town meeting; to the Committee on Rules and Administration.

By Mr. SMITH of New Hampshire (for himself, Mr. MACK, Mr. GRAHAM, and Mr. MCCAIN):

S. 2314. A bill for the relief of Elian Gonzalez and other family members; read the first time.

By Mr. MOYNIHAN (for himself, Mr. REID, and Mr. BAUCUS):

S. 2315. A bill to amend the Federal Food, Drug, and Cosmetic Act with respect to the safety of genetically engineered foods, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. GRAHAM:

S. 2316. A bill to authorize the lease of real and personal property under the jurisdiction of the National Aeronautics and Space Administration; to the Committee on Commerce, Science, and Transportation.

By Mr. DORGAN (for himself and Mr. CRAIG):

S. 2317. A bill to provide incentives to encourage stronger truth in sentencing of violent offenders, and for other purposes; to the Committee on the Judiciary.

By Mr. DORGAN (for himself, Mr. CRAIG, and Mr. ROBB):

S. 2318. A bill to amend title 18, United States Code, to eliminate good time credits for prisoners serving a sentence for a crime of violence, and for other purposes; to the Committee on the Judiciary.

By Mr. SMITH of New Hampshire (for himself and Mr. ALLARD):

S. 2319. A bill to amend title XVIII of the Social Security Act to establish a voluntary Medicare Prescription Drug Plan under which eligible medicare beneficiaries may elect to receive coverage under the Rx Option for outpatient prescription drugs and a combined deductible; to the Committee on Finance.

By Mr. JEFFORDS (for himself, Mr. BREAUX, Mr. FRIST, Mrs. LINCOLN, and Ms. SNOWE):

S. 2320. A bill to amend the Internal Revenue Code of 1986 to allow a refundable tax credit for health insurance costs, and for other purposes; to the Committee on Finance.

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

S. 2321. A bill to amend the Internal Revenue Code of 1986 to allow a tax credit for development costs of telecommunications facilities in rural areas; to the Committee on Finance.

By Mr. MCCAIN:

S. 2322. A bill to amend title 37, United States Code, to establish a special subsistence allowance for certain members of the uniformed services who are eligible to receive food stamp assistance, and for other purposes; to the Committee on Armed Services.

By Mr. MCCONNELL (for himself, Mr. DODD, Mr. JEFFORDS, Mr. ENZI, Mr. ABRAHAM, Mr. BENNETT, Mr. ROBB, Mr. WARNER, Mrs. MURRAY, Mr. GORTON, Mr. HUTCHINSON, Mr. LIEBERMAN, Mr. BINGAMAN, Mr. REED, Mr. KERRY, and Mr. LUGAR):

S. 2323. A bill to amend the Fair Labor Standards Act of 1938 to clarify the treatment of stock options under the Act; read the first time.

By Mr. KOHL (for himself and Mrs. FEINSTEIN):

S. 2324. A bill to amend chapter 44 of title 18, United States Code, to require ballistics testing of all firearms manufactured and all firearms in custody of Federal agencies, and to add ballistics testing to existing firearms enforcement strategies; to the Committee on the Judiciary.

By Mr. TORRICELLI:

S. 2325. A bill to amend title 49, United States Code, to ensure equity in the provision of transportation by limousine services; to the Committee on Commerce, Science, and Transportation.

By Mr. WYDEN (for himself and Mr. BURNS):

S. 2326. A bill to amend the Communications Act of 1934 to strengthen and clarify prohibitions on electronic eavesdropping, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HOLLINGS (for himself, Mr. STEVENS, Ms. SNOWE, Mr. KERRY, Mr. BREAUX, Mr. INOUYE, Mr. CLELAND, Mr. WYDEN, Mr. AKAKA, Mrs. BOXER, Mrs. MURRAY, Mr. LAUTENBERG, Mrs. FEINSTEIN, Mr. LIEBERMAN, Mr. MOYNIHAN, Mr. REED, Mr. SARBANES, and Mr. SCHUMER):

S. 2327. A bill to establish a Commission on Ocean Policy, and for other purposes; to the Committee on Commerce, Science, and Transportation.

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SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. HAGEL (for himself and Mr. KERREY):

S. Con. Res. 100. A concurrent resolution expressing support of Congress for a National Moment of Remembrance to be observed at 3:00 p.m. eastern standard time on each Memorial Day; to the Committee on the Judiciary.

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STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. FEINSTEIN:

S. 2310. A bill to amend chapter 44 of title 18, United States Code, with respect to penalties for licensed firearms dealers; to the Committee on the Judiciary.

FIREARMS DEALER PENALTY FLEXIBILITY ACT OF 2000

• Mrs. FEINSTEIN. Mr. President, today I rise to introduce the first in a series of several bills I will be proposing to provide law enforcement with the tools they need to enforce our current gun laws.

Let me be clear—I do believe that our current laws need to be enhanced. Too many loopholes allow too many criminals to circumvent the laws already in place. To that end, I will continue to work on legislation to further restrict criminals' access to deadly firearms.

But it is also clear that we can do better in enforcing the laws already on the books. As a result, today I am proposing legislation that will tighten up the enforcement of our current laws. The legislation I have sent to the desk, the Firearms Dealer Penalty Flexibility Act of 2000, will provide the Treasury Department, and the Bureau of Alcohol, Tobacco and Firearms, the ability to punish dealers according to the severity of their crimes.

I urge my colleagues to join me in this effort, and I hope the National Rifle Association is listening, too. It is time for that organization to stop just talking about enforcing our current gun laws, and to start supporting legislation to help in that process. So today I challenge the NRA to support this bill and others like it. For too long, opponents of gun control have talked about enforcement, while at the same time working to tie the hands of those that enforce the laws. It is time to move forward.

Now let me describe just what this legislation would accomplish.

Mr. President, under current law there exists only one penalty for firearms dealers who violate the law—revocation of their license. If a dealer violates the law, the ATF is left with only two options—permanently revoke the dealer's license, or do nothing.

The problem, of course, is that not every violation merits the permanent revocation of a dealer's license. The current law is like having the death penalty for every crime—from jaywalking to murder. We have graduated sanctions in the criminal law because different crimes merit different punishment.

In most instances, the ATF is understandably reluctant to destroy a dealer's livelihood—and the dealers know this. As a result, thousands of violations every year go unpunished.

Last year, ATF conducted 11,234 examinations, and reported 3,863 violations.

Yet only 20 licenses were actually revoked.

Almost 4,000 violations, just 20 revocations.

And this may have actually been the appropriate response. Again, not every violation is deserving of revocation. Many of these dealers are simply businessmen, who may have made one or two simple mistakes. Taking away their livelihood would be inappropriately harsh.

But at the same time, ATF has informed me that there are other dealers out there who are taking advantage of the current system. These dealers know that if they commit a violation, they probably won't even get caught—after all, with more than 100,000 dealers and only a few hundred inspectors, the odds of catching a dealer in the act are slim. And even worse than that, these dealers know that even if they are caught, and even if ATF does discover a violation or even a pattern of violations, it is very unlikely that anything will be done.

According to ATF, only the most egregious or repeat offenders are punished.

Mr. President, it was clearly not the intent of Congress when passing laws to regulate firearms dealers in this country that dealers would be effectively immune from those laws.

The current situation leaves law enforcement with little choice—if ATF revokes the license of every dealer that commits a minor violation, the NRA would be up in arms. But if they do the right thing under current law and allow dealers to stay in business, they are criticized for failing to enforce the current law.

Well the bill I propose today would put an end to this quandary, and allow

the Treasury Department to impose the proper, proportionate penalties for the variety of violations currently on the books.

Specifically, this legislation, supported by the Administration, would do the following:

For willful violations of the law, this legislation would allow the Treasury Department to suspend or revoke a dealer's license, or to assess a fine of up to $10,000 per violation;

Those same penalties would be available for any dealer who willfully transfers armor piercing ammunition;

The legislation allows the Treasury Department to negotiate a compromise with a dealer at any time;

And the legislation outlines some clear, procedural protections for dealers—

A right to notice and opportunity for a hearing before any action is taken, so that the dealer may be made aware of the charges and seek to avert the action;

A right to written notice of any action taken, including the grounds upon which the action was based;

A right to a prompt hearing after a penalty is assessed, during which time the dealer can contest the outcome. This hearing must even be held at a location convenient to the dealer;

If the second hearing is not fruitful, the dealer has an additional right to appeal the decision of the Department to federal court, during which time any action is stayed.

Mr. President, these procedural safeguards prevent an aggressive agent from pursuing unfair penalties. There are at least three clear opportunities for an aggrieved dealer to make his or her case, including the right to appeal any decision to federal court.

As a result, I believe that this bill gives law abiding firearms dealers every opportunity necessary to protect themselves against unwarranted claims.

At the same time, this bill provides law enforcement with the variety of sanctions necessary to force true compliance with the laws already on the books. No more will rogue dealers flout the law knowing that no viable recourse is available to law enforcement.

Once this legislation passes, the punishment will finally fit the crime.

Mr. President, again I challenge the NRA and my colleagues to join me in moving this bill forward. We cannot continue to allow miscreant gun dealers to ignore the laws passed by this Congress.●

By Mr. JEFFORDS (for himself, Mr. KENNEDY, Mr. FRIST, Mr. HATCH, Mr. DODD, Mr. ENZI, Mr. HARKIN, Ms. MIKULSKI, Mr. BINGAMAN, Mr. WELLSTONE, Mr. REED and Mr. BIDEN):

S. 2311. A bill to revise and extend the Ryan White CARE Act programs under title XXVI of the Public Health Service Act, to improve access to health care and the quality of health care under such programs, and to provide for the development of increased capacity to provide health care and related support services to individuals and families with HIV disease, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

RYAN WHITE CARE ACT AMENDMENTS OF 2000

Mr. JEFFORDS. Mr. President, it gives me great pleasure to join my colleagues today in introducing the Ryan White Comprehensive AIDS Resources and Emergency Act Amendments of 2000; a measure that will reauthorize a national program of providing primary health care services for people living with HIV and AIDS. I especially want to commend Senators HATCH and KENNEDY for the leadership they have provided since the inauguration of the legislation establishing the Ryan White programs over a decade ago. I also want to commend Senator FRIST whose medical expertise played a critical role in key provisions of the bill and continues to be an invaluable resource to our efforts on the range of health issues that come before the Senate. Finally, I want to acknowledge Senator ENZI's recognition of the growing burden that AIDS and HIV is having on rural communities throughout the country and the need to address those gaps in services.

Since its inception in 1990, the Ryan White program has enjoyed broad bipartisan support. When I looked back to the last time the Ryan White CARE Act was reauthorized in 1996, I was heartened to see that the measure had garnered a vote of 97 to 3 on its final passage. I urge my colleagues to examine this bill we are introducing today and to join me in working toward its passage.

With this reauthorization, we mark the ten years through which the Ryan White CARE Act has provided needed health care and support services to HIV positive people around the country. Titles I and II have provided much needed relief to cities and states hardest hit by this disease, while Titles III and IV have had a direct role in providing healthcare services to underserved communities. Ryan White program dollars provide the foundation of care so necessary in fighting this epidemic.

Fortunately, we have experienced significant success over the last decade, and especially over the last five years. The General Accounting Office recently released a report that found that CARE Act funds are reaching the infected groups that have generally been found to be underserved, including the poor, the uninsured, women, and ethnic minorities. In fact, these groups form a majority of CARE Act clients and are being served by the CARE Act in higher proportions than their representation in the AIDS population. The GAO also found that CARE Act funds support a wide array of primary care and support services, including the provision of powerful therapeutic regimens for people with HIV/AIDS that have dramatically reduced AIDS diagnoses and deaths.

Mr. President, there have also been successes in the reduction of HIV/AIDS among women, infants and children. During the last reauthorization, Congressman COBURN and our colleague, Senator FRIST, focused our attention on the needs of women living with HIV/AIDS and the problems associated with perinatal transmission of HIV. Since then, the CARE Act has helped to dramatically reduce mother-to-child transmission through more effective outreach, counseling, and voluntary testing of mothers at risk for HIV infection. Between 1993 and 1998, perinatal-acquired AIDS cases declined 74% in the U.S. In this bill, I have continued to support efforts to reach women in need of care for their HIV disease and have included provisions to ensure that women, infants and children receive resources in accordance with the prevalence of the infection among them.

Another key success has been the AIDS Drug Assistance Program. New therapies and improved systems of care have led to impressive reductions in the AIDS death rate and the number of new AIDS cases. From 1996 to 1998, deaths from AIDS dropped 54% while new AIDS cases have been reduced by 27%. However, these treatments are very expensive, do not provide a cure, and do not work for everyone.

Much has occurred to change the course of the AIDS epidemic since the last reauthorization. A whole new class of therapeutic drugs called antiretrovirals have been developed and people are living longer and the rate of increase of the number of new AIDS cases has begun to level off. AIDS, HIV, the people it infects and families that it has affected are not in the news today as often as they have been in the past. But for too many of us, this lack of bad news has created a false sense of complacency. The epidemic of HIV continues to grow, to infect whole new groups of people, and to expand both within our urban areas and beyond to our rural communities.

While the rate of decline in new AIDS cases and AIDS deaths is leveling off, HIV infection rates continue to rise in many areas; becoming increasingly prevalent in rural and underserved urban areas; and also among women, youth, and minority communities. Local and state healthcare systems face an increasing burden of disease, despite our success in treating and caring for people living with HIV and AIDS. Unfortunately, rural and underserved urban areas are often unable to address the complex medical and support services needs of people with HIV infection.

The bill being introduced today was developed on a bipartisan basis, working with other Committee Members, community stakeholders and elected officials at the state and local levels from whom we sought input to ensure that we addressed the most important

problems facing communities of people with HIV infection. Earlier this month, I held a hearing before the Committee on Health, Education, Labor, and Pensions to learn whether the program has been successful and whether it needed to be changed. We received testimony from Ryan White's mother, Jeanne White, from Surgeon General David Satcher, from a person living with AIDS, as well as state and local officials familiar with the importance of this program. I especially want to commend Dr. Chris Grace of Vermont who testified as to the particular challenges of providing care to people living with HIV/AIDS in rural, and sometimes remote, parts of the country. It was clear from our witnesses' statements that, despite the successes, challenges remain.

To address these challenges, we have developed a bill that will improve access to care in underserved urban and rural areas. My bill will double the minimum base funding available to states through the CARE Act to assist them in developing systems of care for people struggling with HIV and AIDS. The bill also includes a new supplemental state grant that will target assistance to rural and underserved areas to help them address the increasing number of people with HIV/AIDS living outside of urban areas that receive assistance under Title I of the Act. Furthermore, these areas will be given preference for direct care grants and we have strengthened the AIDS Drug Assistance Program to supplement those states struggling to provide lifesaving drugs to their HIV/AIDS patients.

We have not changed the unique flexibility of CARE Act programs; it remains primarily a system of grants to State and local jurisdictions. States and EMAs will still decide how to best prioritize and address the healthcare needs of their HIV-positive citizens.

Today, there are few people who can say they have not been touched by this epidemic. Recently, I had the opportunity to visit with Jeanne White. We talked about the impact of this disease; about the loved ones it has taken, and the damage to the lives of those it has left behind—about the infected, and about the affected. We talked about her son Ryan, and about my good friend David Curtis of Burlington, Vermont, who testified before my committee in 1995, but who passed away just last year. As an advocate of the program and as a person living with AIDS, David helped me to understand the terrible impact of this disease. Ryan White and David and countless others, worked long and hard to ensure that all people affected by AIDS could receive both the care and compassion they deserve.

