of the past that is caught in the ghosts of Santa Barbara of decades ago. Yet our technology today will take us there, but our politics will not take us there. That is why I have introduced the legislation I have. The least we can do is inventory with modern technology to know where our oil is.

I notice the president of Shell said in a press release the other day: If Americans sent a message to the world that we were going to start drilling our own reserves and bringing them into production, the price of gas at the pump would drop dramatically, 25 or 30 cents a gallon or more. That is significant stuff, both short term and long term, to the economy of this country.

I say to my colleagues, I say to our country, and I say to our consumers: Is it a time to act? You bet it is a time to act. While some suggest we tax the big boys out of existence, we do not produce anything by doing that, while we can create all kinds of other structures. Do we produce more, do we build refinery capacity, and do we assure the American public while we are transitioning into hybrid cars and electric cars and hydrogen cars and all of those kinds of activities that we support and are doing research and development on today that they will still have an abundant supply of energy? That is our job. That is the job we failed in doing over the last good number of years, and that is the job we ought to stop and start over and do it right and reward the States that are the boundary States to the production of the Outer Continental Shelf.

We have huge oil reserves in this country, and yet we are letting the rest of the world have our wealth. Why not keep our wealth in this country by the development of these reserves?

The first step is the legislation I have introduced today. Let's at least in the next few years do the inventory, the modern, sophisticated seismographic inventory that USGS can do to let us know how much is out there because what we know today is simply old stuff. Those efforts were done years ago. Already out at the edge of this green line in the deepest waters in the gulf under the newest drilling technologies, we are finding phenomenal oil that just a few years ago we did not even know we could get to. We are getting to it. We are producing it. It is clean, and it is environmentally sound. We ought to be doing that everywhere else.

I have joined my colleague from Louisiana who just came to the floor, who introduced legislation that says when oil gets to $125 a barrel, we ought to give the States the option to allow the development of the Outer Continental Shelf off their State. You darn bet we ought to, and those States ought to be rewarded for it.

There is so much this country can continue to do instead of standing still and wringing our hands and trying to blame somebody else for our failure over the last 20 years to continue to allow this great country to produce for its consumers.

Mr. WARNER. Mr. President, will the Senator yield for 10 seconds?

Mr. CRAIG. I will be happy to yield to the senior Senator from Virginia.

Mr. WARNER. Mr. President, I commend him for this initiative, but I hope he says ''oil and gas'' because off the east coast there is an abundance of gas, as shown by the previous studies. As he says, they have to be brought up to date. Do let us invoke gas because along the beaches—and I, as the Senator knows, twice tried to get legislation through, and a collection of Senators—and I say this in a lighthearted way; I call them the beach boys—will not permit this for fear that pollution could emanate from the drilling process onto their beaches.

I suggest let's start with gas. There would not be any potential for the erosion of beaches as a consequence of an accidental spill. I do hope the Senator puts in the word ''gas.''

Mr. CRAIG. Mr. President, I thank the senior Senator from Virginia. He is absolutely right. When I think oil, I think gas because, obviously, in lease sale 181 and in other areas where there is gas, there is oftentimes oil, and oftentimes where there is gas, there is no oil. We believe that to be the case off the coast of Virginia.

The Senator from Virginia has been a leader, without doubt, in that very kind of effort to allow at least the seismographic effort, the exploration that would determine for us the kinds of reserves we have and may have for the future.

I thank the Senator from Virginia for his leadership in this area.

Mr. WARNER. Mr. President, I thank my good friend from Idaho. I also emphasize that the technology to do it safely and not be the victim of a disruption by Mother Nature is there.

Mr. CRAIG. Without question it is there today, and we know that. We are the leaders of clean drilling in deep water for the world, no question.

Mr. WARNER. I thank the Senator. I wish him well. He has my support.

Mr. NELSON of Florida. Mr. President, will the Senator further yield?

Mr. CRAIG. I will be happy to yield to the Senator from Florida.

Mr. NELSON of Florida. Would the Senator mind putting up his map with the State of Florida on it?

Mr. CRAIG. I am more than happy to.

Mr. NELSON of Florida. Would the Senator recognize that the area in yellow there on the west coast of Florida that he indicates for future drilling—would he recognize almost that entire area is the largest testing and training area for the U.S. military in the world? The military is on record at all levels, of all generals and admirals, that drilling should not be done in that area to compromise our training and testing mission for the U.S. military.

Mr. CRAIG. I do recognize that. I do appreciate what our military has said.

I also understand a few years ago we took offline a naval training area in Vieques. Why? It was no longer a popular thing to do.

If there is oil under this area—and we believe there is—and it is a training area, why couldn't we train here? Or why couldn't we train over here? The reality is, what is at this time more valuable?

It is very easy to say don't do it. Or is it possible to say can we do both? There are a good many experts and professionals in the field who said that. We can have a military training area, and guess what we also can do. We can pull the oil out from under. How do you do it? Quite simply. You put a location, a location and you slant drill thousands of feet and you do not have to pepper the area with all kinds of drilling rigs.

Today's technology is amazing. It is politically comfortable, I appreciate that, and I understand the State's politics and I do not deny that—but this is not the oil of the State of Florida. This is the oil of the citizens of our country. It is the politics of Florida today that deny us the oil, not the politics of America. So it is a simple question: Should we inventory it? Should we know what it is? And should we, under modern technology, reward the State of Florida for the potential benefit?

It is ironic we did not move at all to stop drilling 45 miles off the Florida coast. We could even take a 45-mile zone here, or more, consistent with what is going on in Florida today and still protect this.

But the Senator is right. It is a military area. Guess what. I am kind of a modern guy. I believe in technology taking us where we can go and having the best of both worlds. But right now the American consumer has the worst of the world we have created for them—a scarcity of a supply that is driving costs and impacting our economy in a significant way.

I suggest the legislation I have introduced, while it will not impact the State of Florida, will give us a base and an understanding and knowledge of what we have as a reserve. We are spending millions of dollars a day to buy oil and put it in the ground when, in fact, we ought to spend a few million dollars and find out about all the oil we already have.

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

S. 2956. A bill to ensure that persons who form corporations in the United States disclose the beneficial owners of those corporations, in order to prevent wrongdoers from exploiting United States corporations for criminal gain, to assist law enforcement in detecting, preventing, and punishing terrorism, money laundering, and other misconduct involving United States corporations, and for other purposes; to the Committee on Homeland Security and Governmental Affairs.

Mr. LEVIN. Mr. President, I am introducing today, with my colleagues Senator COLEMAN and Senator OBAMA, the Incorporation Transparency and Law Enforcement Assistance Act. This bill tackles a longstanding homeland security problem involving inadequate State incorporation practices that leave this country unnecessarily vulnerable to terrorists, criminals, and other wrongdoers, hinder law enforcement, and damage the international stature of the U.S.

The problem is straightforward. Each year, the States allow persons to form nearly 2 million corporations and limited liability companies in this country without knowing—or even asking—who the beneficial owners are behind those corporations. Right now, a person forming a U.S. corporation or limited liability company, LLC, provides less information to the State than is required to open a bank account or obtain a driver's license. Instead, States routinely permit persons to form corporations and LLCs under State laws without disclosing the names of any of the people who will control or benefit from them.

It is a fact that criminals are exploiting this weakness in our State incorporation practices. They are forming new U.S. corporations and LLCs, and using these entities to commit crimes ranging from terrorism to drug trafficking, money laundering, tax evasion, financial fraud, and corruption. Law enforcement authorities investigating these crimes have complained loudly for years about the lack of beneficial ownership information.

Last year, for example, the U.S. Department of the Treasury sent a letter to the States stating: ''the lack of transparency with respect to the individuals who control privately held for-profit legal entities created in the U.S. continues to represent a substantial vulnerability in the U.S. anti-money laundering/counter terrorist financing, AML/CFT, regime. . . . [T]he use of U.S. companies to mask the identity of criminals presents an ongoing and substantial problem . . . for U.S. and global law enforcement authorities.''

Last month, Secretary Michael Chertoff, head of the U.S. Department of Homeland Security, wrote the following: ''In countless investigations, where the criminal targets utilize shell corporations, the lack of law enforcement's ability to gain access to true beneficial ownership information slows, confuses or impedes the efforts by investigators to follow criminal proceeds. This is the case in financial fraud, terrorist financing and money laundering investigations. . . . It is imperative that States maintain beneficial ownership information while the company is active and to have a set time frame for preserving those records. . . . Shell companies can be sold and resold to several beneficial owners in the course of a year or less. . . . By maintaining records not only of the initial beneficial ownership but of the subsequent beneficial owners, States will provide law enforcement the tools necessary to clearly identify the individuals who utilized the company at any given period of time.''

These types of complaints by U.S. law enforcement, their pleas for assistance, and their warnings about the dangers of anonymous U.S. corporations operating here and abroad are catalogued in a stack of reports and hearing testimony from the Department of Justice, the Department of Homeland Security, the Financial Crimes Enforcement Network of the Department of the Treasury, the Internal Revenue Service, and others.

To add insult to injury, our law enforcement officials have too often had to stand silent when asked by their counterparts in other countries for information about who owns a U.S. corporation committing crimes in their jurisdictions. The reality is that the United States is as bad as any offshore jurisdiction when it comes to responding to those requests—we can't answer them because we don't have the information.

In 2006, the leading international anti-money laundering body in the world, the Financial Action Task Force on Money Laundering—known as FATF—issued a report criticizing the U.S. for its failure to comply with a FATF standard requiring countries to obtain beneficial ownership information for the corporations formed under their laws. This standard is one of 40 FATF standards that this country has publicly committed itself to implementing as part of its efforts to promote strong anti-money laundering laws around the world.

FATF gave the U.S. 2 years, until July 2008, to make progress toward coming into compliance with the FATF standard on beneficial ownership information. That deadline is right around the comer, but we have yet to make any real progress. That is another reason why we are introducing this bill today. Enacting the bill would bring the U.S. into compliance with the FATF standard by requiring the States to obtain beneficial ownership information for the corporations formed under their laws. It would ensure that the U.S. met its international commitment to comply with FATF anti-money laundering standards.

The bill being introduced today is the product of years of work by the U.S. Senate Permanent Subcommittee on Investigations, on which I, Senator COLEMAN, and Senator OBAMA serve together. As long ago as 2000, the Government Accountability Office, GAO, at my request, conducted an investigation and released a report entitled, Suspicious Banking Activities: Possible Money Laundering by U.S. Corporations Formed for Russian Entities. This report revealed that one person was able to set up more than 2,000 Delaware shell corporations and, without disclosing the identity of the beneficial owners, open U.S. bank accounts for those corporations, which then collectively moved about $1.4 billion through the accounts. It is one of the earliest Government reports to give some sense of the law enforcement problems caused by U.S. corporations with unknown owners. It sounded the alarm sounded 8 years ago, but to little effect.

In April 2006, in response to a Levin-Coleman request, GAO released a report entitled, Company Formations: Minimal Ownership Information Is Collected and Available, which reviewed the corporate formation laws in all 50 States. GAO disclosed that the vast majority of the States don't collect any information at all on the beneficial owners of the corporations and LLCs formed under their laws. The report also found that many States have established automated procedures that allow a person to form a new corporation or LLC within the State within 24 hours of filing an online application without any prior review of that application by a State official. In exchange for a substantial fee, two States will even form a corporation or LLC within one hour of a request. After examining these State incorporation practices, the GAO report described the problems that the lack of beneficial ownership information has caused for a range of law enforcement investigations.

In November 2006, our Subcommittee held a hearing further exploring this

issue. At that hearing, representatives of the U.S. Department of Justice, DOJ, the Internal Revenue Service, and the Department of Treasury's Financial Crimes Enforcement Network, FinCEN, testified that the failure of States to collect adequate information on the beneficial owners of the legal entities they form has impeded Federal efforts to investigate and prosecute criminal acts such as terrorism, money laundering, securities fraud, and tax evasion. At the hearing, DOJ testified: ''We had allegations of corrupt foreign officials using these [U.S.] shell accounts to launder money, but were unable—due to lack of identifying information in the corporate records—to fully investigate this area.'' The IRS testified: ''Within our own borders, the laws of some states regarding the formation of legal entities have significant transparency gaps which may even rival the secrecy afforded in the most attractive tax havens.'' FinCEN identified 768 incidents of suspicious international wire transfer activity involving U.S. shell companies.

In addition, last year, when listing the ''Dirty Dozen'' tax scams for 2007, the IRS highlighted shell companies with unknown owners as number four on the list, as follows:

''4. Disguised Corporate Ownership: Domestic shell corporations and other entities are being formed and operated in certain states for the purpose of disguising the ownership of the business or financial activity. Once formed, these anonymous entities can be, and are being, used to facilitate underreporting of income, non-filing of tax returns, listed transactions, money laundering, financial crimes and possibly terrorist financing. The IRS is working with state authorities to identify these entities and to bring their owners into compliance.''

That is not all. Dozens of Internet websites advertising corporate formation services highlight the fact that some of our States allow corporations to be formed under their laws without asking for the identity of the beneficial owners. These websites explicitly point to anonymous ownership as a reason to incorporate within the U.S., and often list certain States alongside notorious offshore jurisdictions as preferred locations for the formation of new corporations, essentially providing an open invitation for wrongdoers to form entities within the U.S.

One website, for example, set up by an international incorporation firm, advocates setting up companies in Delaware by saying: ''DELAWARE—An Offshore Tax Haven for Non US Residents.'' It cites as one of Delaware's advantages that: ''Owners' names are not disclosed to the state.'' Another website, from a U.K. firm called ''formacompany-offshore.com,'' lists the advantages to incorporating in Nevada. Those advantages include: ''No I.R.S. Information Sharing Agreement'' and ''Stockholders are not on Public Record allowing complete anonymity.''

Despite this type of advertising, years of law enforcement complaints, and mounting evidence of abuse, many of our States are reluctant to admit there is a problem with establishing U.S. corporations and LLCs with unknown owners. Too many of our States are eager to explain how quick and easy it is to set up corporations within their borders, without acknowledging that those same quick and easy procedures enable wrongdoers to utilize U.S. corporations in a variety of crimes and tax dodges both here and abroad.

Since 2006, the Subcommittee has worked with the States to encourage them to recognize the homeland security problem they've created and to come up with their own solution. After the Subcommittee's hearing on this issue, for example, the National Association of Secretaries of State, NASS, convened a 2007 task force to examine State incorporation practices. At the request of NASS and several States, I delayed introducing legislation while they worked on a proposal to require the collection of beneficial ownership information. My Subcommittee staff participated in multiple conferences, telephone calls, and meetings; suggested key principles; and provided comments to the Task Force.

