S. 282

At the request of Mr. COBURN, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S. 282, a bill to rescind unused earmarks.

S.J. RES. 3

At the request of Mr. HATCH, the name of the Senator from Oklahoma (Mr. COBURN) was added as a cosponsor of S.J. Res. 3, a joint resolution proposing an amendment to the Constitution of the United States relative to balancing the budget.

S.J. RES. 5

At the request of Mr. LEE, the names of the Senator from Oklahoma (Mr. COBURN), the Senator from Nevada (Mr. ENSIGN), the Senator from Wyoming (Mr. ENZI) and the Senator from Nebraska (Mr. JOHANNS) were added as cosponsors of S.J. Res. 5, a joint resolution proposing an amendment to the Constitution of the United States requiring that the Federal budget be balanced.

S. CON. RES. 4

At the request of Mr. SCHUMER, the names of the Senator from New Jersey (Mr. LAUTENBERG) and the Senator from New York (Mrs. GILLIBRAND) were added as cosponsors of S. Con. Res. 4, a concurrent resolution expressing the sense of Congress that an appropriate site on Chaplains Hill in Arlington National Cemetery should be provided for a memorial marker to honor the memory of the Jewish chaplains who died while on active duty in the Armed Forces of the United States.

AMENDMENT NO. 7

At the request of Mr. INHOFE, the name of the Senator from Oklahoma (Mr. COBURN) was added as a cosponsor of amendment No. 7 proposed to S. 223, a bill to modernize the air traffic control system, improve the safety, reliability, and availability of transportation by air in the United States, provide modernization of the air traffic control system, reauthorize the Federal Aviation Administration, and for other purposes.

AMENDMENT NO. 27

At the request of Mr. WYDEN, the names of the Senator from Montana (Mr. BAUCUS) and the Senator from Montana (Mr. TESTER) were added as cosponsors of amendment No. 27 proposed to S. 223, a bill to modernize the air traffic control system, improve the safety, reliability, and availability of transportation by air in the United States, provide modernization of the air traffic control system, reauthorize the Federal Aviation Administration, and for other purposes.

AMENDMENT NO. 50

At the request of Mr. LEAHY, the name of the Senator from Oklahoma (Mr. INHOFE) was added as a cosponsor of amendment No. 50 proposed to S. 223, a bill to modernize the air traffic control system, improve the safety, reliability, and availability of transportation by air in the United States, provide modernization of the air traffic control system, reauthorize the Federal Aviation Administration, and for other purposes.

AMENDMENT NO. 64

At the request of Mr. COBURN, the names of the Senator from Arizona (Mr. MCCAIN), the Senator from Utah (Mr. LEE), the Senator from North Carolina (Mr. BURR) and the Senator from Wisconsin (Mr. KOHL) were added as cosponsors of amendment No. 64 intended to be proposed to S. 223, a bill to modernize the air traffic control system, improve the safety, reliability, and availability of transportation by air in the United States, provide modernization of the air traffic control system, reauthorize the Federal Aviation Administration, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. UDALL of Colorado (for himself and Mr. BENNETT):

S. 327. A bill to name the Department of Veterans Affairs telehealth clinic in Craig, Colorado, as the ''Major William Edward Adams Department of Veterans Affairs Clinic''; to the Committee on Veterans' Affairs.

Mr. UDALL of Colorado. Mr. President, I rise to urge my colleagues to support legislation I am introducing today to name the Veterans Telehealth Clinic in Craig, Colorado, after Medal of Honor recipient Major William E. Adams. I am pleased that Senator BENNET will join with me in introducing this bill.

Our bill isn't the first effort to honor Major Adams. My good friend Congressman John Salazar introduced this legislation last year in the House of Representatives with the support of the entire Colorado delegation. I would like to see this bill through to passage in this Congress in part to honor John and his efforts to commemorate the heroism of Major Adams and to get the VA clinic established in northwest Colorado.

I'd also like to honor Larry Neu, a local business owner and Veterans of Foreign Wars Post 4265 quartermaster, who has been the architect of efforts to commemorate Major Adams. With Larry's leadership and the help of other Craig residents, the Colorado state legislature passed a resolution renaming part of Colorado Highway 13 the ''Maj. William Adams Medal of Honor Highway.'' I know he worked closely with Congressman Salazar in the last Congress to develop the legislation I am introducing today.

Above all, this bill is intended to honor Major William Adams himself and his ''conspicuous gallantry and intrepidity at the risk of his life above and beyond the call of duty.''

A resident of Craig, Major Adams served and lost his life in the Vietnam War. He was awarded the Medal of Honor posthumously, after distinguishing himself while serving as an Army helicopter pilot. In May 1971, he volunteered to fly a lightly armed helicopter in an attempt to evacuate three seriously wounded soldiers from a small base that was under attack. He made the decision with full knowledge that numerous antiaircraft weapons were positioned around the base and that the clear weather would make him visible to enemy gunners. As he approached the base, the enemy gunners opened fire, but he continued his approach, directing the attacks of supporting gunships while maintaining control of the helicopter he was flying. He picked up the wounded soldiers, but his aircraft was then struck and damaged by enemy anti-aircraft fire and crashed.

I was pleased to learn that many of his family members attended the ceremony in November dedicating part of Colorado Highway 13 to Major Adams. I want to pay tribute today to his wife Sandra and his daughter Jean, both Colorado residents, and his son, Col. John Adams, an intelligence officer in the Marine Corps, recently back from Afghanistan. I hope this bill serves to reinforce what they already know—that Major Adams is a real hero to this county, to Colorado and to Craig. He is part of a special class of American heroes who will forever be remembered for their service and sacrifice. His story will continue inspiring generations to come, while reminding us all about the contributions and sacrifices of America's greatest.

I have introduced this legislation not only to recognize the sacrifice of Major Adams, but also to recognize the service of our Vietnam veterans and especially all veterans in Northwest Colorado. The Telehealth Clinic in Craig is on track to have nearly 1700 visits from area veterans this year, and I will always fight to make sure our veterans get the health care they earned and deserve.

As Larry Neu said about Major Adams, ''The man made the ultimate sacrifice for his country—he should not be forgotten.'' Passage of this bill will help us remember Major Adams and so many other brave veterans who have sacrificed their lives for our country. I urge my colleagues to support this legislation and to continue to support our dedicated men and women in uniform.

By Mr. HATCH (for himself and Mr. ROBERTS):

S. 332. A bill to promote the enforcement of immigration laws and for other purposes; to the Committee on the Judiciary.

Mr. HATCH. Mr. President, I rise today to reintroduce the Strengthening Our Commitment to Legal Immigration and America's Security Act. There is little doubt that our immigration system is broken and needs reform. Yet, we can make progress by starting with the laws that already exist. The proposed legislation would enhance our core immigration and enforcement laws for both legal and illegal immigrants.

When I first introduced my bill last September, I mentioned that it represents countless hours of conversation and feedback from my constituents. This bill is a common-sense approach on how best to enforce and tighten-up our immigration laws.

Of course, securing the actual physical border should remain our top priority. However, we cannot ignore the residual problems caused by a porous border. The weakness of a porous border has been experienced by communities across the country—draining all facets of local resources, including public safety, welfare programs, and medical assistance.

By no means is the proposed legislation intended to be a comprehensive immigration reform bill. Rather, it is focused on enforcement and accountability of existing immigration laws and programs. There is much that remains to be done before we can tackle comprehensive immigration reform. But this bill is the next step toward strengthening our immigration laws.

The Strengthening Our Commitment to Legal Immigration and America's Security Act will curb identity theft and techniques that have been exploited by the illegal alien community; stop the abuse by this administration from granting mass parole or deferral to illegal aliens; help prevent Mexican drug cartels from growing marijuana in our national parks and on our public lands; and prevent so-called sanctuary cities by requiring law enforcement agencies that are selected and enrolled in the 287(g) and Secure Communities programs to fully comply with the established requirements.

There is a need for accurate accounting to track the flow of federal and state welfare dollars given to illegal aliens and ensure that U.S. citizens are the first to receive Federal health benefits. Additionally, my bill would rectify a gaping hole in our visa system by requiring the Department of Homeland Security to create a mandatory visa exit procedure that would track the departure of our foreign visitors to the United States; provide that gang members will be ineligible to receive a visa for travel to our country; and direct the State Department to examine the Diversity Visa program, which in the past has been wrought with fraud and abuse.

I do not think anyone could disagree with the substance of the Strengthening Our Commitment to Legal Immigration and America's Security Act. It touches on some of the more overlooked, but critical areas of our broken immigration system. Moreover, I believe these steps can be enacted in a bipartisan fashion without creating a host of new programs and revenue streams. I encourage my colleagues to work with me to move this bill forward.

By Mrs. FEINSTEIN (for herself and Mr. NELSON of Florida):

S. 338. A bill to prohibit royalty incentives for deepwater drilling, and for other purposes; to the Committee on Energy and Natural Resources.

Mrs. FEINSTEIN. Mr. President, I rise today to introduce the Deepwater Drilling Royalty Relief Prohibition Act.

The purpose of this bill is to ensure that taxpayer dollars are not used to incentivize the dangerous and often dirty business of offshore drilling in deep waters.

Over the past two decades, Congress has established a number of royalty-relief programs to encourage domestic exploration and production in deep waters. This may have made sense in times when oil prices were too low to provide energy companies with an incentive to drill in difficult places. It may have made sense before we were ready to deploy large scale renewable energy production.

But it no longer makes sense today.

The Deepwater Horizon catastrophe showed that safety and response technologies are not sufficient in deep waters. The President's National Oil Spill Commission pointed out that while offshore oil and gas will remain part of the nation's energy portfolio for years to come, we need to ''begin a transition to a cleaner, more energy-efficient future.'' I agree.

I believe that taxpayer-funded incentives should go to clean, renewable energy, not deepwater oil drilling. It's time that we roll-back incentives for the riskiest, least environmentally friendly non-renewable energy production.

The disastrous impacts of the Deepwater Horizon explosion illustrate the enormous environmental and safety risks of offshore drilling—particularly in deep waters. 11 people died and 17 others were injured when the Deepwater Horizon caught fire. Oil and gas rushed into the Gulf of Mexico for 87 days before the well was finally plugged. The scope of the disaster was tremendous.

Oil slicks spread across the Gulf of Mexico, pelicans and other wildlife struggled to free themselves from crude oil, tar balls spoiled the pristine white sand beaches of Florida, wetlands were coated with toxic sludge, more than ⅓ of Federal waters in the Gulf were closed to fishing, and oyster beds could take years to recover, the plumes of underwater oil may have created zones of toxicity or low oxygen for aquatic life, and the response techniques, such as the use of dispersants, may have their own toxic consequences to both wildlife and the spill response workers.

The impacts of an oil spill are so dramatic and devastating, it seems clear to me that this is not an area in which we should be subsidizing development.

Things have not improved much since the oil spill in 1969 off the California Coast near Santa Barbara. Like the Deepwater Horizon disaster, the Santa Barbara spill was caused by a natural gas blowout when pressure in the drill hole fluctuated. It was successfully plugged with mud and cement after 11 and a half days, but oil and gas continued to seep for months. The Santa Barbara spill was devastating, but it was a tiny fraction of the size of the Deepwater Horizon spill.

Technology 40 years ago was not good enough to prevent a disaster. We discovered last summer that today's technology is no better at preventing well-head blowouts.

The Deepwater Horizon drill rig was less than 10 years old when it exploded. A similar accident that caused the 2009 spill in the Montara oil and gas field in the Timor Sea—one of the worst in Australia's history—was even newer, designed and built in 2007. That spill continued unchecked for 74 days.

The failures that led to these catastrophes were human and technological. While measures are being put in place to remedy these deficiencies, the risks remain high and the potential damage immense. In deep waters, the risks are higher and the scope of the damage even greater.

Drilling in deep waters is not the type of activity that tax-payer dollars should subsidize.

