

S. Res. 13. A resolution congratulating the University of Florida football team for winning the 2008 Bowl Championship Series (BCS) national championship; to the Committee on the Judiciary.

ADDITIONAL COSPONSORS

S. 64

At the request of Mr. INHOFE, the names of the Senator from Kansas (Mr. BROWNBACK) and the Senator from Oklahoma (Mr. COBURN) were added as cosponsors of S. 64, a bill to amend the Emergency Economic Stabilization Act to require approval by the Congress for certain expenditures for the Troubled Asset Relief Program.

S. 85

At the request of Mr. VITTER, the name of the Senator from Mississippi (Mr. WICKER) was added as a cosponsor of S. 85, a bill to amend title X of the Public Health Service Act to prohibit family planning grants from being awarded to any entity that performs abortions.

S. 96

At the request of Mr. VITTER, the name of the Senator from Mississippi (Mr. WICKER) was added as a cosponsor of S. 96, a bill to prohibit certain abortion-related discrimination in governmental activities.

S. 174

At the request of Mr. INOUYE, the name of the Senator from Rhode Island (Mr. REED) was added as a cosponsor of S. 174, a bill to establish a coordinated and comprehensive Federal ocean and coastal mapping program.

S. 211

At the request of Mrs. CLINTON, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S. 211, a bill to facilitate nationwide availability of 2-1-1 telephone service for information and referral on human services and volunteer services, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. NELSON, of Florida:

S. 221. A bill to amend the Commodity Exchange Act to require energy commodities to be traded only on regulated markets, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. NELSON of Florida. Mr. President, over the past half year, as the price of a barrel of oil has rocketed into the sky—all the way to \$147 a barrel and in 1 day the price escalating \$25—there have been a number of Senators on this floor and in committee meetings and in private discussions saying: Why won't people wake up and realize it is not the economic marketplace of supply and demand that is determining the price of oil? Who wants us to believe that? The oil companies, of course. In fact, the price of oil has escalated not because there is a tightness on the world marketplace of de-

mand for oil. Indeed, at the very time of a 6-month period from the last quarter of last year until the first quarter of 2008—that 6-month period when the demand for oil was going down and the supply was going up, which would indicate the price should be going down if supply is greater than demand—exactly the reverse was true. The price kept rocketing to the Moon.

It defied the laws of supply and demand. Yet we had everybody running out saying, “Oh, it is the tight world marketplace,” and it was difficult to get people to listen to a group of Senators who said it was because the commodities futures exchanges had been deregulated and, therefore, unregulated oil futures contracts speculation was running wild.

Then, once it got up to \$147 a barrel, what happened? The liquidity crisis hit, the economic crisis of confidence hit—not only in America but across the world. A lot of this was precipitated by the faulty mortgages, the subprime mortgages we are now not paying off in the revenue stream because people weren't paying their mortgages. Those mortgages had been bundled into securities and then bought and sold, and a lot of financial institutions, hedge funds, mutual funds and, indeed, big investments for pension funds started dumping those because they needed cash, and they started dumping their positions on oil futures commodities that they had purchased in this speculative frenzy that ran the price up to \$147 a barrel. What happened? The exact reverse. The price of oil starts coming down. So what should we do about this? Well, we ought to do what a number of us have been saying: We ought to go back and deregulate what we have jurisdiction over, which is the Commodities Futures Trading Commission.

Now, why was it deregulated? It was deregulated in the dead of night before Christmas in the year 2000, and it was deregulated at the behest of the Enron Corporation. And once they deregulated that commodities futures trading market on energy, it allowed them to go out and speculate on energy contracts. What was the first result? In the early part of this decade we saw it happen in California. We saw the electricity contracts start a runup in speculative bidding, to which it went up—the cost of electricity—by as high as 300 percent in California. Once that started to unravel, then we know what happened: Enron started to unravel with all the shenanigans that had gone on there.

But here we are 7 and 8 years later, after the law was changed, and we haven't been able to get it changed back because people come out here and say: Oh, it is supply and demand in the world market for oil, and they come up with a simple slogan, as if that was going to handle the price of oil when it was hitting \$147 and translated into about \$4-gallon-gasoline. Their simple little slogan was “drill baby, drill,” as

if that were going to solve the problem of the price of gasoline and the price of oil.

But now we hear—and people are starting to pay attention—we ought to reregulate this futures commodities trading. Now, what do we mean by regulate? I am talking about simple little things, such as you would have to use the oil that you are bidding on, such as an airline does. It locks in a future price for fuel by bidding on these future oil contracts. An airline, in fact, does use oil. By taking away the regulation, they have removed that ability. Or to give another example of regulation: A Commodities Futures Trading Commission could say you have to put a certain amount of money down if you are going to buy a future oil contract. Instead of getting it with nothing down, you have to put some skin in the game. But if you completely deregulate it, what you leave it to is the speculator to go in and bid that price up and up and up.

Now, this is what we have been saying on the floor of this Senate for the last 6 or 8 months, a number of us—Senator DORGAN, Senator CANTWELL, this Senator, and several other Senators—but it has been hard to get an audience that would listen. Well, no less a respected institution than CBS News “60 Minutes” last Sunday night broke it open and put it about as clearly as I have ever heard in posing this question: Did speculation fuel oil price swings?

And what they concluded was that 6 months ago, when oil hit its alltime high of \$147, and gas was up around \$4 a gallon, it created a frenzy that fed into irrational and false claims that the problem was just supply and demand and that the solution was to drill for more oil.

Well, it looks a lot different now. That frenzy that got mixed up in Presidential politics as well, with those simplified mantras of “drill baby, drill,” fueled by a slick public relations campaign, that was funded by deep-pocket oil companies. Yet those same oil companies testified in the spring of 2008 that if supply and demand were the sole driver of oil prices, that oil should cost no more than \$55 a barrel. We had executives of two of the big major oil companies say the normal laws of supply and demand would say that oil ought to be in the range of \$55 to \$65 a barrel, and they testified, this Senator thinks, correctly.

So ask yourself: Could supply and demand justify the wild swings in prices? And in that one instance where oil jumped \$25 in 1 day for a barrel of oil, ask yourself: Could the new oil demands by China and India, that have needs for new oil products, could that have suddenly caused that price to jump so much in a single day? And the answer, clearly, is: No. It was speculation that caused that bubble to grow. Wall Street investors shifted billions of dollars out of the stock market and into the commodities futures market

and ultimately into oil, and that is what was the biggest driver of running up the price of oil and gasoline.

What is even more powerful in demonstrating the influence of speculators on oil prices is examining what happened to those prices after we in the Senate, and down at the other end of the Capitol in the House, started threatening regulation again. Well, guess what happened. The prices went down. When Wall Street experienced a financial meltdown with the collapse of Lehman Brothers and the near collapse of AIG, prices fell even more as the Wall Street speculators got out of the oil futures markets to the tune of \$70 billion. The speculative bubble in commodities, which was not only energy but agricultural commodities, all of a sudden popped.

Demand for oil in the United States is down by 5 percent, but the price of oil is down 75 percent. So we shouldn't be fooled by the drop in prices. Some financial analysts, fortunately, are not fooled by the drop in prices. They are advising investors that low oil prices are a temporary phenomenon and that oil prices will average above \$75 a barrel over the next 5 years.

Well, a number of us, months ago, filed a bill to stop the trading of oil and other energy commodities on the unregulated exchanges, and what the bill does is it turns the clock back to a change in law that was pushed by the Enron Corporation, known as the Enron loophole, which opened the way for a flood of speculative money in these commodity markets. I am introducing that bill again today, and I seek our colleagues' support.

We must be vigilant to ensure that Wall Street investors do not take advantage of the lax regulation to reap profits by driving up the price of oil and making driving a lot more expensive for the rest of us. Let us remember that we saw what happened with another form of unregulated financial instruments. That was those insurance policies that had a fancy name, called credit default swaps. They were unregulated. Look what happened: The collapse of AIG that had to come in to the tune of upward of a \$100 billion rescue from the Federal Government. I don't believe it is simple coincidence that the same legislation that let those credit default swaps escape regulation also allowed energy traders to conduct their business in the shadows. We need to bring that industry out of the darkness and into the full light of day.

Mr. President, I wish to quote a couple lines from this Sunday's interview on CBS News "60 Minutes." A representative of the Petroleum Marketers Association is interviewed, a Mr. Gilligan, and he says:

Approximately 60 to 70 percent of the oil contracts in the futures markets are now held by speculative entities, not by the companies that need oil, not by the airlines, not by the oil companies, but by investors that are looking to make money from their speculative positions.

Now, that is a representative of the oil companies that said that. Further-

more, the investigative reporter, Steve Kroft, quotes a fellow named Michael Masters, and he states:

In a five-year period, Masters said the amount of money institutional investors, hedge funds and the big Wall Street banks had placed in the commodities markets went from \$13 billion to \$300 billion. Last year, 27 barrels of crude were being traded every day on the New York Mercantile Exchange for every 1 barrel of oil that was actually being consumed in the United States.

That is Mr. Kroft's analysis on "60 Minutes," and he was referring to a former Wall Street trader named Michael Masters.

I wish to end by further quoting Mr. Kroft from 60 Minutes:

A recent report out of MIT analyzing world oil production and consumption also concluded that the basic fundamentals of supply and demand could not have been responsible for last year's runup in oil prices.

Another quote from an interviewee: "From quarter four of '07 until the second quarter of '08"—that is a 6-month period—"the Energy Information Administration said that supply went up, worldwide supply went up, and worldwide demand went down . . . This was the period of the spike" in oil prices "so you had the largest price increase in history during a time when actual demand was going down and actual supply was going up during that same period. The only thing that makes sense that lifted the price was investor demand"—in other words, the speculators making an artificial demand.

I think it is clear. That is why I am introducing this legislation. I look forward with great optimism to the passage of this kind of legislation.

Mr. President, I ask unanimous consent that the text of the bill and a "60 Minutes" transcript be printed in the RECORD.

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

S. 221

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

SECTION 1. REGULATION OF ENERGY COMMODITIES.