In July 2007, the NASS task force issued a proposal. Rather than cure the problem, however, the proposal was full of deficiencies, leading the Treasury Department to state in a letter that the NASS proposal ''falls short'' and ''does not fully address the problem of legal entities masking the identity of criminals.''

Among other shortcomings, the NASS proposal does not require States to obtain the names of the natural individuals who would be the beneficial owners of a U.S. corporation or LLC. Instead, it would allow States to obtain a list of a company's ''owners of record'' who can be, and often are, offshore corporations or trusts. The NASS proposal also doesn't require the States themselves to maintain the beneficial ownership information, or to supply it to law enforcement upon receipt of a subpoena or summons. The proposal also fails to require the beneficial ownership information to be updated over time. These and other flaws in the proposal have been identified by the Treasury Department, the Department of Justice, myself, and others, but NASS has given no indication that the flaws will be corrected.

It is deeply disappointing that the States, despite the passage of more than one year, have been unable to devise an effective proposal. Part of the difficulty is that the States have a wide range of practices, differ on the extent to which they rely on incorporation fees as a major source of revenue, and differ on the extent to which they attract non-U.S. persons as incorporators. In addition, the States are competing against each other to attract persons who want to set up U.S. corporations, and that competition creates pressure for each individual State to favor procedures that allow quick and easy incorporations. It is a classic case of competition causing a race to the bottom, making it difficult for any one State to do the right thing and request the names of the beneficial owners.

That is why we are introducing Federal legislation today. Federal legislation is needed to level the playing field among the States, set minimum standards for obtaining beneficial ownership information, put an end to the practice of States forming millions of legal entities each year without knowing who is behind them, and bring the U.S. into compliance with its international commitments.

The bill's provisions would require the States to obtain a list of the beneficial owners of each corporation or LLC formed under their laws, to maintain this information for 5 years after the corporation is terminated, and to provide the information to law enforcement upon receipt of a subpoena or summons. If enacted, this bill would ensure, for the first time, that law enforcement seeking beneficial ownership information from a State about one of its corporations or LLCs would not be turned away empty-handed.

The bill would also require corporations and LLCs to update their beneficial ownership information in an annual filing with the State of incorporation. If a State did not require an annual filing, the information would have to be updated each time the beneficial ownership changed.

In the special case of U.S. corporations formed by non-U.S. persons, the bill would go farther. Following the lead of the Patriot Act which imposed additional due diligence requirements on certain financial accounts opened by non-U.S. persons, our bill would require additional due diligence for corporations beneficially owned by non-U.S. persons. This added due diligence would have to be performed—not by the States—but by the persons seeking to establish the corporations. These incorporators would have to file with the State a written certification from a corporate formation agent residing within the State attesting to the fact that the agent had verified the identity of the non-U.S. beneficial owners of the corporation by obtaining their names, addresses, and passport photographs. The formation agent would be required to retain this information for a specified period of time and produce it upon request.

The bill would not require the States to verify the ownership information provided to them by a formation agent, corporation, LLC, or other person filing an incorporation application. Instead, the bill would establish Federal civil and criminal penalties for anyone who knowingly provided a State with false beneficial ownership information or intentionally failed to provide the State with the information requested.

The bill would also exempt certain corporations from the disclosure obligation. For example, it would exempt

all publicly-traded corporations and the entities they form, since these corporations are already overseen by the Security and Exchange Commission SEC. It would also allow the States, with the written concurrence of the Homeland Security Secretary and the U.S. Attorney General, to identify certain corporations, either individually or as a class, that would not have to list their beneficial owners, if requiring such ownership information would not serve the public interest or assist law enforcement in their investigations. These exemptions are expected to be narrowly drafted and rarely granted, but are intended to provide the States and Federal law enforcement added flexibility to fine-tune the disclosure obligation and focus it where it is most needed to stop crime, tax evasion, and other wrongdoing.

Another area of flexibility in the bill involves privacy issues. The bill deliberately does not take a position on the issue of whether the States should make the beneficial ownership information they receive available to the public. Instead, the bill leaves it entirely up to the States to decide whether and under what circumstances to make beneficial ownership information available to the public. The bill explicitly permits the States to place restrictions on providing beneficial ownership information to persons other than government officials. The bill focuses instead only on ensuring that law enforcement and Congress, when equipped with a subpoena or summons, are given ready access to the beneficial ownership information collected by the States.

To ensure that the States have the funds needed to meet the new beneficial ownership information requirements, the bill makes it clear that States can use their DHS State grant funds for this purpose. Every State is guaranteed a minimum amount of DHS grant funds every year and may receive funds substantially above that minimum. Every State will be able to use all or a portion of these funds to modify their incorporation practices to meet the requirements in the Act. The bill also authorizes DHS to use appropriated funds to carry out its responsibilities under the Act. These provisions will ensure that the States have the funds needed for the modest compliance costs involved with amending their incorporation forms to request the names of beneficial owners.

It is common for bills establishing Federal standards to seek to ensure State action by making some Federal funding dependent upon a State's meeting the specified standards. This bill, however, states explicitly that nothing in the bill authorizes DHS to withhold funds from a State for failing to modify its incorporation practices to meet the beneficial ownership information requirements in the Act. Instead, the bill simply calls for a GAO report in 2012 to identify which States, if any, have failed to strengthen their incorporation practices as required by the Act. After getting this status report, a future Congress can decide what steps to take, including whether to reduce any DHS funding going to the noncompliant States.

Finally, the bill would require the U.S. Department of the Treasury to issue a rule requiring formation agents to establish anti-money laundering programs to ensure they are not forming U.S. corporations or LLCs for criminals or other wrongdoers. GAO would also be asked to conduct a study of existing State formation procedures for partnerships and trusts.

We have worked hard to craft a bill that would address, in a fair and reasonable way, the homeland security problem created by States allowing the formation of millions of U.S. corporations and LLCs with unknown owners. What the bill comes down to is a simple requirement that States change their incorporation applications to add a question requesting the names and addresses of the prospective beneficial owners. That is not too much to ask to protect this country and the international community from U.S. corporations engaged in wrongdoing and to help law enforcement track down the wrongdoers.

For those who say that, if the United States tightens its incorporation rules, new companies will be formed elsewhere, it is appropriate to ask exactly where they will go? Every country in the European Union is already required to get beneficial information for the corporations formed under their laws. Most offshore jurisdictions already request this information as well, including the Bahamas, Cayman Islands, Jersey, and the Island of Man. Our States should be asking for the same ownership information, but they don't, and there is no indication that they will any time in the near future, unless required to do so.

I wish Federal legislation weren't necessary. I wish the States could solve this homeland security problem on their own, but ongoing competitive pressures make it unlikely that the States will reach agreement. We have waited more than a year already with no real progress to show for it, despite repeated pleas from law enforcement.

Federal legislation is necessary to reduce the vulnerability of the United States to wrongdoing by U.S. corporations with unknown owners, to protect interstate and international commerce from criminals misusing U.S. corporations, to strengthen the ability of law enforcement to investigate suspect U.S. corporations, to level the playing field among the States, and to bring the U.S. into compliance with its international anti-money laundering obligations.

There is also an issue of consistency. For years, I have been fighting offshore corporate secrecy laws and practices that enable wrongdoers to secretly control offshore corporations involved in money laundering, tax evasion, and other misconduct. I have pointed out on more than one occasion that corporations were not created to hide ownership, but to shield owners from personal liability for corporate acts. Unfortunately, today, the corporate form has too often been corrupted into serving those wishing to conceal their identities and commit crimes or dodge taxes without alerting authorities. It is past time to stop this misuse of the corporate form. But if we want to stop inappropriate corporate secrecy offshore, we need to stop it here at home as well.

For these reasons, I urge my colleagues to support this legislation and put an end to incorporation practices that promote corporate secrecy and render the United States and other countries vulnerable to abuse by U.S. corporations with unknown owners.

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

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

S. 2956

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 ''Incorporation Transparency and Law Enforcement Assistance Act''.

SEC. 2. FINDINGS.

Congress finds the following:

(1) Nearly 2,000,000 corporations and limited liability companies are being formed under the laws of the States each year.

(2) Very few States obtain meaningful information about the beneficial owners of the corporations and limited liability companies formed under their laws.

(3) A person forming a corporation or limited liability company within the United States typically provides less information to the State of incorporation than is needed to obtain a bank account or driver's license and typically does not name a single beneficial owner.

(4) Criminals have exploited the weaknesses in State formation procedures to conceal their identities when forming corporations or limited liability companies in the United States, and have then used the newly created entities to commit crimes affecting interstate and international commerce such as terrorism, drug trafficking, money laundering, tax evasion, securities fraud, financial fraud, and acts of foreign corruption.

(5) Law enforcement efforts to investigate corporations and limited liability companies suspected of committing crimes have been impeded by the lack of available beneficial ownership information, as documented in reports and testimony by officials from the Department of Justice, the Department of Homeland Security, the Financial Crimes Enforcement Network of the Department of the Treasury, the Internal Revenue Service, and the Government Accountability Office, and others.

(6) In July 2006, a leading international anti-money laundering organization, the Financial Action Task Force on Money Laundering (in this section referred to as the ''FATF''), of which the United States is a member, issued a report that criticizes the United States for failing to comply with a FATF standard on the need to collect beneficial ownership information and urged the

United States to correct this deficiency by July 2008.

(7) In response to the FATF report, the United States has repeatedly urged the States to strengthen their incorporation practices by obtaining beneficial ownership information for the corporations and limited liability companies formed under the laws of such States.

(8) Many States have established automated procedures that allow a person to form a new corporation or limited liability company within the State within 24 hours of filing an online application, without any prior review of the application by a State official. In exchange for a substantial fee, 2 States will form a corporation within 1 hour of a request.

(9) Dozens of Internet websites highlight the anonymity of beneficial owners allowed under the incorporation practices of some States, point to those practices as a reason to incorporate in those States, and list those States together with offshore jurisdictions as preferred locations for the formation of new corporations, essentially providing an open invitation to criminals and other wrongdoers to form entities within the United States.

(10) In contrast to practices in the United States, all countries in the European Union are required to identify the beneficial owners of the corporations they form.

(11) To reduce the vulnerability of the United States to wrongdoing by United States corporations and limited liability companies with unknown owners, to protect interstate and international commerce from criminals misusing United States corporations and limited liability companies, to strengthen law enforcement investigations of suspect corporations and limited liability companies, to set minimum standards for and level the playing field among State incorporation practices, and to bring the United States into compliance with its international anti-money laundering obligations, Federal legislation is needed to require the States to obtain beneficial ownership information for the corporations and limited liability companies formed under the laws of such States.

SEC. 3. TRANSPARENT INCORPORATION PRACTICES.

(a) TRANSPARENT INCORPORATION PRACTICES.—

(1) IN GENERAL.—Subtitle A of title XX of the Homeland Security Act of 2002 (6 U.S.C. 601 et seq.) is amended by adding at the end the following:

"SEC. 2009. TRANSPARENT INCORPORATION PRACTICES.

''(a) INCORPORATION SYSTEMS.—

''(1) IN GENERAL.—To protect the security of the United States, each State that receives funding from the Department under section 2004 shall, not later than the beginning of fiscal year 2011, use an incorporation system that meets the following requirements:

''(A) Each applicant to form a corporation or limited liability company under the laws of the State is required to provide to the State during the formation process a list of the beneficial owners of the corporation or limited liability company that—

''(i) identifies each beneficial owner by name and current address; and

''(ii) if any beneficial owner exercises control over the corporation or limited liability company through another legal entity, such as a corporation, partnership, or trust, identifies each such legal entity and each such beneficial owner who will use that entity to exercise control over the corporation or limited liability company.

''(B) Each corporation or limited liability company formed under the laws of the State is required by the State to update the list of the beneficial owners of the corporation or limited liability company by providing the information described in subparagraph (A)—

''(i) in an annual filing with the State; or

''(ii) if no annual filing is required under the law of that State, each time a change is made in the beneficial ownership of the corporation or limited liability company.

''(C) Beneficial ownership information relating to each corporation or limited liability company formed under the laws of the State is required to be maintained by the State until the end of the 5-year period beginning on the date that the corporation or limited liability company terminates under the laws of the State.

''(D) Beneficial ownership information relating to each corporation or limited liability company formed under the laws of the State shall be provided by the State upon receipt of—

''(i) a civil or criminal subpoena or summons from a State agency, Federal agency, or congressional committee or subcommittee requesting such information; or

''(ii) a written request made by a Federal agency on behalf of another country under an international treaty, agreement, or convention, or section 1782 of title 28, United States Code.

''(2) NON-UNITED STATES BENEFICIAL OWNERS.—To further protect the security of the United States, each State that accepts funding from the Department under section 2004 shall, not later than the beginning of fiscal year 2011, require that, if any beneficial owner of a corporation or limited liability company formed under the laws of the State is not a United States citizen or a lawful permanent resident of the United States, each application described in paragraph (1)(A) and each update described in paragraph (1)(B) shall include a written certification by a formation agent residing in the State that the formation agent—

''(A) has verified the name, address, and identity of each beneficial owner that is not a United States citizen or a lawful permanent resident of the United States;

''(B) has obtained for each beneficial owner that is not a United States citizen or a lawful permanent resident of the United States a copy of the page of the government-issued passport on which a photograph of the beneficial owner appears;

''(C) will provide proof of the verification described in subparagraph (A) and the photograph described in subparagraph (B) upon request; and

''(D) will retain information and documents relating to the verification described in subparagraph (A) and the photograph described in subparagraph (B) until the end of the 5-year period beginning on the date that the corporation or limited liability company terminates, under the laws of the State.

''(b) PENALTIES FOR FALSE BENEFICIAL OWNERSHIP INFORMATION.—In addition to any civil or criminal penalty that may be imposed by a State, any person who affects interstate or foreign commerce by knowingly providing, or attempting to provide, false beneficial ownership information to a State, by intentionally failing to provide beneficial ownership information to a State upon request, or by intentionally failing to provide updated beneficial ownership information to a State—

''(1) shall be liable to the United States for a civil penalty of not more than $10,000; and

''(2) may be fined under title 18, United States Code, imprisoned for not more than 3 years, or both.

''(c) FUNDING AUTHORIZATION.—To carry out this section—

''(1) a State may use all or a portion of the funds made available to the State under section 2004; and

''(2) the Administrator may use funds appropriated to carry out this title, including unobligated or reprogrammed funds, to enable a State to obtain and manage beneficial ownership information for the corporations and limited liability companies formed under the laws of the State, including by funding measures to assess, plan, develop, test, or implement relevant policies, procedures, or system modifications.