Drilling in deep water presents even more challenges than drilling in shallow water or on shore. This was demonstrated during the Deepwater Horizon disaster.

Methane hydrate crystals form when methane gas mixes with pressurized cold ocean waters—and the likelihood of these crystals forming increases dramatically at a depth of about 400 meters.

These crystals interfere with response and containment technologies. They formed in the cofferdam dome that was lowered onto the gushing oil in the Gulf, which failed to stop the oil in the early days of the spill. And when a remotely operated underwater vehicle bumped the valves in the ''top hat'' device, the containment cap had to be removed and slowly replaced to prevent formation of these crystals again.

In order to drill at deeper depths, many technical difficulties must be overcome.

The ocean currents on the surface and in the water column exert torque pressure on the pipes and cables, which are longer and heavier.

The water temperature decreases closer to the sea floor, but the earth's core temperature increases the deeper the well—sometimes reaching temperatures in excess of 350 degrees Fahrenheit.

The ocean pressure increases dramatically at depth, but the pressure in a well can exceed 10,000 pounds per square inch.

Drills must be able to pass through tar and salts, and the well bores must remain intact.

The volume of drilling mud and fluids is greater, the weight of the cables heavier, and many technical procedures can only be accomplished with the use of remotely operated vehicles thousands of feet below the surface.

American taxpayers should not forego revenue in order to incentivize offshore drilling. It is not good environmental policy, and it's not good energy policy either.

We need to move to cleaner renewable fuels.

I believe that global warming is the biggest environmental crisis we face—and the biggest culprit of global warming is manmade emissions produced by the combustion of fossil fuels like oil and coal.

Taxpayer funded incentives should not finance production of fossil fuels—particularly in places where the production itself poses potential devastation. Instead, incentives should be used to develop and deploy clean energy technologies like wind and solar.

I have worked with my colleagues on a number of legislative initiatives designed to reduce greenhouse gas emissions, increase energy efficiency and incentivize the use of renewable energy.

One of our biggest victories was the enactment of the aggressive fuel economy law, called the Ten in Ten Fuel Economy Act, which was passed by Congress and signed into law by then-President Bush in the 110th Congress. This law, which I authored with Senator SNOWE, will improve fuel economy standards for passenger vehicles at the maximum feasible rate.

The good news is that the Administration has taken the framework of this law and implemented aggressive standards that require raising fleetwide fuel economy to 35.5 mpg in 2016—a 40 percent increase above today's standard.

The other positive development is that the domestic renewable energy industry has grown dramatically over the last few years. In 2009, the United States added more new capacity to produce renewable electricity than it did to produce electricity from natural gas, oil, and coal combined. A great deal of this growth can be attributed to government renewable energy incentives. That is where public investment in energy development should go.

It is clear that the clean energy sector is the next frontier in jobs creation.

We need to ensure that developers can access financing to launch wind, solar and geothermal projects, so that they can put people to work. Programs like Treasury Grant Program have been very successful in encouraging private investment in this sector. So far, the program has helped to bring more than 1,880 renewable energy projects online.

The program, however, is set to expire at the end of this year if we don't act. I'm working on legislation that will extend and expand this successful program.

All told, these types of measures are helping to foster the incentives that will push the United States to adopt a cleaner energy future, and to move away from fossil fuels.

Let me make one final point very clear: I don't believe oil companies need taxpayer dollars to help them out. They are already reaping record profits.

In 2009, the top 10 U.S. oil companies' combined revenues were almost $850 billion. And while all results are not yet in on 2010, it is clear that oil companies did even better last year.

Exxon Mobil reported $30 billion in profit, up 57 percent from 2009.

Shell reported $19 billion in profit, up 90 percent from 2009.

Conoco Phillips raked in $11.4 billion in profit during 2010, a whopping 159 percent increase over its 2009 profits.

Yet we continue to use taxpayer dollars to add to their bottom line. This is unacceptable.

Oil reserves are a public resource. When a private company profits from those public resources, American taxpayers should also benefit.

I urge my colleagues to support this legislation and ensure that royalties owed to the taxpayers are not waived to incentivize risky off-shore drilling. In these critical economic times, every cent of the people's money should be spent wisely.

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. 338

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 ''Deepwater Drilling Royalty Relief Prohibition Act''.

SEC. 2. PROHIBITION ON ROYALTY INCENTIVES FOR DEEPWATER DRILLING.

(a) IN GENERAL.—Notwithstanding any other provision of law, the Secretary of the Interior shall not issue any oil or gas lease sale under the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) with royalty-based incentives in any tract located in water depths of 400 meters or more on the outer Continental Shelf.

(b) ROYALTY RELIEF FOR DEEP WATER PRODUCTION.—Section 345 of the Energy Policy Act of 2005 (42 U.S.C. 15905) is repealed.

(c) ROYALTY RELIEF.—Section 8(a)(3) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(3)) is amended by adding at the end the following:

''(D) PROHIBITION.—Notwithstanding subparagraphs (A) through (C) or any other provision of law, the Secretary shall not reduce or eliminate any royalty or net profit share for any lease or unit located in water depths of 400 meters or more on the outer Continental Shelf.''.

(d) APPLICATION.—This section and the amendments made by this section—

(1) apply beginning with the first lease sale held on or after the date of enactment of this Act for which a final notice of sale has not been published as of that date; and

(2) do not apply to a lease in effect on the date of enactment of this Act.

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

S. 339. A bill to amend the Internal Revenue Code of 1986 to make permanent the special rule for contributions of qualified conservation contributions; to the Committee on Finance.

Mr. BAUCUS. Mr. President, I rise today to introduce the Rural Heritage Conservation Extension Act.

In the last few months, our nation has engaged in a discourse about responsibility. No one can deny that our job is to promote the protection of American interests and investment in our future. I am introducing this bill today, because we have a responsibility to protect one of our country's most precious resources: our land.

When I visit with ranchers and farmers across my home state of Montana, it's clear to me they want to preserve open space on their land for their kids and grandkids. Together with Montana farmers and ranchers and the Montana Land Reliance, which is dedicated to protecting agricultural production, we've come up with a commonsense proposal. This is a plan we developed together based on teamwork and our common goal to leave our land in better shape than we found it for future generations.

As we all know, we are losing precious agricultural and ranch lands at a record pace. But our soil is worth more more than just the nutritious foods and natural resources it produces. When we lose our land, we lose the natural habitat of our wildlife and open spaces for our communities. It is our job to protect the land for future generations and to support the farmers, ranchers and other landowners who rely on it to make a living.

Many Montana farmers and ranchers are land rich, but cash poor. These landowners make a modest living off the land and, in this economy, need the right tools to move toward conservation.

That is why Congress provides targeted income tax relief to small farmers and ranchers who wish make a charitable contribution of qualified conservation easements. This allows eligible farmers and ranchers to increase the deduction they can take for charitable contributions of qualified conservation easements. The provision allows farmers and ranchers to do this by increasing the current adjusted gross income limitations from 50 percent to 100 percent and extending the carryover period from five to 15 years. In the case of all landowners, the AGI limitation was raised from 30 percent to 50 percent. This provision will expire at the end of this year. It is time to make this provision permanent—and that is what our Rural Heritage Conservation Extension Act will do.

Conservation easements sometimes take years to work out. These tax breaks are meant to streamline the process and help those folks who struggle with cash flow but believe in the value of conserving our agricultural lands for future generations.

Conversation easements continue to be an effective land management tool in Montana, and across the country. We currently have over two million acres covered by conservation easements. To some, that may seem like a

large amount, but, in Montana, those easements are only 2.1 percent of the total State land area. Montana has begun to recognize the importance of using conservation easements to preserve our lands. I believe that now is the time for our state, and the entire country to do even more.

It is time to say, ''We believe in the environment. We believe that landowners should be able to afford to choose conservation over development.'' Let us remove the uncertainty and build on the success of what we have already begun to do. Let's pass the Rural Heritage Conservation Extension Act.

By Mr. BAUCUS:

S. 340. An original bill to amend the Internal Revenue Code of 1986 to extend the funding and expenditure authority of the Airport and Airway Trust Fund, and for other purposes; from the Committee on Finance; placed on the calendar.

Mr. HATCH. Mr. President, today Chairman BAUCUS filed an original bill and an amendment to the Federal Aviation Administration, FAA, bill currently being considered by the Senate. Both of these items are identical. They reflect the revenue title to the FAA bill that was reported by the Finance Committee last Tuesday. I am hopeful that this heralds the passage of long-term FAA reauthorization and represents a break with our ongoing pattern of funding the FAA with short-term extensions of current law.

In most respects the Finance Committee product reflects the FAA bill that was passed unanimously last year with 93 votes. However, there is a very important difference. Thanks to an amendment filed by Senator COBURN, who is a new member of the Finance Committee, only 90 percent of forecasted revenues to the Airport and Airway Trust Fund for a given year will be spent. Over the past several years the uncommitted cash balance remaining in the trust fund has steadily decreased because actual revenues have fallen short of forecast revenues. Since recipients of trust fund revenues expect to be paid in real dollars and not forecasted dollars, it makes sense to make sure the trust fund contains actual dollars. By allowing only 90 percent of forecast trust fund revenues to be spent, we are putting in place a 10 percent cushion to guard against the frequent occurrence that actual trust fund revenues will fall short of projected revenues.

The Finance Committee product also increases the amount general aviation and fractional aircraft will pay for each gallon of jet fuel they use. These increases will impact neither commercial airlines nor passengers of commercial airlines. The cost of fuel for commercial aviation is not changed at all by the Finance Committee product. What makes the increases of the costs borne by the general aviation and fractional communities unique is that both groups are active supporters of these increases. As these letters explain, the increases in the cost of jet fuel are supported because the proceeds will help our airport and airway system transition to the Next Generation Air Transportation System, or NextGen. NextGen is the satellite-based air traffic control system that is slated to replace our current radar-based system. The transition to NextGen is expected to reduce inefficiencies within and enhance the benefits of our airport and airway system.

In closing, I want to thank Chairman BAUCUS and the other Members of the Finance Committee for their work on the revenue title to the FAA bill, and I hope for the rapid completion of FAA reauthorization.

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

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

GENERAL AVIATION MANUFACTURERS ASSOCIATION,
Washington, DC, January 31, 2011.

Hon. MAX BAUCUS,
Chairman, Senate Finance Committee, Dirksen Senate Office Building, Washington, DC.

Hon. ORRIN HATCH,
Ranking Member, Senate Finance Committee, Dirksen Senate Office Building, Washington, DC.

DEAR CHAIRMAN BAUCUS AND SENATOR HATCH: On behalf of the seventy members of the General Aviation Manufacturers Association (GAMA), I am writing in strong support of the tax title to the ''FAA Air Transportation Modernization and Safety Improvement Act'' which will be considered by the Senate this week.

As you know, this legislation is identical to the FAA reauthorization bill that passed in the Senate last year. The tax title of the bill, which was drafted by the Finance Committee, includes an increase in the excise tax on jet-fuel used in general aviation operations. The funding raised by this fuel tax increase will be placed in an account within the Airport and Airway Trust Fund to help fund air traffic control modernization programs.

In previous Congresses, our members have supported the fuel tax increase included in the bill because we strongly support modernization and are willing to pay more to help complete it. We believe that the Finance Committee has examined this issue thoroughly and that its actions will help move the bill quickly through Congress and put us on the right path towards modernization.

In conclusion, we support the tax title to the FAA reauthorization bill and thank the committee for being receptive to our views during this process. We look forward to working with you as the bill proceeds through Congress.

Sincerely,

PETER J. BUNCE,
President & CEO.

NATIONAL AIR TRANSPORTATION ASSOCIATION,
Alexandria, VA, February 3, 2011.

Hon. MAX BAUCUS,
Chairman, Senate Committee on Finance, U.S. Senate, Dirksen Senate Office Building, Washington, DC.