The AIDS epidemic, despite our success in developing treatments and providing systems of care, is still ravaging communities in this country. This program remains as vital to the public health of this nation as it was in 1990 and in 1996. As the AIDS epidemic reaches into rural areas and into underserved urban communities across the country, this legislation being introduced today will allow us to adapt our care systems to meet the most urgent needs in the communities hardest hit by the epidemic.

I intend to see this bill become law this year so that the people struggling to overcome the challenges of HIV and AIDS continue to benefit from high quality medical care and access to lifesaving drugs. We have made incredible progress in the fight against HIV/AIDS and I want to be sure that every person in America that needs our assistance, benefits from our tremendous advances.

Mr. President I ask unanimous consent that the text of this measure be printed in the RECORD.

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

S. 2311

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 ''Ryan White CARE Act Amendments of 2000''.

SEC. 2. REFERENCES; TABLE OF CONTENTS.

(a) REFERENCES.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act (42 U.S.C. 201 et seq.).

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

Sec. 1. Short title.
Sec. 2. References; table of contents.
TITLE I—AMENDMENTS TO HIV HEALTH CARE PROGRAM
Subtitle A—Purpose; Amendments to Part A (Emergency Relief Grants)
Sec. 101. Duties of planning council, funding priorities, quality assessment.
Sec. 102. Quality management.
Sec. 103. Funded entities required to have health care relationships.
Sec. 104. Support services required to be health care-related.
Sec. 105. Use of grant funds for early intervention services.
Sec. 106. Replacement of specified fiscal years regarding the sunset on expedited distribution requirement.
Sec. 107. Hold harmless provision.
Sec. 108. Set-aside for infants, children, and women.
Subtitle B—Amendments to Part B (Care Grant Program)
Sec. 121. State requirements concerning identification of need and allocation of resources.
Sec. 122. Quality management.
Sec. 123. Funded entities required to have health care referral relationships.
Sec. 124. Support services required to be health care-related.
Sec. 125. Use of grant funds for early intervention services.
Sec. 126. Authorization of appropriations for HIV-related services for women and children.
Sec. 127. Repeal of requirement for completed Institute of Medicine report.
Sec. 130. Supplement grants for certain States.
Sec. 131. Use of treatment funds.
Sec. 132. Increase in minimum allotment.
Sec. 133. Set-aside for infants, children, and women.
Subtitle C—Amendments to Part C (Early Intervention Services)
Sec. 141. Amendment of heading; repeal of formula grant program.
Sec. 142. Planning and development grants.
Sec. 143. Authorization of appropriations for categorical grants.
Sec. 144. Administrative expenses ceiling; quality management program.
Sec. 145. Preference for certain areas.
Subtitle D—Amendments to Part D (General Provisions)
Sec. 151. Research involving women, infants, children, and youth.
Sec. 152. Limitation on administrative expenses.
Sec. 153. Evaluations and reports.
Sec. 154. Authorization of appropriations for grants under parts A and B.
Subtitle E—Amendments to Part F (Demonstration and Training)
Sec. 161. Authorization of appropriations.
TITLE II—MISCELLANEOUS PROVISIONS
Sec. 201. Institute of Medicine study.

TITLE I—AMENDMENTS TO HIV HEALTH CARE PROGRAM

Subtitle A—Purpose; Amendments to Part A (Emergency Relief Grants)

SEC. 101. DUTIES OF PLANNING COUNCIL, FUNDING PRIORITIES, QUALITY ASSESSMENT.

Section 2602 (42 U.S.C. 300ff–12) is amended—

(1) in subsection (b)—

(A) in paragraph (2)(C), by inserting before the semicolon the following: '', including providers of housing and homeless services''; and

(B) in paragraph (4), by striking ''shall—'' and all that follows and inserting ''shall have the responsibilities specified in subsection (d).''; and

(2) by adding at the end the following:

''(d) DUTIES OF PLANNING COUNCIL.—The planning council established under subsection (b) shall have the following duties:

''(1) PRIORITIES FOR ALLOCATION OF FUNDS.—The council shall establish priorities for the allocation of funds within the eligible area, including how best to meet each such priority and additional factors that a grantee should consider in allocating funds under a grant, based on the following factors:

''(A) The size and demographic characteristics of the population with HIV disease to be served, including, subject to subsection (e), the needs of individuals living with HIV infection who are not receiving HIV-related health services.

''(B) The documented needs of the population with HIV disease with particular attention being given to disparities in health services among affected subgroups within the eligible area.

''(C) The demonstrated or probable cost and outcome effectiveness of proposed strategies and interventions, to the extent that data are reasonably available.

''(D) Priorities of the communities with HIV disease for whom the services are intended.

''(E) The availability of other governmental and non-governmental resources, including the State medicaid plan under title XIX of the Social Security Act and the State Children's Health Insurance Program under title XXI of such Act to cover health care costs of eligible individuals and families with HIV disease.

''(F) Capacity development needs resulting from gaps in the availability of HIV services in historically underserved low-income communities.

''(2) COMPREHENSIVE SERVICE DELIVERY PLAN.—The council shall develop a comprehensive plan for the organization and delivery of health and support services described in section 2604. Such plan shall be compatible with any existing State or local plans regarding the provision of such services to individuals with HIV disease.

''(3) ASSESSMENT OF FUND ALLOCATION EFFICIENCY.—The council shall assess the efficiency of the administrative mechanism in rapidly allocating funds to the areas of greatest need within the eligible area.

''(4) STATEWIDE STATEMENT OF NEED.—The council shall participate in the development of the Statewide coordinated statement of need as initiated by the State public health agency responsible for administering grants under part B.

''(5) COORDINATION WITH OTHER FEDERAL GRANTEES.—The council shall coordinate with Federal grantees providing HIV-related services within the eligible area.

''(6) COMMUNITY PARTICIPATION.—The council shall establish methods for obtaining input on community needs and priorities which may include public meetings, conducting focus groups, and convening ad-hoc panels.

''(e) PROCESS FOR ESTABLISHING ALLOCATION PRIORITIES.—

''(1) IN GENERAL.—Not later than 24 months after the date of enactment of the Ryan White CARE Act Amendments of 2000, the Secretary shall—

''(A) consult with eligible metropolitan areas, affected communities, experts, and other appropriate individuals and entities, to develop epidemiologic measures for establishing the number of individuals living with HIV disease who are not receiving HIV-related health services; and

''(B) provide advice and technical assistance to planning councils with respect to the process for establishing priorities for the allocation of funds under subsection (d)(1).

''(2) EXCEPTION.—Grantees under subsection (d)(1)(A) shall not be required to establish priorities for individuals not in care until epidemiologic measures are developed under paragraph (1).''.

SEC. 102. QUALITY MANAGEMENT.

(a) FUNDS AVAILABLE FOR QUALITY MANAGEMENT.—Section 2604 (42 U.S.C. 300ff–14) is amended—

(1) by redesignating subsections (c) through (f) as subsections (d) through (g), respectively; and

(2) by inserting after subsection (b) the following:

''(c) QUALITY MANAGEMENT.—

''(1) REQUIREMENT.—The chief elected official of an eligible area that receives a grant under this part shall provide for the establishment of a quality management program to assess the extent to which medical services provided to patients under the grant are consistent with the most recent Public Health Service guidelines for the treatment of HIV disease and related opportunistic infection and to develop strategies for improvements in the access to and quality of medical services.

''(2) USE OF FUNDS.—From amounts received under a grant awarded under this part, the chief elected official of an eligible area may use, for activities associated with its quality management program, not more than the lesser of—

''(A) 5 percent of amounts received under the grant; or

''(B) $3,000,000.''.

(b) QUALITY MANAGEMENT REQUIRED FOR ELIGIBILITY FOR GRANTS.—Section 2605(a) (42 U.S.C. 300ff–15(a)) is amended—

(1) by redesignating paragraphs (3) through (6) as paragraphs (5) through (8), respectively; and

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

''(3) that the chief elected official of the eligible area will satisfy all requirements under section 2604(c);''.

SEC. 103. FUNDED ENTITIES REQUIRED TO HAVE HEALTH CARE RELATIONSHIPS.

(a) USE OF AMOUNTS.—Section 2604(e)(1) (42 U.S.C. 300ff–14(d)(1)) (as so redesignated by section 102(a)) is amended by inserting ''and the State Children's Health Insurance Program under title XXI of such Act'' after ''Social Security Act''.

(b) APPLICATIONS.—Section 2605(a) (42 U.S.C. 300ff-15(a)) is amended by inserting after paragraph (3), as added by section 102(b), the following:

''(4) that funded entities within the eligible area that receive funds under a grant under section 2601(a) shall maintain appropriate relationships with entities in the area served that constitute key points of access to the health care system for individuals with HIV disease (including emergency rooms, substance abuse treatment programs, detoxification centers, adult and juvenile detention facilities, sexually transmitted disease clinics, HIV counseling and testing sites, and homeless shelters) and other entities under section 2652(a) for the purpose of facilitating early intervention for individuals newly diagnosed with HIV disease and individuals knowledgeable of their status but not in care;''.

SEC. 104. SUPPORT SERVICES REQUIRED TO BE HEALTH CARE-RELATED.

(a) IN GENERAL.—Section 2604(b)(1) (42 U.S.C. 300ff–14(b)(1)) is amended—

(1) in the matter preceding subparagraph (A), by striking ''HIV-related—'' and inserting ''HIV-related services, as follows:'';

(2) in subparagraph (A)—

(A) by striking ''outpatient'' and all that follows through ''substance abuse treatment and'' and inserting the following: ''OUTPATIENT HEALTH SERVICES.—Outpatient and ambulatory health services, including substance abuse treatment,''; and

(B) by striking ''; and'' and inserting a period;

(3) in subparagraph (B), by striking ''(B) inpatient case management'' and inserting ''(C) INPATIENT CASE MANAGEMENT SERVICES.—Inpatient case management''; and

(4) by inserting after subparagraph (A) the following:

''(B) OUTPATIENT SUPPORT SERVICES.—Outpatient and ambulatory support services (including case management), to the extent that such services facilitate, enhance, support, or sustain the delivery, continuity, or benefits of health services for individuals and families with HIV disease.''.

(b) CONFORMING AMENDMENT TO APPLICATION REQUIREMENTS.—Section 2605(a) (42 U.S.C. 300ff–15(a)), as amended by section 102(b), is further amended—

(1) in paragraph (6) (as so redesignated), by striking ''and'' at the end thereof;

(2) in paragraph (7) (as so redesignated), by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(8) that the eligible area has procedures in place to ensure that services provided with funds received under this part meet the criteria specified in section 2604(b)(1).''.

SEC. 105. USE OF GRANT FUNDS FOR EARLY INTERVENTION SERVICES.

(a) IN GENERAL.—Section 2604(b)(1) (42 U.S.C. 300ff–14(b)(1)), as amended by section 104(a), is further amended by adding at the end the following:

''(D) EARLY INTERVENTION SERVICES.—Early intervention services as described in section 2651(b)(2), with follow-through referral, provided for the purpose of facilitating the access of individuals receiving the services to HIV-related health services, but only if the entity providing such services—

''(i)(I) is receiving funds under subparagraph (A) or (C); or

''(II) is an entity constituting a point of access to services, as described in paragraph (2)(C), that maintains a relationship with an entity described in subclause (I) and that is serving individuals at elevated risk of HIV disease; and

''(ii) demonstrates to the satisfaction of the chief elected official that no other Federal, State, or local funds are available for the early intervention services the entity will provide with funds received under this paragraph.''.

(b) CONFORMING AMENDMENTS TO APPLICATION REQUIREMENTS.—Section 2605(a)(1) (42 U.S.C. 300ff–15(a)(1)) is amended—

(1) in subparagraph (A), by striking ''services to individuals with HIV disease'' and inserting ''services as described in section 2604(b)(1)''; and

(2) in subparagraph (B), by striking ''services for individuals with HIV disease'' and inserting ''services as described in section 2604(b)(1)''.

SEC. 106. REPLACEMENT OF SPECIFIED FISCAL YEARS REGARDING THE SUNSET ON EXPEDITED DISTRIBUTION REQUIREMENTS.

Section 2603(a)(2) (42 U.S.C. 300ff–13(a)(2)) is amended by striking ''for each of the fiscal years 1996 through 2000'' and inserting ''for a fiscal year''.

SEC. 107. HOLD HARMLESS PROVISION.

Section 2603(a)(4) (42 U.S.C. 300ff-13(a)(4)) is amended to read as follows:

''(4) LIMITATIONS.—

''(A) IN GENERAL.—With respect to each of fiscal years 2001 through 2005, the Secretary shall ensure that the amount of a grant made to an eligible area under paragraph (2) for such a fiscal year is not less than an amount equal to 98 percent of the amount the eligible area received for the fiscal year preceding the year for which the determination is being made.

''(B) APPLICATION OF PROVISION.—Subparagraph (A) shall only apply with respect to those eligible areas receiving a grant under paragraph (2) for fiscal year 2000 in an amount that has been adjusted in accordance with paragraph (4) of this subsection (as in effect on the day before the date of enactment of the Ryan White CARE Act Amendments of 2000).''.

SEC. 108. SET-ASIDE FOR INFANTS, CHILDREN, AND WOMEN.

Section 2604(b)(3) (42 U.S.C. 300ff-14(b)(3)) is amended—

(1) by inserting ''for each population under this subsection'' after ''established priorities''; and

(2) by striking ''ratio of the'' and inserting ''ratio of each''.

Subtitle B—Amendments to Part B (Care Grant Program)

SEC. 121. STATE REQUIREMENTS CONCERNING IDENTIFICATION OF NEED AND ALLOCATION OF RESOURCES.

(a) GENERAL USE OF GRANTS.—Section 2612 (42 U.S.C. 300ff-22) is amended—

(1) by striking ''A State'' and inserting ''(a) IN GENERAL.—A State''; and

(2) in the matter following paragraph (5)—

(A) by striking ''paragraph (2)'' and inserting ''subsection (a)(2) and section 2613'';

(b) APPLICATION.—Section 2617(b) (42 U.S.C. 300ff–27(b)) is amended—

(1) in paragraph (1)(C)—

(A) by striking clause (i) and inserting the following:

''(i) the size and demographic characteristics of the population with HIV disease to be served, except that by not later than October 1, 2002, the State shall take into account the needs of individuals not in care, based on epidemiologic measures developed by the Secretary in consultation with the State, affected communities, experts, and other appropriate individuals (such State shall not be required to establish priorities for individuals not in care until such epidemiologic measures are developed);'';

(B) in clause (iii), by striking ''and'' at the end; and

(C) by adding at the end the following:

''(v) the availability of other governmental and non-governmental resources;

''(vi) the capacity development needs resulting in gaps in the provision of HIV services in historically underserved low-income and rural low-income communities; and

''(vii) the efficiency of the administrative mechanism in rapidly allocating funds to the areas of greatest need within the State;''; and

(2) in paragraph (2)—

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

(B) by redesignating subparagraph (C) as subparagraph (F); and

(C) by inserting after subparagraph (B), the following:

''(C) an assurance that capacity development needs resulting from gaps in the provision of services in underserved low-income and rural low-income communities will be addressed; and

''(D) with respect to fiscal year 2003 and subsequent fiscal years, assurances that, in the planning and allocation of resources, the State, through systems of HIV-related health services provided under paragraphs (1), (2), and (3) of section 2612(a), will make appropriate provision for the HIV-related health and support service needs of individuals who have been diagnosed with HIV disease but who are not currently receiving such services, based on the epidemiologic measures developed under paragraph (1)(C)(i);''.

SEC. 122. QUALITY MANAGEMENT.