''(d) STATE COMPLIANCE REPORT.—Nothing in this section authorizes the Administrator to withhold from a State any funding otherwise available to the State under section 2004 because of a failure by that State to comply with this section. Not later than June 1, 2012, the Comptroller General of the United States shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Homeland Security of the House of Representatives a report identifying which States are in compliance with this section and, for any State not in compliance, what measures must be taken by that State to achieve compliance with this section.

''(e) DEFINITIONS.—In this section:

''(1) BENEFICIAL OWNER.—The term 'beneficial owner' means an individual who has a level of control over, or entitlement to, the funds or assets of a corporation or limited liability company that, as a practical matter, enables the individual, directly or indirectly, to control, manage, or direct the corporation or limited liability company.

''(2) CORPORATION; LIMITED LIABILITY COMPANY.—The terms 'corporation' and 'limited liability company'—

''(A) have the meanings given such terms under the laws of the applicable State;

''(B) do not include any business concern that is an issuer of a class of securities registered under section 12 of the Securities Exchange Act of 1934 (15 U.S.C. 781) or that is required to file reports under section 15(d) of that Act (15 U.S.C. 78o(d)), or any corporation or limited liability company formed by such a business concern;

''(C) do not include any business concern formed by a State, a political subdivision of a State, under an interstate compact between 2 or more States, by a department or agency of the United States, or under the laws of the United States; and

''(D) do not include any individual business concern or class of business concerns which a State, after obtaining the written concurrence of the Administrator and the Attorney General of the United States, has determined in writing should be exempt from the requirements of subsection (a), because requiring beneficial ownership information from the business concern would not serve the public interest and would not assist law enforcement efforts to detect, prevent, or punish terrorism, money laundering, tax evasion, or other misconduct.

''(3) FORMATION AGENT.—The term 'formation agent' means a person who, for compensation, acts on behalf of another person to assist in the formation of a corporation or limited liability company under the laws of a State.''.

(2) TABLE OF CONTENTS.—The table of contents in section 1 of the Homeland Security Act of 2002 (6 U.S.C. 101 et seq.) is amended by inserting after the item relating to section 2008 the following:

''Sec. 2009. Transparent incorporation practices.''.

(b) EFFECT ON STATE LAW.—

(1) IN GENERAL.—This Act and the amendments made by this Act do not supersede, alter, or affect any statute, regulation,

order, or interpretation in effect in any State, except where a State has elected to receive funding from the Department of Homeland Security under section 2004 of the Homeland Security Act of 2002 (6 U.S.C. 605), and then only to the extent that such State statute, regulation, order, or interpretation is inconsistent with this Act or an amendment made by this Act.

(2) NOT INCONSISTENT.—A State statute, regulation, order, or interpretation is not inconsistent with this Act or an amendment made by this Act if such statute, regulation, order, or interpretation—

(A) requires additional information, more frequently updated information, or additional measures to verify information related to a corporation, limited liability company, or beneficial owner, than is specified under this Act or an amendment made by this Act; or

(B) imposes additional limits on public access to the beneficial ownership information obtained by the State than is specified under this Act or an amendment made by this Act.

SEC. 4. ANTI-MONEY LAUNDERING OBLIGATIONS OF FORMATION AGENTS.

(a) ANTI-MONEY LAUNDERING OBLIGATIONS OF FORMATION AGENTS.—Section 5312(a)(2) of title 31, United States Code, is amended—

(1) in subparagraph (Y), by striking ''or'' at the end;

(2) by redesignating subparagraph (Z) as subparagraph (AA); and

(3) by inserting after subparagraph (Y) the following:

''(Z) any person involved in forming a corporation, limited liability company, partnership, trust, or other legal entity; or''.

(b) DEADLINE FOR ANTI-MONEY LAUNDERING RULE FOR FORMATION AGENTS.—

(1) PROPOSED RULE.—Not later than 90 days after the date of enactment of this Act, the Secretary of the Treasury, in consultation with the Attorney General of the United States, the Secretary of Homeland Security, and the Commissioner of the Internal Revenue Service, shall publish a proposed rule in the Federal Register requiring persons described in section 5312(a)(2)(Z) of title 31, United States Code, as amended by this section, to establish anti-money laundering programs under subsection (h) of section 5318 of that title.

(2) FINAL RULE.—Not later than 270 days after the date of enactment of this Act, the Secretary of the Treasury shall publish the rule described in this subsection in final form in the Federal Register.

SEC. 5. STUDY AND REPORT BY GOVERNMENT ACCOUNTABILITY OFFICE.

Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall conduct a study and submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Homeland Security of the House of Representatives a report—

(1) identifying each State that has procedures that enable persons to form or register under the laws of the State partnerships, trusts, or other legal entities, and the nature of those procedures;

(2) identifying each State that requires persons seeking to form or register partnerships, trusts, or other legal entities under the laws of the State to provide information about the beneficial owners (as that term is defined in section 2009 of the Homeland Security Act of 2002, as added by this Act) or beneficiaries of such entities, and the nature of the required information;

(3) evaluating whether the lack of available beneficial ownership information for partnerships, trusts, or other legal entities—

(A) raises concerns about the involvement of such entities in terrorism, money laundering, tax evasion, securities fraud, or other misconduct; and

(B) has impeded investigations into entities suspected of such misconduct; and

(4) evaluating whether the failure of the United States to require beneficial ownership information for partnerships and trusts formed or registered in the United States has elicited international criticism and what steps, if any, the United States has taken or is planning to take in response.

SUMMARY OF INCORPORATION TRANSPARENCY AND LAW ENFORCEMENT ASSISTANCE ACT, MAY 1, 2008

To protect the United States from U.S. corporations being misused to commit terrorism, money laundering, tax evasion, or other misconduct, the Incorporation Transparency and Law Enforcement Assistance Act would:

Beneficial Ownership Information. Require the States to obtain a list of the beneficial owners of each corporation or limited liability company (LLC) formed under their laws, ensure this information is updated annually, and provide the information to civil or criminal law enforcement upon receipt of a subpoena or summons.

Non-U.S. Beneficial Owners. Require corporations and LLCs with non-U.S. beneficial owners to provide a certification from an in-State formation agent that the agent has verified the identity of those owners.

Penalties for False Information. Establish civil and criminal penalties under federal law for persons who knowingly provide false beneficial ownership information or intentionally fail to provide required beneficial ownership information to a State.

Exemptions. Provide exemptions for certain corporations, including publicly traded corporations and the corporations and LLCs they form, since the Securities and Exchange Commission already oversees them; and corporations which a State has determined, with concurrence from the Homeland Security and Justice Departments, should be exempt because requiring beneficial ownership information from them would not serve the public interest or assist law enforcement.

Funding. Authorize States to use an existing DHS grant program, and authorize DHS to use already appropriated funds, to meet the requirements of this Act.

State Compliance Report. Clarify that nothing in the Act authorizes DHS to withhold funds from a State for failing to comply with the beneficial ownership requirements. Require a GAO report by 2012 identifying which States are not in compliance so that a future Congress can determine at that time what steps to take.

Transition Period. Give the States until October 2011 to require beneficial ownership information for the corporations and LLCs formed under their laws.

Anti-Money Laundering Rule. Require the Treasury Secretary to issue a rule requiring formation agents to establish anti-money laundering programs to ensure they are not forming U.S. corporations or other entities for criminals or other suspect persons.

GAO Study. Require GAO to complete a study of State beneficial ownership information requirements for in-state partnerships and trusts.

By Mr. LIEBERMAN:

S. 2957. A bill to modernize credit union net worth standards, advance credit union efforts to promote economic growth, and modify credit union regularity standards and reduce burdens, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

Mr. LIEBERMAN. Mr. President today more than ever, credit unions are a critical component of our nation's financial landscape. At a time when most financial institutions are retreating from the credit markets, credit unions are among the few lenders in the financial industry demonstrating resiliency and strength. For example, while many mortgage lenders are struggling to stay afloat, the delinquency rate on mortgages issued by credit unions is less than one percent, and credit unions are still lending. Nonetheless, certain outdated regulatory rules impede the ability of credit unions to effectively carry out their role as savings and lending institutions for local communities and small businesses. Because I believe that credit unions are a stabilizing force in the domestic economy and play an important role in providing financial services to local community and underserved groups, I am introducing the Credit Union Regulatory Improvements Act of 2008, CURIA.

The health of credit unions in today's turbulent economy is attributable to a business model that differs significantly from that of other financial institutions. Similar to banks and thrifts, credit unions act as intermediaries in the market for consumer finance. Credit unions, however, are governed by certain rules that take into account their position as cooperative lenders. Notably, credit unions operate as tax-exempt, nonprofit institutions. All credit union earnings are retained as capital or returned to members in the form of higher interest rates on savings accounts, lower interest rates on loans, and other financial benefits. Second, credit unions are member-owned with each member entitled to one vote in selecting board members and other decisions. Third, credit unions do not issue capital stock. Rather, credit unions create capital by retaining earnings. Fourth, credit unions rely on volunteer, generally unpaid boards of directors elected from the membership. Lastly, credit unions are limited to accepting members identified in a credit union's articulated field of membership—usually reflecting occupational, associational, or geographical links or affinity.

In short, through a cooperative ownership structure, credit unions offer access to financial services to millions of Americans. As a result of strong ties to their communities, credit unions help meet local needs, and in the process, encourage economic growth, job creation, savings, and opportunities for small business owners. At the end of 2007, over 88 million individuals were members of state or federally charted credit unions in the United States, including close to a million individuals in the State of Connecticut.

The legislation I am introducing will help modernize the Federal Credit Union Act, bringing antiquated rules into the era of twenty-first century consumer finance. CURIA would remove several instances of statutory

micromanagement that place unreasonable constraints on the ability of credit unions and their boards to function efficiently and in the best interests of their members. The first title would update current capital requirements by implementing recommendations from the National Credit Union Administration, NCUA, the Federal regulatory body that oversees credit unions. For purposes of setting capital requirements, CURIA would implement a rigorous, two-part net worth test that would more closely track an institution's actual asset risk. The second title would promote community development and local economic growth by providing for modest expansion in credit union business lending. The title also includes provisions that would permit credit unions to extend services to areas with high unemployment and low incomes. The third title would provide credit unions with relief from outdated regulatory burdens by authorizing the NCUA to increase maximum loan terms and raise interest rate ceilings in response to sustained increases in prevailing market interest rate levels. The title would further allow greater credit union investment in credit union service organizations, allow limited investments in securities, and update credit union governance rules.

Vigorous competition among financial service providers, new technology, and globalization have resulted in a financial marketplace where the products and actors are evolving at a much more rapid rate than the statutes and regulations that govern them. While recent events demonstrate that we must be prudent in our approach to financial regulation, we must not allow our rules to unjustifiably constrain those actors, such as credit unions, that contribute to financial stability, community development, and long-term growth. The Credit Union Regulatory Improvements Act is an important step toward modernizing and calibrating our financial regulatory rules, I encourage my colleagues to support it.

Mr. President, I ask unanimous consent a section-by-section analysis be printed in the RECORD.

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

THE CREDIT UNION REGULATORY IMPROVEMENTS ACT OF 2008

SECTION-BY-SECTION ANALYSIS

Section 1. Short title

Section 1 would establish the short title of the bill as the Credit Union Regulatory Improvements Act of 2008.

TITLE I: CAPITAL REFORM

Section 101. Amendments to net worth categories

The Federal Credit Union Act presently specifies the amount of capital credit unions must hold in order to protect their safety and soundness and the solvency of the National Credit Union Share Insurance Fund (''Insurance Fund''). Many experts, however, have noted that this capital allocation system is inefficient and does not appropriately account for risk. Section 101 incorporates recent recommendations of the National Credit Union Administration, NCUA, to provide a two-tier capital and Prompt Corrective Action, PCA, system for federally insured credit unions involving complementary leverage and risk-based minimum capital requirements. Under the proposed system, a well capitalized credit union must maintain a leverage net worth ratio of 5.25% and a minimum risk-based ratio of 10%. When a credit union's capital deposit to the Insurance Fund (equal to 1% of insured deposits) is added, a credit union's total net worth would equal or exceed the capital requirements for FDIC-insured banks and thrifts.

Section 102. Amendments relating to risk-based net worth categories

Currently, only federally insured credit unions that are considered ''complex'' must meet a risk-based net worth requirement under the Federal Credit Union Act. Section 102 would instead require all federally insured credit unions to meet a risk-based net worth requirement, and it directs the Board to take into account comparable risk standards for FDIC-insured institutions when designing the risk-based requirements appropriate to credit unions.

Section 103. Treatment based on other criteria

Section 103 would permit the NCUA Board to delegate to regional directors the authority to lower by one level a credit union's net worth category for reasons related to interest-rate risk not captured in the risk-based ratios, with any regional action subject to Board review.

Section 104. Definitions relating to net worth

Net worth, for purposes of prompt corrective action, is currently defined as a credit union's retained earnings balance under generally accepted accounting principles. Section 104 would make three important revisions to this definition. First, it clarifies that credit union net worth ratios must be calculated without a credit union's capital deposit with the Insurance Fund. Second, it provides a new definition for ''risk-based net worth ratio'' as the ratio of the net worth of the credit union to the risk assets of the credit union. Third, it would permit the NCUA to impose additional limitations on the secondary capital accounts used to determine net worth for low-income community credit unions where necessary to address safety and soundness concerns.

SECTION 105. AMENDMENTS RELATING TO NET WORTH RESTORATION PLANS

Section 105 would provide the NCUA Board with authority to waive temporarily the requirement to implement a net worth restoration plan for a credit union that becomes undercapitalized due to disruption of its operations by a natural disaster or a terrorist act. It would further permit the Board to require any credit union that is no longer well capitalized to implement a net worth restoration plan if it determines the loss of capital is due to safety and soundness concerns and those concerns remain unresolved by the credit union.

This section would also modify the required actions of the Board in the case of critically undercapitalized credit unions in several ways. First, it would authorize the Board to issue an order to a critically undercapitalized credit union. Second, the timing of the period before appointment of a liquidating agent could be shortened. Third, the section would clarify the coordination requirement with state officials in the case of state-chartered credit unions.