Hon. ORRIN HATCH,
Ranking Member, Senate Committee on Finance, U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR CHAIRMAN BAUCUS AND RANKING MEMBER HATCH: The National Air Transportation Association (NATA), the voice of aviation business, is the public policy group representing the interests of aviation businesses before the Congress, federal agencies and state governments. NATA's 2,000 member companies own, operate and service aircraft. These companies provide for the needs of the traveling public by offering services and products to aircraft operators and others such as fuel sales, aircraft maintenance, parts sales, storage, rental, airline servicing, flight training, Part 135 on-demand air charter, fractional aircraft program management and scheduled commuter operations in smaller aircraft. NATA members are a vital link in the aviation industry providing services to the general public, airlines, general aviation and the military.

On behalf of NATA, I write in support of the tax title to S. 223, the FAA Air Transportation Modernization and Safety Improvement Act, which would increase the tax on general aviation jet fuel. A reasonable tax increase allows general aviation operators to provide more revenue to the Airport and Airways Trust Fund (trust fund). General aviation fuels have not had a substantial tax increase in over 15 years and, despite the recent downturn in the economy, we believe the current system of aviation excise taxes has proven to be a stable and efficient source of revenue for the trust fund as opposed to another funding mechanism that has been proposed in the past few years.

As you know, passage of Federal Aviation Administration reauthorization legislation will provide much needed funding for the trust funds while ensuring that our national airspace system remains safe and efficient and creating and maintaining valuable jobs in the United States. Investments to our aviation infrastructure will allow the modernization of the Next Generation Air Transportation System to expand as efficiently as possible.

We support a tax increase on general aviation fuels to finance the trust fund in a manner that has proven successful since its creation. Thank you for your attention to this important matter.

Sincerely,

JAMES K. COYNE,
President.

AIRCRAFT OWNERS AND PILOTS ASSOCIATION,
Washington, DC, February 4, 2011.

Hon. MAX BAUCUS,
Chairman, Senate Finance Committee, U.S. Senate, Washington, DC.

Hon. ORRIN HATCH,
Ranking Member, Senate Finance Committee, U.S. Senate, Washington, DC.

DEAR CHAIRMAN BAUCUS AND RANKING MEMBER HATCH: In anticipation of Senate action on S. 223, legislation to reauthorize the Federal Aviation Administration (FAA), I am writing to reiterate our support for the previously agreed to tax increases in general aviation fuel taxes.

The stability and certainty that an FAA reauthorization bill provides is vital for federal investments in safety, modernizing the air traffic control system, FAA operations, airport improvements and aviation research efforts.

AOPA has consistently supported using the time-tested system of passenger transportation and aviation fuel taxes in combination with general fund tax revenues to support the FAA and the aviation system. We have consistently supported a 25 percent increase in aviation gasoline and a 65 percent tax increase on non-commercial jet fuel in lieu of user fees to generate additional revenue to the Aviation Trust Fund for air traffic control modernization.

Even though economic times are extremely difficult, AOPA members continue to support the agreed-to increases in general aviation fuel taxes and we support the inclusion of this funding mechanism in the Senate FAA Reauthorization Bill.

Thank you for your consideration of our views. We look forward to working with you to complete the FAA Reauthorization Bill.

Sincerely,

CRAIG L. FULLER,
President and CEO.

NATIONAL BUSINESS AVIATION ASSOCIATIONS,
February 4, 2011.

Hon. MAX BAUCUS,
Chairman, Committee on Finance, Hart Senate Office Building, Washington, DC.

DEAR CHAIRMAN BAUCUS: The National Business Aviation Association (NBAA) strongly supports passage of legislation to reauthorize the Federal Aviation Administration, and urges the U.S. Senate to expeditiously approve this critical legislation.

Aviation, including business aviation, is a vital link in our transportation system and powerful engine for job creation and economic growth. Ensuring that the United States has the largest, safest, and most efficient air transportation system is clearly in our country's interest and should be a national imperative.

NBAA represents approximately 8,000 companies that rely on general aviation aircraft to help them survive and compete in the marketplace. Eighty-five percent of our members are small and mid-size businesses, many of whom operate to and from small towns and rural communities with little or no commercial airline service.

This legislation will greatly facilitate and accelerate the transformation of our air traffic control system to the Next Generation Air Traffic Control System—NextGen. As you know, NextGen will increase the capacity and enhance the safety of our air traffic control system. It will also reduce aviation's environmental impact.

The legislation will provide much needed long-term direction and stability to the Federal Aviation Administration. The bill will enable the agency to do the critical long-range planning, and make the long-range investments in airport infrastructure and technology that are needed to modernize and expand the system. The time to enact a strong multi-year reauthorization bill is now.

The reauthorization bill helps fund the transformation to NextGen in part through an increase in the general aviation fuel tax. While no industry wants to pay additional taxes, particularly during these very challenging times, NBAA supports the fuel tax increase contained in this bill because we believe that the rapid transformation to NextGen is critically important to the vitality of the U.S. aviation system.

We urge the Senate to expedite consideration of the FAA reauthorization bill. It is important that we finalize this legislation that will undoubtedly enhance safety, reduce emissions, expand the system and ensure that the U.S. will continue to lead the world in aviation technology.

Sincerely,

ED BOLEN.

NETJETS
Columbus, OH, February 7, 2011.

Hon. MAX BAUCUS,
Chairman, Senate Committee on Finance, U.S. Senate, Dirksen Senate Office Building, Washington, DC.

Hon. CHARLES GRASSLEY,
Ranking Member, Senate Committee on Finance, U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR CHAIRMAN BAUCUS AND RANKING MEMBER GRASSLEY: As a leading fractional ownership program management company here in the United States, I write today in support of language included within S. 223, the Federal Aviation Administration (FAA) Air Transportation Modernization and Safety Improvement Act, that provides for a minor change in the tax code to ensure that operations of aircraft in fractional ownership programs are taxed as general aviation.

The FAA has determined that fractionally-owned aircraft operations are in fact private. However, the Internal Revenue Service continues to tax the operations of such aircraft as if they are commercial. The IRS made this tax determination when the concept of fractional ownership was very new, and before the FAA had completed its analysis and issued regulations that classify fractionally-owned aircraft as non-commercial general aviation.

To remedy this situation, we request your support for language contained within S. 223 to also be included within the House FAA reauthorization bill. Specifically, Section 805 of S. 223, entitled, ''Treatment of Fractional Ownership Operations,'' would ensure that all fractionally-owned aircraft operations are taxed as non-commercial general aviation.

We strongly support Section 805 of S. 223 and request your assistance to secure this language within the House FAA Reauthorization bill. Thank you for your attention to this important issue.

Sincerely,

JORDAN B. HANSELL
President.

By Mr. BINGAMAN (for himself and Ms. MURKOWSKI) (by request):

S. 342. A bill to provide supplemental ex gratia compensation to the Republic of the Marshall Islands for impacts of the nuclear testing programs of the United States, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. BINGAMAN. Mr. President, today, I join the Ranking Member of the Committee on Energy and Natural Resources, Senator MURKOWSKI, in reintroducing The Republic of the Marshall Islands Supplemental Nuclear Compensation Act at the request of the President of the Marshall Islands, the Honorable Jurelang Zedkaia.

This legislation tracks S. 1756, a bill that was introduced in the 110th Congress at the request of then-President of the Republic of the Marshall Islands, Kessai Note, and that was ordered reported from the Committee on Energy and Natural Resources, on September 11, 2008. The bill was reintroduced in the 111th Congress as S. 2941 at the request of President Zedkaia, and it was again reported from the Committee, on August 5, 2010. Unfortunately, there was insufficient time before adjournment for floor consideration and to identify an offset for the bill's CBO-estimated cost of $58 million. It is my hope that the 112th Congress will move promptly to consider this bill, find any necessary offset, and enact this legislation as a part of our Nation's continuing engagement with the Marshall Islands to address the damage and injuries that resulted from the nuclear weapons testing program.

The need for consideration of this bill is clear—to monitor and, as appropriate, update our Nation's continuing response to the consequences of the nuclear weapons testing program conducted in the Marshall Islands in the 1940s and 50s.

For a period of 12 years, the United States detonated nuclear bombs in the Northern Marshall Islands that caused substantial damage and injury. In 1986, with the negotiation of the compact of Free Association between the United States and the Republic of the Marshall Islands and its approval by Public Law 99–239, the United States ''accept[ed] the responsibility for compensation owing to citizens of the Marshall Islands . . . for loss or damage to property and person of the citizens of the Marshall Islands . . . resulting from the testing program. . .''. The compact and other U.S. laws established programs designed and intended to provide compensation and to respond to the consequences of the nuclear tests.

First, Section 177 of the compact provided a $150 million grant to the Marshall Islands for the settlement of all claims arising from the nuclear testing program through the establishment of the Nuclear Claims Tribunal, including $2 million annually for the so-called ''Four Atoll Health Care Program'' to provide supplemental health care services to those communities most affected by the tests and funding for a nationwide radiological survey. The subsidiary agreement implementing Section 177 further provided that the Marshall Islands could seek additional funds from Congress through a so-called ''changed circumstances'' petition, if ''injuries render the provisions of this Agreement manifestly inadequate.'' Finally, Section 105(c) of the law approving the compact authorized additional appropriations for ''health and education as a result of exceptional circumstances,'' and authorized ex gratia contributions for the affected populations of the northern atolls of Bikini, Enewetak, Rongelap, and Utrik.

Second, in response to the nuclear tests, Congress funded the Department of Energy's Marshall Islands Program to continually monitor residual radiation in the environment, research strategies for mitigating radiation effects, and to support mitigation and resettlement efforts. This DOE program also monitors and provides health care to members of the Rongelap and Utrik communities who were seriously exposed to radiation fallout from the ''Castle Bravo'' test which took place in 1954 and contaminated the inhabited islands downwind.

Third, in 2001, Congress enacted the Energy Employees Occupational Illness Compensation Program, EEOICPA, to provide compensation for DOE and DOE-contractor employees who were associated with the Nation's nuclear weapons program. The legislative history for the program indicates that workers hired from the local population at the Marshall Islands Test Site were intended to be covered. However, islanders who applied for compensation from EEOICPA had their claims denied because they were not U.S. citizens.

The purpose of this legislation is to make appropriate amendments to programs and activities to meet our continuing responsibility to address the consequences of the nuclear testing program. Accordingly, this bill would expand the scope of these existing programs: the Four Atoll Health Care Program; the DOE Marshall Islands Program; and the U.S. Department of Labor's Energy Employees Occupational Illness Compensation Program. The bill would also provide for an assessment and report by the National Academy of Sciences on the health impacts of the nuclear testing program in the Marshall Islands.

However, there is recent information regarding the health impacts of the testing program which may meet the objectives of this section. Last year, the August issue of Health Physics published a series of peer-reviewed papers on the radiation doses and cancer risks in the Marshall Islands from U.S. nuclear weapons tests. These papers grew out of a request from the Committee on Energy and Natural Resources to the National Cancer Institute for their expert opinion of the health effects of the testing program. I anticipate a presentation of the conclusion of these papers when a hearing is held on this bill.

For more information on this legislation, I recommend review of previous Committee hearings, S. Hrg. 109–178 and S. Hrg. 110–243, and last year's Committee report on S. 2941, S. Rpt 111–268. I look forward to continue working with President Zedkaia, the RMI Ambassador to the United States, Banny Debrum, officials at the U.S. Departments of State, Energy, and the Interior, and my colleagues on the Committee in considering this legislation as a part of our continuing response to this tragic legacy of the nuclear testing program in the Pacific.

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

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

S. 342

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 ''Republic of the Marshall Islands Supplemental Nuclear Compensation Act of 2011''.

SEC. 2. CONTINUED MONITORING ON RUNIT ISLAND.