(a) STATE REQUIREMENT FOR QUALITY MANAGEMENT.—Section 2617(b)(4) (42 U.S.C. 300ff–27(b)(4)) is amended—

(1) by striking subparagraph (C) and inserting the following:

''(C) the State will provide for—

''(i) the establishment of a quality management program to assess the extent to which medical services provided to patients under the grant are consistent with the most recent Public Health Service guidelines for the treatment of HIV disease and related opportunistic infections and to develop strategies for improvements in the access to and quality of medical services; and

''(ii) a periodic review (such as through an independent peer review) to assess the quality and appropriateness of HIV-related health and support services provided by entities that receive funds from the State under this part;'';

(2) by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively;

(3) by inserting after subparagraph (D), the following:

''(E) an assurance that the State, through systems of HIV-related health services provided under paragraphs (1), (2), and (3) of section 2612(a), has considered strategies for working with providers to make optimal use of financial assistance under the State medicaid plan under title XIX of the Social Security Act, the State Children's Health Insurance Program under title XXI of such Act, and other Federal grantees that provide HIV-related services, to maximize access to quality HIV-related health and support services;

(4) in subparagraph (F), as so redesignated, by striking ''and'' at the end; and

(5) in subparagraph (G), as so redesignated, by striking the period and inserting ''; and''.

(b) AVAILABILITY OF FUNDS FOR QUALITY MANAGEMENT.—

(1) AVAILABILITY OF GRANT FUNDS FOR PLANNING AND EVALUATION.—Section 2618(c)(3) (42 U.S.C. 300ff–28(c)(3)) is amended by inserting before the period '', including not more than $3,000,000 for all activities associated with its quality management program''.

(2) EXCEPTION TO COMBINED CEILING ON PLANNING AND ADMINISTRATION FUNDS FOR STATES WITH SMALL GRANTS.—Paragraph (6) of section 2618(c) (42 U.S.C. 300ff–28(c)(6)) is amended to read as follows:

''(6) EXCEPTION FOR QUALITY MANAGEMENT.—Notwithstanding paragraph (5), a State whose grant under this part for a fiscal year does not exceed $1,500,000 may use not to exceed 20 percent of the amount of the grant for the purposes described in paragraphs (3) and (4) if—

''(A) that portion of such amount in excess of 15 percent of the grant is used for its quality management program; and

''(B) the State submits and the Secretary approves a plan (in such form and containing such information as the Secretary may prescribe) for use of funds for its quality management program.''.

SEC. 123. FUNDED ENTITIES REQUIRED TO HAVE HEALTH CARE RELATIONSHIPS.

Section 2617(b)(4) (42 U.S.C. 300ff–27(b)(4)), as amended by section 122(a), is further amended by adding at the end the following:

''(H) that funded entities maintain appropriate relationships with entities in the area served that constitute key points of access to the health care system for individuals with HIV disease (including emergency rooms, substance abuse treatment programs, detoxification centers, adult and juvenile detention facilities, sexually transmitted disease clinics, HIV counseling and testing sites, and homeless shelters), and other entities under section 2652(a), for the purpose of facilitating early intervention for individuals newly diagnosed with HIV disease and individuals knowledgeable of their status but not in care.''.

SEC. 124. SUPPORT SERVICES REQUIRED TO BE HEALTH CARE-RELATED.

(a) TECHNICAL AMENDMENT.—Section 3(c)(2)(A)(iii) of the Ryan White CARE Act Amendments of 1996 (Public Law 104-146) is amended by inserting ''before paragraph (2) as so redesignated'' after ''inserting''.

(b) SERVICES.—Section 2612(a)(1) (42 U.S.C. 300ff–22(a)(1)), as so designated by section 121(a), is amended by striking ''for individuals with HIV disease'' and inserting '', subject to the conditions and limitations that apply under such section''.

(c) CONFORMING AMENDMENT TO STATE APPLICATION REQUIREMENT.—Section 2617(b)(2) (42 U.S.C. 300ff–27(b)(2)), as amended by section 121(b), is further amended by adding at the end the following:

''(F) an assurance that the State has procedures in place to ensure that services provided with funds received under this section meet the criteria specified in section 2604(b)(1)(B); and''.

SEC. 125. USE OF GRANT FUNDS FOR EARLY INTERVENTION SERVICES.

Section 2612(a) (42 U.S.C. 300ff–22(a)), as amended by section 121, is further amended by adding at the end the following:

''(6) EARLY INTERVENTION SERVICES.—The State, through systems of HIV-related health services provided under paragraphs (1), (2), and (3) of section 2612(a), may provide early intervention services, as described in section 2651(b)(2), with follow-up referral, provided for the purpose of facilitating the access of individuals receiving the services to HIV-related health services, but only if the entity providing such services—

''(A)(i) is receiving funds under section 2612(a)(1); or

''(ii) is an entity constituting a point of access to services, as described in section 2617(b)(4), that maintains a referral relationship with an entity described in clause (i) and that is serving individuals at elevated risk of HIV disease; and

''(B) demonstrates to the State's satisfaction that no other Federal, State, or local funds are available for the early intervention services the entity will provide with funds received under this paragraph.''.

SEC. 126. AUTHORIZATION OF APPROPRIATIONS FOR HIV-RELATED SERVICES FOR WOMEN AND CHILDREN.

Section 2625(c)(2) (42 U.S.C. 300ff–33(c)(2)) is amended by striking ''fiscal years 1996 through 2000'' and inserting ''fiscal years 2001 through 2005''.

SEC. 127. REPEAL OF REQUIREMENT FOR COMPLETED INSTITUTE OF MEDICINE REPORT.

Section 2628 (42 U.S.C. 300ff–36) is repealed.

SEC. 128. SUPPLEMENT GRANTS FOR CERTAIN STATES.

Subpart I of part B of title XXVI of the Public Health Service Act (42 U.S.C. 300ff-11 et seq.) is amended by adding at the end the following:

''SEC. 2622. SUPPLEMENTAL GRANTS.

''(a) IN GENERAL.—The Secretary shall award supplemental grants to States determined to be eligible under subsection (b) to enable such States to provide comprehensive services of the type described in section 2612(a) to supplement the services otherwise provided by the State under a grant under this subpart in areas within the State that are not eligible to receive grants under part A.

''(b) ELIGIBILITY.—To be eligible to receive a supplemental grant under subsection (a) a State shall—

''(1) be eligible to receive a grant under this subpart; and

''(2) demonstrate to the Secretary that there is severe need (as defined for purposes of section 2603(b)(2)(A) for supplemental financial assistance in areas in the State that are not served through grants under part A.

''(c) APPLICATION.—A State that desires a grant under this section shall, as part of the State application submitted under section 2617, submit a detailed description of the manner in which the State will use amounts received under the grant and of the severity of need. Such description shall include—

''(1) a report concerning the dissemination of supplemental funds under this section and the plan for the utilization of such funds;

''(2) a demonstration of the existing commitment of local resources, both financial and in-kind;

''(3) a demonstration that the State will maintain HIV-related activities at a level that is equal to not less than the level of such activities in the State for the 1-year period preceding the fiscal year for which the State is applying to receive a grant under this part;

''(4) a demonstration of the ability of the State to utilize such supplemental financial resources in a manner that is immediately responsive and cost effective;

''(5) a demonstration that the resources will be allocated in accordance with the local demographic incidence of AIDS including appropriate allocations for services for

infants, children, women, and families with HIV disease;

''(6) a demonstration of the inclusiveness of the planning process, with particular emphasis on affected communities and individuals with HIV disease; and

''(7) a demonstration of the manner in which the proposed services are consistent with local needs assessments and the statewide coordinated statement of need.

''(d) AMOUNT RESERVED FOR EMERGING COMMUNITIES.—

''(1) IN GENERAL.—For awarding grants under this section for each fiscal year, the Secretary shall reserve the greater of 50 percent of the amount to be utilized under subsection (e) for such fiscal year or $5,000,000, to be provided to States that contain emerging communities for use in such communities.

''(2) DEFINITION.—In paragraph (1), the term 'emerging community' means a metropolitan area—

''(A) that is not eligible for a grant under part A; and

''(B) for which there has been reported to the Director of the Centers for Disease Control and Prevention a cumulative total of between 1000 and 1999 cases of acquired immune deficiency syndrome for the most recent period of 5 calendar years for which such data are available.

''(e) APPROPRIATIONS.—With respect to each fiscal year beginning with fiscal year 2001, the Secretary, to carry out this section, shall utilize 50 percent of the amount appropriated under section 2677 to carry out part B for such fiscal year that is in excess of the amount appropriated to carry out such part in fiscal year preceding the fiscal year involved.

SEC. 129. USE OF TREATMENT FUNDS.

(a) STATE DUTIES.—Section 2616(c) (42 U.S.C. 300ff-26(c)) is amended—

(1) in the matter preceding paragraph (1), by striking ''shall—'' and inserting ''shall use funds made available under this section to—'';

(2) by redesignating paragraphs (1) through (5) as subparagraphs (A) through (E), respectively and realigning the margins of such subparagraphs appropriately;

(3) in subparagraph (D) (as so redesignated), by striking ''and'' at the end;

(4) in subparagraph (E) (as so redesignated), by striking the period and ''; and''; and

(5) by adding at the end the following:

''(F) encourage, support, and enhance adherence to and compliance with treatment regimens, including related medical monitoring.'';

(6) by striking ''In carrying'' and inserting the following:

''(1) IN GENERAL.—In carrying''; and

(7) by adding at the end the following:

''(2) LIMITATIONS.—

''(A) IN GENERAL.—No State shall use funds under paragraph (1)(F) unless the limitations on access to HIV/AIDS therapeutic regimens as defined in subsection (e)(2) are eliminated.

''(B) AMOUNT OF FUNDING.—No State shall use in excess of 10 percent of the amount set-aside for use under this section in any fiscal year to carry out activities under paragraph (1)(F) unless the State demonstrates to the Secretary that such additional services are essential and in no way diminish access to therapeutics.''.

(b) SUPPLEMENT GRANTS.—Section 2616 (42 U.S.C. 300ff-26(c)) is amended by adding at the end the following:

''(e) SUPPLEMENTAL GRANTS FOR THE PROVISION OF TREATMENTS.—

''(1) IN GENERAL.—From amounts made available under paragraph (5), the Secretary shall award supplemental grants to States determined to be eligible under paragraph (2) to enable such States to provide access to therapeutics to treat HIV disease as provided by the State under subsection (c)(1)(B) for individuals at or below 200 percent of the Federal poverty line.

''(2) CRITERIA.—The Secretary shall develop criteria for the awarding of grants under paragraph (1) to States that demonstrate a severe need. In determining the criteria for demonstrating State severity of need (as defined for purposes of section 2603(b)(2)(A)), the Secretary shall consider whether limitation to access exist such that—

''(A) the State programs under this section are unable to provide HIV/AIDS therapeutic regimens to all eligible individuals living at or below 200 percent of the Federal poverty line; and

''(B) the State programs under this section are unable to provide to all eligible individuals appropriate HIV/AIDS therapeutic regimens as recommended in the most recent Federal treatment guidelines.

''(3) STATE REQUIREMENT.—The Secretary may not make a grant to a State under this subsection unless the State agrees that—

''(A) the State will make available (directly or through donations from public or private entities) non-Federal contributions toward the activities to be carried out under the grant in an amount equal to $1 for each $4 of Federal funds provided in the grant; and

''(B) the State will not impose eligibility requirements for services or scope of benefits limitations under subsection (a) that are more restrictive than such requirements in effect as of January 1, 2000.

''(4) USE AND COORDINATION.—Amounts made available under a grant under this subsection shall only be used by the State to provide AIDS/HIV-related medications. The State shall coordinate the use of such amounts with the amounts otherwise provided under this section in order to maximize drug coverage.

''(5) FUNDING.—

''(A) RESERVATION OF AMOUNT.—The Secretary may reserve not to exceed 4 percent, but not less than 2 percent, of any amount referred to in section 2618(b)(2)(H) that is appropriated for a fiscal year, to carry out this subsection.

''(B) MINIMUM AMOUNT.—In providing grants under this subsection, the Secretary shall ensure that the amount of a grant to a State under this part is not less than the amount the State received under this part in the previous fiscal year, as a result of grants provided under this subsection.''.

(c) SUPPLEMENT AND NOT SUPPLANT.—Section 2616 (42 U.S.C. 300ff-26(c)), as amended by subsection (b), is further amended by adding at the end the following:

''(f) SUPPLEMENT NOT SUPPLANT.—Notwithstanding any other provision of law, amounts made available under this section shall be used to supplement and not supplant other funding available to provide treatments of the type that may be provided under this section.''.

SEC. 130. INCREASE IN MINIMUM ALLOTMENT.

(a) IN GENERAL.—Section 2618(b)(1)(A)(i) (42 U.S.C. 300ff-28(b)(1)(A)(i)) is amended—

(1) in subclause (I), by striking ''$100,000'' and inserting ''$200,000''; and

(2) in subclause (II), by striking ''$250,000'' and inserting ''$500,000''.

(b) TECHNICAL AMENDMENT.—Section 2618(b)(3)(B) (42 U.S.C. 300ff-28(b)(3)(B)) is amended by striking ''and the Republic of the Marshall Islands'' and inserting '', the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau''.

SEC. 131. SET-ASIDE FOR INFANTS, CHILDREN, AND WOMEN.

Section 2611(b) (42 U.S.C. 300ff-21(b)) is amended—

(1) by inserting ''for each population under this subsection'' after ''State shall use''; and

(2) by striking ''ratio of the'' and inserting ''ratio of each''.

Subtitle C—Amendments to Part C (Early Intervention Services)

SEC. 141. AMENDMENT OF HEADING; REPEAL OF FORMULA GRANT PROGRAM.

(a) AMENDMENT OF HEADING.—The heading of part C of title XXVI is amended to read as follows:

''PART C—EARLY INTERVENTION AND PRIMARY CARE SERVICES''.

(b) REPEAL.—Part C of title XXVI (42 U.S.C. 300ff-41 et seq.) is amended—

(1) by repealing subpart I; and

(2) by redesignating subparts II and III as subparts I and II.

(c) CONFORMING AMENDMENTS.—

(1) INFORMATION REGARDING RECEIPT OF SERVICES.—Section 2661(a) (42 U.S.C. 300ff–61(a)) is amended by striking ''unless—'' and all that follows through ''(2) in the case of'' and inserting ''unless, in the case of''.

(2) ADDITIONAL AGREEMENTS.—Section 2664 (42 U.S.C. 300ff–64) is amended—

(A) in subsection (e)(5), by striking ''2642(b) or'';

(B) in subsection (f)(2), by striking ''2642(b) or''; and

(C) by striking subsection (h).

SEC. 142. PLANNING AND DEVELOPMENT GRANTS.

(a) ALLOWING PLANNING AND DEVELOPMENT GRANT TO EXPAND ABILITY TO PROVIDE PRIMARY CARE SERVICES.—Section 2654(c) (42 U.S.C. 300ff–54(c)) is amended—

(1) in paragraph (1), to read as follows:

''(1) IN GENERAL.—The Secretary may provide planning and development grants to public and nonprofit private entities for the purpose of—

''(A) enabling such entities to provide HIV early intervention services; or

''(B) assisting such entities to expand the capacity, preparedness, and expertise to deliver primary care services to individuals with HIV disease in underserved low-income communities on the condition that the funds are not used to purchase or improve land or to purchase, construct, or permanently improve (other than minor remodeling) any building or other facility.''; and

(2) in paragraphs (2) and (3) by striking ''paragraph (1)'' each place that such appears and inserting ''paragraph (1)(A)''.

(b) AMOUNT; DURATION.—Section 2654(c) (42 U.S.C. 300ff–54(c)), as amended by subsection (a), is further amended—

(1) by redesignating paragraph (4) as paragraph (5); and

(2) by inserting after paragraph (3) the following:

''(4) AMOUNT AND DURATION OF GRANTS.—

''(A) EARLY INTERVENTION SERVICES.—A grant under paragraph (1)(A) may be made in an amount not to exceed $50,000.