TITLE II: ECONOMIC GROWTH

Section 201. Limits on member business loans

Section 201 would increase the current arbitrary asset limit on credit union member business loans from the lesser of 1.75 times actual net worth or 1.75 percent times net worth for a well-capitalized credit union (12.25% of total assets) to a flat limit of 20% of the total assets of a credit union. This update would facilitate added member business lending without jeopardizing safety and soundness at participating credit unions, as the 20% cap would still be equal to or stricter than business lending caps imposed on other depository institutions.

Section 202. Definition of member business loans

Section 202 would give NCUA the authority to exclude loans of $100,000 or less as de minimis, rather than the current $50,000 exclusion, from calculation of the 20% cap on member business loans. This change would thus facilitate the ability of credit unions to make additional loans and encourage them to make very small business loans. It also builds upon the findings in a 2001 study by the Treasury Department that found that ''. . . credit union member business loans share many characteristics of consumer loans'' and that ''. . . these loans are generally smaller and fully collateralized, and borrower risk profiles are more easily determined.''

Section 203. Restrictions on member business loans

Section 203 would modify language in the Federal Credit Union Act that currently prohibits a credit union from making any new member business loans if its net worth falls below 6 percent. This change would permit the NCUA to determine if such a policy is appropriate and to oversee all member business loans granted by an undercapitalized institution.

Section 204. Member business loan exclusion for loans to non-profit religious organizations

To facilitate the ability of credit unions to support the community development activities of non-profit religious institutions, Section 204 would exclude loans or loan participations by credit unions to non-profit religious organizations from the member business loan limits contained in the Federal Credit Union Act.

Section 205. Credit unions authorized to lease space in buildings in underserved areas

In order to enhance the ability of federal credit unions to assist underserved communities with their economic revitalization efforts, Section 205 would allow a credit union to lease space in a building or on property on which it maintains a physical presence in an underserved area to other parties on a more permanent basis. It would also permit a federal credit union to acquire, construct, or refurbish a building in an underserved community, then lease out excess space in that building.

Section 206. Amendments relating to credit union service to underserved areas

Section 206 would revise a provision of the 1998 Credit Union Membership Access Act that has been incorrectly interpreted as permitting only federal credit unions with multiple common bond charters to expand services to individuals and groups living or working in areas of high unemployment and below median incomes that typically are underserved by other depository institutions. The change would reestablish prior NCUA policy of permitting all federal credit unions, regardless of charter type, to expand services to eligible communities that the Treasury Department determines meet income, unemployment and other distress criteria.

Section 207. Underserved areas defined

Section 207 would expand the criteria for determining whether a community or rural area qualifies as an underserved area. The

definition of a qualified underserved area includes not only areas currently eligible as ''investment areas'' under the Treasury Department's Community Development Financial Institutions (CDFI) program, but also census tracts qualifying as ''low income areas'' under the New Markets Tax Credit targeting formula adopted by Congress in 2000.

TITLE III: REGULATORY MODERNIZATION

Section 301. Investments in securities by federal credit unions

The Federal Credit Union Act presently limits the investment authority of federal credit unions to loans, government securities, deposits in other financial institutions, and certain other limited investments. Section 301 would provide additional investment authority to allow credit unions to purchase for the credit union's own account certain investment grade securities. The total amount of the investment securities of any one obligor or maker could not exceed 10% of the credit union's net worth and total investments could not exceed 10% of total assets.

Section 302. Authority of NCUA to establish longer maturities for certain credit union loans

The Federal Credit Union Act was amended in 2006 to allow the NCUA Board to increase the 12-year maturity limit on non-real estate secured loans to 15 years. Section 302 would further provide the Board with additional flexibility to issue regulations providing for loan terms exceeding 15 years for specific types of loans.

Section 303. Increase in 1 percent investment and loan limits in credit union service organizations

The Federal Credit Union Act authorizes federal credit unions to invest in organizations providing services to credit unions and credit union members. Currently, an individual federal credit union may invest in aggregate no more than one percent of its unimpaired capital and surplus in these organizations, commonly known as credit union service organizations or CUSOs. Credit unions also are limited in the amount they may loan to all CUSOs to one percent of unimpaired capital and surplus. Section 303 would double the amount a credit union may invest in all CUSOs, and the aggregate amount it may lend to CUSOs, to two percent of credit union unimpaired capital and surplus.

Section 304. Voluntary mergers involving multiple common bond credit unions

NCUA has identified ambiguous language in the 1998 Credit Union Membership Access Act as creating uncertainty for certain voluntary credit union mergers by requiring that groups of more than 3,000 members be required to start a new credit union rather than be incorporated as a new group within a multiple common-bond credit union. Section 304 would clarify that this numerical limitation would not apply to bar groups of more than 3,000 members that are transferred between two existing credit unions as part of a voluntary merger.

Section 305. Conversions involving certain credit unions to a community charter

In cases when a single or multiple common-bond federal credit union converts to a community credit union charter, there may be groups within the credit union's existing membership that are located outside the new community charter's geographic boundaries, but which desire to remain part of the credit union and can be adequately served by the credit union. Section 305 would require NCUA to establish the criteria whereby it may determine that a member group or other portion of a credit union's existing membership, located outside of the community, can be satisfactorily served and remain within the credit union's field of membership.

Section 306. Credit union governance

Section 306 would provide federal credit union boards the flexibility to expel a member, based on just cause, who is disruptive to the operations of the credit union, including harassing personnel and creating safety concerns, without the need for a two-thirds vote of the membership present at a special meeting as required by current law. The section would also permit federal credit unions to limit the length of service of their boards of directors to ensure broader representation from the membership.

Section 307. Providing the National Credit Union Administration with greater flexibility in responding to market conditions

Currently, the NCUA Board may raise the usury interest rate ceiling on loans by federal credit unions whenever it determines that money market rates have increased over the preceding six-month period and prevailing interest rates threaten the safety and soundness of individual credit unions. Section 307 would give the Board greater flexibility to make such determinations based either on sustained increases in money market interest rates or prevailing market interest rate levels.

Section 308. Credit union conversion voting requirements

Section 308 includes several changes to current law pertaining to credit union conversions to mutual thrift institutions. It would increase the minimum member participation requirement in any vote to approve a conversion to 30% of the credit union's membership. It would require the board of directors of a credit union considering conversion to hold a general membership meeting one month prior to sending out any notices about a conversion vote that contain a voting ballot. It would also prohibit use of raffles, contest, or any other promotions to encourage member voting in a conversion vote.

Section 309. Exemption from pre-merger notification requirement of the Clayton Act

Section 309 would give all federally insured credit unions the same exemption that banks and thrift institutions already have from pre-merger notification requirements and fees for purposes of antitrust review by the Federal Trade Commission under the Clayton Act.

By Mr. DOMENICI (for himself, Mr. BUNNING, Mr. SESSIONS, Mrs. HUTCHISON, Mr. BOND, Mr. INHOFE, Ms. MURKOWSKI, Mr. BARRASSO, Mr. BENNETT, Mr. WICKER, Mr. CHAMBLISS, Mr. STEVENS, Mr. CORNYN, Mr. ENZI, Mr. ISAKSON, Mr. THUNE, Mr. VOINOVICH, Mr. ALLARD, and Mr. MCCONNELL).

S. 2958. A bill to promote the energy security of the United States, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. DOMENICI. Mr. President, I have a few remarks about the energy situation I would like to share with the Senate. Two months ago, I came to the floor to deliver a series of speeches on the State of our Nation's energy security. I said then, unequivocally, that our Nation's economic strength had been put in great peril by our growing dependence on foreign oil.

I have been a member of the Energy Committee for 30 years and have served as chairman of that committee, as well as the Budget Committee, for a long period during that time. I have seen my share of serious debate on energy and the economy, and I recognize how vital these issues are to our Nation's well-being.

Unfortunately, in these times of high gas prices and an approaching election, I have also seen my share of not-so-serious debate. The American people deserve better than false promises of short-term fixes, driving season gimmicks, and empty threats to the Middle East.

I said in February—and I say it again today—the American people deserve serious, thoughtful, long-term solutions to our ever-growing energy crisis. If there are short-term solutions, or short-term aids, we ought to share those, too, and get on with adopting them.

Investigating, taxing, and threatening our American oil and gas companies will do nothing to reduce the stranglehold foreign oil dependence has put on our economic strength, national security, and foreign policy agenda.

To blame either side of the aisle for the trouble this Nation is in misses the point. The American people did not send us here to cast blame on one side or the other, and they certainly didn't send us here to put bandaids on serious illnesses that threaten our Nation.

My first year in the Senate was during a Republican administration, when a President set out an aggressive agenda to reduce our Nation's oil imports.

At that time, we were importing 6 million barrels of oil a day, which represented 35 percent of our total oil consumption.

Fast forward 36 years to today. The aggressive agenda through several administrations and Congresses under the control of both parties has failed time and again. Today, we are more than 60 percent dependent on foreign oil which comes from some of the most hostile regimes in the world. Over time, our consumption has grown at a moderate rate, but our imports have more than doubled to 13.4 million barrels per day. The result is a rising cost of energy, a rising threat of disruption in our energy supply, and a rising anger among our already burdened constituents.

As I said today, the average price of gasoline is $3.62 a gallon, an alltime high for the 17th straight day. Crude oil closed above $113 per barrel last night. The average approval rating of Congress has plummeted to 22 percent, and yet we continue to point fingers back and forth.

In the past few years, Congress has achieved significant success in addressing long-term energy security. We passed a 2005 bill that will bring us a nuclear renaissance, a 2006 bill that will bring us greater domestic oil and gas production in the Gulf of Mexico, and a 2007 bill that will bring us increased fuel efficiency. That is a dramatic change in the CAFE standards.

These were not little things, and they were hard to do. They were done without finger-pointing and with bipartisan support.

To face this new challenge, however, we must do even more. Debate about energy, oil, and the environment has reached a fever pitch. The challenge of our time will be how we meet a rising demand for energy from the literally billions of new consumers who wish to share in the benefits of a global economy. I think we all know what that means. That means India, China, and other countries are adding to the demand part of the supply-and-demand cycles in mammoth ways. Already, China is moving ahead as one of the largest importers of oil and users of oil in the whole world. Just 10 years ago, or 12, they were hardly on the map. For our Nation's future energy security and the world's, we will need to ensure our supply of energy is reliable, affordable, and abundant.

Today, I introduced the Domestic Energy Production Act of 2008. I ask unanimous consent that title be changed to the American Energy Production Act of 2008.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOMENICI. I ask that the clerk so change the bill, if they can. If not, the Senator from New Mexico asks for the right to change it.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOMENICI. Madam President, the policies set forth in this bill will begin to move us in the right direction. I urge my colleagues to support its passage and to look at it seriously.

First, the bill allows for States on the Atlantic and Pacific coasts to petition the Federal Government to opt out of the broad moratorium that for two decades has locked up America's assets and forced us to turn toward unstable foreign nations to power our lives. I believe it is time that we ask the Atlantic and Pacific coastal States to take a real look at whether we could drill distances from their shores without doing any harm and adding substantially to the American supply for all our citizens, not just the coastal citizens. I believe the time is ripe. I believe right-headed people will consider that might be a reality. If we were to do it, we were told just that contains literally millions of barrels of crude oil and billions of cubic feet of natural gas for the American energy future.

First, this bill allows these Atlantic and Pacific coasts to petition their Government to opt out, as I said, and these are large quantities of assets that are American. Together, the Atlantic and Pacific Oceans contain oil reserves, and here are the numbers, what we know without doing a detailed reconnaissance. There are reserves of up to 14 billion barrels and natural gas reserves totaling 55 trillion cubic feet. Those are big enough for the American people to demand that everyone who represents States in this Senate look at this, whether they are coastal State Senators or not. America needs an honest evaluation because with these States, if there was no damage—and I believe we can drill without any damage today—we might move in a direction, an honest direction, of reducing dramatically what we must import overseas.

Opening them to leasing would literally bring billions of dollars to the Federal Treasury and billions of dollars to the coastal States because they would share in it 37 percent, as we did with the coastal States of Louisiana, Mississippi, and Texas when we, 2 years ago, did the same thing for Gulf States and opened those areas for drilling. Those States abutting were positively impressed and helped by it because they wanted development and they also wanted to share in the royalties. The new way we build platforms and drill is a far cry from 20 years ago when coastal States were so worried. Actually, we can do it with little or no footprint, little or no seepage or damage, there is no question about it.

Next, the bill opens 2,000 acres of the 19 million acres of the Arctic plain, or ANWR, for oil and gas leasing. In 1995, President Clinton vetoed an ANWR bill, and the price of oil was $19 a barrel. As a result, 1 million barrels of oil continue to sit beneath our ground each day instead of in our gas tanks. I believe the ultimate find, if we are permitted to drill, would be much more than the million barrels, without a question. The footprint is so small, the new directional drilling is so accurate that I believe it deserves an opportunity for the Senate to look again and think again and for the American people to look again and think again with us on what should be done. The price of oil is now $113 a barrel. When we last voted, the price was somewhere above $50 but certainly nothing like this.

Yesterday, I heard a colleague on the other side of the aisle urge OPEC nations to release 500,000 barrels of oil to the global market. Today, in introducing this bill, I respond to my colleagues to release more than 1 million barrels to that supply, from our own lands, by supporting my bill. We don't know how much more we will get if the coastal States join in and begin lifting the moratorium. We may be able to send a message that more than the 500,000 barrels my colleague on the other side sought and far more than the 1 million we would get from Alaska would be released into the American market.

This bill provides for a consolidated permitting process to ease constraints on building refineries in this country. While we improved the capacity over years, we consistently hear the criticism that no new refinery has been built in our country for over 30 years. Our Nation cannot afford to go 30 more years without building additional refineries.

The bill also provides a small measure of relief by suspending delivery to the Strategic Petroleum Reserve. I ask my colleagues to consider their views on certain issues. I remind them that this issue I have reconsidered on my own. I believe it is appropriate in this pricing environment that we stop filling the SPR for up to 6 months, thus providing 70,000 additional barrels of light sweet crude per day. That might have an effect. Although it will be minor, it might be recognizable on the price of oil. I think it is time to do that.

I told the chairman of the Subcommittee on Energy and Water Development, with whom I serve and was the principal sponsor of this, that I would join him in this when he was ready to move on the Senate floor.

By its very nature, this is just a fraction of the oil that will be gained through OCS production. OCS is what I am talking about in the bill I introduced today, and ANWR, oil shale production, and coal-to-liquid production are in this bill. In today's environment, any small amount helps the people of this country.