Section 103(f)(1) of the Compact of Free Association Amendments Act of 2003 (48 U.S.C. 1921b(f)(1)) is amended—

(1) by striking ''Notwithstanding'' and inserting the following:

''(A) IN GENERAL.—Notwithstanding''; and

(2) by adding at the end the following:

''(B) CONTINUED MONITORING ON RUNIT ISLAND.—

''(i) CACTUS CRATER CONTAINMENT AND GROUNDWATER MONITORING.—Effective beginning January 1, 2008, the Secretary of Energy shall, as a part of the Marshall Islands program conducted under subparagraph (A), periodically (but not less frequently than every 4 years) conduct—

''(I) a visual study of the concrete exterior of the Cactus Crater containment structure on Runit Island; and

''(II) a radiochemical analysis of the groundwater surrounding and in the Cactus Crater containment structure on Runit Island.

''(ii) REPORT.—The Secretary shall submit to the Committee on Energy and Natural Resources of the Senate, and the Committee on Natural Resources of the House of Representatives, a report that contains—

''(I) a description of—

''(aa) the results of each visual survey conducted under clause (i)(I); and

''(bb) the results of the radiochemical analysis conducted under clause (i)(II); and

''(II) a determination on whether the surveys and analyses indicate any significant change in the health risks to the people of Enewetak from the contaminants within the Cactus Crater containment structure.

''(iii) FUNDING FOR GROUNDWATER MONITORING.—The Secretary of the Interior shall make available to the Department of Energy, Marshall Islands Program, from funds available for the Technical Assistance Program of the Office of Insular Affairs, the amounts necessary to conduct the radiochemical analysis of groundwater under clause(i)(II).''.

SEC. 3. CLARIFICATION OF ELIGIBILITY UNDER ENERGY EMPLOYEES OCCUPATIONAL ILLNESS COMPENSATION PROGRAM ACT OF 2000.

(a) DEFINITIONS FOR PROGRAM ADMINISTRATION.—Section 3621 of the Energy Employees Occupational Illness Compensation Program Act of 2000 (42 U.S.C. 7384l) is amended by adding at the end the following:

''(18) The terms 'covered employee', 'atomic weapons employee', and 'Department of Energy contractor employee' (as defined in paragraphs (1), (3), and (11), respectively) include a citizen or national of the Republic of the Marshall Islands or the Federated States of Micronesia who is otherwise covered by that paragraph.''.

(b) DEFINITION OF COVERED DOE CONTRACTOR EMPLOYEE.—Section 3671(1) of the Energy Employees Occupational Illness Compensation Program Act of 2000 (42 U.S.C. 7385s(1)) is amended by inserting before the period at the end the following: '', including a citizen or national of the Republic of the Marshall Islands or the Federated States of Micronesia who is otherwise covered by this paragraph''.

(c) OFFSET OF BENEFITS WITH RESPECT TO THE COMPACT OF FREE ASSOCIATION.—Subtitle C of the Energy Employees Occupational Illness Compensation Program Act of 2000 (42 U.S.C. 7385 et seq.) is amended by inserting after section 3653 (42 U.S.C. 7385j–2) the following:

''SEC. 3654. OFFSET OF BENEFITS WITH RESPECT TO THE COMPACT OF FREE ASSOCIATION.

''An individual who has been awarded compensation under this title, and who has also received compensation benefits under the Compact of Free Association between the United States and the Republic of the Marshall Islands (48 U.S.C. 1681 et seq.) (referred to in this section as the 'Compact of Free Association'), by reason of the same illness, shall receive the compensation awarded under this title reduced by the amount of any compensation benefits received under the Compact of Free Association, other than medical benefits and benefits for vocational rehabilitation that the individual received by reason of the illness, after deducting the reasonable costs (as determined by the Secretary) of obtaining those benefits under the Compact of Free Association.''.

SEC. 4. SUPPLEMENTAL HEALTH CARE GRANT.

Section 103(h) of the Compact of Free Association Amendments Act of 2003 (48 U.S.C. 1921b(h)) is amended by adding at the end the following:

''(4) SUPPLEMENTAL HEALTH CARE GRANT.—

''(A) IN GENERAL.—In addition to amounts provided under section 211 of the U.S.-RMI Compact (48 U.S.C. 1921 note), the Secretary of the Interior shall provide to the Republic of the Marshall Islands an annual supplemental health care grant in the amount made available under subparagraph (D)—

''(i)(I) to provide enhanced primary health care, with an emphasis on providing regular screenings for radiogenic illnesses by upgrading existing services or by providing quarterly medical field team visits, as appropriate, in each of Enewetak, Bikini, Rongelap, Utrik, Ailuk, Mejit, Likiep, Wotho, Wotje, and Ujelang Atolls, which were affected by the nuclear testing program of the United States; and

''(II) to enhance the capabilities of the Marshall Islands to provide secondary treatment for radiogenic illness; and

''(ii) to construct and operate a whole-body counting facility on Utrik Atoll.

''(B) CONDITIONS ON HEALTH CARE GRANTS.—To ensure the effective use of grants funds under clause (i) of subparagraph (A), the Secretary of the Interior, after consultation with the Republic of the Marshall Islands, may establish additional conditions on the provision of grants under that clause.

''(C) MEMORANDUM OF AGREEMENT.—To meet the objectives of clause (ii) of subparagraph (A), the Secretary of the Interior, the Secretary of Energy, and the Government of the Republic of the Marshall Islands shall enter into a memorandum of agreement setting forth the terms, conditions, and respective responsibilities of the parties to the memorandum of agreement in carrying out that clause.

''(D) FUNDING.—As authorized by section 105(c), there is appropriated to the Secretary of the Interior, out of funds in the Treasury not otherwise appropriated, to carry out this paragraph $4,500,000 for each of fiscal years 2009 through 2023, as adjusted for inflation in accordance with section 218 of the U.S.–RMI Compact, to remain available until expended.''.

SEC. 5. ASSESSMENT OF HEALTH CARE NEEDS OF THE MARSHALL ISLANDS.

(a) IN GENERAL.—The Secretary of the Interior shall enter into an agreement with the National Academy of Sciences under which the National Academy of Sciences shall conduct an assessment of the health impacts of the United States nuclear testing program conducted in the Republic of the Marshall Islands on the residents of the Republic of the Marshall Islands.

(b) REPORT.—On completion of the assessment under subsection (a), the National Academy of Sciences shall submit to Congress, the Secretary, the Committee on Energy and Natural Resources of the Senate, and the Committee on Natural Resources of

the House of Representatives, a report on the results of the assessment.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

REPUBLIC OF THE MARSHALL ISLANDS,
January 10, 2011.

Hon. JEFF BINGAMAN,
Chairman, Senate Committee on Energy and Natural Resources, Washington, DC.

DEAR CHAIRMAN BINGAMAN: I write to you on behalf of the Marshallese people to renew our mutual efforts to address the continuing consequences of the U.S. Nuclear Testing Program in the Marshall Islands.

First, I would also like to take this opportunity to thank you for your efforts in twice introducing Republic of the Marshall Islands Supplemental Nuclear Compensation legislation in both 2007 and 2010. I would also like to take this opportunity to thank the Committee for approving S. 2941 last year subsequent to a hearing held on May 19, 2010.

Your understanding and efforts over the past several years to move these difficult issues forward and address them in a substantive and meaningful manner is most appreciated by my Government and the Marshallese people. In this respect, I strongly believe that the substituted version of S. 2941 as approved by your Committee constituted real and substantive progress in addressing outstanding nuclear related issues.

Understanding that S. 2941 expired without further action at the close of 2010, I would once again respectfully request that legislation be introduced in the United States Senate to deal with the enduring consequences of the nuclear testing program in the Marshall Islands.

My Government submitted a Petition to the United States Congress in respect to Article IX of the Section 177 Agreement concerning ''Changed Circumstances'' in September, 2000. While my Government believes that we have firmly established that ''changed circumstances'' exist within the meaning of Article IX, we wish to focus our efforts on coming to a resolution and implementing measures that produce results in addressing the health, safety and damages caused by the nuclear testing program.

Senate Bill No. 2941, as approved by the Committee, represented a serious and substantive effort to deal with the consequences of the nuclear testing program since the Section 177 Agreement went into effect almost 25 years ago.

Accordingly, I would like to review some specific measures for inclusion in the legislation, which I believe will address outstanding concerns and issues.

The provisions contained in Section 4 of the substituted version of S. 1756 and S. 2941 approved by the Committee in 2010 that provided the sum of $4.5 million annually plus adjustment for inflation as a continuing appropriation through FY 2023 to address radiogenic illnesses and the nuclear related health care needs of Bikini, Enewetak, Rongelap, Utrik, Ailuk, Mejit, Likiep, Wotho, and Wotje, is acceptable to my Government.

We support the addition of persons who were citizens of the Trust Territory of the Pacific Islands for inclusion for eligibility in the Energy Employees Occupational Illness Compensation Program Act of 2000. There are many Marshallese who worked at Department of Energy sites in the RMI in the same manner as their U.S. citizen co-workers, yet have never received the health care and other benefits of this program.

We also support provision in the legislation for the pro-active and ongoing monitoring of the integrity of the Runit Dome at Enewetak Atoll. This is an issue that has long been of concern to the people of Enewetak who live, fish and harvest food in the immediate area.

Any legislation addressing the consequences of the nuclear testing program would not be complete without consideration of the awards made by the Marshall Islands Nuclear Claims Tribunal. Absent from S. 1756 or S. 2941 was any reference to the decisions and awards made by the Tribunal. The administrative and adjudicative processes of the Tribunal over the past 20 years are an important mutually agreed-to component of the Section 177 Agreement and its implementation to resolve claims for damage to person and property arising as a result of the nuclear testing program. We cannot simply ignore the Tribunal's work and awards that it has made. The RMI has presented a Report on this subject prepared by former United States Attorney General Richard Thornburgh in January 2003; however, issues and concerns apparently continue. We should move forward and resolve any remaining issues and concerns regarding the Tribunal and its work.

We look forward to working with you and your staff to address the issues I have raised in this letter and to move forward on finally addressing the consequences of the nuclear testing program. We remain hopeful as the 112th U.S. Congress begins, this important legislation can be enacted into law to provide badly needed help and assistance to the Marshallese people who have suffered so much.

Finally, I would like to wish you and your staff a Happy and Healthy New Year and, once again, thank you for all of your help.

Sincerely,

JURELANG ZEDKAIA,
President.

By Mr. BINGAMAN (for himself and Ms. MURKOWSKI):

S. 343. A bill to amend Title I of PL 99–658 regarding the Compact of Free Association between the Government of the United States of America and the Government of Palau, to approve the results of the 15-year review of the Compact, including the Agreement Between the Government of the United States of America and the Government of the Republic of Palau. Following the Compact of Free Association Section 432 Review, and to appropriate funds for the purposes of the amended PL 99–658 for fiscal years ending on or before September 30, 2024, to carry out the agreements resulting from that review; to the Committee on Energy and Natural Resources.

Mr. BINGAMAN. Mr. President, I am pleased to join with my colleague and the Ranking Member of the Committee on Energy and Natural Resources, LISA MURKOWSKI, in introducing legislation to strengthen the relationship between the United States and the Republic of Palau—one of our closest and most reliable allies. This legislation, if enacted, would implement the recommendations of the 15-year review called for under the Compact of Free Association between our two nations.

Palau is one of the world's smallest nations, located in the western Pacific about 800 miles south of Guam and 500 miles east of the Philippines. It has a total land area of 177 square miles with a population of about 21,000. The close ties between the U.S. and Palau date from World War II, when Japanese forces were defeated in the Battle of Peleliu. In 1947, the islands became a District in the United Nations Trust Territory of the Pacific Islands. The United States was appointed Administrating Authority of the Trust Territory with the responsibility to promote economic and political development. Because of the United States' strategic interest in this region, the Trust Territory was established as the only U.N. ''Strategic'' Trust under the authority of the U.N. Security Council, as opposed to the U.N. General Assembly.