''(B) CAPACITY DEVELOPMENT.—

''(i) AMOUNT.—A grant under paragraph (1)(B) may be made in an amount not to exceed $150,000.

''(ii) DURATION.—The total duration of a grant under paragraph (1)(B), including any renewal, may not exceed 3 years.''.

(c) INCREASE IN LIMITATION.—Section 2654(c)(5) (42 U.S.C. 300ff–54(c)(5)), as so redesignated by subsection (b), is amended by striking ''1 percent'' and inserting ''5 percent''.

SEC. 143. AUTHORIZATION OF APPROPRIATIONS FOR CATEGORICAL GRANTS.

Section 2655 (42 U.S.C. 300ff–55) is amended by striking ''1996'' and all that follows

through ''2000'' and inserting ''2001 through 2005''.

SEC. 144. ADMINISTRATIVE EXPENSES CEILING; QUALITY MANAGEMENT PROGRAM.

Section 2664(g) (42 U.S.C. 300ff–64(g)) is amended—

(1) in paragraph (3), to read as follows:

''(3) the applicant will not expend more than 10 percent of the grant for costs of administrative activities with respect to the grant;'';

(2) in paragraph (4), by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(5) the applicant will provide for the establishment of a quality management program to assess the extent to which medical services funded under this title that are provided to patients are consistent with the most recent Public Health Service guidelines for the treatment of HIV disease and related opportunistic infections and that improvements in the access to and quality of medical services are addressed.''.

SEC. 145. PREFERENCE FOR CERTAIN AREAS.

Section 2651 (42 U.S.C. 300ff-51) is amended by adding at the end the following:

''(d) PREFERENCE IN AWARDING GRANTS.—Beginning in fiscal year 2001, in awarding new grants under this section, the Secretary shall give preference to applicants that will use amounts received under the grant to serve areas that are otherwise not eligible to receive assistance under part A.''.

Subtitle D—Amendments to Part D (General Provisions)

SEC. 151. RESEARCH INVOLVING WOMEN, INFANTS, CHILDREN, AND YOUTH.

(a) ELIMINATION OF REQUIREMENT TO ENROLL SIGNIFICANT NUMBERS OF WOMEN AND CHILDREN.—Section 2671(b) (42 U.S.C. 300ff–71(b)) is amended—

(1) in paragraph (1), by striking subparagraphs (C) and (D); and

(2) by striking paragraphs (3) and (4).

(b) INFORMATION AND EDUCATION.—Section 2671(d) (42 U.S.C. 300ff-71(d)) is amended by adding at the end the following:

''(4) The applicant will provide individuals with information and education on opportunities to participate in HIV/AIDS-related clinical research.''.

(c) QUALITY MANAGEMENT; ADMINISTRATIVE EXPENSES CEILING.—Section 2671(f) (42 U.S.C. 300ff–71(f)) is amended—

(1) by striking the subsection heading and designation and inserting the following:

''(f) ADMINISTRATION.—

''(1) APPLICATION.—''; and

(2) by adding at the end the following:

''(2) QUALITY MANAGEMENT PROGRAM.—A grantee under this section shall implement a quality management program.''.

(d) COORDINATION.—Section 2671(g) (42 U.S.C. 300ff-71(g)) is amended by adding at the end the following: ''The Secretary acting through the Director of NIH, shall examine the distribution and availability of ongoing and appropriate HIV/AIDS-related research projects to existing sites under this section for purposes of enhancing and expanding voluntary access to HIV-related research, especially within communities that are not reasonably served by such projects.''.

(e) AUTHORIZATION OF APPROPRIATIONS.—Section 2671(j) (42 U.S.C. 300ff–71(j)) is amended by striking ''fiscal years 1996 through 2000'' and inserting ''fiscal years 2001 through 2005''.

SEC. 152. LIMITATION ON ADMINISTRATIVE EXPENSES.

Section 2671 (42 U.S.C. 300ff-71) is amended—

(1) by redesignating subsections (i) and (j), as subsections (j) and (k), respectively; and

(2) by inserting after subsection (h), the following:

''(i) LIMITATION ON ADMINISTRATIVE EXPENSES.—

''(1) DETERMINATION BY SECRETARY.—Not later than 12 months after the date of enactment of the Ryan White Care Act Amendments of 2000, the Secretary, in consultation with grantees under this part, shall conduct a review of the administrative, program support, and direct service-related activities that are carried out under this part to ensure that eligible individuals have access to quality, HIV-related health and support services and research opportunities under this part, and to support the provision of such services.

''(2) REQUIREMENTS.—

''(A) IN GENERAL.—Not later than 180 days after the expiration of the 12-month period referred to in paragraph (1) the Secretary, in consultation with grantees under this part, shall determine the relationship between the costs of the activities referred to in paragraph (1) and the access of eligible individuals to the services and research opportunities described in such paragraph.

''(B) LIMITATION.—After a final determination under subparagraph (A), the Secretary may not make a grant under this part unless the grantee complies with such requirements as may be included in such determination.''.

SEC. 153. EVALUATIONS AND REPORTS.

Section 2674(c) (42 U.S.C. 399ff–74(c)) is amended by striking ''1991 through 1995'' and inserting ''2001 through 2005''.

SEC. 154. AUTHORIZATION OF APPROPRIATIONS FOR GRANTS UNDER PARTS A AND B.

Section 2677 (42 U.S.C. 300ff–77) is amended to read as follows:

''SEC. 2677. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated—

''(1) such sums as may be necessary to carry out part A for each of the fiscal years 2001 through 2005; and

''(2) such sums as may be necessary to carry out part B for each of the fiscal years 2001 through 2005.''.

Subtitle E—Amendments to Part F (Demonstration and Training)

SEC. 161. AUTHORIZATION OF APPROPRIATIONS.

(a) SCHOOLS; CENTERS.—Section 2692(c)(1) (42 U.S.C. 300ff–111(c)(1)) is amended by striking ''fiscal years 1996 through 2000'' and inserting ''fiscal years 2001 through 2005''.

(b) DENTAL SCHOOLS.—Section 2692(c)(2) (42 U.S.C. 300ff–111(c)(2)) is amended by striking ''fiscal years 1996 through 2000'' and inserting ''fiscal years 2001 through 2005''.

TITLE II—MISCELLANEOUS PROVISIONS

SEC. 201. INSTITUTE OF MEDICINE STUDY.

(a) IN GENERAL.—Not later than 120 days after the date of enactment of this Act, the Secretary of Health and Human Services shall enter into a contract with the Institute of Medicine for the conduct of a study concerning the appropriate epidemiological measures and their relationship to the financing and delivery of primary care and health-related support services for low-income, uninsured, and under-insured individuals with HIV disease.

(b) REQUIREMENTS.—

(1) COMPLETION.—The study under subsection (a) shall be completed not later than 21 months after the date on which the contract referred to in such subsection is entered into.

(2) ISSUES TO BE CONSIDERED.—The study conducted under subsection (a) shall consider—

(A) the availability and utility of health outcomes measures and data for HIV primary care and support services and the extent to which those measures and data could be used to measure the quality of such funded services;

(B) the effectiveness and efficiency of service delivery (including the quality of services, health outcomes, and resource use) within the context of a changing health care and therapeutic environment as well as the changing epidemiology of the epidemic;

(C) existing and needed epidemiological data and other analytic tools for resource planning and allocation decisions, specifically for estimating severity of need of a community and the relationship to the allocations process; and

(D) other factors determined to be relevant to assessing an individual's or community's ability to gain and sustain access to quality HIV services.

(c) REPORT.—Not later than 90 days after the date on which the study is completed under subsection (a), the Secretary of Health and Human Services shall prepare and submit to the appropriate committees of Congress a report describing the manner in which the conclusions and recommendations of the Institute of Medicine can be addressed and implemented.

Mr. KENNEDY. Mr. President, it is a privilege to join Senators JEFFORDS, FRIST, DODD, HATCH, BINGAMAN, and WELLSTONE in introducing the Ryan White CARE Reauthorization Act. I commend Senator JEFFORDS for his leadership and commitment in making this legislation a top priority of the Health, Education, Labor, and Pensions Committee for enactment this year. I commend Senator FRIST for his medical knowledge and expertise in drafting this legislation. Senator DODD has been strongly committed to this issue for many years and I am pleased that he continues his commitment this year. Senator HATCH joined me more than a decade ago when we first introduced this legislation, and he has remained committed and involved ever since, and I commend his leadership. Senators BINGAMAN and WELLSTONE are members of our Senate Committee, and they have shown a great deal of interest in making sure that these resources reach rural Americans and other emerging populations.

Over the past twenty years, the nation has made extraordinary progress in responding to the AIDS epidemic. Medical advances, new and effective treatments, and the development of an HIV care infrastructure in every state have dramatically improved the access to care for individuals and families with HIV who would otherwise not be able to afford such care. By providing life-sustaining health and related support services, we have reduced the spread of AIDS.

The CARE Act has contributed to the significant drop in new AIDS cases. AIDS-related deaths have decreased significantly, dropping 42% from 1996 to 1997, and 20% from 1997 to 1998. Persons with HIV/AIDS are living longer and healthier lives because of the CARE Act.

Perinatal HIV transmission from mother to child has been reduced by 75% from 1992 to 1997. We are closing the gap in health care disparities in vulnerable populations such as communities of color, women, and persons with HIV who are uninsured and underinsured.

Medications have made a difference too. Highly active anti-retroviral

therapies have given a second lease on life to many Americans with HIV/AIDS. An estimated 80% of persons in treatment have used one or more of these new and effective drugs.

HIV health care and supportive services have also made a difference. An estimated 600,000 persons have received HIV services through the Ryan White CARE Act, including primary care, substance abuse treatment, dental care, hospice care, and other specialized HIV health care services, and the availability of these services has enabled them to lead productive lives.

In Massachusetts, for example, we have seen an overall 77% decline in AIDS and HIV-related deaths since 1995. At the same time, however, like many other states, we are concerned about the changing HIV/AIDS trends and profiles. AIDS and HIV cases increased in women by 11% from 1997 to 1998, and 55% of persons living with AIDS in the state are persons of color.

Clearly, we have had significant successes in fighting AIDS. We have come a long way from the days when ideology dictated care for people with AIDS and not sound public health policy. Fortunately, with the leadership of Senator HATCH and Senator JEFFORDS and our bipartisan coalition, we were able to enact the Ryan White CARE Act in memory of Ryan White. He was a young man with hemophilia who contracted AIDS through blood transfusions, and touched the world's heart through his valiant efforts to speak out against the ignorance and discrimination faced by many persons living with AIDS. His mother, Jeanne White carried on her son's message after Ryan's death in 1990. She was instrumental in the passage of the Care Act in 1990 and then again in 1996 and now in 2000.

The enactment of the Ryan White CARE Act in 1900 provided an emergency response to the devastating effects of HIV on individuals, families, communities, and state and local governments. The CARE Act signaled a comprehensive approach by targeting funds to respond to the specific needs of communities. Title I targets the hardest hit metropolitan areas in the country. Local planning and priority setting requirements under Title I assure that each of the Eligible Metropolitan Areas respond to the local HIV/AIDS demographics.

Title II of the Act funds emergency relief to the states. It helps them to develop an HIV care infrastructure and provide effective and life-sustaining HIV/AIDS drug therapies through the AIDS Drug Assistance Program to over 61,000 persons each month.

Title III funds community health centers and other primary health care providers that serve communities with a significant and disproportionate need for HIV care. Many of these community health centers are located in the hardest hit areas, serving low income communities.

Finally, Title IV of the CARE Act is designed to meet the specific needs of women, children and families.

While the CARE Act has benefited large numbers of Americans in need, a number of critical areas remain where improvements are essential if we are to meet the growing needs in our communities. We know that of the estimated 750,000 persons living with HIV/AIDS in the United States, over 215,000 know their HIV status, yet are not in care. New health care access points are needed to bring these persons into care. At the same time, the CARE Act programs currently serving an estimated 600,000 persons annually are challenged more than ever in meeting the growing need and demand for services. The Centers for Disease Control and Prevention estimates that the need will continue to grow since we have an estimated 40,000 new cases of HIV/AIDS annually in the United States.

Also, not everyone is benefiting from the advances in the development of new and effective drug treatments. The skyrocketing costs of expensive AIDS drugs, estimated at $15,000 annually per person, has led 26% of the CARE Act's AIDS Drug Assistance Programs to cap enrollment, establish waiting lists, or limit eligibility. Guaranteeing that effective drug treatments are available and affordable to all persons with HIV/AIDS has always been a priority for the CARE Act. Reducing barriers to access in communities of color and other vulnerable populations is a priority for this reauthorization.

We are fortunate in Massachusetts to have a state budget that has also been able to provide funding for primary care, prevention, and outreach efforts, but no state by itself can provide the significant financial resources to help persons living with HIV to obtain needed medical and support access.

We still find serious disparities in access to HIV health care in communities of color, women, the uninsured and underinsured. The demographics of the epidemic have been steadily changing. The majority of new AIDS cases reported are among racial and ethnic minority populations and groups that traditionally have faced heavy barriers in obtaining adequate health care services. While African Americans make up 12% of the general population, they account for 45% of new AIDS cases. 80% of new AIDS cases are occurring in women of color. As many as half of all new infections are occurring in people under the age of 25, and one quarter of all new infections are occurring in persons under the age of 22. The CARE Act must be able to adjust to meet these changing trends in the HIV/AIDS epidemic. Geographic shifts in the epidemic as well as the availability of new sources of financing for HIV/AIDS care must be taken into account to assure equity in how the federal government and states respond to the epidemic.

The CARE Act must continue to provide resources to help local communities to plan and to set priorities for CARE dollars. We must develop better ways to measure the severity of need and the health disparities, and assure that these improvements are taken into account in HIV planning, in establishing priorities, and in allocating funds.

This bill addresses these new challenges in ensuring access to HIV drug treatments for all, reducing health disparities in vulnerable communities, and improving the distribution and quality of services under the CARE Act. Proposed changes will ensure greater access to care in low income, historically underserved urban and rural communities, by increasing targeted funding to areas where the HIV care infrastructure may not exist. This bill also focuses on quality and accountability of HIV service delivery by requiring effective quality management activities that ensure their consistency with Public Health Service guidelines, and by making changes to ensure that CARE Act dollars are used for their intended purposes.

These improvements are intended to close the gap in health care disparities and improve inequities in services and funding among states. They will build capacity in underserved rural and urban areas, and focus state and local program priorities on underserved populations and persons not in care. They will develop new points of entry relationships to improve coordination of care. They will increase early access to care, in order to begin HIV treatment earlier and improve the quality of care that patients receive.

We know that the CARE Act has made a difference not only in the lives of persons with HIV/AIDS, but also in the lives of countless loved ones who have seen despair turned to hope through support of CARE Act services. The story of Lory in Massachusetts is a compelling example of young woman living with HIV, unable to work full-time, and unable to afford anti-retroviral medications without Ryan White CARE Act assistance. The support she has received from the caring staff at Fenway Clinic in Boston is impressive. As Lory told us at our committee hearing on March 2nd on the reauthorization of the Act ''It is not an exaggeration when I tell you that without Fenway I would be dead. They have saved my life.''

I'm sure that Lory's eloquent testimony is true of countless others across the country who are living with this tragic disease. The Ryan White CARE Act has made an enormous difference in their lives. I look forward to early action by Congress on this important legislation, so that we can continue to help as many people as possible.