In the area of alternative resources, this bill requires studies on ethanol to help ensure that smart decisions are made as we move toward cellulosic and other advanced biofuels. This bill provides incentives for the advancement of breakthrough energy technologies, such as battery-powered vehicles. That is important. It is obvious to everyone that we have not moved ahead as rapidly as we should in battery development, and we ought to push hard with our greatest scientists because a change in the right direction there would be a dramatic change in the right direction for automobiles that would be electric-motored and that would be good for our country.

Our Nation is often called the Saudi Arabia of coal, and we should use that domestic resource to help reduce our dependence on foreign oil. This bill creates a mandate for up to 3 billion gallons of clean coal-derived fuels over the next decade and 6 billion gallons over the next 14 years. This will provide diesel and jet fuel to help power our economy and create jobs throughout our coal-producing States.

Additionally, this provision requires that the mandated fuels have life-cycle greenhouse gas emissions no greater than conventional gasoline.

This is a win-win for our economy and our environment. I don't know why it is so violently opposed by some in America. I think they just don't want us to use our own if it means we are going to use it in automobiles, diesel trucks, or the like. I don't understand. If we don't do it, we will be using foreign oil unless and until we find a total new substitute, which will be years from now.

This bill also allows for the long-term procurement of synthetic fuels by the Department of Defense and repeals section 526 of last year's Energy bill.

That provision ties greenhouse gas emission requirements to the types of fuels our Air Force can purchase. The practical translation is that in a time of war, this policy would direct our military to purchase oil from the sands of the Middle East rather than the oil sands of Canada.

While this bill takes many steps to strengthen our Nation's energy security, it also repeals several provisions in last year's appropriations bills that threaten to damage our Nation's energy security. At this point, most everyone knows what they are. I will merely mention one of those that is big, and that is a mandate that was imposed on oil shale development in America.

Somebody in conference—I think we know which one but need not say since it is not certain—put a rider on that bill that said the final regulations for shale development have a moratorium imposed. That comes at a time when Shell Oil and others are exploring the great potential of shale converted to oil. I don't see why we should do this. I believe we should take that off and let them proceed. They will be bound by the laws of our land, and obviously, with the high price of crude oil, it is clear to me that they are going to find a way to make oil shale equal to conventional oil and thus usable by Americans as American-produced oil. We should let that happen as rapidly as possible and not deter it. I know some will not agree, but I would think that debate, carried to the American people, would be voted overwhelmingly in favor of letting it happen. That is why we put it in this bill.

Finally, this bill repeals a $4,000 fee for drilling permits. These costs, slipped into a large Omnibus measure without notice or debate, hit the smallest oil and gas companies in our States. Making it more difficult to produce domestic energy for domestic use will only serve to further increase the prices we pay at the pump.

As I complete my final year in the Senate, I look back on the many accomplishments this body has achieved for the American people. This great work has often been done when Members reached across the aisle after thoughtful deliberation, serious debate, and reasoned judgment. I hope, as the Congress makes a serious effort to tackle the energy challenges of our time, that we will address these challenges in the same spirit.

As I said a few months ago on this floor that America faces a serious energy crisis with vital implications for our national security, economic strength, and foreign policy. The American people deserve a serious debate, for our present challenge will require thoughtfulness, vision, and judgment—not just today, but when the cameras are off, the elections are far away, and gas prices subside.

By Mr. FEINGOLD (for himself, Ms.KLOBUCHAR, Mr. TESTER, and Mr. HARKIN):

S. 2959. A bill to amend the Help America Vote Act of 2002 to require States to provide for election day registration; to the Committee on Rules and Administration.

Mr. FEINGOLD. Mr. President, today I will introduce, along with Senators KLOBUCHAR, TESTER, and HARKIN, the Election Day Registration Act of 2008, which would significantly increase voter participation by allowing all eligible citizens to register to vote in Federal elections on Election Day.

In many ways, the machinery of our democracy needs significant repair. We live in an age of low turnout and high cynicism. The American people have lost faith in our election system, in part because they are not confident that their votes will be counted or that the ballot box is accessible to each and every voter regardless of ability, race, or means.

What we see instead are long lines at polling places; faulty voting machines; under-trained, under-paid, over-worked poll workers; partisan election administrators; suspect vote tallies; caging lists; intimidation at the polling place; misleading flyers; illegal voter-file purges; and now, the Supreme Court approving discriminatory voter ID laws. If people cannot trust their elections, why should they trust their elected officials?

Two years ago, Professor Dan Tokaji, a leading election law expert, called for a ''moneyball approach to election reform.'' Named after Michael Lewis's book about the Oakland A's data-driven hiring system, Tokaji's approach is quintessentially progressive, as that term was understood at the turn of the century. ''I mean to suggest a research-driven inquiry,'' Tokaji wrote, ''in place of the anecdotal approach that has too often dominated election reform conversations. While anecdotes and intuition have their place, they're no substitute for hard data and rigorous analysis.''

This bill embodies the moneyball approach to election reform. In stark contrast to many so-called election reform proposals, this bill addresses a real problem—low voter turnout—it targets a major cause of the problem—archaic registration laws—and it offers a proven solution—Election Day registration.

The bill is very simple: it amends the Help America Vote Act to require every State to allow eligible citizens to register and vote in a Federal election on the day of the election. Voters may register using any form that satisfies the requirements of the National Voter Registration Act, including the Federal mail-in voter registration form and any state's standard registration form. North Dakota, which does not have voter registration, is exempted from the bill's requirements.

The bill itself is simple, but it addresses a significant problem: the low voter turnout that has plagued this country for the last 40 years. We live in a participatory democracy, where our Government derives its power from the consent of the governed, a consent embodied in the people's exercise of their fundamental right to vote. It is self evident that a participatory democracy depends on participation.

This may be a government of the people, but the people are not voting. Since 1968, American political participation has hovered around 50 percent for Presidential elections and 40 percent for congressional elections. Even in 2004, a record-breaking year, turnout was only 55 percent of the voting age population. The U.S. may be the only established democracy where the fact that a little under half of the electorate stayed home is considered cause for celebration.

In fact, our predecessors in the Senate would be surprised to find us celebrating such low turnout: a 1974 report by the Senate Committee on the Post Office and Civil Service bemoaned the ''shocking'' drop in turnout in the 1972 election. And what was the number that so troubled the Committee—55 percent.

The report went on: ''[i]t is the Committee's conviction that our disquieting record of voter participation is in large part due to the hodgepodge of registration barriers put in the way of the voter. Such obstacles have little, if anything, to recommend them. At best, current registration laws in the various states are outmoded and simply inappropriate for a highly mobile population. At worst, registration laws can be construed as a deliberate effort to disenfranchise voters who desperately need entry into the decision-making processes of our country.''

What a shame, that the Committee's findings are still valid. Our archaic registration laws have been reformed, but they are still archaic. We have passed a number of important bills designed to combat low turnout, but turnout is still low. America is even more mobile than it was in 1974, and yet our registration laws are still out of touch with the reality that more than 40 million Americans move every year. Worst of all, our registration laws still fall especially hard on the young, the old, and the poor.

We have long known that complicated voter registration requirements constitute one of the major barriers to voting. In fact, many States adopted voter registration in order to prevent certain segments of the population from voting. Alexander Keyssar, the preeminent scholar on the history of the right to vote in this country, writes that although ''[r]egistration laws emerged in the nineteenth century as a means of keeping track of voters and preventing fraud; they also served—and were intended to serve—as a means of keeping African-American, working-class, immigrant, and poor voters from the polls.''

It is time for a fundamental change. A large body of research tells us that unnecessarily burdensome voter registration requirements are the single

largest factor in preventing people from voting. Simply put, voter registration restrictions should not keep eligible Americans from exercising their right to vote. The solution to this problem is Election Day registration.

Decades of empirical research confirm Election Day registration's positive impact on turnout. As one academic paper states, ''the evidence on whether EDR augments the electorate is remarkably clear and consistent. Studies finding positive and significant turnout impacts are too numerous to list.'' Studies indicate that Election Day registration alone increases turnout by roughly 5 to 10 percentage points.

In general, States with Election Day registration boast voter turnout that is 10–12 percentage points higher than States that require voters to register before Election Day. Turnout in Minnesota and Wisconsin, which implemented Election Day registration over 35 years ago, has been especially high: in 2004, for example, 78 percent of eligible Minnesotans and 75 percent of eligible Wisconsinites went to the polls. The last time national voter turnout was above 70 percent, it was 1896, there were only 45 States, and the gold standard was the dominant campaign issue.

Critics might worry about the possibility of fraud, but Election Day registration actually makes the registration process more secure. Voters registering on Election Day do so in the presence of an elections official who verifies the voter's residency and identity on the spot. Mark Ritchie, Minnesota's Secretary of State, points out that Election Day registration ''is much more secure because you have the person right in front of you—not a postcard in the mail. That is a no-brainer. We have 33 years of experience with this.''

In contrast to most election reforms, the cost of Election Day registration is negligible. A recent survey of 26 local elections officials in six EDR States found that ''officials agreed that incidental expense of administering EDR is minimal.'' In fact, Election Day registration may actually result in a net savings because it significantly reduces the use of provisional ballots. Provisional ballots, which are required by the Help America Vote Act, are expensive to administer. The Congressional Budget Office estimates that provisional ballots cost State and local governments about $25 million a year.

In some states the number of provisional ballots cast is surprisingly large. For example, in 2004, more than 4 percent of California's registered voters cast provisional ballots—that's 644,642 provisional ballots. In Ohio, 157,714 provisional ballots were cast, about 2 percent of all registered voters.

In contrast, in 2004 only 0.03 percent of voters in EDR States cast a provisional ballot. In Wisconsin, only 374 provisional ballots were cast. In Maine, only 95 provisional ballots were cast. In fact, only 952 provisional ballots were cast in all the EDR States combined in 2004. To be sure, this bill is no cure-all: it does not address long lines, deceptive flyers, and faulty voting machines. Other bills, good bills, address those issues.

The bottom line is this: the Election Day Registration Act would substantially increase civic participation, improve the integrity of the electoral process, reduce election administration costs, and reaffirm that voting is a fundamental right. It has been proven effective by more than 30 years of successful implementation in Minnesota and Wisconsin and decades of empirical research. Election Day registration is good for voters, good for taxpayers, and good for democracy.

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

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

S. 2959

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 ''Election Day Registration Act''.

SEC. 2. ELECTION DAY REGISTRATION.

(a) IN GENERAL.—Title III of the Help America Vote Act of 2002 (42 U.S.C. 15481 et seq.) is amended—

(1) by redesignating sections 304 and 305 as sections 305 and 306, respectively; and

(2) by inserting after section 303 the following new section:

''SEC. 304. ELECTION DAY REGISTRATION.

''(a) IN GENERAL.—

''(1) REGISTRATION.—Notwithstanding section 8(a)(1)(D) of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg–6), each State shall permit any eligible individual on the day of a Federal election—

''(A) to register to vote in such election at the polling place using a form that meets the requirements under section 9(b) of the National Voter Registration Act of 1993; and

''(B) to cast a vote in such election.

''(2) EXCEPTION.—The requirements under paragraph (1) shall not apply to a State in which, under a State law in effect continuously on and after the date of the enactment of this section, there is no voter registration requirement for individuals in the State with respect to elections for Federal office.

''(b) ELIGIBLE INDIVIDUAL.—For purposes of this section, the term 'eligible individual' means any individual who is otherwise qualified to vote in a Federal election in such State.

''(c) EFFECTIVE DATE.—Each State shall be required to comply with the requirements of subsection (a) for the regularly scheduled general election for Federal office occurring in November 2008 and for any subsequent election for Federal office.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 401 of such Act (42 U.S.C. 15511) is amended by striking ''and 303'' and inserting ''303, and 304''.

(2) The table of contents of such Act is amended—

(A) by redesignating the items relating to sections 304 and 305 as relating to sections 305 and 306, respectively; and

(B) by inserting after the item relating to section 303 the following new item:

''Sec. 304. Election day registration.''.

Ms. KLOBUCHAR. Mr. President, I come to the floor today to speak about a fundamental right in this country: the right to vote. Although it is one of the greatest rights we have built this government on, we have states across the country that still limit that right by not allowing people to vote if they have not met an arbitrary registration deadline. A deadline that is sometimes set months in advance of Election Day. Since 1973, Minnesota has allowed citizens in the state to register to vote on the same day as the election, and, not coincidentally, year after year, my state has the highest voter turnout in the country.

As the Presidential election is fast approaching, we need to ensure that people across the country have the ability to vote when November 4th, 2008, rolls around. This is why, Mr. President, I am happy that this afternoon, Senator FEINGOLD and I introduced legislation that enables voters in every state to register on Election Day for Federal elections. My colleague's home state of Wisconsin, like Minnesota, has put a high price on voter registration, and has allowed Election Day Registration for over 30 years with great success. I am also pleased that we are joined on this bill by Senator HARKIN from Iowa and Senator TESTER from Montana. Both Iowa and Montana recently enacted same-day voter registration laws—significantly improving voter turnout throughout the state.

This legislation comes at a critical time—it is on the heels of a Supreme Court decision that tightens the ability of Indiana citizens to vote by requiring valid photo identification at the polling booth. And just this last week, several election registration volunteers in Florida stopped their registration work for fear that they would be fined upwards of $1000 if they made a mistake.

In Minnesota, some credit the election of Jesse Ventura as Governor in 1998 to our same-day registration voting policy. Voters who had never voted before showed up at the polls and voted in unprecedented numbers. I can't say that I ever imagined that we would have a Governor wear a pink boa at his inaugural celebration, but the ability for the citizens of Minnesota to cast their ballot and enact change is the kind of democracy this country is founded upon.

In the past decade, as states around the country are experimenting with new and innovative ways to combat voter fraud, Election Day Registration has actually helped eliminate voter fraud at the polls. I've worked a great deal with the Secretary of State in Minnesota, Mark Ritchie, and he has found that registering at the polls, instead of by mail with a postcard, decreases the chance for fraud. When citizens are registering right in front of the election official, on the day of the election, chances of fraud are decreased. It's a pretty simple concept, but a fundamental one. As Secretary of State Ritchie has said, it's ''a no-brainer.''

The myriad of voter registration laws across the country are mind-boggling. In Nevada, you must register by 9 p.m., on the fifth Saturday before the election. A handful of states require registration 25 days before the election, another handful require 29 days. Some have to be postmarked by that date, and others have to be received by the deadline. A few set the cutoff at 20 days, a few at 10 days, and in Vermont, you have until 5 p.m., the Wednesday before the election. If you're in Utah, you must register 30 days before the election by mail, but if you miss that, you can register in person on the 18th or 15th day before the election. Where we have one, national, election day of November 4th this year, it is hard to imagine voters, because of the State they reside, could miss their chance to vote.