In the 1970s, talks on future political status were undertaken with the United States. The Northern Mariana Islands voted to become a U.S. territory, and the districts of Palau and the Marshall Islands chose to separate from the remaining Trust Territory districts. In 1982, Palau signed a 50-year Compact of Free Association that was approved by the U.S. in 1986, P.L. 99–658. The Compact went into effect on October 1, 1994, and the U.N. Trusteeship was subsequently terminated, making Palau a sovereign, self-governing state in free association with the United States. The U.S. entered into similar Compacts of Free Association with the Marshall Islands and the remaining districts of the Trust Territory, now known as the Federated States of Micronesia, in 1986, P.L. 99–239.

The U.S.-Palau Compact consists of four parts:

Title One, ''Government Relations,'' provides for government-to-government relations including the privilege for Palau citizens to enter the U.S. to work and reside as non-immigrants, and for U.S. citizens to do the same in Palau.

Title Two, ''Economic Relations,'' provided for a total of $560 million in U.S. assistance from fiscal year 1995–2009, including operational support of about $13 million annually, $149 million for road construction, and $70 million for capitalization of a Trust Fund to provide funds after the end of direct U.S. financial assistance.

Title Three, ''Security and Defense Relations,'' closed Palauan territory to the military forces of any nation except the U.S., so-called ''Strategic Denial,'' and provides that the U.S. may establish defense sites, although none exist at this time or are planned.

Title Four, ''General Provisions,'' among other things, Section 432 requires that there be a formal bilateral review of the relationship on the 15th, 30th and 40th anniversaries of the compact's entry into force, and that both parties commit themselves to take specific actions based on the conclusions of the review.

The U.S. and Palau completed this formal 15th anniversary review and, on September 10, 2010, signed an agreement setting forth amendments to the compact based on the conclusions and recommendation of the review. The bill being introduced today would approve this agreement and its appendices and incorporate them into the law which originally established the compact.

First, the legislation would extend financial assistance for another 14-year

term, until 2024, for operations, construction, maintenance and trust fund contributions totaling $229 million, or an average of $16.4 million annually. This is a substantial reduction from the average of $37.3 million annually that was provided in the first 15-year term. Second, the legislation significantly enhances accountability of U.S. financial assistance by requiring Palau to undertake financial and management reforms, and the U.S. is authorized to withhold funds if the U.S. determines that Palau ''has not made significant progress in implementing meaningful reforms.'' Third, the bill would require any Palauan entering the U.S. to have a Palau passport. This would be the same requirement that was imposed on citizens of Micronesia and the Marshall Islands when their compacts were reviewed and amended in 2003.

I believe this Agreement and legislation reaffirm and strengthen the special ties between the U.S. and Palau. Together we will continue our commitment to regional security. The United States will continue to be responsible for the security and defense of Palau, and the U.S. is honored to have the continued service of the men and women of Palau in the U.S. armed services. Strategic denial and the associated base rights provided for under the compact were originally designed to counter the Cold War threat in the Pacific. While the Cold War has ended, the U.S. will continue to face new challenges in the region.

Another indicator of the close relationship between the U.S. and Palau is evidenced by comparing votes in the United Nations. Palau and the U.S. vote together consistently. The most recent issue of the State Department's report, ''Voting Practices in the United Nations 2009,'' shows that Palau's voting coincidence with the United States in 2009 on 12 important issues was 100 percent. This is the highest voting coincidence of any country and indicates that Palau is a trusted and reliable ally at the U.N.

In 2003, the U.S. determined that a number of Chinese Uighurs who had been arrested in the war on terrorism and were sent to Guantanamo were not terrorists. The Bush Administration sought new homes for them, knowing that they would likely be persecuted if they were returned to China. Plans to send them to a Uighur community in Virginia were dropped because of Congressional opposition. Nearly every nation in the world was asked to assist in their resettlement, but Palau was the first to agree. Six Uighurs were resettled there. Palau has taken more detainees from Guantanamo than any other nation except Albania not counting those who were repatriated to their home countries.

It is important to note that this legislation is time-sensitive. The first 15-year term of compact financial assistance ended with fiscal year 2009. Fiscal Year 2010 funding for Palau was provided through enactment of a 1-year extension in the fiscal year 2010 Omnibus Appropriations bill, and the first few months of fiscal year 2011 funding is made available by the recent continuing resolutions. It is important that the next CR include continued financial support for Palau through the end of this fiscal year, to allow time for Congress to consider and pass this legislation. I understand that the administration's fiscal year 2012 budget will assume enactment of the bill before October 1, leaving the Congress a relatively short period of time to do its work.

I look forward to working with Ranking Member MURKOWSKI and our colleagues on the Committee in moving this bill promptly. I anticipate reaching out to our colleagues on the Foreign Relations and Armed Services Committees because of the important role Palau plays in U.S. foreign and defense policy. Finally, I look forward to working with officials in the administration and in Palau who conducted the compact Review and concluded this important Agreement. I urge my colleagues to join with me and Senator MURKOWSKI in approving this agreement and assuring the continued strength of this historic partnership.

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

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

S. 343

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, Title I of PL 99-658 is hereby amended by inserting a new section 105 as follows:

''SEC. 105. RESULTS OF COMPACT REVIEW.

''(a) The Agreement between the Government of the United States of America and the Government of the Republic of Palau Following the Compact of Free Association Section 432 Review set forth in subsection (b) of this section, is hereby approved.

''(b)

''AGREEMENT BETWEEN THE
GOVERNMENT OF THE
UNITED STATES OF AMERICA
AND THE
GOVERNMENT OF THE REPUBLIC OF PALAU
FOLLOWING THE COMPACT OF FREE ASSOCIATION
SECTION 432 REVIEW

''In recognition of the ties that were developed between the United States of America and Palau during World War Two, and the subsequent half century of United States administration of Palau and the continuing close relationship between the Governments of the United States and Palau under the Compact of Free Association ('Compact'), following the fifteenth anniversary review of the relationship conducted pursuant to Section 432 of the Compact (which provides: 'Upon the fifteenth and thirtieth and fortieth anniversaries of the effective date of this Compact, the Government of the United States and the Government of Palau shall formally review the terms of this Compact and its related agreements and shall consider the overall nature and development of their relationship. In these formal reviews, the governments shall consider the operating requirements of the Government of Palau and its progress in meeting the development objectives set forth in the plan referred to in Section 231(a). The governments commit themselves to take specific measures in relation to the findings of conclusions resulting from the review. Any alteration to the terms of this Compact or its related agreements shall be made by mutual agreement, the terms of this Compact and its related agreements shall remain in force until otherwise amended or terminated pursuant to Title Four of this Compact'), and in light of the desire of the United States of America and the Republic of Palau to deepen their relationship, now, therefore, the Government of the United States of America and the Government of the Republic of Palau agree as follows:

''1. Compact Section 211(f) Fund

''The Government of the United States of America (the 'Government of the United States') shall contribute $30.25 million to the Fund referred to in Section 211(f) of the Compact in accordance with the following schedule: $3 million annually for ten years beginning with Fiscal Year 2013 through Fiscal Year 2022, and $250,000 in Fiscal Year 2023.

''2. Infrastructure Maintenance Fund

''(a) The Government of the United States shall provide a grant of $2 million annually from the beginning of Fiscal Year 2011 through Fiscal Year 2024 to create a trust fund (the 'Infrastructure Maintenance Fund') to be used for the routine and periodic maintenance of major capital improvement projects financed by funds provided by the United States. The Government of the Republic of Palau (the 'Government of Palau') will match the contributions made by the United States by making contributions of $150,000 to the Infrastructure Maintenance Fund on a quarterly basis from the beginning of Fiscal Year 2011 through Fiscal Year 2024. Implementation of this subsection shall be carried out in accordance with the provisions of Appendix A to this Agreement.

''(b) The $3 million owed to the Government of the United States under paragraph 3(d) of Article V of the Agreement Concerning Special Programs Related to the Entry Into Force of the Compact of Free Association Between the Government of the United States and the Government of the Republic of Palau (the Guam Accords) done at Guam, May 26, 1989, plus accumulated interest, shall be paid into the Infrastructure Maintenance Fund. The $3 million shall remain in the Infrastructure Maintenance Fund and not be expended for any purpose. All past and future income generated by the $3 million shall be used exclusively for the routine maintenance of the Compact Road provided by the United States under Section 212 of the Compact.

''3. Fiscal Consolidation Fund

''The Government of the United States shall provide the Government of Palau $5 million in Fiscal Year 2011 and $5 million in Fiscal Year 2012 for deposit in an interest bearing account to be used to reduce government payment arrears of Palau. Implementation of this section shall be carried out in accordance with the provisions of Appendix B to this Agreement.

''4. Direct Economic Assistance

''(a) In addition to the $13.25 million in economic assistance provided to the Government of Palau by the Government of the United States in Fiscal Year 2010, and unless otherwise specified in this Agreement or in an Appendix to this Agreement, the Government of the United States shall provide the

Government of Palau $107.5 million in economic assistance as follows: $13 million in Fiscal Year 2011; $12.75 million in Fiscal Year 2012; $12.5 million in Fiscal Year 2013; $12 million in Fiscal Year 2014; $11.5 million in Fiscal Year 2015; $10 million in Fiscal Year 2016; $8.5 million in Fiscal Year 2017; $7.25 million in Fiscal Year 2018; $6 million in Fiscal Year 2019; $5 million in Fiscal Year 2020; $4 million in Fiscal Year 2021; $3 million in Fiscal Year 2022; and $2 million in Fiscal Year 2023. The funds provided in any fiscal year under this subsection shall be provided in four (4) quarterly payments (30 percent) in the first quarter, 30 percent in the second quarter, 20 percent in the third quarter, and 20 percent in the fourth quarter) unless otherwise specified in this Agreement or in an Appendix to this Agreement.

''(b) Notwithstanding the provisions of Compact section 211(f) and the Agreement Between the Government of the United States and the Government of Palau Regarding Economic Assistance Concluded Pursuant to Section 211(f) of the Compact of Free Association, with respect to Fiscal Years 2011 through Fiscal Year 2023 and except as otherwise agreed by the Government of the United States and the Government of Palau, the Government of Palau agrees not to exceed the following distributions from the Section 211(f) Fund: $5 million annually beginning in Fiscal Year 2011 through Fiscal Year 2013; $5.25 million in Fiscal Year 2014; $5.5 million in Fiscal Year 2015; $6.75 million in Fiscal Year 2016; $8 million in Fiscal Year 2017; $9 million in Fiscal Year 2018; $10 million in Fiscal Year 2019; $10.5 million in Fiscal Year 2020; $11 million in Fiscal Year 2021; $12 million in Fiscal Year 2022; and $13 million in Fiscal Year 2023.

''(c) No portion of the funds provided to the Government of Palau under this section, including the funds distributed from the Section 211(f) Fund, shall be used, directly or indirectly, to fund state block grants, or the activities of the Office of the President of Palau, of the Olbiil Era Kelulau (the Palau National Congress), or of the Palau Judiciary. Annually, $15 million of the funds provided to the Government of Palau under this section, including the funds distributed from the Section 211(f) Fund, shall be used exclusively for purposes related to education, health, and the administration of justice and public safety, recognizing that these funds are subject to the provisions of subsection 4(h) herein.

''(d) In order to increase the long term economic stability of Palau and to maximize the benefits of the economic assistance provided by the Government of the United States, the Government of Palau shall undertake economic, legislative, financial, and management reforms, and shall give due consideration to reforms such as those described in the International Monetary Fund's (IMF) Country Report No. 08/162, Republic of Palau: Selected Issues and Statistical Appendix, (May 2008), and the Asian Development Bank's (ADB) Strategy and Program Assessment, Palau: Policies for Sustainable Growth, A Private Sector Assessment (July 2007) and any other similar subsequent and future reports and recommendations issued by the IMF, the ADB, and other credible institutions, organizations or professional firms. To the extent that anticipated fiscal and economic reforms require substantial financial resources to design, implement, or mitigate negative impacts, the Government of Palau may propose and the two governments may agree to the use of additional funds from the Section 211(f) Fund, provided that the two governments agree in writing that the additional withdrawals from the Section 211(f) Fund will not impair the ability of the fund to provide $15 million annually from Fiscal Year 2024 through Fiscal Year 2044, and that the proposed reforms are a necessary and prudent use of the funds. Government to government communications shall be through diplomatic channels.