Mr. FRIST. Mr. President, the Centers for Disease Control and Prevention estimate that between 650,000 and 900,000 Americans are currently living with human immunodeficiency virus (HIV), of whom 280,000 have acquired immune deficiency syndrome (AIDS). As of June 1999, there were 8,814 people in my home state of Tennessee living with HIV/AIDS. As a physician, I have seen first hand the deadly impact of

this disease on patients, and have also seen first hand what can happen if the prevalence of AIDS goes unchecked. On February 24, 2000, as chairman of the Foreign Relations Subcommittee on Africa, I held a hearing on the AIDS crisis in Africa. In Africa, this disease has reached truly pandemic proportions, causing cultural and economic devastation. Every day, there are 16,000 new infections globally, despite the great strides we have made in the treatment and prevention of this condition.

Ironically and unfortunately, the new advancements in treatment may have caused many to become complacent. A survey co-authored by Yale revealed that more than 80% of our youth do not believe they are at risk for HIV infections. However, the fact is that the number of new infections among adolescents continues to rise and it is rising disproportionally among minorities. AIDS remains the leading cause of death among African-Americans 25–44 years of age and the second leading cause of death among Latinos in the same age range. Furthermore, in 1998, African-American and Hispanic women accounted for 80% of the total AIDS cases reported for women nationwide. In my own state of Tennessee, 59% of the new AIDS cases were among African-Americans, who make up 45% of the total AIDS cases in the state. Since its original discovery, it is estimated that over 13.9 million have died worldwide and over 400,000 have died in the United States as a result of HIV/AIDS. Fortunately, over the last 15 years, we have doubled the life expectancy of people with AIDS, developed new and powerful drugs for the treatment of HIV infection, and made advances in the treatment and prevention of AIDS-related opportunistic infections.

Another important component in the struggle against HIV/AIDS has been the Ryan White Comprehensive AIDS Resources Emergency (CARE) Act, which I am pleased to join with Senator JEFFORDS in supporting today. The Ryan White CARE Act, a unique partnership between federal, local, and state governments; non-profit community organizations, health care and supportive service providers. For the last decade, this Act has successfully provided much needed assistance in health care costs and support services for low-income, uninsured and underinsured individuals with HIV/AIDS.

Through programs such as AIDS Drug Assistance Program (ADAP), which provides access to pharmaceuticals, the CARE Act has helped extend and even save lives. Last year alone, nearly 100,000 people living with HIV and AIDS received access to drug therapy because of the CARE Act. Half the people served by the CARE Act have family incomes of less than $10,000 annually, which is lower than the $12,000 annual average cost of new drug ''cocktails'' for treatment. The CARE Act is critical in ensuring that the number of people living with AIDS continues to increase, as effective new drug therapies are keeping HIV-infected persons healthy longer and dramatically reducing the death rate. Investments in enabling patients with HIV to live healthier and more productive lives have helped to reduce overall health costs. For example, the National Center for Health Statistics reported that the nation has seen a 30% decline in HIV related hospitalizations, which results in nearly one million fewer HIV related hospital days and a savings of more than $1 billion.

During the 104th Congress, I had the pleasure of working with Senator Kassebaum on the Ryan White CARE Act Amendments of 1996 to ensure this needed law was extended. Today I am pleased to join Senator JEFFORDS as an original cosponsor to the Ryan White CARE Act Amendments of 2000, which will further improve and extend this law. Senator JEFFORDS, who has done a terrific job in crafting this bill, has already outlined some specifics of this legislation, however, I would like to conclude by discussing a specific provision which I am grateful Senator JEFFORDS included in this reauthorization.

This bill contains a provision, under Title II of this Act, to address the fact that the face of this disease is changing and is moving into and affecting more rural communities. A recent GAO audit found that rural areas may offer more limited medical and social services than cities because urban areas generally receive more money per AIDS case. To help address this concern, this new provision will provide supplemental grants to States for additional HIV/AIDS services in underserved areas. One important aspect of this provision is the creation of supplemental grants for emerging metropolitan communities, which do not qualify for Title I funding but have reported between 1,000 and 2,000 AIDS cases in the last five years. Currently, this provision would provide 7 cities, including Memphis and Nashville, a general pot of money to divide of at least $5 million in new funding each year, or 25% of new monies under Title II, whichever is greater.

Mr. President, I would like to thank Senator JEFFORDS for his leadership on this issue, and Sean Donohue and William Fleming of his staff for all their expertise in drafting this bill. I would also like to thank Senator KENNEDY and Stephanie Robinson of his staff for their work and dedication to this issue. I would also like to thank Dr. Bill Moore of the Tennessee Department of Health and Mr. Joe Interrante of Nashville CARES for their counsel and assistance on this legislation and for their efforts in helping Tennesseans with HIV/AIDS.

Mr. DODD. Mr. President, I am pleased to join Senators KENNEDY, JEFFORDS, FRIST, HATCH, BINGAMAN, HARKIN, WELLSTONE, REED, ENZI, and MIKULSKI in sponsoring the Ryan White CARE Reauthorization Act, legislation which will provide for the continuation of critical support services for those living with HIV and AIDS. I thank Senators JEFFORDS and KENNEDY for their leadership and commitment to this important bill, and commend their efforts to ensure that the reauthorization legislation addresses the new challenges of the HIV/AIDS epidemic.

Over the last two decades, our Nation has made tremendous advances in responding to the HIV/AIDS epidemic. We've all been encouraged by the recent reports that the number of AIDS cases dropped last year for the first time in the 16 year history of the epidemic. The new combination therapies largely responsible for this change in course have brought new hope to families devastated by this disease. Although it was unimaginable just a few years ago, it now appears possible that we may soon view AIDS, if not as curable, than at least as a manageable, chronic illness.

But, despite these advances in treatment options, the HIV/AIDS epidemic remains an enormous health emergency in the United States, with the number of AIDS cases in the U.S. nearly doubling during the last five years. According to a study sponsored by the U.S. Public Health Service, approximately 250,000 to 300,000 people living with HIV or AIDS currently receive no medical treatment. Therefore, while we must sustain our efforts in the areas of research and education, it is also critical that we continue to provide resources to help states and disproportionately affected communities develop the necessary infrastructure to provide HIV/AIDS care. One of the most important changes made to the Ryan White programs by this Reauthorization Act is the emphasis on the need for early diagnosis of the disease. This new emphasis is reflected in the bill's provisions relating to early intervention activities, which will support early diagnosis and encourage linkages into care for populations at high risk for HIV.

In the decade since the enactment of the Ryan White CARE Act we've seen a transformation in the face of AIDS. Since women and children are disproportionately represented among the newly infected, I am especially pleased that this bill provides for the coordination of Ryan White and State Children's Health Insurance Program (SCHIP) funds, and includes a set-aside for infants, children, and women proportionate to the percentage each group represents in the eligible funding area's AIDS affected population.

During the decade of the Ryan White CARE Act, we've also seen a shift in the challenges facing providers. Ten years ago, Ryan White providers focused primarily on helping people while they died. Now, more and more, providers are moving into the business of helping individuals infected with HIV live long and full lives. But, while the discovery of powerful drug therapies has improved the quality and length of life for many who are HIV positive, access to these drugs and to

other critical health services is still difficult for many, since AIDS is fast becoming a disease of poverty. The CARE Act's AIDS Drug Assistance Programs remain a lifeline for low-income individuals who cannot afford the costs of regular care and expensive AIDS drug regimens (now estimated at $15,000 annually per person).

The CARE Act has made a difference to the lives of countless individuals and families affected by a devastating disease. While there is hope for the future, the changing demographics of the disease present new challenges. The Ryan White CARE Act Amendments of 2000 address these challenges while maintaining those aspects of the Act that demonstrate proven results. I look forward to working with Congress as we move forward with the reauthorization, so that the thousands of people who rely on the services of Ryan White programs can continue to maintain their dignity and quality of life.

Mr. WELLSTONE. Mr. President, I join with my colleagues on the HELP committee to cosponsor the Ryan White Care Act Amendments of 2000. I do this with pride in what has been accomplished since I last cosponsored the reauthorization of the Ryan White Care Act in 1996. This legislation since 1991 has enabled the development of community driven systems of care for low-income, uninsured, and underinsured individuals and families affected by HIV disease.

Last year alone, the Ryan White CARE Act served an estimated half million people living with HIV and AIDS and affected the lives of millions more. Nearly 6 in 10 of these people were poor. Last year, this legislation enabled approximately 100,000 people living with HIV and AIDS to receive drug therapy. This is particularly important because half of the people served by the Act have incomes less than $10,000 a year—and the new drug treatments cost more than $12,000 annually.

According to the National Center for Health Statistics, between 1995 and 1997, there has been a 30 percent decline in HIV related hospitalizations, representing a savings of more than $1 billion. Since 1991, according to Sandra Thurman, Director of the Office of National AIDS Policy, the CARE Act has helped to reduce AIDS mortality by 70 percent; to reduce mother-child transmission of HIV by 75 percent; and to enhance both the length and quality of life for people living with HIV/AIDS.

The epidemic is far from over. Each year there are 40,000 new HIV infections in the U.S., and the death rate is no longer dropping so quickly. Although people with HIV disease are living much longer, the highly touted multi-drug therapies are beginning to fall short of their prayed for effectiveness, and they do not work for everyone.

In addition, the nature of the epidemic is changing. HIV/AIDS is devastating communities of color. AIDS is the leading cause of death for African-Americans aged 25 to 44, and the second leading cause of death among Latino Americans of the same age group. HIV/AIDS also disproportionately affects younger Americans. Half of the 40,000 new infections each year occur in individuals under age 25. AIDS is killing the youngest, potentially most productive members of our society. Without a renewed commitment to research, prevention, and culturally sensitive treatment, the rates of infection and death will continue to ravage communities of color.

It is a testament to the success of this legislation that there is such unanimity among the committee members and all of the diverse group of stakeholders that the Ryan White Care Act needs to be reauthorized. The amendments included in this legislation are designed to increase the accountability of the overall program; to meet the challenges of the changing nature of the epidemic; to improve the quality of care; and to reach those affected by this plague who have not been reached before. We often say ''Leave no child behind'' and everyone agrees. We must also say, ''let's leave no one afflicted by this dread disease untreated''.

Provisions for quality management around clinical practice will bring best practices to patients. Holding grantees accountable for quality management and relevance of programs means the money appropriated will be well spent. This is good medicine and responsible lawmaking.

Allowing for flexibility in how the AIDS Drug Assistance Program (ADAP) funds are spent will provide more low-income individuals with life-prolonging medications. Focusing on early intervention services to support early diagnosis will get patients into treatment faster and hopefully also slow the spread of the disease. Requiring grantees to develop and maintain linkages with key points of entry to the medical system, such as mental health and substance abuse treatment centers, will dramatically improve treatment, slow the spread of the disease, and reach previously unserved people. This is good prevention.

In 1990, the HIV/AIDS epidemic was primarily limited to large cities; hence the majority of funds were granted to cities. Over the last decade, unfortunately, the epidemic has spread to more rural areas and to different populations. This bill requires that funds be spent in accordance with local demographics. Several provisions in this bill will allow more funds to go to less populated areas and to provide special grants for infants, youth and women. This is good allocation of resources based on needs.

This bill also contains fiscally responsible caps on administrative costs, and requires all grantees to coordinate with Medicaid and the State Children's Health Insurance Program. This makes good fiscal sense.

Mr. President, the Ryan White CARE Act has saved lives and serves hundreds of thousands of needy people yearly. The Ryan White CARE Act has a proven record of success; let's build on that success. This federal legislation needs to be reauthorized now, as proposed, to meet the continuing needs and new challenges presented by the changing nature of the HIV/AIDS epidemic.

That is why I urge all Senators to join in cosponsoring and passing the Ryan White CARE Act Amendments of 2000, and I urge the members of the Appropriations Committee to provide the funds to fully implement it.

By Mr. LUGAR:

S. 2312. A bill to amend title XVIII of the Social Security Act to provide for a moratorium on the mandatory delay of payment of claims submitted under part B of the Medicare Program and to establish an advanced informational infrastructure for the administration of Federal health benefits programs; to the Committee on Finance.

HEALTH CARE INFRASTRUCTURE INVESTMENT ACT OF 2000

Mr. LUGAR. Mr. President, I rise to introduce the Health Care Infrastructure Investment Act.

Formerly arcane statistics of interest only to economists, productivity and innovation are now veritable buzzwords in today's much-heralded new economy. Recently released productivity figures drew front page coverage from both the Washington Post and New York Times. Most economists, including Federal Reserve Chairman Alan Greenspan, attribute the surge in productivity to technological improvements. A host of new and improved technologies, including faster computers and rapid expansion of the Internet, have led to improved efficiencies. The result: workers are more productive, companies continue to grow and wealth is created.

Today nearly every industrial sector is involved in a race to apply new technology and management techniques to gain greater efficiencies. Yet one sector that accounts for 13 percent of America's gross domestic product—health care—still uses a patchwork-quilt of outdated technology for the most basic of its transactions.

While individual components within the health industry are adopting advanced communication, manufacturing and other technologies but the inner core of health care—a series of transactions between doctor, patient and insurance provider—remains largely untouched by technological advances that would decrease the administrative load accompanying every transaction.

At a time when America's growing population is seeking a higher quality of care; when the greying of America means that Medicare enrollment will double by 2040; when new medical procedures are being developed that hold great promise for the treatment and cure of diseases like cancer and AIDS; when prescription drugs are becoming available that extend and improve the quality of life—we have every motivation for adopting into health care some

of the same technologies and ideas responsible for transforming other sectors of the American economy.

A robust and modern infrastructure for American health care will enable resources to be shifted to where they are most needed and allow for the dramatic increases in productivity necessary to treat increasing numbers of people at a higher level of care. In this sense, efficiency is not double-speak for additional restrictions placed on the doctor-patient relationship or further regulations on insurance coverage. Instead, greater efficiency means that doctors are free to spend more time treating patients, insurance companies reduce the cost of claims processing and consumers are empowered with a better understanding of treatment and costs.

America's interstate highway system is a prime example of a wise infrastructure investment. As a result of a sustained Federal commitment, Americans enjoy an unprecedented degree of mobility while the economy benefits from the low cost and ease of transportation. A similar approach should be applied to health care whose roads for processing information resemble the rutted cobblestone paths of medieval times.

The Health Care Infrastructure Investment Act is designed to spur Federal and private sector investment so that a nationwide network of systems is built for health care. A network of systems is a descriptive term that refers to the conglomeration of hardware, software and secure information networks designed to speed the flow of information and capital between doctors, patients and insurance providers.

The primary goal of the Health Care Infrastructure Investment Act is to build an advanced infrastructure to efficiently process and handle the vast number of straightforward transactions that now clog the pipeline and drain scarce health care resources. Among the targeted transactions are immediate, point-of-service verification of insurance coverage, point-of-service checking for incomplete or erroneous claim submission and point-of-service resolution of clean claims for doctor office visits including the delivery of an explanation of benefits and payment.

When designing a complex system, a first step is to define performance standards that the system must meet. As configured, the legislation mandates broadly defined performance standards for the federally administered Medicare program that will be phased-in over a ten year period. To ensure that improvements in the infrastructure supporting federally-financed health care are matched in the managed care sector, insurers participating in the Federal Employees Health Benefits program will also be required to meet these same performance standards.

Also critical will be harnessing the expertise of selection of the Federal agency responsible for the design and implementation of an advanced health care infrastructure. Some of my colleagues have suggested that the Department of Defense or even NASA, two agencies with decades of experience with complex, distributed networks, be assigned a leadership role. Accordingly, the legislation forms a Health Care Infrastructure Commission, chaired by the Secretary of Health and Human Services, and composed of senior officials from NASA, the Defense Advanced Research Projects Agency, the National Science Foundation, the Office of Science and Technology Policy and the Department of Veterans Affairs. Officials named to the Health Care Infrastructure Commission are required to be expert in advanced information technology.