(a) DEFINITIONS.—Section 1a of the Commodity Exchange Act (7 U.S.C. 1a) is amended—

(1) by redesignating paragraphs (13) through (34) as paragraphs (14) through (35), respectively;

(2) by inserting after paragraph (12) the following:

"(13) ENERGY COMMODITY.—The term 'energy commodity' includes—

"(A) crude oil;
"(B) natural gas;
"(C) heating oil;
"(D) gasoline;
"(E) metals;
"(F) construction materials;
"(G) propane; and
"(H) other fuel oils."; and

(3) by striking paragraph (15) (as redesignated by paragraph (1)) and inserting the following:

"(15) EXEMPT COMMODITY.—The term 'exempt commodity' means a commodity that is not—

"(A) an agricultural commodity;
"(B) an energy commodity; or

"(C) an excluded commodity."

(b) CURRENT AGRICULTURAL COMMODITIES.—Section 5(e)(1) of the Commodity Exchange Act (7 U.S.C. 7(e)(1)) is amended by striking "agricultural commodity enumerated in section 1a(4)" and inserting "agricultural commodity or an energy commodity".

(c) CONFORMING AMENDMENTS.—

(1) Section 2(c)(2)(B)(i)(II)(cc) of the Commodity Exchange Act (7 U.S.C. 2(c)(2)(B)(i)(II)(cc)) is amended—

(A) in subitem (AA), by striking "section 1a(20)" and inserting "section 1a(21)"; and
(B) in subitem (BB), by striking "section 1a(20)" and inserting "section 1a(21)".

(2) Section 13106(b)(1) of the Food, Conservation, and Energy Act of 2008 is amended by striking "section 1a(32)" and inserting "section 1a".

(3) Section 402 of the Legal Certainty for Bank Products Act of 2000 (7 U.S.C. 27) is amended—

(A) in subsection (a)(7), by striking "section 1a(20)" and inserting "section 1a"; and
(B) in subsection (d)—

(i) in paragraph (1)(B), by striking "section 1a(33)" and inserting "section 1a"; and

(ii) in paragraph (2)(D), by striking "section 1a(13)" and inserting "section 1a".

THE PRICE OF OIL—HISTORIC OIL PRICES WERE RESULT OF FINANCIAL SPECULATION FROM WALL STREET AND NOT SUPPLY AND DEMAND

Steve Kroft: About the only economic break most Americans have gotten in the last six months has been the drastic drop in the price of oil, which has fallen even more precipitously than it rose. In a year's time, a commodity that was theoretically priced according to supply and demand, doubled from \$69 a barrel to nearly \$150. And then, in a period of just three months, crashed along with the stock market. So what happened? It's a complicated question, and there are lots of theories. But many people believe it was a speculative bubble, not unlike the one that caused the housing crisis, and that it had more to do with traders and speculators on Wall Street than with oil company executives or sheiks in Saudi Arabia.

(Oil refinery; workers at refinery; stock market traders on floor; New York Mercantile Exchange; trading screen; farmer working field; corn; airplane; trading screen; oil refinery)

(Voiceover) To understand what happened to the price of oil, you first have to understand the way it's traded. For years it's been bought and sold on something called the commodities futures market. Here at the New York Mercantile Exchange, it's traded alongside cotton and coffee, copper and steel by brokers who buy and sell contracts to deliver those goods at a certain price at some date in the future. It was created so that farmers could gauge what their unharvested crops would be worth months in advance so that factories could lock in the best price for raw materials, and airlines could manage their fuel costs. But more than a year ago, that market started to behave erratically. And when oil doubled to more than \$147 a barrel, no one was more suspicious than Dan Gilligan.

Mr. Dan Gilligan: We have to make sure that the futures market is an honest market.

(Dan Gilligan speaking; men listening to Gilligan; oil tanker; Gilligan; crowd talking to Gilligan; stock market traders)

Kroft: (Voiceover) As the president of the Petroleum Marketers Association, he represents more than 8,000 retail and wholesale suppliers, everyone from home heating oil companies to gas station owners. When we talked to him last summer, his members were getting blamed for gouging the public,

even though their costs had also gone through the roof. He told us the problem was in the commodities markets, which had been invaded by a new breed of investor.

Mr. Gilligan: Approximately 60 to 70 percent of the oil contracts in the futures markets are now held by speculative entities, not by companies that need oil, not by the airlines, not by the oil companies, but by investors that are looking to make money from the speculative positions.

Kroft: They don't actually take delivery of the oil?

Mr. Gilligan: No, no.

Kroft: All they do is—

Mr. Gilligan: All they do is buy the paper and hope that they can sell it for more than they paid for it before they have to take delivery.

Kroft: They're trying to make money on the market for oil?

Mr. Gilligan: Absolutely, on the volatility that exists in the market. They make it going up and down.

(Sean Cota unhooking hose from truck; Cota filling tank; calculator)

Kroft: (Voiceover) He says his members in the home heating oil business, like Sean Cota of Bellows Falls, Vermont, were the first to notice the effects a few years ago, when prices seemed to disconnect from the basic fundamentals of supply and demand. Cota says there was plenty of product at the supply terminals, but the prices kept going up and up.

Mr. Sean Cota: We've had three price changes during the day where we pick up products, actually don't know what we paid for, and we'll go out and we'll sell that to the retail customer, guessing at what the price was. The volatility is being driven by the huge amounts of money and the huge amounts of leverage that is going into these markets.

(Michael Masters at desk; computer screen)

Kroft: (Voiceover) About the same time hedge fund manager Michael Masters reached the same conclusion. Masters' expertise is in tracking the flow of investments into and out of financial markets, and he noticed huge amounts of money leaving stocks for commodities and oil futures, most of it going into index funds, betting that the price of oil was going to go up.

Who was buying this paper oil, pension fund?

Mr. Michael Masters: California pension fund, Harvard endowment, lots of large institutional investors. And by the way, other investors, hedge funds, Wall Street trading desk, were following right behind them putting money, sovereign wealth funds were putting money in the futures markets, as well. So you had all these investors putting money in the futures markets, and that was driving the price up.

(New York Stock Exchange; stock traders; oil refinery)

Kroft: (Voiceover) In a five-year period, Masters said the amount of money institutional, investors, hedge funds and the big Wall Street banks had placed in the commodities markets went from \$13 billion to 300 billion. Last year, 27 barrels of crude were being traded every day on the New York Mercantile Exchange for every one barrel of oil that was actually being consumed in the United States.

Mr. Masters: We talked to the largest physical trader of crude oil, and they told us that, compared to the size of the investment inflows—and remember, this is the largest physical crude oil trader in the United States—they said that, "We are basically a flea on an elephant," that's how big these flows were.

(Senate hearings; Lawrence Eagles)

Kroft: (Voiceover) Yet when Congress began holding hearings last summer and asked Wall Street banker Lawrence Eagles of JPMorgan what role excessive speculation played in rising oil prices, the answer was little to none.

Mr. Lawrence Eagles: We believe that high energy prices are fundamentally a result of supply and demand.

(JPMorgan building; e-mail; oil refinery; oil tank; oil register)

Kroft: (Voiceover) As it turns out, not even JPMorgan's chief global investment officer agreed with him. The same day that Eagles testified, this e-mail went out to clients, saying "an enormous amount of speculation" ran up the price, and "\$140 in July was ridiculous." If anyone had any doubts, they were dispelled a few days after that hearing, when the price of oil jumped \$25 in a single day.

September 22nd.

Mr. Michael Greenberger: September 22nd. (Michael Greenberger; CFTC building; oil pipelines)

Kroft: (Voiceover) Michael Greenberger, a former director of trading for the Commodity Futures Trading Commission, the federal agency that oversees oil futures, says there were no supply disruptions that could have justified such a big increase.

Mr. Greenberger: Did China and India suddenly have gigantic needs for new oil products in a single day? No. Everybody agrees supply-demand could not drive the price up \$25, which was a record increase in the price of oil. The price of oil went from somewhere in the 60s to \$147 in a—less than a year. And we were being told on that runup, it's supply-demand, supply-demand, supply-demand. (Oil refinery; Masters; woman talking; Masters)

Kroft: (Voiceover) A recent report out of MIT analyzing world oil production and consumption also concluded that the basic fundamentals of supply and demand could not have been responsible for last year's runup in oil prices. And Michael Masters says the US Department of Energy's own statistics showed that if the markets had been working properly the price of oil should have been going down, not up.

Mr. Masters: From quarter four of '07 until the second quarter of '08, the EIA, the Energy Information Administration said that supply went up, worldwide supply went up, and worldwide demand went down. So you have supply going up and demand going down, which generally means that price is going down.

Kroft: And this was the period of the spike?

Mr. Masters: This was the period of the spike. So you had the largest price increase in history during a time when actual demand was going down and actual supply was going up during the same period. However, the only thing that makes sense that lifted the price was investor demand.

(Oil refinery; buildings)

Kroft: (Voiceover) Masters believes the investor demand for commodities and oil futures in particular, was created on Wall Street by hedge funds and the big Wall Street investment banks like Morgan Stanley, Goldman Sachs, Barclays and JPMorgan, who made billions investing hundreds of billions of dollars of their clients' money.

Mr. Masters: The investment banks facilitated it. You know, they found folks to write papers espousing the benefits of investing in commodities. And then they promoted commodities as a, quote-unquote, "asset class." Like, you could invest in commodities just like you could in stocks or bonds or anything else, like they were suitable for long-term investment.

(Gilligan)

Kroft: (Voiceover) Dan Gilligan of the Petroleum Marketers Association agreed.

Are you saying that companies like Goldman Sachs and Morgan Stanley and Barclays have as much to do with the price of oil going up as Exxon or Shell?

Mr. Gilligan: Oh, absolutely. Yes. I tease people sometimes that, you know, people say, "Well, who's the largest oil company in America?" And they'll always say "Well, ExxonMobil or Chevron or BP." But I'll say, "no, Morgan Stanley."

(Morgan Stanley building; flow chart of Morgan Stanley ownerships)

Kroft: (Voiceover) Morgan Stanley isn't an oil company in the traditional sense of the word. It doesn't own or control oil wells or refineries or gas stations. But according to documents filed with the Securities and Exchange Commission, Morgan Stanley is a significant player in the wholesale market through various entities controlled by the corporation.