There are 8 States that allow citizens to register at the polls: Maine, Minnesota, New Hampshire, Wisconsin, Wyoming, and now Iowa and Montana have joined the list. Historically, these first six States have seen voter turnout that is 8 to 15 percent higher than the national average. In the 2004 Presidential election, only 64 percent of the eligible population voted; but in Minnesota, 79 percent of the population turned out to vote. As Senator FEINGOLD mentioned, the last time we had turnout that high on a national level was 1896, and we only had 45 states. No matter what side of the aisle, we are seeing an unprecedented interest in the upcoming Presidential election, and we need to give the citizens the ability to register on Election Day.

This is a simple, yet fundamental bill. It amends legislation we passed in 2002, the Help America Vote Act, to allow voters to register and cast their ballot on the same day in a Federal election. Where Americans across the country are facing skyrocketing gas prices, health costs that many cannot afford, and an economy that is approaching recession, we need to ensure that every citizen has the right to wake up on Election Day and decide they will cast their ballot for President.

Mr. TESTER. Mr. President, I rise today to join my colleagues, Senators FEINGOLD, HARKIN and KLOBUCHAR in introducing a bill that would significantly increase voter participation. The Election Day Registration Act of 2008, EDR, would allow all eligible citizens to register to vote in federal elections on Election Day.

Studies have shown a strong increase in voter turnout in those States who have EDR. In 2004, 73.8 percent of all eligible voters in EDR states voted, compared with 60.2 percent of eligible voters in states without EDR—a difference of 13.6 percentage points. The top four States for turnout in 2004 had EDR—Minnesota 78 percent, Wisconsin 75 percent, Maine 73 percent, and New Hampshire 71 percent. The fifth highest state was Oregon—the universal vote-by-mail state. Even more compelling, the turnout is higher even when controlling for competitiveness—in terms of voter participation, ''safe'' states with EDR significantly outperformed ''safe'' states without EDR. Voter participation in those ''Battleground'' States with EDR was significantly higher than in those ''battleground'' states without EDR.

High voter participation is a fundamental part of a healthy democracy. This year we have seen record numbers of voters participating in the presidential primaries. The implementation of EDR for federal elections would build upon this momentum. Montana is expecting record turnout for our presidential primary on June 3rd.

EDR permits eligible citizens to register and vote on Election Day. There are currently 9 states that have some form of EDR: Minnesota, Maine, Wisconsin, Idaho, Wyoming, New Hampshire, Iowa, North Carolina and of course my home state of Montana. Iowa adopted EDR in March 2007 and North Carolina has implemented Same Day Registration at early voting sites. While the version in North Carolina isn't complete EDR, it is a strong move for increased access to the democratic process.

There is nationwide interest in EDR. Last year, 21 States had bills before their legislature to implement, or begin feasibility studies in support of, EDR.

In my home state of Montana we have had Election Day Registration. Montana adopted EDR in 2005 while I was president of the Montana state senate. Montana's version is a little different from EDR in Wisconsin and Minnesota—in Montana, the voter registers, election day, at the county courthouse rather than at the polling place. Whether it is at the polling place or the courthouse, the important fundamentals of access are maintained.

With EDR, the use of and reliance upon provisional ballots would be minimized. Provisional ballots are useful and valuable tools, however with EDR, the costly validation process that takes place after election day could be avoided, as eligibility considerations could be made on election day and the voter would then use a standard ballot. EDR streamlines the administrative process and makes sure that votes are counted.

Enactment of EDR would be a major step in the right direction towards inclusive and fully participatory elections. It's clear that people are more likely to vote when they know their votes will be counted. EDR has proven track record of increasing participation, and those concerns raised have been largely disproven or are easily addressed. In the end EDR allows more Americans to do that which is most fundamental to the democracy we love and the freedom we, as Americans, stand for—vote.

My cosponsors and I think this Election Day Registration Act of 2008 is necessary to strengthen our democracy. We welcome our fellow senators to support this important legislation.

By Mr. DODD:

S. 2960. A bill to amend the Homeland Security Act of 2002, to establish the Office for Bombing Prevention, to enhance the role of State and local bomb squads, public safety dive teams, explosive detection canine teams, and special weapons and tactics teams in national improvised explosive device prevention policy, to establish a grant program to provide for training, equipment, and staffing of State and local improvised explosive device prevention, and for other purposes; to the Committee on Homeland Security and Governmental Affairs.

Mr. DODD. Mr. President, today I am introducing the National Improvised Explosive Device, IED, Preparedness and Prevention Act of 2008. This bill will ensure that the brave men and women who are called on to respond to bomb threats around the country have the necessary tools, training, and personnel to keep our communities safe.

Furthermore, this bill gives our State and local responders unprecedented access to the federal policy making committees directing the national agencies that keep our homeland secure.

Regrettably, over the years, our people have suffered attacks from homemade bombs, not only on distant battlefields of Iraq and Afghanistan, but here in America. From the 1983 truck bombing of the Beirut Barracks to the Alfred P. Murrah Federal Building bombing in Oklahoma City to the recent Times Square Military Recruiting Office bombing in New York City, we have seen the devastating effects such attacks wield.

These bombs, which have become known in the lexicon of the Pentagon as ''Improvised Explosive Devices'' or IEDs, are the number one cause of death and injury to our troops overseas. Whether it is in lives lost, economic damage, or the simple loss of feeling safe in our communities, IEDs pose a threat to American security.

We must therefore ensure that our state and local bomb squads, SWAT Teams, K–9 units, and public safety dive teams are sufficiently prepared to meet this challenge, as they most certainly will be the first on the scene to respond to the next IED scare. These courageous public servants put their lives on the line every day to keep us safe. The least we can do is to make certain that they have the resources they need and a seat at the table in critical IED policy making discussions. That is why I have introduced this legislation and have worked hard to address these very real needs.

Beginning in April 2006, I worked with Senator ROBERT BYRD to attach a provision to a Homeland Security Appropriations bill requiring DHS to produce a national strategy for IED preparedness.

After numerous delays, and a letter to Homeland Security Secretary

Chertoff from Senator BYRD and me, the National Security Council finally approved the document in late 2007.

Unfortunately, the strategy did not include adequate detail on how state and local input would contribute to the federal government's IED prevention and preparedness. It also failed to create an IED-specific grant program to ensure that State and local governments can carry out their responsibilities under the strategy.

My bill will address the threat of IEDs by:

First, statutorily establishing the Office for Bombing Prevention OBP within FEMA's Grant Programs Directorate.

Second, tbe bill establishes a Senior Advisory Committee, SAC, for IED Prevention and Response as a subcommittee under the Homeland Security Advisory Council.

Third, the bill requires State, Local, and Practicing Professional input in Advisory Committee Selection, giving voice to our First Responders who understand first-hand the needs of our communities.

Fourth, the legislation establishes a risk-based IED Prevention and Response Grant Program within the Homeland Security Department's Grant Program Directorate to specifically provide funds for equipment, training, and personnel in areas where DHS has identified shortfalls.

Last, my bill requires the Coast Guard to assess the preparedness of our Nation's Public Safety Dive Teams, PSDT, in the completion of Area Maritime Transportation Security and Facility Plans.

Mr. President, we can no longer afford to sit on our hands while many of our IED First Responders have to scrape by with antiquated equipment and training.

We have an opportunity to be proactive, to prepare for the unthinkable events that befell the people of London and Madrid, just a few short years ago.

Our Nation needs demonstrated capability in this vital area, and we in Congress need to lead. I urge my colleagues to join me in this endeavor.

By Mr. AKAKA:

S. 2961. A bill to amend title 38, United States Code, to enhance the refinancing of home loans by veterans; to the Committee on Veterans' Affairs.

Mr. AKAKA. Mr. President, today I introduce a bill that will offer veterans more options for refinancing their mortgages. My legislation would raise the guarantee on VA refinance loans and decrease equity requirements for refinancing to a VA loan. These provisions would allow more qualified veterans to refinance their home loans under the VA program.

At present, the maximum VA loan guaranty limit for all loans in excess of $144,000, except regular refinance loans, is equal to 25 percent of the Freddie Mac conforming loan limit for a single family home. Presently this is $104,250. This means lenders making loans up to $417,000 will receive at least a 25 percent guaranty, which is typically required to place the loan on the secondary market.

However, current law limits to $36,000 the guaranty that can be used for a regular refinance loan. This restriction means a refinance over $144,000 will result in a lender not receiving 25 percent backing from VA and probably not making the loan at all. This situation essentially precludes a veteran from being able to refinance his or her existing FHA or conventional loan into a VA guaranteed loan if the loan is greater than $144,000.

To assist veterans in overcoming this obstacle in refinancing, this legislation would increase the maximum guaranty limit for refinance loans to the same level as conventional loans—25 percent limit for a single family home. Importantly, this increase would make the maximum VA home loan guaranty equal across the board.

This bill will also increase the percentage of an existing loan that VA will refinance from the current maximum of 90 percent to 95 percent, thus allowing more veterans to use their VA benefit to refinance their mortgages. Many veterans do not have ten percent equity and thus are precluded from refinancing to a VA home loan. Given the anticipated number of non-VA adjustable mortgages that are approaching the reset time when payments are likely to increase, it seems prudent to facilitate veterans refinancing to VA loans.

In light of today's housing and home loan crises, these further refinancing options will help some veterans to bridge financial gaps and allow them to stay in their homes and escape possible foreclosures.

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

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

S. 2961

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

SECTION 1. ENHANCEMENT OF REFINANCING OF HOME LOANS BY VETERANS.

(a) INCLUSION OF REFINANCING LOANS AMONG LOANS SUBJECT TO GUARANTY MAXIMUM.—Section 3703(a)(1)(A)(i)(IV) of title 38, United States Code, is amended by inserting ''(5),'' after ''(3),''.

(b) INCREASE IN MAXIMUM PERCENTAGE OF LOAN-TO-VALUE OF REFINANCING LOANS SUBJECT TO GUARANTY.—Section 3710(b)(8) of such title is amended by striking ''90 percent'' and inserting ''95 percent''.

By Mr. BOND (for himself, Mrs. BOXER, Mr. STEVENS, Mr. OBAMA, Mr. DOMENICI, Mrs. DOLE, and Ms. MURKOWSKI):

S. 2963. A bill to improve and enhance the mental health care benefits available to members of the Armed Forces and veterans, to enhance counseling and other benefits available to survivors of members of the Armed Forces and veterans, and for other purposes; to the Committee on Veterans' Affairs.

Mr. BOND. Mr. President, there is an issue that has been festering in our military ranks for quite some time that we must address now.

America's warriors voluntarily leave the comfort of their homes and families to serve the greater good under very difficult conditions. They are fighting an incredibly complex battle on an asymmetric battlefield, against an enemy that is not bound by rules of war or human decency. They are courageously protecting our freedoms—each and every day—against those who seek to do us harm. As the father of a two-tour Iraq War Veteran, this issue is very close to my heart, and should be at the forefront of the Senate's day-to-day business.

Many of our military service members bear the physical scars of war. Thanks to advances in modern medicine and the efforts of brilliant medical personnel in the field, many of our war-wounded are able to return to a relatively normal life. Our practice of compensating disabled veterans financially helps our heroes reintegrate and assume again civilian status.

A growing concern revolves around those soldiers, sailors, airmen and Marines who return home with invisible injuries, the psychological wounds of war that have had a huge impact on a large percentage of our military forces.

Post Traumatic Stress Disorder, PTSD, Traumatic Brain Injuries, TBI, are not quickly diagnosed because we cannot see them. But we know they exist, and they often manifest years later and wreak all sorts of havoc on our military, on our military families, and on our society.

The recently-released Rand Study and American Psychiatric Association studies acknowledge the issue and paint a bleak social and financial future. The question is: What are we doing to help these men and women? The answer now is: Not enough. There are simply not enough resources available to our combat veterans to deal adequately with the problem.

Today we are proposing legislation that will address this crisis. Our proposal will address both short- and long-term solutions for those suffering from PTSD and TBI. We will increase our troops' access to qualified behavioral-health specialists and increase the number of those specialists annually in an effort to treat our men and women and help them cope with their ailments.

My staff has worked closely with the VA on these proposals and our legislation has the support of the Iraq and Afghanistan Veterans' Association and Veterans for Common Sense.

First, our bill improves veterans' access to care by expanding the use of our Vet Centers. Currently, our Active, Guard, and Reserve military personnel do not have access to the VA's Vet Centers, community-based counseling

centers which are successfully providing mental health care to veterans.

An estimated 30 percent of troops return from combat suffering from Post Traumatic Stress Disorder, Traumatic Brain Injury, or other mental health problems. But there are grossly insufficient numbers of military behavioral health specialists to provide the care our troops need. Recent testimony from all military Surgeons General highlighted the shortage of mental health professionals service-wide.

This legislation will give our troops the same access to Vet Centers our veterans receive for mental health care, which not only opens the door to additional resources but also lightens the load on our currently over-tasked specialists. Additionally, the legislation will reduce the stigma associated with behavior disorders by allowing troops to seek treatment outside of conventional military channels.

We also propose to enhance the recruitment and training of Military Behavioral Health Specialists through a scholarship program that targets former service members or service members preparing to separate from the military.

This legislation, overseen by the Veterans Health Administration, will provide incentives for retiring or separating military personnel and veterans to pursue an education in the behavioral health field. Over time, that will alleviate the shortage of behavioral health specialists who serve our troops and veterans.

The estimated cost to recruit an additional 80 to 90 behavioral health specialists a year is $1.5—$2 million annually. This program would pay for itself if it were to save just one veteran from developing 100 percent service-connected PTSD.

We also propose extending the survivor benefits for Service Members who commit suicide and have a medical history of PTSD or TBI.

We know that mental-health issues often manifest long after the service member has left active duty. As a result, Congress has extended free health care to five years for recently-discharged veterans with any condition that may be related to their combat service.

Unfortunately, survivor benefits have not kept up with this logic. Current coverage for veterans who commit suicide does not take into account the time it takes for PTSD and TBI to manifest.

This legislation guarantees benefits for any Service Member who commits suicide within two years of separation or retirement from the military, provided they have a documented medical history of a combat-related mental-health condition, including PTSD or TBI.

The Service Member's survivor will be entitled to the same Social Security, Survivor Benefit Plan, Veteran's Affairs Benefits, and active duty burial benefits that they would have received had the Service Member died on their last day of active duty.