The legislation also strives to create a strong partnership with the private sector, as many of the advances in communication technology are driven by companies, both large and small.

Many pieces of a truly advanced health care infrastructure already exist. But like a modern-day Tower of Babel, communication is hindered by differences in language and function. Sorely needed is a combination of vision and commitment: vision to design a system that is secure, efficient and flexible and the commitment to dedicate necessary intellectual and financial resources for its design and implementation.

America has put a man on the moon, designed advanced stealth fighters and is now enjoying a sustained period of economic expansion stimulated by electronic devices, telephone and Internet. We must now develop and build a health care infrastructure that checks insurance status with the swipe of a card, provides speedy payment to doctors for their expertise in healing and allows a patient to leave the doctor's office with a single statement of treatment and cost. I am confident that we will succeed.

I urge my colleagues to support the Health Care Infrastructure Investment Act.

By Mr. MOYNIHAN (for himself, Mr. REID, and Mrs. BOXER):

S. 2315. A bill to amend the Federal Food, Drug, and Cosmetic Act with respect to the safety of genetically engineered foods, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

GENETICALLY ENGINEERED FOOD SAFETY ACT

• Mr. MOYNIHAN. Mr. President, today I am joined with Senator REID and Senator BOXER to introduce the Genetically Engineered Food Safety Act (S. 2315), a bill to require food safety testing for genetically engineered foods.

The ability to alter an organism by specifically transferring genetic codes between plants and animals is a new realm of science that we have only begun investigating. This technology has the promise to deliver real public goods: increased crop yields and products which combat disease and improve nutrition. But the technology also has the potential to pose a number of threats to the nation's public health, environment, and economy, and U.S. consumers are understandably concerned.

The Federal Government has a duty to ensure that genetically engineered foods (GEFs) are safe to eat. The Food and Drug Administration (FDA) currently requires rigorous pre-market review for pharmaceutical drugs, biological products, and medical devices introduced in the U.S. market. For GEFs, however, FDA only asks the industry to submit safety data voluntarily. Even if industry fully complies, our concern is that a conflict of interest exists when an industry determines its own level of safety review for products it wants to promote.

S. 2315 would simply give FDA discretion to conduct its own safety testing of new GEFs and requires that certain factors are examined. GEFs on the market today will remain on the market as long as FDA also reviews these products for health safety. Much like the current practice, funding for these tests will come primarily from industry. A fee system will be developed that is modeled after FDA's current program for reviewing pharmaceuticals and supplemented by Federal funding.

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

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

S. 2315

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 ''Genetically Engineered Food Safety Act''.

SEC. 2. FINDINGS.

Congress finds the following:

(1) Genetic engineering is an artificial gene transfer process different from traditional breeding.

(2) Genetic engineering can be used to produce new versions of virtually all plant and animal foods. Thus, within a short time, the food supply could consist almost entirely of genetically engineered products.

(3) This conversion from a food supply based on traditionally bred organisms to one based on organisms produced through genetic engineering could be one of the most important changes in the food supply in this century.

(4) Genetically engineered foods present new issues of safety that have not been adequately studied.

(5) United States consumers are increasing concerned that food safety issues regarding genetically engineered foods are not being adequately addressed.

(6) Congress has previously required that food additives be analyzed for their safety prior to their placement on the market.

(7) Adding new genes, and the substances that the genes code for, into a food should be considered adding a food additive, thus requiring an analysis of safety factors.

(8) The food additive process gives the Food and Drug Administration discretion in

applying the safety factors that are generally recognized as appropriate to evaluate the safety of food and food ingredients.

SEC. 3. FEDERAL DETERMINATION OF SAFETY OF GENETICALLY ENGINEERED FOOD; REGULATION AS FOOD ADDITIVE.

(a) INCLUSION IN DEFINITION OF FOOD ADDITIVE.—Section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321) is amended—

(1) in paragraph (s), by adding after subparagraph (6) the following:

''Such term includes the different genetic constructs, proteins of or other substances produced by such constructs, vectors, promoters, marker systems, and other appropriate terms that are used or created as a result of the creation of a genetically engineered food, other than a genetic construct, protein or other substance, vector, promoter, marker system, or other appropriate term for which an application has been filed under section 505 or 512.''; and

(2) by adding at the end the following:

''(kk)(1) The term 'genetically engineered food' means food that contains or was produced with a genetically engineered material.

''(2) The term 'genetically engineered material' means material derived from any part of a genetically engineered organism.

''(3) The term 'genetically engineered organism' means—

''(A) an organism that has been altered at the molecular or cellular level by means that are not possible under natural conditions or processes (including recombinant DNA and RNA techniques, cell fusion, microencapsulation, macroencapsulation, gene deletion and doubling, introduction of a foreign gene, and a process that changes the positions of genes), other than a means consisting exclusively of breeding, conjugation, fermentation, hybridization, in vitro fertilization, or tissue culture; and

''(B) an organism made through sexual or asexual reproduction (or both) involving an organism described in clause (A), if possessing any of the altered molecular or cellular characteristics of the organism so described.

''(4) The term 'genetic food additive' means a genetic construct, protein or other substance, vector, promoter, marker system, or other appropriate term that is a food additive.''.

(b) PETITION TO ESTABLISH SAFETY.—

(1) DATA IN PETITION.—Section 409(b)(2) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 348(b)(2)) is amended—

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

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

(C) by adding at the end the following:

''(F) in the case of a genetic food additive, all data that was collected or developed pursuant to the investigations, including data that does not support the claim of safety for use.''.

(2) NOTICES; PUBLIC AVAILABILITY OF INFORMATION.—Section 409(b)(5) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 348(b)(5)) is amended—

(A) by striking ''(5)'' and inserting ''(5)(A)''; and

(B) by adding at the end the following subparagraphs:

''(B) In the case of a genetic food additive, the Secretary, promptly after providing the notice under subparagraph (A), shall make available to the public all reports and data described in subparagraphs (E) and (F) of paragraph (2) that are contained in the petition involved, and all other information in the petition to the extent that the information is relevant to a determination of safety for use of the additive. Such notice shall state whether any information in the petition is not being made available to the public because the Secretary has made a determination that the information does not relate to safety for use of the additive. Any person may petition the Secretary for a reconsideration of such a determination, and if the Secretary finds in favor of such person, the information shall be made available to the public and the period for public comment described in subsection (c)(2)(B) shall be extended until the end of the 30th day after the information is made available.

''(C) In the case of a genetic food additive, the following rules shall apply:

''(i) The Secretary shall maintain and make available to the public through electronic and non-electronic means a list of petitions that are pending under this subsection and a list of petitions for which regulations have been established under subsection (c)(1)(A). Such list shall include information on the additives involved, including the source of the additives, and including any information received by the Secretary pursuant to clause (ii).

''(ii) If a regulation is in effect under subsection (c)(1)(A) for a genetic food additive, any person who manufactures such additive for commercial use shall submit to the Secretary a notification of any knowledge of data that relate to the adverse health effects of the additive, in a case in which the knowledge is acquired by the person after the date on which the regulation took effect. If the manufacturer is in possession of the data, the notification shall include the data. The Secretary shall by regulation establish the scope of the responsibilities of manufacturers under this clause, including such limits on the responsibilities as the Secretary determines to be appropriate.''.

(3) EFFECTIVE DATE OF REGULATION REGARDING SAFE USE; OPPORTUNITY FOR PUBLIC COMMENT.—Section 409(c)(2) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 348(c)(2)) is amended—

(A) by striking ''(2)'' and inserting ''(2)(A)''; and

(B) by adding at the end the following subparagraph:

''(B) In the case of a genetic food additive, an order may not be issued under paragraph (1)(A) before the expiration of the 30-day period beginning on the date on which the Secretary has made information available to the public under subsection (b)(5)(B) regarding the petition involved. During such period (or such longer period as the Secretary may designate), the Secretary shall provide interested persons an opportunity to submit to the Secretary comments on the petition. In publishing a notice for the additive under subsection (b)(5), the Secretary shall inform the public of such opportunity.''.

(4) CONSIDERATION OF CERTAIN FACTORS.—Section 409(c) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 348(c)) is amended by adding at the end the following paragraph:

''(6) In the case of a genetic food additive, the factors considered by the Secretary regarding safety for use shall include the following:

''(A) Allergenicity effects resulting from added proteins, including proteins not found in the food supply.

''(B) Appropriate types of toxicity of proteins or other substances added to genetically engineered foods.

''(C) Pleiotropic effects. The Secretary shall require tests to determine the potential for such effects, including increased levels of toxins, or changes in the levels of nutrients.

''(D) Changes in the functional characteristics of food.''.

(5) CERTAIN TESTS.—Section 409(c) of the Federal Food, Drug, and Cosmetic Act, as amended by paragraph (4), is further amended by adding at the end the following paragraph:

''(7) In the case of a genetic food additive, the following rules shall apply:

''(A) If a genetic food additive is a protein from a commonly or severely allergenic food, the Secretary may not establish a regulation under paragraph (1)(A) for the additive if the petition filed under subsection (b)(1) for the additive fails to include full reports of investigations that used serum or skin tests (or other advanced techniques) on a sensitive population to determine whether such additive is commonly or severely allergenic.

''(B)(i) If a genetic food additive is a protein that has not undergone the investigations described in subparagraph (A), the Secretary may not establish a regulation under paragraph (1)(A) for the additive if the petition filed under subsection (b)(1) fails to include full reports of investigations that used the best available biochemical and physiological protocols to evaluate whether it is likely that the protein involved is an allergen.

''(ii)(I) For purposes of clause (i), the Secretary shall by regulation determine the best available biochemical and physiological protocols.

''(II) In carrying out rulemaking under subclause (I), the Secretary shall consult with the Director of the National Institutes of Health.''.

(6) PROHIBITED ADDITIVES.—Section 409(c) of the Federal Food, Drug, and Cosmetic Act, as amended by paragraph (5), is further amended by adding at the end the following paragraph:

''(8)(A) In the case of a genetic food additive, the Secretary may only establish a regulation under paragraph (1)(A) for the additive if the regulation requires that a food containing the additive meet the requirements of subparagraph (C), in a case in which—

''(i) the additive is a protein and a report of an investigation described in subsection (b)(2)(E) finds that the additive is likely to be commonly or severely allergenic; or

''(ii) the additive is a protein and such a report of an investigation that uses a protocol described in paragraph (7)(B) fails to find with reasonable certainty that the additive is unlikely to be an allergen.

''(B) Effective June 1, 2004, in the case of a genetic food additive, the Secretary may not establish a regulation under paragraph (1)(A), and shall repeal any regulation in effect under that paragraph, for the additive if a selective marker is used with respect to the additive, the selective marker will remain in the food involved when the food is marketed, and the selective marker inhibits the function of 1 or more antimicrobial drugs.

''(C) In a case described in clause (i) or (ii) of subparagraph (A), in order to meet the requirements of this subparagraph, a food that contains a genetic food additive shall—

''(i) bear a label or labeling that clearly and conspicuously states the name of the allergen involved; or

''(ii) be offered for sale under a name that includes the name of the allergen.''.

(7) ADDITIONAL PROVISIONS.—Section 409(c) of the Federal Food, Drug, and Cosmetic Act, as amended by paragraph (6), is further amended by adding at the end the following paragraph:

''(9)(A) In determining the safety for use of a genetic food additive under this subsection, the Secretary may (directly or through contract) conduct an investigation of such additive for purposes of supplementing the information provided to the Secretary pursuant to a petition filed under subsection (b)(1).

''(B) To provide Congress with a periodic independent, external review of the Secretary's formulation of the approval process

carried out under paragraph (1)(A) that relates to genetic food additives, the Secretary shall enter into an agreement with the Institute of Medicine of the National Academy of Sciences. Such agreement shall provide that, if the Institute of Medicine has any concerns regarding the approval process, the Institute of Medicine will submit to Congress a report describing such concerns.

''(C) In the case of genetic food additives, petitions filed under subsection (b)(1) may not be categorically excluded from the application of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).''.

(c) REGULATION ISSUED ON SECRETARY'S INITIATIVE.—Section 409(d) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 348(d)) is amended—

(1) by striking ''(d) The Secretary'' and inserting ''(d)(1) Subject to paragraph (2), the Secretary''; and

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

''(2) The provisions of subsections (b) and (c) that expressly refer to genetic food additives apply with respect to a regulation proposed by the Secretary under paragraph (1) to the same extent and in the same manner as such provisions apply with respect to a regulation issued under subsection (c) in response to a petition filed under subsection (b)(1). For purposes of this subsection, references in such provisions to information contained in such a petition shall be considered to be references to similar information in the possession of the Secretary.''.

(d) CIVIL PENALTIES.—Section 303 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 333) is amended by adding at the end the following subsection:

''(h)(1) With respect to a violation of section 301(a), 301(b), or 301(c) involving the adulteration of food by reason of failure to comply with the provisions of section 409 that relate to genetic food additives, any person engaging in such a violation shall be liable to the United States for a civil penalty in an amount not to exceed $100,000 for each such violation.

''(2) Paragraphs (3) through (5) of subsection (g) apply with respect to a civil penalty under paragraph (1) of this subsection to the same extent and in the same manner as such paragraphs (3) through (5) apply with respect to a civil penalty under paragraph (1) or (2) of subsection (g).''.

(e) RULE OF CONSTRUCTION.—With respect to section 409 of the Federal Food, Drug, and Cosmetic Act, compliance with the provisions of such section 409 that relate to genetic food additives does not constitute an affirmative defense in any cause of action under Federal or State law for personal injury resulting in whole or in part from a genetic food additive.

SEC. 4. USER FEES REGARDING DETERMINATION OF SAFETY OF GENETIC FOOD ADDITIVES.

Chapter IV of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 341 et seq.) is amended by inserting after section 409 the following section:

''SEC. 409A. USER FEES REGARDING SAFETY OF GENETIC FOOD ADDITIVES.

''(a) IN GENERAL.—In the case of genetic food additives, the Secretary shall, in accordance with this section, assess and collect a fee on each petition that is filed under section 409(b)(1). The fee shall be collected from the person who submits the petition, shall be due upon submission of the petition, and shall be assessed in an amount determined under subsection (c). This section applies as of the first fiscal year that begins after the date of promulgation of the final regulation required in section 5 of the Genetically Engineered Food Safety Act (referred to in this section as the 'first applicable fiscal year').

''(b) PURPOSE OF FEES.—

''(1) IN GENERAL.—The purposes of fees required under subsection (a) are as follows:

''(A) To defray increases in the costs of the resources allocated for carrying out section 409 for the first applicable fiscal year over the costs of carrying out such section for the preceding fiscal year, other than increases that are not attributable to the responsibilities of the Secretary with respect to genetic food additives.

''(B) To provide for a program of basic and applied research on the safety of genetic food additives (to be carried out by the Commissioner). The program shall address fundamental questions and problems that arise repeatedly during the process of reviewing petitions under section 409(b)(1) with respect to genetic food additives, and shall not directly support the development of new genetically engineered foods.

''(2) ALLOCATIONS BY SECRETARY.—Of the total fee revenues collected under subsection (a) for a fiscal year, the Secretary shall reserve and expend—

''(A) 95 percent for the purpose described in paragraph (1)(A); and

''(B) 5 percent for the purpose described in paragraph (1)(B).

''(3) CERTAIN PROVISIONS REGARDING INCREASED ADMINISTRATIVE COSTS.—With respect to fees required under subsection (a)—

''(A) increases referred to in paragraph (1)(A) include the costs of the Secretary in providing for investigations under section 409(c)(9)(A); and

''(B) increases referred to in paragraph (1)(A) include increases in costs for an additional number of full-time equivalent positions in the Department of Health and Human Services to be engaged in carrying out section 409 with respect to genetic food additives.