''(e) The Government of the United States and the Government of Palau shall establish, effective on the day this Agreement enters into force, an Advisory Group on Economic Reform (the 'Advisory Group'). The purpose of the Advisory Group is to contribute to the long-term economic sustainability of Palau by recommending economic, financial, and management reforms. The Advisory Group shall be composed of five (5) members, two (2) of whom shall be designated by the President of Palau and two (2) of whom shall be designated by the Government of the United States, the fifth of whom shall be chosen by the Government of the United States from a list of not fewer than three (3) persons not residents of Palau submitted by the President of Palau. In the event the Government of the United States rejects the persons enumerated in the list submitted by the President of Palau, then the fifth member shall be chosen by the President of Palau from a list of not fewer than three (3) persons submitted by the Government of the United States. In making their designations, the President and the Government of the United States shall give consideration to the mix of expertise that would be most beneficial to the work of the Advisory Group. The Advisory Group will be chaired by a member chosen by the members from among their number. Its meetings will be held once a year in Palau and once a year in Hawaii, unless otherwise agreed by the members. Each government shall provide the necessary support for its designated representatives on the Advisory Group. Support for the fifth member shall be borne by the government that recommended the member. Unless otherwise agreed by the two governments the Advisory Group shall terminate at the end of Fiscal Year 2023.

''(f) The Advisory Group shall recommend economic, financial and management reforms and the schedule on which the reforms should be implemented. The Advisory Group shall report annually not less than thirty (30) days prior to the annual bilateral economic consultations to be held on or about June 1 every year on the Government of Palau's progress in implementing reforms recommended by the Advisory Group or other reforms taken by the Government of Palau. The two governments are committed to these annual economic consultations being meaningful, substantive, and comprehensive.

''(g) The Government of Palau's progress in achieving reforms shall be reviewed at the annual bilateral economic consultations. Examples of significant progress in a fiscal year would be, but are not limited to: meaningful improvements in fiscal management, including the elimination and prevention of operating deficits; a meaningful reduction in the national operating budget from the previous fiscal year; a meaningful reduction in the number of government employees from the level the previous fiscal year; a meaningful reduction in the annual amount of the national operating budget dedicated to government salaries from the previous fiscal year; demonstrable reduction of government subsidization of utilities, and meaningful tax reform.

''(h) If the Government of' the United States determines after the annual bilateral economic consultations that the Government of Palau has not made significant progress in implementing meaningful reforms, then, after direct consultation with the President of Palau, the Government of the United States may, after ninety (90) days notice to the Government of Palau, delay payment of economic assistance under this section. The Government of the United States shall determine the amount of the economic assistance to be delayed. Any assistance delayed shall be held and released when the Government of the United States determines that Palau has made sufficient progress on the reforms.

''5. Infrastructure Projects

''The Government of the United States shall provide grants totaling $40 million to the Government of Palau as follows: $8 million annually in Fiscal Years 2011 through Fiscal Year 2013; $6 million in Fiscal Year 2014; and $5 million annually in Fiscal Years 2015 and 2016; towards one or more mutually agreed infrastructure projects in accordance with the provisions of Appendix C to this Agreement.

''6. Reporting and Auditing

''Palau shall resolve all deficiencies in the Annual Single Audit such that by 2018 no deficiency or recommendation dates from before Fiscal Year 2016. By the first day of the fourth quarter of each fiscal year or as soon as practicable thereafter, in the annual report it submits under Section 231(b) of the Compact, the Government of Palau shall report on the status and use of all funds provided under this Agreement. The status and use of all funds provided under this Agreement shall also be discussed in the annual bilateral economic consultations. The financial information relating to this funding shall conform to the standards of the Government Accounting Standards Board. All funds provided under this Agreement shall be subject to a financial and compliance audit and other requirements in accordance with the provisions of Appendix D to this Agreement.

''7. Federal Programs and Services

''The Government of the United States shall make available to Palau through Fiscal Year 2024, in accordance with and to the extent provided through amendments to the Federal Programs and Services Agreement Concluded Pursuant to Article II of Title Two and Section 232 of the Compact of Free Association, signed at Palau on January 10, 1986, the services and related programs covered in that agreement as amended herein. The amendments to that agreement constitute Appendix E to this Agreement.

''8. Telecommunication Services

''The Agreement Regarding the Provision of Telecommunication Services by the Government of the United States to Palau Concluded Pursuant to Section 131 of the Compact of Free Association, signed at Koror, Republic of Palau, January 10, 1986 and the Agreement Regarding the Operation of Telecommunication Services of the Government of the United States in Palau Concluded Pursuant to Section 132 of the Compact of Free Association, signed at Koror, Republic of Palau, January 10, 1986 are amended and these amended agreements constitute Appendix F to this Agreement.

''9. Passport Requirement

''Section 141 of Article IV of Title One of the Compact shall be construed and applied as if it read as follows:

'Section 141

'(a) Any person in the following categories may be admitted to, lawfully engage in occupations, and establish residence as a noninimigrant in the United States and its territories and possessions without regard to paragraphs (5) or (7)(B)(i)(II) of section 212(a) of the Immigration and Nationality Act, 8 U.S.C. § 1182(a)(5) or (a)(7)(B)(i)(II), provided that the passport presented to satisfy section 212(a)(7)(B)(i)(I) of such Act is a valid unexpired machine-readable passport that

satisfies the internationally accepted standard for machine readability:

'(1) a person who, on September 30, 1994, was a citizen of the Trust Territory of the Pacific Islands, as defined in Title 53 of the Trust Territory Code in force on January 1, 1979, and has become and remains a citizen of Palau;

'(2) a person who acquires the citizenship of Palau, at birth, on or after the effective date of the Constitution of Palau; or

'(3) a naturalized citizen of Palau, who has been an actual resident of Palau for not less than five years after attaining such naturalization and who holds a certificate of actual residence.

'Such persons shall be considered to have the permission of the Secretary of Homeland Security of the United States to accept employment in the United States.

'(b) The right of such persons to establish habitual residence in a territory or possession of the United States may, however, be subjected to non-discriminatory limitations provided for:

'(1) in statutes or regulations of the United States; or

'(2) in those statutes or regulations of the territory or possession concerned which are authorized by the laws of the United States.

'(c) Section 141(a) does not confer on a citizen of Palau the right to establish the residence necessary for naturalization under the Immigration and Nationality Act, or to petition for benefits for alien relatives under that Act. Section 141(a), however, shall not prevent a citizen of Palau from otherwise acquiring such rights or lawful permanent resident alien status in the United States.'.

''10. Effective Date, Amendment, and Duration

''(a) This Agreement, including its Appendices, shall enter into force on the date of the last note of an exchange of diplomatic notes by which the Government of the United States and the Government of Palau inform each other that all internal procedures necessary for its entry into force have been fulfilled.

''(b) This Agreement may be amended at any time by the mutual written consent of the Government of the United States and the Government of Palau.

''(c) This Agreement shall remain in full force and effect until terminated by mutual written consent, or until termination of the Compact, whichever occurs first.

IN WITNESS WHEREOF, the undersigned, duly authorized by their respective Governments, have signed this Agreement.

DONE AT Honolulu, Hawaii, USA, in duplicate, this 3rd day of September 2010, in the English language.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:	FOR THE GOVERNMENT OF THE REPUBLIC OF PALAU:
Frankie A. Reed [Title]	Johnson Toribiong [Title]

''APPENDIX A—INFRASTRUCTURE MAINTENANCE FUND

''1. Subject to the terms of this Appendix, the Government of the United States shall provide the grants specified in section 2(a) of the Agreement between the United States of America and the Government of the Republic of Palau following the Compact of Free Association Section 432 Review (the 'Agreement') to which this document is an appendix.

''2. If, in a given Fiscal Year, the Government of Palau does not make the contributions agreed to in section 2(a) of the Agreement, economic assistance funds to be provided to Palau in the following fiscal year under section 4 of the Agreement will be redirected to the Infrastructure Maintenance Fund to make up the contributions owed by the Government of Palau.

''3. Grant funds from the Government of the United States and Government of Palau contributions to the Infrastructure Maintenance Fund shall be deposited in an account established by the Government of Palau. Fiscal control and accounting procedures shall be sufficient to permit the preparation of required reports and to permit the tracing of funds to a level of expenditure adequate to establish that such funds have been used in compliance with this Appendix.

''4. Palau shall report, at the annual bilateral economic consultations, the sources of its contributions to the Infrastructure Maintenance Fund.

''5. The Infrastructure Maintenance Fund, and any interest accruing thereon, is to be used by the Government of Palau for the maintenance of United States financed capital improvement projects such as the road system (Compact Road) provided by the United States under Section 212 of the Compact and the capital improvements provided by the United States to the Airai International Airport. The Government of Palau may request in writing the use of the Infrastructure Maintenance Fund for maintenance of U.S, financed capital improvement projects other than these two, such as the U.S.-financed capital improvements reflected in the Palau national hospital and schools. The Government of the United States shall give due consideration to any such request and shall endeavor to make a determination within sixty (60) days of receipt of the request. Although the primary purpose of the Infrastructure Maintenance Fund is to provide for routine and periodic maintenance, it may be used, when mutually agreed upon in writing, to mitigate damage and make emergency repairs to capital improvement projects funded by the United States.

''6. The Government of Palau shall identify to the Government of the United States the Government of Palau official and office responsible for maintenance of the infrastructure with Fund monies. The official shall be responsible for activities necessary to plan and implement annual programs of maintenance of the Compact Road and the International Airport at Airai, and all other public infrastructure. The official shall be responsible for keeping each facility as nearly as possible in its original condition as constructed. The official shall develop an annual maintenance plan and related budget for reactive, preventive, repetitive, non-recurrent, and emergency-generated maintenance of the infrastructure specified in paragraph 5 and for all other public infrastructure. The plan will include descriptions and schedules of planned activities and shall identify the related costs. The plan for the infrastructure specified in paragraph 5 shall be submitted to the Government of the United States for its approval no less than sixty (60) days prior to the beginning of each fiscal year.

''7. The Government of the United States will base its approval or disapproval of the plan for the infrastructure specified in paragraph 5 on its consideration of the effectiveness of the plan within the bounds of annual resources. Approval by the Government of the United States will be in the form of an annual grant which incorporates the approved maintenance plan and budget. Acceptance of the grant by the Government of the Republic of Palau will obligate the Government of Palau to the implementation of the annual maintenance plan and budget for the infrastructure specified in paragraph 5.

''8. The grant, annual maintenance plan, and budget for the infrastructure specified in paragraph 5 may be amended by written mutual agreement.

''9. Use of the Fund monies shall be subject to 43 Code of Federal Regulations 12 and all other applicable laws and regulations governing the use of grant funds provided by the Government of the United States. These funds may not be used for any purpose other than that for which they are offered.

''10. Any grant funds remaining unexpended at the end of a fiscal year shall remain in the Infrastructure Maintenance Fund and may be included in subsequent annual maintenance plans and budgets.

''11. Reporting Requirements:

''(a) A Standard Form SF 425 (or successor form) and a narrative project status report shall be submitted quarterly.

''(b) Reports are due within thirty (30) days of the end of each quarter. Final reports are due ninety (90) days after the expiration or termination of the award.

''(c) All required plans and reports must be submitted to the U.S. Department of the Interior Office of Insular Affairs grant manager for the grant.