Our legislation also creates a grant program for non-profit organizations to provide support services to the families of our deceased Active, Guard, and Reserve Military personnel and Veterans.

The psychological impact associated with the loss of a loved one in a combat zone is tremendous. Unfortunately, there are not adequate numbers of military Casualty Assistance Officers to serve surviving families. While norofit organizations have professional staff that provide long-term and peer-based emotional support, Department of Defense Casualty Assistance Officers are only temporarily detailed to these duties and often are unfamiliar with the regulations or the emotional needs of surviving families.

This legislation establishes a competitive federal grant program for non-profit support organizations to provide vital support services to the surviving families of deceased military personnel.

Next, our legislation will ensure the fair treatment and care of all of our military personnel, including those whose discharges may have been caused by combat-related mental-health condition, including Post Traumatic Stress Disorder or Traumatic Brain Injury.

Many of those who are forced to leave the military because of performance issues such as substance abuse or anger problems have underlying mental health conditions such as TBI or PTSD that are not being properly diagnosed.

In many cases the military has inappropriately discharged these veterans, and they subsequently lose access to VA care and other benefits.

No veteran that has served this nation in combat should be denied the benefits they earned on the battlefield. This provision allows the VA to screen the veteran's discharge, and, if the veteran is found to have been improperly diagnosed, to take action to correct the problem accordingly.

Specifically, this legislation would reinstate the provision repealed from the law in 1996 giving the Vet Centers the authority to help the new generation of war veterans to resolve any problems presented with the character of their discharges.

Finally, our legislation will better prepare our troops for combat through the creation of a pilot program at Ft. Leonard Wood, Missouri and Ft. Carson, Colorado. We will provide comprehensive training to educate U.S. military personnel on Post Traumatic Stress Disorder—how to prevent it, how to recognize it when it occurs, and what to do about it when it happens. We hope to build resiliency, enhance performance, and mitigate stress among the troops.

The rise in PTSD cases demands a new approach to preparing U.S. military personnel and their families for the stresses associated with combat.

The pilot program is designed to enhance the individual's neurophysiological understanding of stress and trauma resolution and to equip them with performance-enhancing skills drawn from both the military special-operations community and the elite sports world.

The program will train and support an Army Brigade Combat Team and their families at all stages of a soldier's tour: pre-deployment, mid-deployment and post-deployment.

Addressing PTSD head on through self-awareness training will teach military personnel to cope better with combat-related issues and reduce the need and cost for long-term treatment.

The long-term effects of untreated mental illness are severe: drug and alcohol abuse, job and marital problems, even suicide.

We can prevent much of this unfortunate legacy by prompt and effective treatment when our troops come home.

We are all the beneficiaries of the sacrifices of others. Our responsibility is to continue to improve the ways in which we support our troops and their families.

They do not take our freedom for granted; we should not take their sacrifices for granted.

I ask my colleagues on both sides of the aisle to support these proposals.

By Mr. AKAKA:

S. 2969. A bill to amend title 38, United States Code, to enhance the capacity of the Department of Veterans Affairs to recruit and retain nurses and other critical health-care professionals, and for other purposes; to the Committee on Veterans' Affairs.

Mr. AKAKA. Mr. President, today I am introducing legislation to address personnel issues in the Department of Veterans Affairs. This legislation, proposed Veterans' Medical Personnel Recruitment and Retention Act of 2008, would help ensure that VA has the workforce necessary to serve America's veterans most effectively.

Health care providers are the backbone of the VA system. Yet today, the Department faces a shortage of these professionals. Around the country, too many facilities are understaffed, at the cost of services for veterans. A recent report by the Partnership for Public Service gave the Veterans Health Administration poor marks for pay and benefits, and for family support. VHA also rated poorly among younger employees. To be the health care employer of choice, VA must be able to offer competitive salaries, work schedules, and benefits.

As Chairman of the Committee on Veterans' Affairs, I held a hearing on April 9, 2008, that focused on personnel issues within the VA health care system. We heard detailed testimony from VA administrators and health care providers. Their testimony outlined the challenges VA faces, and suggested possible solutions.

This legislation would benefit a wide range of positions within VA. Here are

some of the challenges VA faces, and the solutions I propose.

Local labor markets for health care providers vary widely, and VA must be better prepared to compete in every market. Locality pay surveys are a crucial tool in this effort. However, a recent GAO report on nurse anesthetists revealed a locality pay system that is inconsistent and often dysfunctional. The bill I am introducing would make implementation of locality pay surveys more effective by requiring additional training on proper implementation, and improving transparency to allow for better oversight.

This legislation would also encourage retention of experienced professionals by removing salary offsets for retired employees who choose to return to work at VA. In the coming years, a significant portion of the VA workforce will reach the age of retirement. Eliminating the salary offset by the amount of an employee's retirement annuity would encourage these experienced professionals to return to VA.

Education benefits are often among the chief advantages of employment at VA, and I believe these benefits can be used for an even greater effect. VA has extensive programs to encourage further education within their workforce, and to provide financial assistance for employees with educational debt. This legislation would increase yearly benefit limits on the Education Debt Reduction Program—EDRP—and would broaden the goals of that program to include retention as well as recruitment. In so doing, the EDRP would be made available to both long-time VA employees and new hires. It would also reauthorize the Health Professionals Scholarship Program, and would broaden eligibility to a wider range of health professions.

Further, to make VA more attractive to clinical researchers, this legislation would provide VA with authorities similar to the Loan Repayment Program of the National Health Service Corps. VA would be authorized to use funds from medical services appropriations to help researchers in need of financial assistance to payoff their education loans. This program would compliment EDRP, which is not available to researchers.

In recent years, VA has been challenged to retain top administrators, especially those who have spent their careers at VA. Their expert knowledge is indispensable to the effective management of the VA health care system. However, given the high rates of compensation available outside of VA, retention of these professionals is often difficult. This legislation would provide VA with the authority to pay national administrators additional compensation so as to better compete with the private sector. It would also give VA the authority to increase, under limited circumstances, compensation for pharmacists, doctors, and dentists, in order for VA to be more competitive in local labor markets.

VA faces many challenges in recruiting and retaining nurses. I have worked with VA administrators and nurses to develop solutions to these challenges. This legislation would give VA more tools to attract and keep these employees.

Alternative work schedules are now commonly available in other health care systems. At VA, part-time and alternative work schedules are under-utilized, and as a result, VA loses prospective hires and damages employee morale. This legislation would clarify alternative work schedule and weekend duty rules. By making these schedules easier to implement, it is my hope that VA will expand their use.

This bill would also make it easier for VA to hire and retain part-time nurses by limiting probationary periods and expanding eligibility for overtime pay. For nurses who transition from full-time to part-time, this legislation would eliminate the probationary period they are now required to serve. This provision would be extremely helpful in encouraging experienced nurses to extend their careers at VA beyond the customary age of retirement.

In many locations, VA cannot compete with other health care systems for many nursing positions, particularly certified registered nurse anesthetists—CRNAs—and licensed practical and vocational nurses. A recent GAO report on CRNAs in VA noted that VA spends thousands of dollars on contract nurses to cover staffing gaps. The use of contract nurses, while appropriate in some situations, is not a permanent solution to the long-term staffing shortfall. The bill I am introducing would raise or eliminate pay caps currently placed on these difficult-to-fill positions. These provisions are derived directly from testimony the Committee heard from VA nurses and administrators at the April 9, 2008, hearing.

This legislation would also clarify rules about emergency duty for VA nurses. The use of emergency mandatory overtime has been an issue in many VA facilities, and in other health care systems. I believe this legislation provides a reasonable solution. By standardizing the definition of ''emergency,'' it would facilitate more consistent and equitable use of emergency mandatory overtime.

I believe that this legislation will give VA the tools it needs to recruit and retain the best health care professionals in the Nation. I also anticipate that it will improve employee morale, as well as improving transparency and oversight. As we have heard many times, VA faces a looming retirement crisis. The solutions proposed in this legislation seek to address these challenges.

I urge my colleagues to support the proposed Veterans' Medical Personnel Recruitment and Retention Act of 2008.

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

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

S. 2969

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Veterans' Medical Personnel Recruitment and Retention Act of 2008''.

SEC. 2. ENHANCEMENT OF AUTHORITIES FOR RETENTION OF MEDICAL PROFESSIONALS.

(a) SECRETARIAL AUTHORITY TO EXTEND TITLE 38 STATUS TO ADDITIONAL POSITIONS.—

(1) IN GENERAL.—Paragraph (3) of section 7401 of title 38, United States Code, is amended by striking ''and blind rehabilitation outpatient specialists.'' and inserting the following: ''blind rehabilitation outpatient specialists, and such other classes of health care occupations as the Secretary considers necessary for the recruitment and retention needs of the Department subject to the following requirements:

''(A) Not later than 45 days before the Secretary appoints any personnel for a class of health care occupations that is not specifically listed in this paragraph, the Secretary shall submit to the Committee on Veterans' Affairs of the Senate, the Committee on Veterans' Affairs of the House of Representatives, and the Office of Management and Budget notice of such appointment.

''(B) Before submitting notice under subparagraph (A), the Secretary shall solicit comments from any labor organization representing employees in such class and include such comments in such notice.''.

(2) APPOINTMENT OF NURSE ASSISTANTS.—Such paragraph is further amended by inserting ''nurse assistants,'' after ''licensed practical or vocational nurses,''.

(b) PROBATIONARY PERIODS FOR NURSES.—Section 7403(b) of such title is amended—

(1) in paragraph (1), by striking ''Appointments'' and inserting ''Except as otherwise provided in this subsection, appointments'';

(2) by redesignating paragraph (2) as paragraph (4); and

(3) by inserting after paragraph (1) the following new paragraphs:

''(2) An appointment of a nurse under this chapter, whether on a full-time basis or a part-time basis, shall be for a probationary period ending upon the completion by the person so appointed of 4,180 hours of work pursuant to such appointment.

''(3) An appointment described in subsection (a) on a part-time basis of a person who has previously served on a full-time basis for the probationary period for the position concerned shall be without a probationary period.''.

(c) PROHIBITION ON TEMPORARY PART-TIME NURSE APPOINTMENTS IN EXCESS OF 4,180 HOURS.—Section 7405(f)(2) of such title is amended by inserting after ''year'' the following: '', except that a part-time appointment of a nurse shall not exceed 4,180 hours''.

(d) WAIVER OF OFFSET FROM PAY FOR CERTAIN REEMPLOYED ANNUITANTS.—

(1) IN GENERAL.—Section 7405 of such title is amended by adding at the end the following:

''(g)(1) The Secretary may waive the application of sections 8344 and 8468 of title 5 (relating to annuities and pay on reemployment) or any other similar provision of law under a Government retirement system on a case-by-case basis for an annuitant reemployed on a temporary basis under the authority of subsection (a) in a position described under paragraph (1) of that subsection.

''(2) An annuitant to whom a waiver under paragraph (1) is in effect shall not be considered an employee for purposes of any Government retirement system.

''(3) An annuitant to whom a waiver under paragraph (1) is in effect shall be subject to the provisions of chapter 71 of title 5 (including all labor authority and labor representative collective bargaining agreements) applicable to the position to which appointed.

''(4) In this subsection:

''(A) The term 'annuitant' means an annuitant under a Government retirement system.

''(B) The term 'employee' has the meaning under section 2105 of title 5.

''(C) The term 'Government retirement system' means a retirement system established by law for employees of the Government of the United States.''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on the date that is six months after the date of the enactment of this Act, and shall apply to pay periods beginning on or after such effective date.

(e) MINIMUM RATE OF BASIC PAY FOR APPOINTEES TO THE OFFICE OF THE UNDER SECRETARY FOR HEALTH SET TO LOWEST RATE OF BASIC PAY PAYABLE FOR A SENIOR EXECUTIVE SERVICE POSITION.—

(1) IN GENERAL.—Section 7404(a) of such title is amended—

(A) by striking ''The annual'' and inserting ''(1) The annual'';

(B) by striking ''The pay'' and inserting the following:

''(2) The pay'';

(C) by striking ''under the preceding sentence'' and inserting ''under paragraph (1)''; and

(D) by adding at the end the following:

''(3) The minimum rate of basic pay for a position to which an Executive order applies under paragraph (1) and is not described by paragraph (2) may not be less than the lowest rate of basic pay payable for a Senior Executive Service position under section 5382 of title 5.''.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on the first day of the first pay period beginning after the day that is 180 days after the date of the enactment of this Act.

(f) COMPARABILITY PAY PROGRAM FOR APPOINTEES TO THE OFFICE OF THE UNDER SECRETARY FOR HEALTH.—Section 7410 of such title is amended—

(1) by striking ''The Secretary may'' and inserting ''(a) IN GENERAL.—The Secretary may''; and

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

''(b) COMPARABILITY PAY FOR APPOINTEES TO THE OFFICE OF THE UNDER SECRETARY FOR HEALTH.—(1) The Secretary may authorize the Under Secretary for Health to provide comparability pay of not more than $100,000 per year to individuals of the Veterans Health Administration appointed under section 7306 of this title who are not physicians or dentists to achieve annual pay levels for such individuals that are comparable with annual pay levels of individuals with similar positions in the private sector.

''(2) Comparability pay under paragraph (1) for an individual is in addition to all other pay, awards, and performance bonuses paid to such individual under this title.

''(3) Except as provided in paragraph (4), comparability pay under paragraph (1) for an individual shall be considered basic pay for all purposes, including retirement benefits under chapters 83 and 84 of title 5, and other benefits.

''(4) Comparability pay under paragraph (1) for an individual shall not be considered basic pay for purposes of adverse actions under subchapter V of this chapter.

''(5) Comparability pay under paragraph (1) may not be awarded to an individual in an amount that would result in an aggregate amount of pay (including bonuses and awards) received by such individual in a year under this title that is greater than the annual pay of the President.''.

(g) SPECIAL INCENTIVE PAY FOR DEPARTMENT PHARMACIST EXECUTIVES.—Section 7410 of such title, as amended by subsection (f), is further amended by adding at the end the following new subsection:

''(c) SPECIAL INCENTIVE PAY FOR DEPARTMENT PHARMACIST EXECUTIVES.—(1) In order to recruit and retain highly qualified Department pharmacist executives, the Secretary may authorize the Under Secretary for Health to pay special incentive pay of not more than $40,000 per year to an individual of the Veterans Health Administration who is a pharmacist executive.

''(2) In determining whether and how much special pay to provide to such individual, the Under Secretary shall consider the following:

''(A) The grade and step of the position of the individual.

''(B) The scope and complexity of the position of the individual.