It not only buys and sells the physical product through subsidiaries and companies that it controls, Morgan Stanley has the capacity to store and hold 20 million barrels. These storage tanks behind me in New Haven, Connecticut, hold Morgan Stanley heating oil bound for homes in New England, where it controls nearly 15 percent of the market.

(Building; oil refinery; pipeline; storage terminals; men walking; buildings; barge; oil storage tank)

Kroft: (Voiceover) The Wall Street bank Goldman Sachs also has huge stakes in companies that own a refinery in Coffeyville, Kansas, and control 43,000 miles of pipeline and more than 150 storage terminals. And analysts at both investment banks contributed to the oil frenzy that drove prices to record highs. Goldman's top oil analyst predicted last March that the price of a barrel was going to \$200. Morgan Stanley predicted \$150 a barrel. Both companies declined our requests for an interview, but maintain that their oil businesses are completely separate from their trading activities, and that neither influence the independent opinions of their analysts. There is no evidence that either company has done anything illegal.

Is there price manipulation going on?

Mr. Gilligan: I can't say. And the reason I can't say is because nobody knows. Our federal regulators don't have access to the data. They don't know who holds what positions.

Kroft: Why don't they know?

Mr. Gilligan: Why don't they know?

Kroft: Yeah.

Mr. Gilligan: Because federal law doesn't give them the jurisdiction to find out.

(Oil storage; oil refinery; pipeline; Wall Street sign; American flags; Capitol building; stock exchange)

Kroft: (Voiceover) It's impossible to tell exactly who is buying and selling all those oil contracts because most of the trading is now conducted in secret, with no public scrutiny or government oversight. Over time, the big Wall Street banks were allowed to buy and sell as many oil contracts as they wanted for their clients, circumventing regulations intended to limit speculation. And in 2000, Congress effectively deregulated the futures market, granting exemptions for complicated derivative investments called oil swaps, as well as electronic trading on private exchanges.

Who is responsible for deregulating the oil future market?

Mr. Greenberger: You'd have to say Enron. This was something they desperately wanted and they got.

(Greenberger; CFTC building; Enron; people at desks)

Kroft: (Voiceover) Michael Greenberger, who wanted more regulation while he was at

the Commodity Futures Trading Commission, not less, says it all happened when Enron was the seventh largest corporation in the United States.

Mr. Greenberger: (Voiceover) This was when Enron was riding high, and what Enron wanted, Enron got.

Kroft: Why did they want a deregulated market in oil futures?

(Traders at desks; spreadsheet; man at computer)

Mr. Greenberger: Because they wanted to establish their own little energy futures exchange through computerized trading.

(Voiceover) They knew that if they could get this trading engine established without the controls that had been placed on speculators, they would have the ability to drive the price of energy products in any way they wanted to take it.

When Enron failed, we learned that Enron and its conspirators who used their trading engine were able to drive the price of electricity up, some say by as much as 300 percent, on the West Coast.

Kroft: Is the same thing going on right now in the oil business?

Mr. Greenberger: Every Enron trader who knew how to do these manipulations became the most valuable employee on Wall Street.

(Oil rig; stock market ticker; oil rig in ocean)

Kroft: (Voiceover) But some of them may now be looking for work. The oil bubble began to deflate early last fall when Congress threatened new regulations and federal agencies announced they were beginning major investigations. It finally popped with the bankruptcy of Lehman Brothers and the near collapse of AIG, who were both heavily invested in the oil markets. With hedge funds and investment houses facing margin calls, the speculators headed for the exits.

Mr. MASTERS: From July 15th until the end of November, roughly \$70 billion came out of commodities futures from these index funds. In fact, gasoline demand went down by roughly 5 percent over that same period of time. Yet the price of crude oil dropped more than \$100 a barrel. It dropped 75 percent.

Kroft: How do you explain it?

Mr. Masters: By looking at investors. That's the only way you can explain it.

Kroft: The regulatory lapses in the commodities market that many believe foreshadowed the rapid speculation in oil have still not been addressed, although the incoming Obama administration has promised to do so.

By Mr. FEINGOLD:

S. 222. A bill to amend the Internal Revenue Code of 1986 to increase the national limitation on qualified energy conservation bonds and to clarify that certain programs constitute a qualified conservation purpose, and for other purposes; to the Committee on Finance.

Mr. FEINGOLD. Mr. President, over the past few days I have introduced a series of bills that are part of my E4 Initiative, dubbed E4 because of its focus on economy, employment, education, and energy. Today I am introducing two bills that are part of this effort: the Community Revitalization Energy Conservation, CREC, Act of 2009 and the Energy and Technology Advancement, ETA, Act of 2009.

The newest among my E4 bills is the Community Revitalization Energy Conservation, CREC, Act of 2009. This bill will increase the amount of funding available to State and local govern-

ments for the rehabilitation and revitalization of the fledgling green economy, and also expand the types of eligible projects to cover energy efficiency improvements to privately owned buildings. While our country is facing its greatest economic challenge since the Great Depression, we have a tremendous opportunity to create jobs critical to addressing the energy challenges we face. The CREC Act amends the recently authorized Qualified Energy Conservation Bond, QEBC, program to increase funding for important public-private partnerships to significantly invest in energy efficiency and conservation, a key national priority. It also offers States and local governments the opportunity to create jobs and stimulate their local economies.

First, my bill will more than quadruple the amount of bonds that can be issued under the Qualified Energy Conservation Bond program—increasing the program from \$800 million to \$3.6 billion. This will provide the opportunity for private investors to partner with State and local governments to fund energy investments through State and locally issued tax credit bonds. As we give private investors the opportunity to participate in the green economy through Qualified Energy Conservation Bonds, we signal to the market that the Federal Government will continue to affirm the importance of investment in energy efficiency and conservation, as well as the development of new energy technologies. Helping these new energy technologies thrive is not only a promising way to develop the next generation of energy technology to reduce our energy consumption, it will also help to spur job creation as State and local governments embark on capital improvements.

Increasing the size of the program will support funding for eligible projects including energy efficiency improvements of publicly owned buildings; rural development of electricity from renewable sources; research facilities or grants for renewable technologies such as advanced automobile battery technology and nonfossil fuels; mass commuting facilities that reduce energy consumption; or financing qualified energy production projects such as wind, biomass, geothermal, landfill gas, and solar.

Secondly, my bill expands the types of eligible programs to ones that reduce energy consumption in privately owned buildings. It would allow States and local governments to help homeowners and businesses make improvements such as heating-fuel saving measures; electricity-saving measures; on-site renewable energy generating devices; or water-saving measures that reduce the energy use of the owner, renter or water provider. Gains in efficiency savings between 20-30 percent are easily achievable through improving lighting, insulation, HVAC equipment and controls for these items. These measures are often one-time and

low maintenance or maintenance free once they have been installed. In terms of costs, implementing efficiency measures only costs about 3 cents per kWh of energy saved while implementing wind and solar projects can cost at least two to three times more.

Importantly, my bill will increase the success of these energy efficiency and conservation programs by ensuring the Qualified Energy Conservation Bond program can be used to promote novel payment structures in order to reduce the prohibitive upfront costs that homeowners and businesses must pay for energy efficiency and conservation upgrades. By eliminating expensive up-front costs for homeowners and businesses, we can eliminate one of the main obstacles to making significant energy efficiency gains. Furthermore, we can virtually eliminate what homeowners and businesses have to pay for the efficiency and conservation upgrades by not increasing their out-of-pocket expenses. For example, States and local governments can work with electric and water utilities to bill individuals or businesses monthly for the cost of the efficiency improvements based on the savings they receive. The payment for the efficiency improvements each month will be no more than the monthly energy-savings realized by the improvements, thereby keeping their monthly payments the same as before the energy improvements.

The Center on Wisconsin Strategy states that buildings account for 40 percent of total U.S. energy consumption, 70 percent of U.S. electricity consumption, and 43 percent of U.S. carbon emissions, a larger share than either transportation or industry. It is possible that the U.S. could realize more than \$200 billion in annual savings from improved building efficiency alone. However, one of the challenges associated with implementing building efficiency measures is its prohibitive cost. Unfortunately, poor households devote a disproportionate share of income to home energy costs, often upwards of 10 percent, because they have less income and tend to live in less efficient buildings and use less efficient appliances. Through building retrofits we have the potential to generate about 10 person years of employment in direct installation of efficiency measures and another 3-4 person years in the production of relevant materials for every \$1 million spent on retrofits.

Large cities and counties with populations over 100,000 would be eligible for Wisconsin's share, \$65.7 million, that my bill would allow for. Eligible local governments in Wisconsin include: Milwaukee, Madison, Green Bay, and the counties of Milwaukee, Dane, Waukesha, Brown, Racine, Outagamie, Kenosha, Winnebago, Rock, Marathon, Washington, Sheboygan, La Crosse, and Walworth.

I commend the city of Milwaukee and the Center on Wisconsin Strategy—they have already begun to develop a

program to address retrofitting residential buildings with energy efficiency measures through Me2—Milwaukee Energy Efficiency. COWS' initial estimates suggest if you could retrofit nearly all of the existing housing stock in Milwaukee, an initial investment of just under \$250 million could result in annual energy savings of over \$80 million. Examples of other cities that are tackling the issue of energy efficiency in residential buildings include Berkeley, CA; Babylon, NY; and Brookhaven, NY.

All of these efforts to conserve energy require investments in time and money. By combining efforts on two of the challenges that we currently face—energy and employment—we can create great opportunities. Energy efficiency and conservation are in our national interest for our long term economic well-being, for the health and safety of our citizens and the world as we mitigate the effects of climate change, and for our independence and security.

I have urged the Treasury Department to quickly issue regulations for the Qualified Energy Conservation Bonds so the initial program can get up and running. Once regulations are finalized, States and local governments can begin applying to receive an allotment of the bonds to pursue projects that may have been shelved in our struggling economy.