''APPENDIX B—FISCAL CONSOLIDATION FUND

''1. Subject to the terms of this Appendix, the Government of the United States shall provide the Government of Palau the amounts specified in section 3 of the Agreement of the United States of America and the Government of the Republic of Palau following the Compact of Free Association Section 432 Review (the 'Agreement') to which this document is an appendix. Until disbursed, these funds will be deposited in an interest bearing account and the interest generated shall also be used to reduce Palau's government payment arrears in accordance with the provisions of this Appendix.

''2. The purpose of these funds is to allow the Government of Palau to discharge the level of debts accumulated prior to September 30, 2009. None of the principal or interest accrued on these funds may be disbursed to discharge a debt until the governments agree upon a specific list of debts to be paid with each annual contribution. The funds may not be used to pay off debt owed to another government, to pay an international organization, or to pay off debts which are the subject of current or pending litigation. Unless agreed to in writing by the Government of the United States, the funds may not be used to pay any entity owned or controlled by any member of the government, elected or appointed; to pay any entity owned or controlled by any member of the immediate family of any member of the government; to pay any entity from which a member of the government derives income; or to pay any creditor if the creditor owes money to the Government of Palau unless arrangements are made immediately to offset amounts owed to the Government of

Palau from the funds made available to the creditor. Debts owed to U.S. creditors must receive priority. All debts to be paid with these funds must be properly documented as legitimate debts of the Republic of Palau using generally accepted accounting principles. The total amount of the debt to be paid shall not exceed the general fund deficit established by the Single Audit Report as of September 30, 2009.

''3. The Government of Palau shall report quarterly to the Government of the United States on the use of these funds until they are expended and, until expended, the status and use of these funds shall be a regular agenda item for annual bilateral economic consultations to be held around June 1 of every year. If eligible debts do not amount to $10 million, upon the request of the Government of Palau, the funds remaining after payment of the eligible debts shall be added to the amounts provided for infrastructure projects in section 5 of the Agreement.

''APPENDIX C—INFRASTRUCTURE PROJECTS

''1. Subject to the terms of this Appendix, the Government of the United States shall provide grants towards one or more mutually agreed infrastructure projects as specified in section 5 of the Agreement of the United States of America and the Government of the Republic of Palau following the Compact of Free Association Section 432 Review (the 'Agreement') to which this document is an appendix. These infrastructure grants shall be subject to 43 Code of Federal Regulations 12 and all other applicable laws and regulations governing the use of grant funds provided by the Government of the United States. Grant funds may not be used for any purpose other than that for which they are offered.

''2. Payment of grant funds shall be made as reimbursement of actual or accrued expenditures, using a format provided by the Government of the United States or as mutually agreed.

''3. Prior to requesting reimbursement or payment, the Government of Palau shall, as applicable, provide the following documentation to the Government of the United States:

''(a) Evidence of title, leasehold agreement, or other legal authority for use of the land upon which the capital improvement project(s) is (are) to be constructed.

''(b) A detailed project budget for each infrastructure project. The budget shall include a breakdown of costs (in-house and contract) for planning, engineering and design, real estate, supervision and administration, construction, and construction management and inspection. The Government of Palau and the Government of the United States shall mutually agree to the format of this submission.

''(c) A scope of work that describes the work to be performed and the schedule from planning through completion of construction. A certified professional engineer or architect shall sign both the scope of work and budget for each construction project.

''4. Prior to disbursing funds requested to reimburse for actual project construction, the Government of the United States may review construction plans and specifications, any revised detailed cost estimate, and a detailed construction schedule.

''5. All grant monies shall remain available until expended, unless otherwise provided in this Appendix.

''6. Failure to comply with objectives, terms and conditions, or reporting requirements may result in the suspension of grant payments until the deficiency is corrected.

''7. Reporting Requirements:

''(a) A Standard Form SF 425 (or successor form) and a narrative project status report shall be submitted quarterly.

''(b) Reports are due within thirty (30) days of the end of each quarter. Final reports are due ninety (90) days after the expiration or termination of the award.

''(c) All required documents and reports must be submitted to the U.S. Department of the Interior Office of Insular Affairs grant manager for the grant.

''APPENDIX D—AUDIT STANDARDS AND RESPONSIBILITIES

''1. The Government of Palau shall perform a financial and compliance audit, within the meaning of the Single Audit Act, as amended (31 U.S.C. 7501 et seq.), of the uses of the funding provided pursuant to the Agreement Between the Government of the United States of America and the Government of the Republic of Palau following the Compact of Free Association Section 432 Review (the 'Agreement') for each fiscal year during which the Agreement is in effect. The results of these Audits shall be available not later than the beginning of the fourth fiscal quarter following the end of the fiscal year under review, as required by the Single Audit Act. The costs of these audits are to be borne by the Government of Palau, and may be a recognized expense to funds provided under section 4 of the Agreement. If the Government of the Republic of Palau does not endeavor to perform a Single Audit in any given fiscal year, economic assistance funds to be provided to Palau in the following fiscal year under section 4 of the Agreement shall be redirected to pay for the required Single Audit.

''2. In conducting the audits required under this Appendix, the auditors shall take into account relevant laws and regulations of the United States and Palau, including U.S. laws and regulations on the conduct of audits, and Palauan laws and regulations which relate in a material, substantial or direct way to financial statements and operations of the Government of Palau.

''3. The authority of the Government of the United States set forth this Appendix shall continue for at least three (3) years after the last Grant or element of assistance by the Government of the United States under this Agreement has been provided and expended.

''4. Audit officials or agents of the Government of the United States may perform audits on the use of all funding provided pursuant to this Agreement, including grants and other assistance provided to the Government of Palau. The Government of the United States is responsible for all costs attendant to the discharge of this authority.

''5. Audit officials from the Government of the United States are the officials and employees of the Government of the United States who are responsible for the discharge of its audit responsibilities, including those of the Comptroller General of the United States and any Inspector General of an agency of the Government of the United States with programs operating in or otherwise serving the Republic of Palau. While present in the Republic of Palau for the purposes of this Appendix, audit officials from the Government of the United States shall be immune from civil and criminal process relating to words spoken or written and all acts performed by them in their official capacity and falling within their functions, except insofar as such immunity may be expressly waived by the Government of the United States. The Comptroller General and his duly authorized representatives, and other audit officials from the Government of the United States, shall not be liable to arrest or detention pending trial, except in the case of a grave crime and pursuant to a decision by a competent judicial authority, and such persons shall enjoy immunity from seizure of personal property, immigration restrictions, and laws relating to alien registration, fingerprinting, and the registration of foreign agents. Such persons shall enjoy the same taxation exemptions as are set forth in Article 34 of the Vienna Convention on Diplomatic Relations. The privileges, exemptions and immunities accorded under this paragraph are not for the personal benefit of the individuals concerned but are to safeguard the independent exercise of their official functions. Without prejudice to those privileges, exemptions and immunities, it is the duty of all such persons to respect the laws and regulations of the Government of the Republic of Palau.

''6. Audit officials from the Government of the United States shall provide the Government of Palau with advance notice of the specific dates and nature of their visits prior to entering the Republic of Palau and shall show verifiable identification to officials of the Government of Palau when seeking access to records. In the performance of their responsibilities under this Agreement, audit officials from the Government of the United States shall have due regard for the laws of the Republic of Palau and the duties and responsibilities of the officials of the Government of Palau. Officials of the Government of Palau shall cooperate fully to the extent practicable with the United States audit officials to enable the full discharge of their responsibilities.

''7. The Comptroller General of the United States, and officials of the United States Government Accountability Office acting on his or her behalf, shall have coextensive authority with the executive branch of the Government of the United States as provided by this Appendix. The audit officials from the executive branch of the Government of the United States shall avoid duplication between their audit programs and those of the United States Government Accountability Office. The Government of Palau shall cooperate fully to the extent practicable with the Comptroller General of the United States in the conduct of such Audits as the Comptroller General of the United States determines necessary in accordance with this Appendix to enable the full discharge of his responsibilities.

''8. The Government of Palau shall provide audit officials from the Government of the United States with access, without cost and during normal working hours, to all records, documents, working papers, automated data, and files which are relevant to the uses of funding received pursuant to the Agreement by the Government of Palau. To the extent that such information is contained in confidential official documents, the Government of Palau shall undertake to extract information that is not of a confidential nature and make it available to the audit officials from the Government of the United States in the same manner as other relevant information or to provide such information from other sources.

''9. In order to reduce the level of interference in the daily operation of the activities of the Government of Palau, audit officials from the Government of the United States shall, to the extent practicable, inform the Government of Palau of their need for information, including the type of information and its relation to their annual audit schedule. To the extent practicable, the Government of Palau shall make available the information requested by audit officials from the Government of the United States relevant to Audits and available in a manner consistent with generally accepted accounting procedures that allows for the distinction of the Grants, assistance, and payments provided by the Government of the United States from any other funds of the Government of Palau. Such information shall be used and returned as quickly as accurate audit testing and surveying allow.

''10. The Government of Palau shall maintain records, documents, working papers, automated data, files, and other information regarding each such Grant or other assistance for at least three (3) years after such Grant or assistance was provided.

''11. Audit organizations and officials from the Government of the United States, including the Comptroller General of the United States and his duly authorized representatives, shall provide the Government of Palau with at least thirty (30) days to review and comment on draft audit reports prior to the release of the reports. The comments of the Government of Palau shall be included, in full, in the final audit reports. Should a draft audit report be revised based on the comments of the Government of Palau, the Government of Palau shall have an additional period to review and comment on the report prior to its release.''.

(c) The amendments to the Compact subsidiary agreements referenced in sections 7 and 8 of the Agreement set forth in section 105(b) above are hereby consented to (except for the extension of Article X of the Federal Programs and Services Agreement Concluded Pursuant to Article II of Title Two and Section 232 of the Compact of Free Association).

(d) There are authorized and appropriated to the Department of the Interior, out of any funds in the Treasury not otherwise appropriated, to remain available until expended, such sums as are necessary to carry out the purposes of sections 1, 2(a), 3, 4(a), and 5 of the Agreement set forth in section 105(b) above.

(e) If this section 105 and the Agreement set forth in section 105(b) above become effective during fiscal year 2011, and if between September 30, 2010, and the date the Agreement set forth in section 105(b) becomes effective, the Government of Palau withdraws more than $5,000,000 from the trust fund established under section 211(f) of the U.S.-Palau Compact, amounts payable under sections 1, 2(a), 3, and 4(a) of the Agreement set forth in section 105(b) above, shall be withheld from the Government of Palau until Palau has reimbursed the trust fund for the amount, above $5,000,000, withdrawn.

(f) There are authorized to be appropriated to the Departments, agencies, and instrumentalities named in paragraphs 1, 3, and 4 of section 221(a) of the U.S.-Palau Compact, and their successor Departments, agencies, and instrumentalities, such sums as are necessary to carry out the purposes of those paragraphs, to remain available until expended.

(g) There are authorized to be appropriated to the Department of the Interior $1.5 million annually for 14 years—Fiscal Year 2011 through Fiscal Year 2024—to subsidize United States Postal Service (USPS) postal services provided to Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia, to remain available until expended.

(h) Section 105(f)(1)(B)(ix) of the Compact of Free Association Amendments Act of 2003 (48 U.S.C. 1921d(f)(1)(B)(ix)) shall be applied by substituting ''2024'' for ''2009.''

JANUARY 14, 2011.

Hon. JOSEPH R. BIDEN, Jr.,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: Enclosed is a draft bill to amend Title I of Pub. L. No. 99–658, 100 Stat. 3672 (Nov. 14, 1986), regarding the Compact of Free Association between the Government of the United States of America and the Government of Palau. The draft bill would approve the results of the 15-year review of the Compact, including the Agreement Between the Government of the United States of America and the Government of the Republic of Palau following the Compact of Free Association Section 432 Review (the Agreement), and appropriate funds to the Department of the Interior for the purposes of the amended Pub. L. No. 99–658 for fiscal years ending on or before September 30, 2024, to carry out the agreements resulting from that review. We strongly urge that the draft bill be introduced, referred appropriately, and enacted at the earliest opportunity.