''(C) The personal qualifications of the individual.

''(D) The characteristics of the labor market concerned.

''(E) Such other factors as the Secretary considers appropriate.

''(3) Special incentive pay under paragraph (1) for an individual is in addition to all other pay (including basic pay) and allowances to which the individual is entitled.

''(4) Except as provided in paragraph (5), special incentive pay under paragraph (1) for an individual shall be considered basic pay for all purposes, including retirement benefits under chapters 83 and 84 of title 5, and other benefits.

''(5) Special incentive pay under paragraph (1) for an individual shall not be considered basic pay for purposes of adverse actions under subchapter V of this chapter.

''(6) Special incentive pay under paragraph (1) may not be awarded to an individual in an amount that would result in an aggregate amount of pay (including bonuses and awards) received by such individual in a year under this title that is greater than the annual pay of the President.''.

(h) PAY FOR PHYSICIANS AND DENTISTS.—

(1) NON-FOREIGN COST OF LIVING ADJUSTMENT ALLOWANCE.—Section 7431(b) of such title is amended by adding at the end the following:

''(5) The non-foreign cost of living adjustment allowance authorized under section 5941 of title 5 for physicians and dentists whose pay is set under this section shall be determined as a percentage of base pay only.''.

(2) MARKET PAY DETERMINATIONS FOR PHYSICIANS AND DENTISTS IN ADMINISTRATIVE OR EXECUTIVE LEADERSHIP POSITIONS.—Section 7431(c)(4)(B)(i) of such title is amended by adding at the end the following: ''The Secretary may exempt physicians and dentists occupying administrative or executive leadership positions from the requirements of the previous sentence.''.

(3) EXCEPTION TO PROHIBITION ON REDUCTION OF MARKET PAY.—Section 7431(c)(7) of such title is amended by striking ''concerned.'' and inserting ''concerned, unless there is a change in board certification or reduction of privileges.''.

(i) ADJUSTMENT OF PAY CAP FOR NURSES.—Section 7451(c)(2) of such title is amended by striking ''title 5'' and inserting ''title 5 or the level of GS–15 as prescribed under section 5332 of such title, whichever is greater''.

(j) EXEMPTION FOR CERTIFIED REGISTERED NURSE ANESTHETISTS FROM LIMITATION ON AUTHORIZED COMPETITIVE PAY.—Section 7451(c)(2) of such title is further amended by adding at the end the following new sentence: ''The maximum rate of basic pay for a grade for the position of certified registered nurse anesthetist pursuant to an adjustment under subsection (d) may exceed the maximum rate otherwise provided in the preceding sentence.''.

(k) LOCALITY PAY SCALE COMPUTATIONS.—

(1) EDUCATION, TRAINING, AND SUPPORT FOR FACILITY DIRECTORS IN WAGE SURVEYS.—Section 7451(d)(3) of such title is amended by adding at the end the following new subparagraph:

''(F) The Under Secretary for Health shall provide appropriate education, training, and support to directors of Department healthcare facilities in the conduct and use of surveys under this paragraph.''.

(2) INFORMATION ON METHODOLOGY USED IN WAGE SURVEYS.—Section 7451(e)(4) of such title is amended—

(A) by redesignating subparagraph (D) as subparagraph (E); and

(B) by inserting after subparagraph (C) the following new subparagraph (D):

''(D) In any case in which the director conducts such a wage survey during the period covered by the report and makes adjustment in rates of basic pay applicable to one or more covered positions at the facility, information on the methodology used in making such adjustment or adjustments.''.

(3) DISCLOSURE OF INFORMATION TO PERSONS IN COVERED POSITIONS.—Section 7451(e) of such title is further amended by adding at the end the following new paragraph:

''(6)(A) Upon the request of an individual described in subparagraph (B) for a report provided under paragraph (4) with respect to a Department health-care facility, the Under Secretary for Health or the director of such facility shall provide to the individual the most current report for such facility provided under such paragraph.

''(B) An individual described in this subparagraph is—

''(i) an individual in a covered position at a Department health-care facility; or

''(ii) a representative of the labor organization representing that individual who is designated by that individual to make the request.''.

(l) INCREASED LIMITATION ON SPECIAL PAY FOR NURSE EXECUTIVES.—Section 7452(g)(2) of such title is amended by striking ''$25,000'' and inserting ''$100,000''.

(m) ELIGIBILITY OF PART-TIME NURSES FOR ADDITIONAL NURSE PAY.—

(1) IN GENERAL.—Section 7453 of such title is amended—

(A) in subsection (a), by striking ''a nurse'' and inserting ''a full-time nurse or part-time nurse'';

(B) in subsection (b)—

(i) in the first sentence—

(I) by striking ''on a tour of duty'';

(II) by striking ''on such tour''; and

(III) by striking ''of such tour'' and inserting ''of such service''; and

(ii) in the second sentence, by striking ''of such tour'' and inserting ''of such service'';

(C) in subsection (c)—

(i) by striking ''on a tour of duty''; and

(ii) by striking ''on such tour''; and

(D) in subsection (e)—

(i) in paragraph (1), by striking ''eight hours in a day'' and inserting ''eight consecutive hours''; and

(ii) in paragraph (5)(A), by striking ''tour of duty'' and inserting ''period of service''.

(2) EXCLUSION OF APPLICATION OF ADDITIONAL NURSE PAY PROVISIONS TO CERTAIN ADDITIONAL EMPLOYEES.—Section 7454(b)(3) of such title is amended to read as follows:

''(3) Employees appointed under section 7408 of this title performing service on a tour

of duty, any part of which is within the period commencing at midnight Friday and ending at midnight Sunday, shall receive additional pay in addition to the rate of basic pay provided such employees for each hour of service on such tour at a rate equal to 25 percent of such employee's hourly rate of basic pay.''.

(n) EXEMPTION OF ADDITIONAL NURSE POSITIONS FROM LIMITATION ON INCREASE IN RATES OF BASIC PAY.—Section 7455(c)(1) of such title is amended by inserting after ''nurse anesthetists,'' the following: ''licensed practical nurses, licensed vocational nurses, and nursing positions otherwise covered by title 5,''.

SEC. 3. LIMITATIONS ON OVERTIME DUTY, WEEKEND DUTY, AND ALTERNATIVE WORK SCHEDULES FOR NURSES.

(a) OVERTIME DUTY.—

(1) IN GENERAL.—Subchapter IV of chapter 74 of title 38, United States Code, is amended by adding at the end the following new section:

''§ 7459. Nurses: special rules for overtime duty

''(a) LIMITATION.—Except as provided in subsection (c), the Secretary may not require a nurse to work more than 40 hours (or 24 hours if such nurse is covered under section 7456) in an administrative work week or more than eight consecutive hours (or 12 hours if such nurse is covered under section 7456 or 7456A).

''(b) VOLUNTARY OVERTIME.—(1) A nurse may on a voluntary basis elect to work hours otherwise prohibited by subsection (a).

''(2) The refusal of a nurse to work hours prohibited by subsection (a) shall not be grounds to discriminate (within the meaning of section 704(a) of the Civil Rights Act of 1964 (42 U.S.C. 2000e–3(a))) against the nurse, dismissal or discharge of the nurse, or any other adverse personnel action against the nurse.

''(c) OVERTIME UNDER EMERGENCY CIRCUMSTANCES.—(1) Subject to paragraph (2), the Secretary may require a nurse to work hours otherwise prohibited by subsection (a) if—

''(A) the work is a consequence of an emergency that could not have been reasonably anticipated;

''(B) the emergency is non-recurring and is not caused by or aggravated by the inattention of the Secretary or lack of reasonable contingency planning by the Secretary;

''(C) the Secretary has exhausted all good faith, reasonable attempts to obtain voluntary workers;

''(D) the nurse has critical skills and expertise that are required for the work; and

''(E) the work involves work for which the standard of care for a patient assignment requires continuity of care through completion of a case, treatment, or procedure.

''(2) A nurse may not be required to work hours under this subsection after the requirement for a direct role by the nurse in responding to medical needs resulting from the emergency ends.

''(d) NURSE DEFINED.—In this section, the term 'nurse' includes the following;

''(1) A registered nurse.

''(2) A licensed practical or vocational nurse.

''(3) A nurse assistant appointed under this chapter or title 5.

''(4) Any other nurse position designated by the Secretary for purposes of this section.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 74 of such title is amended by inserting after the item relating to section 7458 the following new item:

''7459. Nurses: special rules for overtime duty.''.

(b) WEEKEND DUTY.—Section 7456 of such title is amended—

(1) in subsection (a) by striking ''regularly scheduled 12-hour tour of duty'' and inserting ''scheduled 12-hour periods of service'';

(2) in subsection (b)—

(A) in paragraph (2), by striking ''service performed as part of a regularly scheduled 12-hour tour of duty'' and inserting ''any service performed''; and

(B) in paragraph (3)—

(i) in subparagraph (A), by striking ''regularly scheduled two 12-hour tours of duty'' and inserting ''scheduled 12-hour period of service'';

(ii) in subparagraph (B), by striking ''regularly scheduled two 12-hour tour of duty'' and inserting ''scheduled 12-hour period of service''; and

(iii) in subparagraph (C), by striking ''regularly scheduled two 12-hour tours of duty'' and inserting ''scheduled two 12-hour periods of service'';

(3) by striking subsection (c); and

(4) by redesignating subsection (d) as (c).

(c) ALTERNATE WORK SCHEDULES.—

(1) IN GENERAL.—Section 7456A(b)(1)(A) of such title is amended by striking ''three regularly scheduled'' and all that follows through the period at the end and inserting ''six regularly scheduled 12-hour periods of service within a pay period shall be considered for all purposes to have worked a full 80-hour pay period.''.

(2) CONFORMING AMENDMENTS.—Section 7456A(b) of such title is amended—

(A) in the subsection heading, by striking ''36/40'' and inserting ''72/80'';

(B) in paragraph (2)—

(i) in subparagraph (A), by striking ''40-hour basic work week'' and inserting ''80-hour pay period'';

(ii) in subparagraph (B), by striking ''regularly scheduled 36-hour tour of duty within the work week'' and inserting ''scheduled 72-hour period of service within the bi-weekly pay period'';

(iii) in subparagraph (C)—

(I) in clause (i), by striking ''regularly scheduled 36-hour tour of duty within an administrative work week'' and inserting ''scheduled 72-hour period of service within an administrative pay period'';

(II) in clause (ii), by striking ''regularly scheduled 12-hour tour of duty'' and inserting ''scheduled 12-hour period of service''; and

(III) in clause (iii), by striking ''regularly scheduled 36-hour tour of duty work week'' and inserting ''scheduled 72-hour period of service pay period''; and

(iv) in subparagraph (D), by striking ''regularly scheduled 12-hour tour of duty'' and inserting ''scheduled 12-hour period of service''; and

(C) in paragraph (3), by striking ''regularly scheduled 12-hour tour of duty'' and inserting ''scheduled 12-hour period of service''.

SEC. 4. IMPROVEMENTS TO CERTAIN EDUCATIONAL ASSISTANCE PROGRAMS.

(a) REINSTATEMENT OF HEALTH PROFESSIONALS EDUCATIONAL ASSISTANCE SCHOLARSHIP PROGRAM.—

(1) IN GENERAL.—Section 7618 of title 38, United States Code, is amended by striking ''December 31, 1998'' and inserting ''December 31, 2013''.

(2) EXPANSION OF ELIGIBILITY REQUIREMENTS.—Paragraph (2) of section 7612(b) of such title is amended by striking ''(under section'' and all that follows through the period at the end and inserting the following: ''as an appointee under paragraph (1) or (3) of section 7401 of this title.''.

(b) IMPROVEMENTS TO EDUCATION DEBT REDUCTION PROGRAM.—

(1) INCLUSION OF EMPLOYEE RETENTION AS PURPOSE OF PROGRAM.—Section 7681(a)(2) of such title is amended by inserting ''and retention'' after ''recruitment'' the first time it appears.

(2) ELIGIBILITY.—Section 7682 of such title is amended—

(A) in subsection (a)(1), by striking ''a recently appointed'' and inserting ''an''; and

(B) by striking subsection (c).

(3) MAXIMUM AMOUNTS OF ASSISTANCE.—Section 7683(d)(1) of such title is amended—

(A) by striking ''$44,000'' and inserting ''$60,000''; and

(B) by striking ''$10,000'' and inserting ''$12,000''.

(c) LOAN REPAYMENT PROGRAM FOR CLINICAL RESEARCHERS FROM DISADVANTAGED BACKGROUNDS.—

(1) IN GENERAL.—The Secretary of Veterans Affairs may, in consultation with the Secretary of Health and Human Services, utilize the authorities available in section 487E of the Public Health Service Act (42 U.S.C. 288–5) for the repayment of the principal and interest of educational loans of appropriately qualified health professionals who are from disadvantaged backgrounds in order to secure clinical research by such professionals for the Veterans Health Administration.

(2) LIMITATIONS.—The exercise by the Secretary of Veterans Affairs of the authorities referred to in paragraph (1) shall be subject to the conditions and limitations specified in paragraphs (2) and (3) of section 487E(a) of the Public Health Service Act (42 U.S.C. 288–5(2) and (3)).

(3) FUNDING.—Amounts for the repayment of principal and interest of educational loans under this subsection shall be derived from amounts available to the Secretary of Veterans for the Veterans Health Administration for Medical Services.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 544—DESIGNATING MAY 5 THROUGH 9, 2008, AS NATIONAL SUBSTITUTE TEACHER RECOGNITION WEEK

Mr. HATCH (for himself, Mrs. CLINTON, Mr. COCHRAN, and Mr. SANDERS) submitted the following resolution; which was considered and agreed to:

S. RES. 544

Whereas, on average, as much as 1 full year of a child's elementary and secondary education is taught by substitute teachers;

Whereas, on any given day in the United States, more than 270,000 classes are taught by substitute teachers;

Whereas formal training of substitute teachers has been shown to improve the quality of education, lower school district liability, reduce the number of student and faculty complaints, and increase retention rates of substitute teachers;

Whereas a strong, effective system of education for all children and youth is essential to our Nation's continued strength and prosperity;

Whereas much of a child's growth and progress can be attributed to the efforts of dedicated teachers and substitute teachers who are entrusted with the child's educational development;

Whereas substitute teachers play a vital role in maintaining continuity of instruction and a positive learning environment in the absence of a permanent classroom teacher; and

Whereas substitute teachers should be recognized for their dedication and commitment: Now, therefore, be it

Resolved, That the Senate—