The second energy bill I am introducing as part of my E4 Initiative is the Energy and Technology Advancement Act. This bill will increase partnerships between the Federal Government and businesses to help spur the commercialization of energy, forestry, and other technologies—in other words, to increase the ETA, or estimated time of arrival, for bringing new technologies to market.

Particularly in the area of energy, we must do more to make new energy solutions, like next generation biofuels, a reality. My bill will help make the Federal Government a better business partner for the many businesses that are researching and developing innovative technology solutions our country needs. We are squandering the Federal investment of billions into research and development by not doing enough to prevent new technologies from sitting on the shelf or being shipped to another country. Helping these new energy technologies get off the ground is not only a promising way to develop the next generation of energy technology that will help break our addiction to oil, it will also help to spur job creation and enhance rural development.

One obstacle identified by the Forest Service's Wisconsin-based Forest Products Lab which conducts forestry and energy technology research with businesses and others, is lack of Federal support for moving technologies from the research and development phase to commercialization. My bill will bridge this gap by authorizing the U.S. Department of Agriculture, USDA, which

includes the Forest Service, to work with businesses and provide access to resources to assist with getting technologies to market.

By encouraging the USDA to act as a "business incubator," we can increase the rate of success and reduce the length of time for bringing technologies to the market. By providing a bridge to move new technologies beyond the research and development phase to commercialization, the Federal Government will accelerate the development of new technologies and create increased opportunities for small businesses, local and State government, and others.

All energy, forestry, and other technologies will benefit from my ETA Act because it will help new technologies come to the market. It does so by promoting the Federal Government as a better business incubator, encouraging the USDA to provide business support services, and authorizing USDA employees and private-sector employees to work together in Federal or private experimental or product facilities. My bill will also increase cooperation between the Federal Government and innovative businesses by encouraging the USDA to allow rental of Federal equipment and property for the development of new technology.

Lastly, a specific partnership encouraged by my Energy and Technology Advancement Act will spur the commercialization of biofuels. My bill requires the USDA to pursue a bio-refinery pilot plant that will allow businesses to partner with the Federal Government to test various biofuels technologies derived from a variety of feedstocks, including woody and agriculture waste.

Certainly one of today's greatest challenges—energy—is also one of tomorrow's greatest opportunities. Today, the transportation sector accounts for 70% of our oil consumption. However, there are promising efforts to significantly lessen our dependence on oil by reducing fuel consumption through increased efficiency and by aggressively pursuing renewable fuels, or biofuels. The commercialization of biofuels will also create job opportunities, support rural development and industries such as forestry, and develop the next generation of fuels that are sustainable and from diverse sources.

Given our current dire fiscal situation, it is more important than ever that we are careful stewards of taxpayer dollars. Not only are both of these new bills fully offset, so as not to worsen our current Federal deficit; they actually provide over a billion dollars in deficit reduction. That's yet another reason to pass them, and I look forward to working with my colleagues to do just that.

By Mr. TESTER (for himself and Mr. BAUCUS):

S. 226. A bill to designate the Department of Veterans Affairs outpatient clinic in Havre, Montana, as the Mer-

rill Lundman Department of Veterans Affairs Outpatient Clinic; to the Committee on Veterans' Affairs.

Mr. TESTER. Mr. President, I rise today with my colleague Senator BAUCUS to introduce legislation honoring a Montana veteran named Merrill Lundman.

Merrill was not a general officer. He did not become famous in battle, or wealthy in his civilian life. After serving in the Army, he came home to north-central Montana to work on the family farm and, later, for 20 years for the BNSF railroad. Some people might say he was just an ordinary man who served his country in the Army for three years, and then came home to work to live most of his days on the Hi-Line, a strip of U.S. Highway 2 in Montana that cuts across the prairie near the northern border.

But because of Merrill Lundman, thousands of veterans in and around Havre, Montana, can expect to get their VA medical care a little bit closer to home. You see, for the last several years of his life, Merrill devoted his time and his energy to pushing the VA to open a new community based outpatient clinic in Havre. And today, his dream has become a reality.

I am sorry that Merrill Lundman is not with us today to celebrate this day. He died just over one year ago, on December 22, 2007. Less than a month later, the VA announced its intention to establish a clinic in Havre.

The data says that veterans who live in rural areas don't live as long—or as well—as their urban peers. That's because it's harder to get to the VA facility that may be hundreds of miles away—especially this time of year when snow and ice can make travel in Montana treacherous. I don't know if Merrill knew this, but he sensed that his fellow veterans were getting a raw deal, and he didn't hesitate to tell the VA and his congressional delegation.

The story of this clinic is a grassroots effort led by one man who stood up for his fellow band of brothers to make sure that they can get the care that they have earned. And to honor that effort, Senator BAUCUS and I are proud to introduce this legislation, and I look forward to working with Chairman AKAKA to move this bill quickly through the Veterans' Affairs Committee.

By Mr. CARDIN (for himself, Mrs. CLINTON, Ms. MIKULSKI, and Mr. SCHUMER):

S. 227. A bill to establish the Harriet Tubman National Historical Park in Auburn, New York, and the Harriet Tubman Underground Railroad National Historical Park in Caroline, Dorchester, and Talbot Counties, Maryland, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. CARDIN. Mr. President, today I am proud to introduce The Harriet Tubman National Historical Park and The Harriet Tubman Underground

Railroad National Historical Park Act. I am joined by Mrs. CLINTON, Ms. MIKULSKI, and Mr. SCHUMER as original co-sponsors. We originally introduced nearly identical legislation last summer, but the press of legislative business did not allow for consideration of this important legislation. This year we will work for its prompt consideration and enactment.

The woman, who is known to us as Harriet Tubman, was born Araminta "Minty" Ross approximately 1822 in Dorchester County, Maryland. She spent nearly 30 years of her life as a slave on Maryland's Eastern Shore. As an adult she took the first name Harriet, and when she was 25 she married John Tubman.

Harriet Tubman escaped from slavery in 1849. She did so in the dead of night, navigating the maze of tidal streams and wetlands that are a hallmark of Maryland's Eastern Shore. She did so alone, demonstrating courage, strength and fortitude that became her hallmarks. Not satisfied with attaining her own freedom, she returned repeatedly for more than 10 years to the places of her enslavement in Dorchester and Caroline counties where, under the most adverse conditions, she led away many family members and other slaves to their freedom. Tubman became known as "Moses" by African-Americans and white abolitionists. She was perhaps the most famous and most important conductor in the network of resistance known as the Underground Railroad.

During the Civil War, Tubman served the Union forces as a spy, a scout and a nurse. She served in Virginia, Florida, and South Carolina. She is credited with leading hundreds of slaves from those slave States to freedom during those years.

Following the Civil War, Tubman settled in Auburn, NY. There she was active in the women's suffrage movement, and she also established the one of the first incorporated homes for aged African-Americans. In 1903 she bequeathed the home to the African Methodist Episcopal Zion Church in Auburn. Harriet Tubman died in Auburn in 1913 and she is buried there in the Fort Hill Cemetery.

Slaves were forced to live in primitive buildings even though many were skilled tradesmen who constructed the substantial homes of their owners. Not surprisingly, few of the structures associated with the early years of Tubman's life still stand. The landscapes of the Eastern Shore of Maryland, however, remain evocative of the time that Tubman lived there. Farm fields and forests dot the landscape, which is also notable for its extensive network of tidal rivers and wetlands. In particular, a number of properties including the homestead of Ben Ross, her father, Stewart's Canal, where he worked, the Brodless Farm, where she worked as a slave, and others are within the boundaries of the Blackwater National Wildlife Refuge.

Similarly, Poplar Neck, the plantation from which she escaped to freedom, is still largely intact in Caroline County. The properties in Talbot County, immediately across the Choptank River from the plantation, are today protected by various conservation easements. Were she alive today, Tubman would recognize much of the landscape that she knew intimately as she secretly led black men, women and children to their freedom.

In New York, on the other hand, many of the buildings associated with Tubman's life remain intact. Her personal home, as well as the Tubman Home for the Aged, the church and rectory of the Thompson Memorial AME Zion Episcopal Church, and the Fort Hill Cemetery are all extant.

In 1999, the Congress approved legislation authorizing a Special Resource Study to determine the appropriateness of establishing a unit of the National Park Service to honor Harriet Tubman. The Study has taken an exceptionally long time to complete, in part because of the lack of remaining structures on Maryland's Eastern Shore. There has never been any doubt that Tubman led an extraordinary life. Her contributions to American history are surpassed by few. Determining the most appropriate way to recognize that life and her contributions, however, as been more difficult. Eventually, the Park Service came to realize that determined that a Park that would include two geographically separate units would be appropriate. The New York unit would include the tightly clustered Tubman buildings in Auburn. The Maryland portion would include large sections of landscapes that are evocative of Tubman's time and are historically relevant. The Harriet Tubman National Historical Park and the Harriet Tubman Underground Railroad National Historical Park.

cluded within the Blackwater National Wildlife Refuge boundaries or abut that resource land. The National Park Service would not own any of these lands.

The bill authorizes \$11 million in grants for the New York properties for their preservation, rehabilitation, and restoration of those resources.

The bill authorizes an additional \$11 million in grants for the Maryland section. Funds can be used for the construction of the State Harriet Tubman Park Visitors Center and/or for easements or acquisition of properties inside or adjacent to the Historical Park boundaries.

Finally, the bill also authorizes a new grants program. Under the program, the National Park Service would award competitive grants to historically Black colleges and universities, predominately Black institutions, and minority serving institutions for research into the life of Harriet Tubman and the African-American experience during the years that coincide with the life of Harriet Tubman. The legislation authorizes \$200,000 annually for this scholarship program.

Harriet Tubman was a true American patriot. She was someone for whom liberty and freedom were not just concepts. She lived those principles and shared that freedom with hundreds of others. In doing so, she has earned a nation's respect and honor. That is why I am so proud to introduce this legislation, establishing the Harriet Tubman National Historical Park and the Harriet Tubman Underground Railroad National Historical Park.

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. 227

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 "Harriet Tubman National Historical Park and Harriet Tubman Underground Railroad National Historical Park Act".

SEC. 2. FINDINGS; PURPOSES.