Section 432 of the Compact of Free Association between the Government of the United States of America and the Government of Palau (Compact) provides for the two governments formally to review the Compact upon the fifteenth anniversary of its effective date—October 1, 2009. The two governments concluded this review with the signing of the Agreement on September 3, 2010.

The proposed legislation would amend Pub. L. No. 99–658, the legislation that approved the Compact, to add a section to approve and implement the results of the 15-year review. In particular, the proposed legislation would provide $215.75 million beginning in fiscal year 2011 through fiscal year 2024 to be administered by the Department of the Interior. Over this 14-year period, $30.25 million would supplement the fund already provided in section 211(f) of the Compact; $107.5 million would be in direct economic assistance to assist Palau in transitioning to the level of assistance that will be provided exclusively by the section 211(f) fund after fiscal year 2024; $40 million would be for infrastructure projects; $28 million would be for maintenance of major infrastructure already provided to Palau (the Compact road and improvements to Palau's international airport); and $10 million would enable fiscal consolidation.

Under the Agreement, Palau is to undertake economic, legislative, financial, and management reforms; economic assistance may be withheld in the absence of significant progress in implementing meaningful reforms. In addition to providing economic assistance and requiring reform, the Agreement would require citizens of Palau entering the United States to have a passport.

Direct economic assistance is scheduled to end after the expiration of the Continuing Appropriations Act, 2011 (Pub. L. No. 111–242), which is currently March 4, 2011. To ensure continuity of financial assistance for Palau, we are eager to provide Congress whatever information and assistance is necessary to secure early passage of the proposed legislation.

The Statutory Pay-As-You-Go (PAYGO) Act of 2010 provides that revenue and direct spending legislation cannot, in the aggregate, increase the on-budget deficit. If such legislation increases the on-budget deficit and that increase is not offset by the end of the Congressional session, a sequestration must be ordered. This draft bill would increase mandatory outlays and the on-budget deficit as shown below:

FISCAL YEARS
[$ Millions]

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Deficit Impact	28	28	26	23	22	20	14	12	11	10	194

This proposal would increase direct spending, and it is therefore subject to the Statutory PAYGO Act and should be considered in conjunction with all other proposals that are subject to the Act.

Enactment of the draft bill would protect United States interests and promote the continued mutual well being of our two countries. Palau is one of our nation's closest and most reliable allies. The legislation will support U.S. national security interests in an important part of the western Pacific where U.S. influence is being challenged. The Office of Management and Budget has advised that enactment of the draft bill would be in accord with the program of the President.

Sincerely,

DAVID J. HAYES,
Deputy Secretary of the Interior.
JAMES B. STEINBEG,
Deputy Secretary of State.

By Mr. REID (for himself, Ms. STABENOW, and Mr. TESTER):

S. 344. A bill to amend title 10, United States Code, to permit certain retired members of the uniformed services who have a service-connected disability to receive both disability compensation from the Department of Veterans Affairs for their disability and either retired pay by reason of their years of military service or Combat-Related Special Compensation, and for other purposes; to the Committee on Armed Services.

Mr. REID. Mr. President, I rise today on behalf of our nation's veterans to once again discuss the unjust and outdated policy of failing to give our veterans their full earned military retirement benefits and veterans disability compensation. Full payment of retirement and disability benefits, known as ''concurrent receipt,'' is an issue that I have ardently supported for more than 10 years now.

In the past, veterans were prevented from receiving the full pay and benefits they had earned. The law required that military retired pay be reduced dollar-for-dollar by the amount of any VA disability compensation received. Many Senators have joined me in fighting this policy and we have made some progress on behalf of our nation's veterans.

In 2003, Congress passed legislation which allowed disabled retired veterans with at least a 50 percent disability rating to become eligible for full concurrent receipt benefits by 2013. Then in 2004, the 10-year phase-in period was eliminated for veterans with 100 percent service-related disability. These are significant victories that put hundreds of thousands of veterans on track to receiving both their retirement and disability benefits, but many more are

still affected by the unjust denial of concurrent receipt.

For me, this is a simple matter of fairness. There is no reason to deny a veteran who has served his country honorably the right to the full value of their retirement pay simply because his service also caused him to become disabled. Unfortunately, that is exactly what the current law does. This legislation will put an end to it.

It is not a partisan issue. Our nation has been at war for almost a decade, and our soldiers have performed with unmatched honor and courage in difficult theatres of war. Our utmost duty as lawmakers should be to ensure that the brave men and women in the United States Armed Forces receive the benefits they have earned.

Today I reintroduce this legislation which will eliminate all restrictions to concurrent receipt. We must take action now, and support our veterans who have given so much to this grateful nation. This is the right thing to do.

I hope my Senate colleagues will join me in supporting this bill. These veterans have faced arbitrary discrimination long enough.

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. 344

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 ''Retired Pay Restoration Act of 2011''.

SEC. 2. ELIGIBILITY FOR PAYMENT OF BOTH RETIRED PAY AND VETERANS' DISABILITY COMPENSATION FOR CERTAIN MILITARY RETIREES WITH COMPENSABLE SERVICE-CONNECTED DISABILITIES.

(a) EXTENSION OF CONCURRENT RECEIPT AUTHORITY TO RETIREES WITH SERVICE-CONNECTED DISABILITIES RATED LESS THAN 50 PERCENT.—

(1) REPEAL OF 50 PERCENT REQUIREMENT.—Section 1414 of title 10, United States Code, is amended by striking paragraph (2) of subsection (a).

(2) COMPUTATION.—Paragraph (1) of subsection (c) of such section is amended by adding at the end the following new subparagraph:

''(G) For a month for which the retiree receives veterans' disability compensation for a disability rated as 40 percent or less or has a service-connected disability rated as zero percent, $0.''.

(b) CLERICAL AMENDMENTS.—

(1) The heading of section 1414 of such title is amended to read as follows:

''§ 1414. Members eligible for retired pay who are also eligible for veterans' disability compensation: concurrent payment of retired pay and disability compensation''.

(2) The item relating to such section in the table of sections at the beginning of chapter 71 of such title is amended to read as follows:

''1414. Members eligible for retired pay who are also eligible for veterans' disability compensation: concurrent payment of retired pay and disability compensation.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2012, and shall apply to payments for months beginning on or after that date.

SEC. 3. COORDINATION OF SERVICE ELIGIBILITY FOR COMBAT-RELATED SPECIAL COMPENSATION AND CONCURRENT RECEIPT.

(a) AMENDMENTS TO STANDARDIZE SIMILAR PROVISIONS.—

(1) QUALIFIED RETIREES.—Subsection (a) of section 1414 of title 10, United States Code, as amended by section 2(a), is amended—

(A) by striking ''a member or'' and all that follows through ''retiree')'' and inserting ''a qualified retiree''; and

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

''(2) QUALIFIED RETIREES.—For purposes of this section, a qualified retiree, with respect to any month, is a member or former member of the uniformed services who—

''(A) is entitled to retired pay (other by reason of section 12731b of this title); and

''(B) is also entitled for that month to veterans' disability compensation.''.

(2) DISABILITY RETIREES.—Paragraph (2) of subsection (b) of section 1414 of such title is amended to read as follows:

''(2) SPECIAL RULE FOR RETIREES WITH FEWER THAN 20 YEARS OF SERVICE.—The retired pay of a qualified retiree who is retired under chapter 61 of this title with fewer than 20 years of creditable service is subject to reduction by the lesser of—

''(A) the amount of the reduction under sections 5304 and 5305 of title 38; or

''(B) the amount (if any) by which the amount of the member's retired pay under such chapter exceeds the amount equal to 2½ percent of the member's years of creditable service multiplied by the member's retired pay base under section 1406(b)(1) or 1407 of this title, whichever is applicable to the member.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2012, and shall apply to payments for months beginning on or after that date.

SEC. 4. CLARIFICATION OF COMPUTATION OF COMBAT-RELATED SPECIAL COMPENSATION FOR CHAPTER 61 DISABILITY RETIREES.

(a) IN GENERAL.—Section 1413a(b)(3) of title 10, United States Code, is amended by striking ''shall be reduced by the amount (if any) by which the amount of the member's retired pay under chapter 61 of this title exceeds'' both places it appears and inserting ''may not, when combined with the amount of retired pay payable to the retiree after any such reduction under sections 5304 and 5305 of title 38, cause the total of such combined payment to exceed''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2012, and shall apply to payments for months beginning on or after that date.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 49—CELEBRATING BLACK HISTORY MONTH

Mrs. GILLIBRAND (for herself, Mr. LUGAR, Mr. COCHRAN, Mr. MENENDEZ, Ms. MIKULSKI, Ms. SNOWE, Mr. KERRY, Mrs. FEINSTEIN, Mr. NELSON of Florida, Ms. LANDRIEU, Mr. MERKLEY, Mr. JOHNSON of South Dakota, Mr. DURBIN, Mr. LAUTENBERG, Mr. UDALL of Colorado, Mr. WICKER, Mr. FRANKEN, Ms. STABENOW, Mr. PRYOR, Mr. WHITEHOUSE, Mrs. BOXER, Mr. CARDIN, Mr. SCHUMER, Mrs. MURRAY, Mr. CASEY, Mr. BEGICH, Mr. BROWN of Ohio, Mr. BENNET, Mr. KIRK, Mr. BLUMENTHAL, Mrs. MCCASKILL, Mrs. HAGAN, Mrs. HUTCHISON, and Mr. COONS) submitted the following resolution; which was considered and agreed to:

S. RES. 49

Whereas in 1776, the United States of America was imagined, as stated in the Declaration of Independence, as a new Nation dedicated to the proposition that ''all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the pursuit of Happiness'';

Whereas on November 19, 1863, President Abraham Lincoln, in reference to the Declaration of Independence, stated, ''[f]our score and seven years ago our fathers brought forth, upon this continent, a new nation, conceived in liberty, and dedicated to the proposition that all men are created equal'';

Whereas the history of this Nation includes injustices and the denial of basic, fundamental rights at odds with the words of the Founders of the Nation and the sacrifices commemorated at Gettysburg, and these injustices include nearly 250 years of slavery, 100 years of lynchings, denial of both fundamental human and civil rights, and withholding of the basic rights of citizenship;

Whereas the vestiges of slavery still exist in the systemic inequalities and injustices in our society;

Whereas for every Shirley Chisholm, Dorothy Height, Constance Baker Motley, Charles Hamilton Houston, Thurgood Marshall, Lena Horne, James Baldwin, W.E.B. Du Bois, Harriet Tubman, Frederick Douglass, Sojourner Truth, Jackie Robinson, or Ralph Bunche, each of whom lived a life of incandescent greatness, many African Americans lived, toiled, and died in obscurity, never achieving the recognition they deserved;

Whereas on November 4, 2008, the people of the United States elected an African American man, Barack Obama, as President of the United States, and African-Americans continue to serve our country at the highest levels of our government and military; and

Whereas William H. Hastie, the first African American to be appointed as a Federal judge, stated, ''[h]istory informs us of past mistakes from which we can learn without repeating them. It also inspires us and gives confidence and hope bred of victories already won'': Now, therefore, be it

Resolved, That the Senate—

(1) recognizes the importance of Black History Month as an opportunity to reflect on our Nation's complex history, while remaining hopeful and confident for the path that lies ahead;

(2) acknowledges the significance of Black History Month as an important opportunity to recognize the tremendous contributions of African Americans to the Nation's history;

(3) encourages the celebration of Black History Month to provide a continuing opportunity for all people in the United States to learn from our past and to understand the experiences that have shaped our Nation; and

(4) calls on citizens to remember that, while this Nation began in division, it must now move forward with purpose, united tirelessly as one Nation, indivisible, with liberty and justice for all, and to honor the contribution of all American pioneers who help ensure the legacy of these great United States.