''(c) TOTAL FEE REVENUES; INDIVIDUAL FEE AMOUNTS.—The total fee revenues collected under subsection (a) for a fiscal year shall be the amounts appropriated under subparagraph (A) or (B) of subsection (f)(2) for such fiscal year. Individual fees shall be assessed by the Secretary on the basis of an estimate by the Secretary of the amount necessary to ensure that the sum of the fees collected for such fiscal year equals the amount so appropriated.

''(d) FEE WAIVER OR REDUCTION.—The Secretary shall grant a waiver from or a reduction of a fee assessed under subsection (a) if the Secretary finds that—

''(1) the fee to be paid will exceed the anticipated present and future costs incurred by the Secretary in carrying out the purposes described in subsection (b) (which finding may be made by the Secretary using standard costs); or

''(2) collection of the fee would result in substantial hardship for the person assessed for the fee.

''(e) ASSESSMENT OF FEES.—

''(1) LIMITATION.—

''(A) IN GENERAL.—Fees may not be assessed under subsection (a) for a fiscal year beginning after the first applicable fiscal year unless the amount appropriated for salaries and expenses of the Food and Drug Administration for such fiscal year is equal to or greater than the amount appropriated for salaries and expenses of the Food and Drug Administration for the first applicable fiscal year multiplied by the adjustment factor applicable to the later fiscal year.

''(B) DETERMINATIONS.—In making determinations under this paragraph for the fiscal years involved, the Secretary shall exclude—

''(i) the amounts appropriated under subsection (f)(2) for the fiscal years involved; and

''(ii) the amounts appropriated under section 736(g) for such fiscal years.

''(2) AUTHORITY.—If under paragraph (1) the Secretary does not have authority to assess fees under subsection (a) during a portion of a fiscal year, but does at a later date in such fiscal year have such authority, the Secretary, notwithstanding the due date under such subsection for fees, may assess and collect such fees at any time in such fiscal year, without any modification in the rate of the fees.

''(f) CREDITING AND AVAILABILITY OF FEES.—

''(1) IN GENERAL.—Fees collected for a fiscal year pursuant to subsection (a) shall be credited to the appropriation account for salaries and expenses of the Food and Drug Administration and shall be available in accordance with appropriation Acts until expended without fiscal year limitation. Such sums as may be necessary may be transferred from the Food and Drug Administration salaries and expenses appropriation account without fiscal year limitation to such appropriation account for salaries and expenses with such fiscal year limitation. The sums transferred shall be available solely for the purposes described in paragraph (1) of subsection (b), and the sums are subject to allocations under paragraph (2) of such subsection.

''(2) AUTHORIZATION OF APPROPRIATIONS.—

''(A) FIRST FISCAL YEAR.—For the first applicable fiscal year—

''(i) there is authorized to be appropriated for fees under subsection (a) an amount equal to the amount of increase determined under subsection (b)(1)(A) by the Secretary (which amount shall be published in the Federal Register); and

''(ii) in addition, there is authorized to be appropriated for fees under subsection (a) an amount determined by the Secretary to be necessary to carry out the purpose described in subsection (b)(1)(B) (which amount shall be so published).

''(B) SUBSEQUENT FISCAL YEARS.—For each of the 4 fiscal years following the first applicable fiscal year—

''(i) there is authorized to be appropriated for fees under subsection (a) an amount equal to the amount that applied under subparagraph (A)(i) for the first applicable fiscal year, except that such amount shall be adjusted under paragraph (3)(A) for the fiscal year involved; and

''(ii) in addition, there is authorized to be appropriated for fees under subsection (a) an amount equal to the amount that applied under subparagraph (A)(ii) for the first applicable fiscal year, except that such amount shall be adjusted under paragraph (3)(B) for the fiscal year involved.

''(C) SUPPLEMENTAL AUTHORIZATION OF APPROPRIATIONS.—In addition to sums authorized to be appropriated under subparagraphs (A) and (B), there are authorized to be appropriated, for the purposes described in subsection (b)(1)(A), such sums as may be necessary for the first applicable fiscal year and each of the 4 subsequent fiscal years.

''(3) ADJUSTMENTS.—

''(A) AGENCY COST OF RESOURCES.—For each fiscal year other than the first applicable fiscal year, the amount that applied under paragraph (2)(A)(i) for the first applicable fiscal year shall be multiplied by the adjustment factor.

''(B) RESEARCH PROGRAM.—For each fiscal year other than the first applicable fiscal year, the amount that applied under paragraph (2)(A)(ii) for the first applicable fiscal year shall be adjusted by the Secretary (and as adjusted shall be published in the Federal Register) to reflect the greater of—

''(i) the total percentage change that occurred since the beginning of the first applicable fiscal year in the Consumer Price

Index for All Urban Consumers (all items; United States city average); or

''(ii) the total percentage change that occurred since the beginning of the first applicable fiscal year in basic pay under the General Schedule in accordance with section 5332 of title 5, United States Code, as adjusted by any locality-based comparability payment pursuant to section 5304 of such title for Federal employees stationed in the District of Columbia.

''(4) OFFSET.—Any amount of fees collected for a fiscal year under subsection (a) that exceeds the amount of fees specified in appropriation Acts for such fiscal year shall be credited to the appropriation account of the Food and Drug Administration as provided in paragraph (1), and shall be subtracted from the amount of fees that would otherwise be authorized to be collected under this section pursuant to appropriation Acts for a subsequent fiscal year.

''(g) COLLECTION OF UNPAID FEES.—In any case in which the Secretary does not receive payment of a fee assessed under subsection (a) within 30 days after the fee is due, such fee shall be treated as a claim of the United States Government subject to subchapter II of chapter 37 of title 31, United States Code.

''(h) CONSTRUCTION.—This section may not be construed as requiring that the number of full-time equivalent positions in the Department of Health and Human Services, for officers, employers, and advisory committees not engaged in carrying out section 409 with respect to genetic food additives be reduced to offset the number of officers, employees, and advisory committees so engaged.

''(i) DEFINITION OF ADJUSTMENT FACTOR.—

''(1) IN GENERAL.—In this section, the term 'adjustment factor' applicable to a fiscal year means the lower of—

''(A) the Consumer Price Index for All Urban Consumers (all items; United States city average) for April of the preceding fiscal year divided by such Index for April of the first applicable fiscal year; or

''(B) the total of discretionary budget authority provided for programs in categories other than the defense category for the preceding fiscal year (as reported in the Office of Management and Budget sequestration preview report, if available, required under section 254(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 904(c))) divided by such budget authority for the first applicable fiscal year (as reported in the Office of Management and Budget final sequestration report submitted for such year under section 254(f) of such Act).

''(2) BUDGET AUTHORITY; CATEGORY.—In this subsection, the terms 'budget authority' and 'category' have the meanings given such terms in section 250 of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900).''.

SEC. 5. RULEMAKING; EFFECTIVE DATE; PREVIOUSLY UNREGULATED MARKETED ADDITIVES.

(a) RULEMAKING; EFFECTIVE DATE.—

(1) RULEMAKING.—Not later than 1 year after the date of enactment of this Act, the Secretary of Health and Human Services shall by regulation establish criteria for carrying out section 409 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 349) in accordance with the amendments made by section 3, and criteria for carrying out section 409A of such Act (as added by section 4).

(2) EFFECTIVE DATE.—Such amendments take effect on the first day of the first fiscal year that begins after the date of promulgation of the final regulation described in paragraph (1).

(b) PREVIOUSLY UNREGULATED MARKETED ADDITIVES.—

(1) IN GENERAL.—In the case of a genetic food additive (as defined in section 201(kk)(4) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(kk)(4))) that in the United States was in commercial use in food as of the day before the date on which the final regulation described in subsection (a) is promulgated, the amendments made by this Act apply to the additive on the expiration of the 2-year period beginning on the date on which the final regulation is promulgated, subject to paragraph (2).

(2) USER FEES.—With respect to a genetic food additive described in paragraph (1), such paragraph does not waive the applicability of section 409A of the Federal Food, Drug, and Cosmetic Act to a petition filed under section 409(b)(1) of such Act (21 U.S.C. 348(b)(1)) that is filed before the expiration of the 2-year period described in such paragraph.●

By Mr. GRAHAM:

S. 2316. A bill to authorize the lease of real and personal property under the jurisdiction of the National Aeronautics and Space Administration; to the Committee on Commerce, Science, and Transportation.

COMMERCIAL SPACE PARTNERSHIP ACT

● Mr. GRAHAM. Mr. President, I rise today to introduce the Commercial Space Partnership Act—legislation to encourage the commercial development of space through the long term lease of real and personal property held by the National Aeronautics and Space Administration (NASA).

The Cox Commission Report identified the need to expand domestic launch capacity to meet the rapidly growing demand for commercial U.S. launch services. It is vital that we increase our domestic launch capacity, reduce our dependence on foreign launch providers and help eliminate the transfer of critical U.S. technology. The Cox Report specifically recommended that congressional committees ''report legislation to encourage and stimulate further the expansion of such capacity of competition.''

Mr. President, the Commercial Space Partnership Act is the third piece of legislation I have introduced with the goal of increasing our domestic launch capacity. The first was the Commercial Space Act, which became law in 1998. The Act helped break the federal government's monopoly on space travel by establishing a licensing framework for the private sector's reusable launch vehicles. It also provided for the conversion of excess ballistic missiles into space transportation vehicles, thus helping to reduce our nation's cost of access to space.

Last year, along with a similar bipartisan coalition, I introduced the Spaceport Investment Act. This bill would allow spaceports to issue tax-free bonds to attract private sector investment dollars for launch infrastructure. It achieves the dual purpose of reducing pressure on the federal budget while stimulating this crucial industry.

Mr. President, the third leg of this effort is the Commercial Space Partnership Act. Presently, NASA holds real and personal property that would be invaluable in developing new domestic launch resources. At the same time, however, NASA has no appropriations with which to cover the costs that result from integrating new commercial launch facilities into its existing infrastructure. The Commercial Space Partnership Act is designed to resolve this problem by allowing public and private interests with development money to lease property from NASA for the purpose of expanding commercial launch capacity, and by permitting NASA to make use of some of the lease proceeds to cover the resulting costs it incurs.

The Commercial Space Partnership Act will empower NASA to assist the commercial space industry in expanding the domestic launch capacity at no cost to the taxpayer. Under this new lease authority, NASA will receive fair market value for its property and will further be empowered to apply the lease proceeds to cover the full costs resulting from the integration of the new commercial launch facilities into NASA's existing infrastructure. The Act further provides that any lease proceeds in excess of NASA's full costs shall be forwarded to the U.S. Treasury as miscellaneous receipts.

The fair market value approach also ensures that NASA property will be leased to industry at a price which is comparable to other similar commercial properties. NASA's property will thereby be leased in a fair and equitable manner that will give in an unfair advantage to those with preexisting launch facilities in commercial locations.

Mr. President, the Commercial Space Partnership Act can only encourage and stimulate the domestic launch capacity of our country. I urge my colleagues in the Senate to join us in this important effort by co-sponsoring this bill.●

By Mr. DORGAN (for himself and Mr. CRAIG):

S. 2317. A bill to provide incentives to encourage stronger truth in sentencing of violent offenders, and for other purposes; to the Committee on the Judiciary.

STOP ALLOWING FELONS EARLY RELEASE (SAFER) ACT

By Mr. DORGAN (for himself, Mr. CRAIG, and Mr. ROBB):

S. 2318. A bill to amend title 18, United States Code, to eliminate good time credits for prisoners serving a sentence for a crime of violence, and for other purposes; to the Committee on the Judiciary.

100 PERCENT TRUTH-IN-SENTENCING ACT

Mr. DORGAN. Mr. President, I offer legislation today that I introduced previously but on which I was not able to get action during a previous Congress, and that is legislation dealing with truth in sentencing.

Let me talk about some folks who have committed violent acts in this country. Recently, I read in a local paper here that a man named Kenneth Lodowski is walking around this metropolitan area. He was sentenced to die in 1984. He murdered two people—one

an off-duty police officer, and the other a clerk in a convenience store. He was sentenced to die in 1984 for two murders. The prosecuting attorney called the murders ''as vicious a crime as I have experienced in my 24 years as State's attorney.''

That is the crime.

After a series of appeals, this man, who was sentenced to death for two murders, had the sentence changed to life imprisonment without parole, then changed again, then changed again. Finally, the sentence was 25 years in prison. After 16 years in prison, this person is walking around the streets of this metropolitan area—free.

Why? Here is the reason. If you commit murder in this country, on average, you are going to be sentenced to about 21 years in prison. On average, a murderer will be sentenced to about 21 years in prison but will serve, on average, only 10 years behind bars.

Most people will be startled to hear that. But let me say that again. The average sentence served by a murderer in this country is about 10 years. Why? Because people are let out early. Murderers go to prison, and they get ''good time,'' time off for good behavior: If you want to get out early, just be good in prison, and we will put you back on the streets.

What happens when you are put back on the streets? You read the stories. I have spoken a number of times about Bettina Pruckmayr, a young woman who moved to town with great expectations, a young lawyer. She was abducted in a carjacking, then taken to an ATM machine to extract cash, and then stabbed 30 times in a horrible death. This young, 26-year-old attorney who was just beginning her career in this town, was stabbed 30 times by a man who had previously been convicted of rape, armed robbery, and murder. That man was on the streets legally, let out by a criminal justice system that does not keep people who we know are violent behind bars—let out early.

Or Jonathan Hall, about whom I have spoken in this Chamber, 13 years old, stabbed by a man who moved into his neighborhood, stabbed 60 times with a screwdriver, thrown down an embankment into a pond. When they found young Jonathan, after being stabbed 60 times, they found dirt and grass between his fingers because even though he had been stabbed 60 times, this 13-year-old boy had tried to crawl out of that pond into which this fellow had thrown him. His clenched fists described his will to survive. But he did not; he died.

Jonathan's murderer was a career criminal. He had been convicted previously of kidnapping and murder, but let out, and was living in the neighborhood and able to murder this 13-year-old boy—paroled just 1 year before he took Jonathan's life.

And Julie Schultz from ND, a woman whom I know fairly well, the mother of three, who stopped at a highway rest area one day on a pleasant, tranquil afternoon in North Dakota. She was attacked by a man who tried to rape her, slashed her throat, cutting her vocal cords, and left her for dead at a rest area on Highway 2 in northern North Dakota.

She survived the attack. In fact, I saw Julie just 2 weeks ago at the Minneapolis Airport. She survived the attack but has lasting scars and difficulties as a result of that attack.

Who attacked Julie? The same kind of person who attacked others around this country—people who we knew were violent, were put behind bars, and let out early because the criminal justice system says: You only have to spend 10 years, on average, in jail if you commit a murder in this country. We will sentence you to 21 years, but you only have to spend 10 years behind bars because we will let you out early if you are good.

The fellow who slashed the throat of Julie Schultz served 7 years of a life sentence in the State of Washington before being released, before being on Highway 2, on an afternoon in North Dakota, able to do what he did to Julie Schultz.

Sara Paulson, 8 years old, went out for a bike ride one day and never came back. Her body was found under a pine tree less than 200 yards from her home. She had been sexually assaulted and strangled to death. Her murderer had been previously sentenced to prison for rape but was paroled after serving less than half of his sentence.

I am introducing legislation today, cosponsored by Senator CRAIG of Idaho, and another piece of legislation cosponsored by Senator CRAIG of Idaho and Senator ROBB of Virginia. The point of it is very simple. I believe in the criminal justice system we ought to have different standards for those who commit acts of violence. Everyone in this country who commits acts of violence ought to understand: You go to prison, and your address is going to be your jail cell until the end of your sentence.