- (a) FINDINGS.—Congress finds that—
 - (1) Harriet Tubman (born Araminta "Minty" Ross)—
 - (A) was born into slavery in Maryland around 1822;
 - (B) married John Tubman at age 25;
 - (C) endured through her youth and young adulthood the hardships of enslaved African-Americans; and
 - (D) boldly emancipated herself from bondage in 1849;
 - (E) was not satisfied with attaining her own freedom, Harriet Tubman—
 - (A) returned repeatedly for more than 10 years to the places of her enslavement in Dorchester and Caroline Counties, Maryland; and
 - (B) under the most adverse circumstances led away many family members and acquaintances to freedom in the northern region of the United States and Canada;
 - (3) Harriet Tubman was—
 - (A) called "Moses" by African-Americans and white abolitionists; and

(B) acknowledged as 1 of the most prominent "conductors" of the resistance that came to be known as the "Underground Railroad";

(4) in 1868, Frederick Douglass wrote that, with the exception of John Brown, Douglass knew of "no one who has willingly encountered more perils and hardships to serve our enslaved people" than Harriet Tubman;

(5) during the Civil War, Harriet Tubman—
(A) was recruited to assist Union troops as a nurse, a scout, and a spy; and

(B) served in Virginia, Florida, and South Carolina, where she is credited with facilitating the rescue of hundreds of enslaved people;

(6) Harriet Tubman established in Auburn, New York, 1 of the first incorporated homes for aged African-Americans in the United States, which, 10 years before her death, she bequeathed to the African Methodist Episcopal Zion Church;

(7) there are nationally significant resources comprised of relatively unchanged landscapes associated with the early life of Harriet Tubman in Caroline, Dorchester, and Talbot Counties, Maryland;

(8) there are nationally significant resources relating to Harriet Tubman in Auburn, New York, including—

(A) the residence of Harriet Tubman;
(B) the Tubman Home for the Aged;
(C) the Thompson Memorial AME Zion Church; and

(D) the final resting place of Harriet Tubman in Fort Hill Cemetery;

(9) in developing interpretive programs, the National Park Service would benefit from increased scholarship of the African-American experience during the decades preceding the Civil War and throughout the remainder of the 19th century;

(10) it is fitting and proper that the nationally significant resources relating to Harriet Tubman be preserved for future generations as units of the National Park System so that people may understand and appreciate the contributions of Harriet Tubman to the history and culture of the United States; and

(11) in addition to the properties and resources within the boundary of the Harriet Tubman Underground Railroad National Historical Park, other associated land within the Blackwater National Wildlife Refuge and proposed additions to the Refuge are—

(A) components of the nationally significant Harriet Tubman landscape; and

(B) essential to the visual, historical, and cultural experiences of the Historical Park.

(b) PURPOSES.—The purposes of this Act are—

(1) to preserve and promote stewardship of the resources in Auburn, New York, and Caroline, Dorchester, and Talbot Counties, Maryland, relating to the life and contributions of Harriet Tubman;

(2) to provide for partnerships with the African Methodist Episcopal Zion Church, the States of New York and Maryland, political subdivisions of the States, the Federal Government, local governments, nonprofit organizations, and private property owners for resource protection, research, interpretation, education, and public understanding and appreciation of the life and contributions of Harriet Tubman;

(3) to sustain agricultural and forestry land uses in Caroline, Dorchester, and Talbot Counties, Maryland, that remain evocative of the landscape during the life of Harriet Tubman; and

(4) to establish a competitive grants program for scholars of African-American history relating to Harriet Tubman, the Harriet Tubman historic landscape, and the Underground Railroad.

SEC. 3. DEFINITIONS.

In this Act:

(1) CHURCH.—The term "Church" means the Harriet Tubman Home, Inc., of the AME Zion Church located in Auburn, New York, which owns and manages—

(A) the Thompson Memorial AME Zion Church;

(B) the Harriet Tubman home;

(C) the Tubman Home for the Aged; and

(D) the land on which those facilities are located.

(2) HISTORICALLY BLACK COLLEGE OR UNIVERSITY.—The term "historically Black college or university" has the meaning given the term "part B institution" in section 322 of the Higher Education Act of 1965 (20 U.S.C. 1061).

(3) PREDOMINANTLY BLACK INSTITUTION.—The term "Predominantly Black Institution" has the meaning given the term in section 499A(c) of the Higher Education Act of 1965 (20 U.S.C. 1099e(c)).

(4) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(5) VISITOR CENTER.—The term "Visitor Center" means the Harriet Tubman Underground Railroad State Park Visitor Center to be constructed under section 5(d).

SEC. 4. ESTABLISHMENT OF HARRIET TUBMAN NATIONAL HISTORICAL PARK.

(a) ESTABLISHMENT.—On the execution of easements with the Church, the Secretary shall—

(1) establish the Harriet Tubman National Historical Park (referred to in this section as the "Historical Park") in the City of Auburn, New York, as a unit of the National Park System; and

(2) publish notice of the establishment of the Historical Park in the Federal Register.

(b) BOUNDARY.—

(1) IN GENERAL.—The Historical Park shall be comprised of structures and properties associated with the Harriet Tubman home, the Tubman Home for the Aged, the Church, and the Rectory, as generally depicted on the map entitled "Harriet Tubman National Historical Park—Proposed Boundary", numbered [] 1, and dated [] 1.

(2) AVAILABILITY OF MAP.—The map described in paragraph (1) shall be available for public inspection in the appropriate offices of the National Park Service.

(c) ACQUISITION OF LAND.—The Secretary may acquire from willing sellers, by donation, purchase with donated or appropriated funds, or exchange, land or interests in land within the boundary of the Historical Park.

(d) FINANCIAL ASSISTANCE AND COOPERATIVE AGREEMENTS.—The Secretary may provide grants to, and enter into cooperative agreements with—

(1) the Church for—

(A) historic preservation, rehabilitation of, research on, and maintenance of properties within the boundary of the Historical Park; and

(B) interpretation of the Historical Park;

(2) the Fort Hill Cemetery Association for maintenance and interpretation of the gravesite of Harriet Tubman; and

(3) the State of New York, any political subdivisions of the State, the City of Auburn, the Church, colleges and universities, and nonprofit organizations for—

(A) preservation and interpretation of resources relating to Harriet Tubman in the City of Auburn, New York;

(B) conducting research, including archaeological research; and

(C) providing for stewardship programs, education, public access, signage, and other interpretive devices at the Historical Park for interpretive purposes.

(e) INTERPRETATION.—The Secretary may provide interpretive tours to sites located outside the boundaries of the Historical Park in Auburn, New York, that include resources relating to Harriet Tubman.

(f) GENERAL MANAGEMENT PLAN.—

(1) IN GENERAL.—Not later than 3 years after the date on which funds are made available to carry out this subsection, the Secretary, in cooperation with the Church, shall complete a general management plan for the Historical Park in accordance with section 12(b) of Public Law 91-383 (16 U.S.C. 1a-7(b)).

(2) COORDINATION.—The Secretary shall coordinate the preparation and implementation of the general management plan for the Harriet Tubman National Historical Park with—

(A) the Harriet Tubman Underground Railroad National Historical Park in Maryland; and

(B) the National Underground Railroad Network to Freedom.

SEC. 5. ESTABLISHMENT OF THE HARRIET TUBMAN UNDERGROUND RAILROAD NATIONAL HISTORICAL PARK.

(a) ESTABLISHMENT.—There is established as a unit of the National Park System the Harriet Tubman Underground Railroad National Historical Park (referred to in this section as the "Historical Park") in Caroline, Dorchester, and Talbot Counties, Maryland.

(b) BOUNDARY.—

(1) IN GENERAL.—The boundary of the Historical Park shall consist of certain landscapes and associated resources relating to the early life and enslavement of Harriet Tubman and the Underground Railroad, as generally depicted on the map entitled "Harriet Tubman Underground Railroad National Historical Park—Proposed Boundary", numbered [] 1, and dated [] 1.

(2) ADDITIONAL SITES.—The Secretary, after consultation with landowners, the State of Maryland, and units of local government, may modify the boundary of the Historical Park to include additional resources relating to Harriet Tubman that—

(A) are located within the vicinity of the Historical Park; and

(B) are identified in the general management plan prepared under subsection (g) as appropriate for interpreting the life of Harriet Tubman.

(3) AVAILABILITY OF MAP.—On modification of the boundary of the Historical Park under paragraph (2), the Secretary shall make available for public inspection in the appropriate offices of the National Park Service a revised map of the Historical Park.

(c) ACQUISITION OF LAND.—The Secretary may acquire from willing sellers, by donation, purchase with donated or appropriated funds, or exchange, land or an interest in land within the boundaries of the Historical Park.

(d) GRANTS.—In accordance with section 7(b)(2), the Secretary may provide grants—

(1) to the State of Maryland, political subdivisions of the State, and nonprofit organizations for the acquisition of less than fee title (including easements) or fee title to land in Caroline, Dorchester, and Talbot Counties, Maryland, within the boundary of the Historical Park; and

(2) on execution of a memorandum of understanding between the State of Maryland and the Director of the National Park Service, to the State of Maryland for the construction of the Harriet Tubman Underground Railroad State Park Visitor Center on land owned by the State of Maryland in Dorchester County, Maryland, subject to the condition that the State of Maryland provide the Director of the National Park Service, at no additional cost, sufficient office space and exhibition areas in the Visitor Center to carry out the purposes of the Historical Park.

(e) FINANCIAL ASSISTANCE AND COOPERATIVE AGREEMENTS.—The Secretary may provide grants to, and enter into cooperative agreements with, the State of Maryland, political

subdivisions of the State, nonprofit organizations, colleges and universities, and private property owners for—

(1) the restoration or rehabilitation, public use, and interpretation of sites and resources relating to Harriet Tubman;

(2) the conduct of research, including archaeological research;

(3) providing stewardship programs, education, signage, and other interpretive devices at the sites and resources for interpretive purposes; and

(4)(A) the design and construction of the Visitor Center; and

(B) the operation and maintenance of the Visitor Center.

(f) INTERPRETATION.—The Secretary may provide interpretive tours to sites and resources located outside the boundary of the Historical Park in Caroline, Dorchester, and Talbot Counties, Maryland, relating to the life of Harriet Tubman and the Underground Railroad.

(g) GENERAL MANAGEMENT PLAN.—

(1) IN GENERAL.—Not later than 3 years after the date on which funds are made available to carry out this subsection, the Secretary, in coordination with the State of Maryland, political subdivisions of the State, and the United States Fish and Wildlife Service, shall complete a general management plan for the Historical Park in accordance with section 12(b) of Public Law 91-383 (16 U.S.C. 1a-7(b)).

(2) COORDINATION.—The Secretary shall coordinate the preparation and implementation of the general management plan for the Historical Park with—

(A) the Harriet Tubman National Historical Park in Auburn, New York;

(B) the National Underground Railroad: Network to Freedom;

(C) the Maryland Harriet Tubman Underground Railroad State Park; and

(D) the Harriet Tubman Underground Railroad Byway in Dorchester and Caroline Counties, Maryland.

(3) PRIORITY TREATMENT.—The general management plan for the Historical Park shall give priority to, with the concurrence of the owner of the property, the adequate protection of, interpretation of, public appreciation for, archaeological investigation of, and research on Stewart's Canal, the Jacob Jackson home site, the Brodess Farm, the Ben Ross and Anthony Thompson properties on Harrisville Road, and the James Cook site, all of which are privately owned and located in the area identified as the "Harriet Tubman Historic Area" on the map described in subsection (b)(1).

(h) BLACKWATER NATIONAL WILDLIFE REFUGE.—

(1) INTERAGENCY AGREEMENT.—The Secretary shall ensure that, not later than 1 year after the date of enactment of this Act, the National Park Service and the United States Fish and Wildlife Service enter into an interagency agreement that—

(A) promotes and mutually supports the compatible stewardship and interpretation of Harriet Tubman resources at the Blackwater National Wildlife Refuge; and

(B) provides for the maximum level of cooperation between those Federal agencies to further the purposes of this Act.

(2) EFFECT OF ACT.—Nothing in this Act modifies, alters, or amends the authorities of the United States Fish and Wildlife Service in the administration and management of the Blackwater National Wildlife Refuge.

(i) DUTIES OF OTHER FEDERAL ENTITIES.—Any Federal entity conducting, supporting, permitting, or licensing activities directly affecting nationally significant land within the area identified as the "Harriet Tubman Historic Area" on the map described in subsection (b)(1) shall—

(1) consult and cooperate with the Secretary with respect to the activities;

(2) identify any alternatives with regard to the proposed activity affecting the Harriet Tubman Historic Area; and

(3) to the maximum extent practicable, conduct, support, permit, or license the activities in a manner that the Secretary determines would not have an adverse effect on the Harriet Tubman Historic Area.

SEC. 6. ADMINISTRATION.

(a) IN GENERAL.—The Secretary shall administer the Harriet Tubman National Historical Park and the Harriet Tubman Underground Railroad National Historical Park in accordance with this Act and the laws generally applicable to units of the National Park System including—

(1) the National Park Service Organic Act (16 U.S.C. 1 et seq.); and

(2) the Act of August 21, 1935 (16 U.S.C. 461 et seq.).

(b) PARK REGULATIONS.—Notwithstanding subsection (a), regulations and policies applicable to units of the National Park System shall apply only to Federal land administered by the National Park Service that is located within the boundary of the Harriet Tubman Underground Railroad National Historical Park.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated such sums as are necessary to carry out this Act (other than subsection (b)), including the provision of National Park Service personnel and National Park Service management funds for the Harriet Tubman National Historical Park and the Harriet Tubman Underground Railroad National Historical Park.

(b) GRANTS.—There are authorized to be appropriated not more than—

(1) \$11,000,000 to provide grants to the Church for—

(A) historic preservation, rehabilitation, and restoration of resources within the boundary of the Harriet Tubman National Historical Park; and

(B) the costs of design, construction, installation, and maintenance of exhibits and other interpretive devices authorized under section 4(d)(1)(B);

(2) \$11,000,000 for grants to the State of Maryland, political subdivisions of the State of Maryland, and nonprofit organizations for activities authorized under subsections (d)(1) and (e)(4)(A) of section 5; and

(3) \$200,000 for fiscal year 2010 and each fiscal year thereafter for competitive grants to historically Black colleges and universities, Predominately Black Institutions, and minority serving institutions for research into the life of Harriet Tubman and the African-American experience during the years that coincide with the life of Harriet Tubman.

(c) COST-SHARING REQUIREMENT.—

(1) CHURCH AND VISITOR CENTER GRANTS.—The Federal share of the cost of activities provided grants under paragraph (1) or (2) of subsection (b) and any maintenance, construction, or utility costs incurred pursuant to a cooperative agreement entered into under section 4(d)(1)(A) or section 5(e) shall not be more than 50 percent.

(2) HISTORICALLY BLACK COLLEGES AND UNIVERSITIES.—The Federal share of the cost of activities provided assistance under subsection (b)(3) shall be not more than 75 percent.

(3) FORM OF NON-FEDERAL SHARE.—The non-Federal share required under this subsection may be in the form of in-kind contributions of goods or services fairly valued.

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

S. 228. A bill to amend title XIX of the Social Security Act to permit

States, at their option, to require certain individuals to present satisfactory documentary evidence of proof of citizenship or nationality for purposes of eligibility for Medicaid, and for other purposes; to the Committee on Finance.

Mr. BINGAMAN. Mr. President I rise today with my colleague Senator AKAKA to introduce legislation today designed to make several very important changes to current law to ensure that U.S. citizens receive the Medicaid to which they are entitled.

Since July 1, 2006, most U.S. citizens and nationals applying for or renewing their Medicaid coverage face a new Federal requirement to provide documentation of their citizenship status. Recent reports indicate that tens-of-thousands of U.S. citizens, and in particular children, inappropriately are being denied Medicaid benefits simply because they don't have access to newly required documentation. The articles below and report by the Center on Budget and Policy Priorities highlight this very serious problem. Hospitals, physicians, and pharmacies may not be willing to treat these individuals until they have a source of payment, but they cannot qualify for Medicaid until they produce a birth certificate and ID.

This new Federal requirement was added to Medicaid by the Deficit Reduction Act of 2005, DRA, enacted February 8, 2006. The Tax Relief and Health Care Act of 2006, TRHCA, signed into law December 20, 2006, included some amendments to the DRA citizenship documentation requirement, primarily to exempt certain groups. Prior to enactment of the DRA, states were permitted to use their discretion in requiring such citizenship documentation.

Under Section 6036 of the DRA, citizens applying for or renewing their Medicaid coverage must provide "satisfactory documentary evidence of citizenship or nationality." The DRA specifies documents that are acceptable for this purpose and authorizes the HHS Secretary to designate additional acceptable documents. No Federal matching funds are available for services provided to individuals who declare they are citizens or nationals unless the state obtains satisfactory evidence of their citizenship or determines that they are subject to a statutory exemption.

According to a CRS Report for Congress updated April 15, 2008, "Based on a recent survey by the Government Accountability Office, GAO, 22 of 44 states report declines in enrollment due to the new citizenship documentation requirement. Based on another survey by the Kaiser Commission on Medicaid and the Uninsured, 13 states report a significant negative impact on enrollment and another 24 states report a modest impact. Among seven states detailed in an earlier report from the Center on Budget and Policy Priorities, only Wisconsin has a data system that

can identify denials and terminations due to a lack of citizenship documentation, and it reports that about 19,000 people had their Medicaid eligibility denied or terminated for this reason between July 31, 2006, and March 1, 2007.”

A second wave study conducted from September 2007–March 2008 by the Department of Health Policy at the George Washington University School of Public Health published October 2008, “Another distressing finding is the impact the citizenship documentation requirements appear to be having on SCHIP. Many states, for important reasons, use joint applications for both Medicaid and separate SCHIP programs. The effect, however, is to apply the citizenship documentation requirements to both programs, thereby delaying coverage for both groups of children.”

“Even if most or all of the reported Medicaid enrollment declines are due to the citizenship documentation requirement, a key question is whether the people who are being denied, terminated, or deterred from applying are U.S. citizens, rather than unauthorized aliens or other ineligible noncitizens. Of the 22 states reporting enrollment declines to GAO, a majority (16 states) attribute them to Medicaid coverage delays or losses for people who appear to be U.S. citizens.”

It is important to note that citizenship documentation requirements do not affect Medicaid rules relating to immigrants—they apply to individuals claiming to be citizens. Most new legal immigrants are excluded from Medicaid during their first five years in the U.S. and undocumented immigrants remain eligible for Medicaid emergency services only.

The legislation I am introducing would make several very important changes to current law to ensure that U.S. citizens receive the Medicaid to which they are entitled.

First, the legislation would restore citizenship verification to a state option. Specifically, states would be permitted to determine when and to what extent citizenship verification is required of U.S. Citizens. States would also be permitted to utilize the standards most appropriate to the their population as long as such standards were no more stringent than those currently used by the Social Security Administration and includes native American tribal documents when appropriate.

Second, the legislation would ensure that individuals are afforded a reasonable time period to provide citizenship documentation utilizing the same reasonable time period standard that is available to legal immigrants to provide satisfactory evidence of their immigration status.

Third, the legislation protects children who are U.S. citizens by virtue of being born in the United States from being denied coverage after birth because of citizenship verification requirements.

Fourth, the legislation also clarifies ambiguities in Federal law to ensure that these citizen children, regardless of the immigration status of their parents, are treated like all other low-income children born in the United States and are deemed eligible to receive Medicaid services for one year.

Finally, the legislation also ensures that the thousands of citizen children and adults, who were erroneously denied Medicaid coverage, may receive retroactive Medicaid eligibility for coverage they were inappropriately denied because of citizenship verification requirements.

I urge my colleagues in the Senate to support this critical legislation, which protects low-income U.S. citizens from being inappropriately denied Medicaid coverage because of lack of documentation.

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

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

S. 228

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

SECTION 1. STATE OPTION TO REQUIRE CERTAIN INDIVIDUALS TO PRESENT SATISFACTORY DOCUMENTARY EVIDENCE OF PROOF OF CITIZENSHIP OR NATIONALITY FOR PURPOSES OF ELIGIBILITY FOR MEDICAID.

(a) IN GENERAL.—Section 1902(a)(46) of the Social Security Act (42 U.S.C. 1396a(a)(46)) is amended—

- (1) by inserting “(A)” after “(46)”;
- (2) by adding “and” after the semicolon; and

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

“(B) at the option of the State and subject to section 1903(x), require that, with respect to an individual (other than an individual described in section 1903(x)(1)) who declares to be a citizen or national of the United States for purposes of establishing initial eligibility for medical assistance under this title (or, at State option, for purposes of renewing or redetermining such eligibility to the extent that such satisfactory documentary evidence of citizenship or nationality has not yet been presented), there is presented satisfactory documentary evidence of citizenship or nationality of the individual (using criteria determined by the State, which shall be no more restrictive than the criteria used by the Social Security Administration to determine citizenship, and which shall accept as such evidence a document issued by a federally-recognized Indian tribe evidencing membership or enrollment in, or affiliation with, such tribe (such as a tribal enrollment card or certificate of degree of Indian blood, and, with respect to those federally-recognized Indian tribes located within States having an international border whose membership includes individuals who are not citizens of the United States, such other forms of documentation (including tribal documentation, if appropriate) that the Secretary, after consulting with such tribes, determines to be satisfactory documentary evidence of citizenship or nationality for purposes of satisfying the requirement of this subparagraph);”.

(b) LIMITATION ON WAIVER AUTHORITY.—Notwithstanding any provision of section 1115 of the Social Security Act (42 U.S.C. 1315), or any other provision of law, the Secretary of Health and Human Services may not waive the requirements of section 1902(a)(46)(B) of such Act (42 U.S.C. 1396a(a)(46)(B)) with respect to a State.

(c) CONFORMING AMENDMENTS.—Section 1903 of such Act (42 U.S.C. 1396b) is amended—

- (1) in subsection (i)—
 - (A) in paragraph (20), by adding “or” after the semicolon;
 - (B) in paragraph (21), by striking “; or” and inserting a period; and
 - (C) by striking paragraph (22); and
 - (2) in subsection (x)—
 - (A) by striking paragraphs (1) and (3);
 - (B) by redesignating paragraph (2) as paragraph (1);
 - (C) in paragraph (1), as so redesignated, by striking “paragraph (1)” and inserting “section 1902(a)(46)(B)”; and
 - (D) by adding at the end the following new paragraph:

“(2) In the case of an individual declaring to be a citizen or national of the United States with respect to whom a State requires the presentation of satisfactory documentary evidence of citizenship or nationality under section 1902(a)(46)(B), the individual shall be provided at least the reasonable opportunity to present satisfactory documentary evidence of citizenship or nationality under this subsection as is provided under clauses (i) and (ii) of section 1137(d)(4)(A) to an individual for the submittal to the State of evidence indicating a satisfactory immigration status.”.

SEC. 2. CLARIFICATION OF RULES FOR CHILDREN BORN IN THE UNITED STATES TO MOTHERS ELIGIBLE FOR MEDICAID.

Section 1903(x) of such Act (42 U.S.C. 1396b(x)), as amended by section 1(c)(2), is amended—

- (1) in paragraph (1)—
 - (A) in subparagraph (C), by striking “or” at the end;
 - (B) by redesignating subparagraph (D) as subparagraph (E); and
 - (C) by inserting after subparagraph (C) the following new subparagraph:

“(D) pursuant to the application of section 1902(e)(4) (and, in the case of an individual who is eligible for medical assistance on such basis, the individual shall be deemed to have provided satisfactory documentary evidence of citizenship or nationality and shall not be required to provide further documentary evidence on any date that occurs during or after the period in which the individual is eligible for medical assistance on such basis); or”; and

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

“(3) Nothing in subparagraph (A) or (B) of section 1902(a)(46), the preceding paragraphs of this subsection, or the Deficit Reduction Act of 2005, including section 6036 of such Act, shall be construed as changing the requirement of section 1902(e)(4) that a child born in the United States to an alien mother for whom medical assistance for the delivery of such child is available as treatment of an emergency medical condition pursuant to subsection (v) shall be deemed eligible for medical assistance during the first year of such child’s life.”.

SEC. 3. EFFECTIVE DATE.

(a) RETROACTIVE APPLICATION.—The amendments made by this Act shall take effect as if included in the enactment of the Deficit Reduction Act of 2005 (Public Law 109-171; 120 Stat. 4).

(b) RESTORATION OF ELIGIBILITY.—In the case of an individual who, during the period that began on July 1, 2006, and ends on the date of enactment of this Act, was determined to be ineligible for medical assistance

under a State Medicaid program solely as a result of the application of subsections (i)(2)(2) and (x) of section 1903 of the Social Security Act (as in effect during such period), but who would have been determined eligible for such assistance if such subsections, as amended by sections 1 and 2, had applied to the individual, a State may deem the individual to be eligible for such assistance as of the date that the individual was determined to be ineligible for such medical assistance on such basis.

[From the New York Times, June 5, 2006]

MEDICAID RULES TOUGHENED ON PROOF OF CITIZENSHIP

(By Robert Pear)

WASHINGTON, June 4.—The Bush administration plans this week to issue strict standards requiring more than 50 million low-income people on Medicaid to prove they are United States citizens by showing passports or birth certificates and a limited number of other documents.

The new standards follow a tussle with Congress. Federal health officials had considered giving states broad discretion to accept affidavits in place of official documents. But House Republicans complained, and the administration backed off, allowing affidavits "only in rare circumstances."

The requirements, which take effect July 1, carry out a law signed by President Bush on Feb. 8.

They vividly illustrate how concern about illegal immigration is affecting domestic social welfare policy. The purpose of the law was to conserve federal money for citizens, reducing the need for states to cut Medicaid benefits or limit eligibility.

Gov. Rick Perry of Texas won enthusiastic applause at a state Republican convention on Friday when he vowed to increase border security and said, "Texas will start requiring every Medicaid applicant to verify that they are in the country legally in order to receive benefits."

But officials in some other states and advocates for the poor said the new requirements could cause hardship for children, older Americans and poor people born at home in rural areas who never received birth certificates. Children account for about half of Medicaid recipients. People 65 and older account for about 10 percent.

Jennifer M. Ng'andu, a health policy specialist at the National Council of La Raza, a Hispanic rights group, said, "The documentation requirements will cause confusion about eligibility and will put up barriers to enrollment."

In general, Medicaid is available only to United States citizens and to certain "qualified aliens." Before the new standards, in many states, people who declared they were citizens did not have to support the claim.

But in a letter being sent this week to state officials, the Bush administration says, "Self-attestation of citizenship and identity is no longer an acceptable practice."

In the law, Congress listed examples of documents that could be used to show citizenship, and it said the secretary of health and human services could "by regulation" specify other acceptable documents.

The main proponents of the new requirements were two Republican House members from Georgia, Representatives Charlie Norwood and Nathan Deal.

John E. Stone, a spokesman for Mr. Norwood, said Sunday: "Charlie provided feedback to the administration in the last two weeks to make sure the regulations would not undermine the intent of the law. Obviously you need some flexibility so that a 92-year-old woman with Alzheimer's does not get kicked off Medicaid. What's unacceptable

is for people to claim benefits or sign affidavits swearing they are citizens without any verification."

In an interview Sunday, Dr. Mark B. McClellan, administrator of the Centers for Medicare and Medicaid Services, said, "We want to provide an effective way to document citizenship without placing excessive burdens on states or beneficiaries."

In the letter to state Medicaid directors, the administration says, "An applicant or recipient who fails to cooperate with the state in presenting documentary evidence of citizenship may be denied or terminated" from the program.

The requirements will be enforced when a person applies for Medicaid or when eligibility is first recertified on or after July 1. In general, applicants and recipients will have 45 days to provide documents. People with disabilities will have 90 days.

States typically redetermine eligibility every 3 to 12 months. "Once citizenship has been proved, it need not be documented again" because it does not normally change, the administration said.

But the guidelines include a significant ambiguity: "An individual who is already enrolled in Medicaid will remain eligible if he or she showed a good-faith effort to present satisfactory evidence of citizenship and identity, even if this effort takes longer than 45 days." The administration says that "beneficiaries will not lose benefits as long as they are undertaking a good-faith effort to provide documentation."

States have a strong incentive to enforce the requirements. If they fail to do so, they can lose federal Medicaid money.

The guidelines say states should help people document citizenship, especially if they are homeless, mentally impaired or physically incapacitated and have no one to act on their behalf.

The guidelines list four categories of documents that can be used as evidence of citizenship, from the most reliable to the least trustworthy. The best evidence, they say, is a United States passport or a certificate of naturalization. The next category includes state and local birth certificates and State Department documents issued to children born abroad to United States citizens.

The third category consists of nongovernment documents showing place of birth. These include medical records from doctors, hospitals and clinics; nursing home admission papers; and records from life and health insurance companies.

The fourth category includes affidavits, which can be used "only in rare circumstances when the state is unable to secure evidence of citizenship" from other sources.

"An affidavit must be supplied by at least two individuals, one of whom is not related to the applicant or recipient," the guidelines say. "Each must attest to having personal knowledge of the events establishing the applicant's or recipient's claim of citizenship. The individuals making the affidavit must be able to provide proof of their own citizenship and identity."

People signing affidavits may also be asked "why documentary evidence of citizenship does not exist or cannot be readily obtained."

[From the Birmingham News, Dec. 4, 2006]
MEDICAID RULES PUT PINCH ON POOR, LACK OF PROOF NEEDED FOR PLAN KEEPS MANY FROM HELP

(By Kim Chandler)

The four children in her office needed immunizations. But because their mother did not have their original birth certificates, and couldn't buy a copy, the family could not enroll in Medicaid, Dr. Marsha Raulerson said.

The children did not get their shots.

During September and October, 1,600 low-income people, many of them children, were rejected by Alabama's Medicaid program because of tougher federal rules. They require applicants to show an original birth certificate or a copy purchased from the state Health Department with a raised seal, plus a driver's license or other proof of citizenship and identity when signing up for Medicaid benefits.

Many more people eventually could lose benefits if they can't produce the necessary documents.

The new rules took effect July 1 and are part of the 2005 Deficit Reduction Act. Congress approved the law because of concern that illegal immigrants were signing up for Medicaid en masse. Instead of curbing widespread fraud, advocates argue, the new rules deter poor U.S. citizens from getting health coverage.

"Under the best of circumstances, many people would be surprised to have to produce documentation of their citizenship," said Jim Carnes of Alabama Arise, an advocacy group for the poor.

Alabama Medicaid Commissioner Carol Herrmann-Steckel said the state is working hard to keep people on the Medicaid rolls. Unlike some other states, Alabama is not kicking current Medicaid recipients off the program if they do not possess the necessary documents. Under a provision called "reasonable assurance," current Medicaid recipients are allowed to temporarily re-enroll. Medicaid beneficiaries must re-enroll every year.

"We are doing everything we can to verify citizenship. We want to be fair to the Alabamians who are on Medicaid," Herrmann-Steckel said. However, federal government officials have not said how long the "reasonable assurance" period could last. The number of people who could lose Medicaid benefits would be "significant," Herrmann-Steckel said.

Medicaid is a joint federal-state health care program for the poor and disabled, and it is a major provider of medical care in Alabama. Medicaid pays for the health care of nearly 1 million Alabamians, about 20 percent of the state's population, Herrmann-Steckel said.

Advocates fear many poor people can no longer enroll in Medicaid because they cannot locate their birth certificate, or afford to buy a copy, and do not have the required proof of citizenship such as a photo ID.

The cost of obtaining a birth certificate is a challenge for many low-income people, Carnes said, as is transportation to present the documents. The state Department of Public Health charges \$12 to search for a birth certificate.

There is currently no way to tell if the 1,600 who were denied coverage were illegal immigrants or U.S. citizens without the proper documents. But anecdotal evidence from Medicaid workers suggests some were just poor American parents. Medicaid workers asked people who had been denied coverage why they didn't have the proper paperwork.

"By and large the reason was, 'I can't afford to buy four birth certificates,'" said Lee Rawlinson, deputy Medicaid commissioner for beneficiary services.

Herrmann-Steckel said the state is doing everything possible to help Medicaid-eligible people obtain the documents.

The Department of Public Health has agreed to begin faxing Medicaid officials copies of birth certificates as a last resort for applicants who can't obtain their own. The two agencies will split the cost.

Transportation also is a problem for some families, Carnes said. While people previously could renew their Medicaid status by

mail, the new rules require a trip to see a Medicaid eligibility worker in person.

"There are all sorts of barriers, particularly for people without transportation and who may not have had a documented birth to begin with," Carnes said.

Raulerson said she cares for a family in Monroe County that once had Medicaid benefits but, without a car, has not been able to renew their coverage.

Medicaid officials say they don't know how many Alabamians have lost their Medicaid benefits because they couldn't, or didn't, visit an eligibility worker.

The Alabama Medicaid Agency is also working with other state agencies, such as the Department of Mental Health and Mental Retardation, to see if they've already verified a person's citizenship, she said.

People who also receive Medicare, the health care program for seniors, or Supplemental Security Income for a disability were exempted from the requirements after state Medicaid officials from across the country complained that would be too burdensome.

Other states are struggling to comply as well.

California has yet to implement the new federal rules. Vermont and other states are phasing in the regulations. While the law was designed to cut down on Medicaid fraud by illegal immigrants, Herrmann-Steckel said she does not believe Alabama has a widespread problem of illegal aliens receiving Medicaid.

NEW MEDICAID RULES COULD COST STATE MILLIONS

(By John Hanna)

The state could face millions of dollars in additional costs because of federal rules requiring Medicaid recipients to verify their citizenship, Gov. Kathleen Sebelius said Wednesday.

Sebelius said she's worried the state will have to pick up the full cost of caring for some poor, frail and elderly Kansans who are living in nursing homes, instead of sharing the cost with the federal government. Also, she said, she will propose adding state employees to verify the citizenship status of Medicaid recipients and applicants.

The governor told reporters she hopes Congress reviews the issue and other attempts to prevent illegal immigrants from obtaining social services or using driver's licenses as identification.

"There was no input from the states on how realistic these were or what the cost was," Sebelius said during a brief news conference following an unrelated meeting.

Under Medicaid requirements that took effect July 1, recipients must provide either a passport or two other documents, such as a birth certificate and a driver's license, to verify citizenship.

While the measure is targeted at illegal immigrants, some advocates for the needy have worried that citizens will either lose or be denied services because they have trouble finding the necessary documents.

State officials say the number of Kansans covered by Medicaid dropped almost 7 percent since July 1, down to 253,000 from 271,000. They believe much of the decline can be attributed to the new requirements.

Typically, every \$1 the state spends on Medicaid is matched by about \$1.50 from the federal government. If someone loses their coverage, then the state faces paying the entire bill for their services, Sebelius said.

"You're at 100 percent state dollars or push them out the door," she said.

Also, Sebelius said, the state needs to "ramp up" its staffing to handle the additional verification work. The governor is working on the budget proposal she'll submit

to the 2007 Legislature, which convenes Jan. 8.

"We're certainly going to put some of them in place," she said. "We're trying to make a careful analysis of how many we need."

She said that if the state refuses to comply with the law, it could face the loss of all federal health care dollars.

"We don't have a lot of latitude to say we're not going to do this," she said. "There are literally hundreds of millions of dollars at stake."

Meanwhile, Sebelius expressed concern about a federal law on driver's licenses passed last year.

Starting in 2008, federal agencies won't treat a state's licenses as valid ID unless a state requires license applicants to document that they're living in the United States legally. Lack of ID could prevent someone from entering a federal building or boarding a plane.

Sebelius said the law will require local driver's licenses offices to certify that someone has the proper documentation and to store the information.

"Exactly how that's going to happen, we're not quite sure," Sebelius said. "We don't basically have any of the equipment that's required to do that in any of the rural areas."

THOUSANDS IN KANSAS OFF MEDICAID FOLLOWING CITIZENSHIP RULES

Thousands of low-income Kansans have lost or been denied state health care coverage because of new rules requiring them to prove they are American citizens, state officials say.

Since the federally mandated rules took effect July 1, the number of Medicaid recipients in Kansas has decreased by about 18,000, to 253,000. While officials can't determine exactly how much of the 7 percent drop can be attributed to the new rules, they believe much of it can.

"The impact to the consumer has been severe," said John Anzivino, a vice president for MAXIMUS, a Reston, Va., company that helps administer the joint federal-state Medicaid program in Kansas. "From our perspective, this has possibly been the most dramatic change and challenge to the Medicaid program since its inception."

The new rules were included in last year's federal deficit reduction law and were designed to prevent illegal immigrants from enrolling in the state programs providing health coverage.

But consumer advocates said many vulnerable people who legitimately were eligible for assistance would lose coverage because they couldn't produce the necessary documentation.

"We expect that many of these that have lost coverage will regain coverage once they have gathered and provided the necessary documentation," Marcia Nielsen, executive director of the Kansas Health Policy Authority, told the Lawrence Journal-World. "They will, however, experience a gap in coverage that could prove to be significant for some."

Medicaid applicants can prove their citizenship by providing a passport. Or they can provide other documents that verify both their citizenship, such as a birth certificate, and their identities, such as a driver's license.

Anzivino said most people seeking benefits don't have a passport and are left scrambling to find birth certificates and other documents:

The number of calls each month to a Kansas Medicaid clearinghouse has more than doubled to 49,000 from 23,000, official said.

Meanwhile, Rep. Dennis Moore, a Democrat whose district is centered on the state's

portion of the Kansas City area, said federal officials were aware of states' problems with the new rules and probably would work on it when the new Congress takes office in January.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 13—CONGRATULATING THE UNIVERSITY OF FLORIDA FOOTBALL TEAM FOR WINNING THE 2008 BOWL CHAMPIONSHIP SERIES (BCS) NATIONAL CHAMPIONSHIP

Mr. NELSON of Florida (for himself and Mr. MARTINEZ) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 13

Whereas on January 8, 2009, before a crowd of more than 78,000 fans in Miami, Florida, the University of Florida Gators won the 2008 Bowl Championship Series (BCS) national title with a stunning 24-14 triumph over the University of Oklahoma Sooners;

Whereas the University of Florida is one of the premier academic institutions in the State of Florida;

Whereas the University of Florida Gators captured the Southeastern Conference championship title on December 6, 2008;

Whereas University of Florida football Head Coach Urban Meyer has won 2 BCS national championship games in the past 3 years;

Whereas University of Florida quarterback Tim Tebow was named the Most Outstanding Player of the BCS national title;

Whereas Tim Tebow won the Maxwell Award for the second time in 2 years;

Whereas the University of Florida defense held the University of Oklahoma to only 363 yards of offense in the BCS championship game;

Whereas the Gators finished 2008 ranked first in the Associated Press Poll and first in the Coaches Poll;

Whereas the Gators finished the 2008 season with a record of 13-1;

Whereas the University of Florida student athletes are among the most talented in the Nation;

Whereas University of Florida fans worldwide supported and encouraged the Gators throughout the football season;

Whereas University of Florida President J. Bernard Machen and Athletic Director Jeremy N. Foley have shown great leadership in bringing success and glory to the University of Florida; and

Whereas the University of Florida students, faculty, alumni, and all Gator fans are deeply committed to bringing pride to the University of Florida and the entire State of Florida: Now, therefore, be it

Resolved, That the Senate—

(1) congratulates the University of Florida Gators for winning the 2008 Bowl Championship Series (BCS) national championship;

(2) recognizes the achievements of the players, coaches, students, and staff whose hard work and dedication helped the University of Florida Gators win the championship; and

(3) respectfully requests the Secretary of the Senate to transmit an enrolled copy of this resolution to—

(A) the University of Florida for appropriate display;

(B) President of the University of Florida, J. Bernard Machen;

(C) Athletic Director of the University of Florida, Jeremy N. Foley; and