Do you know what the prison folks say to us? We need mechanisms by which we can persuade inmates to behave in prison. The mechanism is to dangle before them an early-out, time off for good behavior. So if we are able to reward them for behaving in prison, we are able to manage them.

I say to them, what about managing them on the streets?

As I stated, there is a fellow who is walking the streets in this metropolitan area now, after 16 years, who killed a policeman and killed a clerk in a store, because he was released early.

What about the people on the streets who are going to meet that fellow? What about their safety? Who is managing that violent offender now? Who managed the violent offender who viciously attacked Julie Schultz? Who managed the behavior of the man who violently attacked Jonathan Hall? Who was watching the fellow who violently attacked Bettina Pruckmayr?

The answer is, nobody.

Let us segregate and separate those who commit violent acts in this country from those who are nonviolent offenders. Let's incarcerate them all. I do not mind early release for nonviolent offenders. But for violent offenders, we ought to have a society in which everyone understands: If you commit an act of violence, the prison cell is your address to the end of your sentence. No good time off for good behavior, no getting back to the streets early. You are going to be in prison to serve your term.

It is the only way, it seems to me, to protect innocent folks, such as Bettina Pruckmayr and Jonathan Hall and Julie Schultz, and so many others who have been victimized by people we know were violent and should have been in a prison cell but, instead, were on the streets early because prison authorities let them out early with ''good time'' credits and ''good time'' releases.

Let's stop it. My legislation will do that. It says to the States: You must do it. If you do not, you are going to lose certain grants under the Criminal Justice Act. Is that tough? Yes. But we must, it seems to me, take these steps to change this.

Again, let me conclude. My colleague from Illinois, I know, wants the floor. But early releases—these are State prisons, incidentally—sexual assault: Sentenced for 10 years, on average, and you are out in 5; robbery: Sentenced for 8 years, on average, and you are out in 4; murder: Sentenced for 21 years, on average, and you are out in 10.

Everyone in this Chamber knows the horrors of crime, if not personally with them and their family, then a neighbor, a friend, a relative.

We know the current system isn't working. Too many violent offenders are sent back to America's streets. There is a way to stop that. Yes, I know we have too many people in prison; But the way to be smart about it is to segregate those who are violent offenders from those who are nonviolent. This piece of legislation would start us doing that.

If any of us, God forbid, would lose a loved one or relative because of a vicious crime committed by someone who should have been in prison but was let out early, we would spend the rest of our days trying to pass legislation like this. We ought to do it.

Let me again say, the piece of legislation I began to talk about today, because of the escape in Chula Vista, CA, has resulted in a convicted murderer walking around on the loose, a man named Prestridge. A violent murderer supposed to be spending the rest of his life behind bars is now loose because he was being transported by a private company and incompetence allowed these violent offenders, two of them, to escape—if we pass Jeanna's bill, named after the young 11-year-old who was violently murdered by Kyle Bell, if we pass that piece of legislation, I won't

be here speaking about those circumstances again because they won't happen again. I hope we will be able to address both of those pieces of legislation in the remaining months of this Congress.

I thank my colleague from Illinois. I wanted to introduce this legislation and talk about it at some length today. I know he is here to talk as well. I yield the floor.

Mr. DURBIN. Mr. President, I rise to comment on the remarks made by my friend and colleague from North Dakota, Senator DORGAN. I know his feelings are heartfelt about this issue. I know he speaks from the heart when he tells us about these terrible tragedies to which many families in America have been subjected. I hope he feels, as I do, that when it comes to violent crime, crimes involving guns and weapons, sexual assault, and the like, we should have no tolerance for that conduct. And when it comes to sentencing those responsible for the crimes, we should do it in a manner to protect American citizens and families across the board. I agree with him on that score. I think if we are ever going to stop the plague of violent crime in this country, we have to deal with enforcement of the law in a realistic way to protect families.

Two weeks ago, I was stuck in an airport in our State capital, my hometown of Springfield, which tends to be part of the job description of being a Senator. The director of the Department of Corrections, Don Snyder, came up and said hello, and we had a chance to chat about incarceration in my home State of Illinois.

There are currently, if I remember the figures off the top of my head, about 45,000 people incarcerated in the State prison system in Illinois. He told me a couple of things that were interesting. Each year, we release from the Illinois prison system over 20,000 inmates. We have this false notion that once a person is incarcerated, they are there forever.

As the Senator from North Dakota has indicated, even for the most violent criminals, that is not the case. About half of them come out each year. When you consider all the crimes for which people are incarcerated, they are back on the street. The question we obviously have to ask is whether they will commit another crime. Unfortunately, about half of them do. Those crimes, when repeated, test our resolve to not only have a system that involves punishment but, where appropriate, rehabilitation.

This director of our Department of Corrections gave me an illustration. He said, if you consider a crime involving drugs to be the possession of a thimbleful of cocaine, in 1987, the Illinois prison system had 400 people incarcerated for the possession of a thimbleful of cocaine. In the year 2000, we have 9,100 inmates incarcerated for the possession of a thimbleful of cocaine. He said: Conceding the fact that we want to end the drug scourge in our country and we want to be effective in doing it, the average drug criminal in Illinois is incarcerated for 7½ months. It is hard to believe that we are going to teach many lessons in 7½ months, but that is the average.

Here is the thing that is troubling. During the period of that incarceration in prison for the commission of the drug crime, there is virtually nothing done to deal with the underlying addiction of the inmate. So when they are released in 7½ months or a little longer, they are back on the streets, still addicted, likely to run back into the same drug culture and be exposed to the same forces that put them in prison in the first place.

He asked me a valid question: Why aren't we doing something, while we have these people who have been convicted and incarcerated, to try to get them off drugs?

I think that is a reasonable suggestion. I am not for letting violent criminals out early, but for those who are in for drug crimes, we ought to have a policy nationwide that deals with some effort to stop their addiction, to end their addiction, to try, when they are released, to give them a chance to lead a normal life that doesn't include another victim at some later point. I hope we address that.

He also indicated to me that over 80 percent of the women in the Illinois prison system have children. And while they are in prison separated from those children, oftentimes those children are in terrible circumstances. We saw in the State of Michigan a few weeks ago when a 6-year-old boy took a gun to school and killed a little classmate. Then we find his father was in prison. His mother is addicted. He was stuck in a home where he slept on a couch. No one paid attention to him. Frankly, a gun was left on a table where he could get his hands on it and take it to school.

That kind of neglect occurs too often in America. It is invited in a situation where mothers are incarcerated and no one is there to care for their kids.

This Director of Corrections said: Can we keep the link between the mother and child alive? We find that the women who are inmates really want to turn their lives around when they think their family can stay together and has a future. We know that the kids would like to keep a relationship with the mother who may turn her life around.

These are troubling questions. In a nation where we incarcerate more per capita than any other country in the world, we have to face these realities. People are coming out of prison. When they come out, we have to wonder whether there has been a part of their experience in prison that will lead to a better life for them and a safer America and less recidivism.

Mr. DORGAN. Will the Senator yield?

Mr. DURBIN. I am happy to yield.

Mr. DORGAN. I agree with what the Senator has said. Nearly half of the people incarcerated in this country are violent offenders, half are not. It seems to me we ought to be smarter in the way we incarcerate them, those half whom we know are violent. For those we know are violent, we should not be incentivizing them to move to the streets earlier. We ought to try to find ways to keep them in prison to the end of their term. Those who are nonviolent they have to be punished, serve their time. But they are not violent and are not a threat to people.

Senator John Glenn used to talk about this in the Senate. He used to bring with him a model of a Quonset hut, apparently made in Ohio. He said: This is the kind of place I lived in during the Korean war. My wife and I lived in one of these huts various places around the world. It was Marine housing, among other things. He said, for nonviolent offenders, we could put up some barbed wire and build Quonset huts. It doesn't take a fortune to create incarceration compounds for nonviolent offenders. We don't have to put them in lockups that are massively secure, lockups that cost a fortune. Use those lockups for violent offenders; then give yourself enough space to keep violent offenders behind bars to the end of their term.

That is the point I was making. I don't disagree with anything the Senator from Illinois said about the crime factor inside the prisons and about the circumstances these days of mandatory sentencing and crimes that have been nonviolent that have crowded the prison system. I thank the Senator for his comments.

Mr. DURBIN. I thank the Senator from North Dakota. I appreciate the importance of the issue of incarceration and corrections.

By Mr. SMITH of New Hampshire (for himself and Mr. ALLARD):

S. 2319. A bill to amend title XVIII of the Social Security Act to establish a voluntary Medicare Prescription Drug Plan under which eligible Medicare beneficiaries may elect to receive coverage under the Rx Option for outpatient prescription drugs and a combined deductible; to the Committee on Finance.

VOLUNTARY MEDICARE PRESCRIPTION DRUG PLAN ACT OF 2000

Mr. SMITH of New Hampshire. Mr. President, I rise today to introduce a bill entitled the ''Voluntary Medicare Prescription Drug Plan Act of 2000.'' This bill allows seniors to enroll in a new program under Medicare which will provide for prescription drug coverage. This is an issue about which, as you know, many seniors are very concerned.

Seniors who join this plan would have a combined Part A and Part B deductible of $675, which would include all hospital, medical, and drug expenses. After the deductible is met, seniors would receive 50-percent coverage of their prescription drug costs

up to $5,000. If a senior has $2,000 in expenses for prescription drugs, $1,000 of that would be paid for under this plan.

I have spoken to senior groups and health care providers, both in Washington as well as in my State over the past several weeks, about this proposal. The response has been very enthusiastic. Seniors want a prescription drug benefit. Doctors and nurses understand the importance of providing coverage for seniors because of the expense of prescription drugs in this country. It would be a victory for seniors and for health care in this country if we could provide this coverage to them.

I have had discussions with many of my colleagues in the Senate who are working on this very issue. We have all heard from our constituents about the importance of prescription drugs. Senators BREAUX and FRIST have included prescription drugs in their overall Medicare reform package. Senators KENNEDY, SNOWE, WYDEN, GRAMS, and JEFFORDS all have proposed various plans that provide some level of prescription drug coverage in Medicare, and many others are working on separate proposals of their own.

In a recent press conference, President Clinton and Senator DASCHLE outlined their goals for prescription drug coverage. Leaving the politics aside, the fact that elected leaders from both parties are looking at this issue of prescription drug coverage is good news for the senior citizens of America. I have talked with several of my Republican colleagues, and it is clear to me there is overwhelming support for allowing seniors to have this choice. The only question among us all is how we can responsibly structure such a program.

I have heard from seniors in my State about what they are looking for in a prescription drug plan.

First, they are concerned about the solvency of the Medicare program. They want a program that does not add some huge financial burden to the trust fund which will be passed on to their grandchildren. They do not want to increase the national debt, either. Yes, seniors are concerned about the national debt. Ask them the next time you speak to a seniors group.

The President's proposal, as it is written, blows a $168 billion hole in the trust fund, threatening its solvency.

Second, seniors do not want new premiums. My plan requires no premium hike for seniors. Zero. The President's plan requires a $51 annual premium increase.

I will repeat that. Seniors do not want to blow a hole in the national debt. They do not want to inflate the debt. Yet the President's proposal adds $168 billion that is going to come out of that trust fund, threatening its solvency. And seniors do not want more premiums. My plan has no increase in premiums; the President's plan, $51—just to start—annual premium increase.

The guiding principles of this plan, which may come as a shock to some of my colleagues on the other side of the aisle, are the same principles as those of the President and the distinguished minority leader for any prescription drug plan. I want to repeat the six principles the minority leader has introduced on behalf of the President. I am going to add three more to those six and make it even better. I do not know why we cannot have almost unanimous support for this piece of legislation.

First of all, under the plan the Senate Democrats are committed to passing this year, there are six basic principles. I agree with them all.

No. 1, it is voluntary. Medicare beneficiaries who now have dependable, affordable prescription drug coverage should have the option of keeping that coverage.

No. 2, it is accessible to all beneficiaries. I agree with that. A hallmark of Medicare is that all beneficiaries, even those in rural or underserved communities, have access to dependable health care. It should be accessible to everybody. I agree with the second principle.

No. 3, it is designed to provide meaningful protection and bargaining power for seniors. A Medicare drug benefit should assist seniors with the high cost of drugs and protect them against excessive, out-of-pocket expenses. I agree with that.

No. 4, it should be affordable to all beneficiaries, and it should be affordable to the Medicare program itself.

Medicare should contribute enough toward the prescription drug premium to make it affordable and attractive for all beneficiaries and to ensure the viability of the benefit. I agree with that.

No. 5, administered using private-sector entities and competitive purchasing techniques. In other words, the program is administered by using private sector entities and competitive purchasing techniques. The management of the prescription drug benefit should mirror the practices employed by private insurers. Discounts should be achieved through competition, not through price controls or regulation.

I agree with that.

We are five for five.

No. 6, consistent with broader Medicare reform, the addition of a Medicare drug benefit should be consistent with an overall plan to strengthen and modernize Medicare. Medicare will face the same demographic strain as Social Security when the baby boomer generation retires. So it is consistent with broader Medicare reform.

I agree with that.

There are six principles I can support.

I would ask my colleagues on the other side of the aisle to join me now with three more principles I would add:

No. 1, that the plan be revenue neutral to preserve and protect the financial integrity of the Medicare trust fund. In other words, it does not cost the Government any more money.

No. 2, that the plan does not raise Medicare premiums. Their plan, $51 annually to seniors; my plan, zero. So no increase in premiums.

And No. 3, that full benefits be provided, not in 2009, as the administration plan proposes, but in 2001, 8 years sooner.

So my three principles—revenue neutral, do not raise the premiums, provide the benefits in 2001—those three principles enhance and strengthen the other six principles put forth by my colleagues on the other side of the aisle.

My plan accomplishes all three of the principles I have outlined.

Let me briefly explain how it works.

A senior already enrolled in Medicare Parts A and B—already enrolled in Part A, hospital, and Part B, doctor—will have the option of choosing my new voluntary prescription drug plan. It is their option. Nobody is mandated; they choose. It will cover 50 percent of their prescription drug costs toward the first $5,000 worth of prescription drugs. If they buy $4,000 worth of drugs—$2,000 for prescription drugs; $2,000 is covered.

How do we do this? How do we make it work? Medicare Part A—under the old system, the current system—has a $776 deductible. Medicare Part B has a $100 deductible. In other words, if you go to the doctor, the first $100 you pay for; if you go to the hospital, the first $776 you pay for; the rest, Medicare pays. That is a total of $876 you will have to pay.

My new plan would create one new deductible, combining those two deductibles of Part A and Part B into one deductible of $675, which would apply to all hospital costs, all doctor visits, and prescription drugs—50 cents on the dollar up to $5,000. And the prescription drug costs apply to the deductible, so every dollar you pay for a prescription moves you forward to meet the deductible.

Once the $675 deductible is met by the Medicare recipient, Medicare then will pay 50 percent of the cost toward the first $5,000 worth of drugs the senior purchases.

However, the senior could not purchase a Medigap plan that would pay for the $675 deductible. This must be paid for by the senior. But if you have a Medigap plan now as a senior, you will not need it.

As a result, seniors would save about $550 under Medigap plans if they traded their current Medigap plan for my new prescription drug plan. Again, it is their option. It is voluntary. Seniors could even use their $550 in savings to pay the $675 deductible.

If you are a senior out there, and you have Part A, Part B, and you are paying $675 toward the deductible, and you have Medigap insurance of $550, you now can put the $550 toward the $675 to meet your deductible. So you are going to have $550 in savings. You can put that toward the $675, and you are already two-thirds of the way there.

But how do you get the cost savings?

As my colleagues are aware, according to the National Bipartisan Commission on the Future of Medicare, the

Federal Government pays about $1,400 more per senior if the senior owns a Medigap plan that covers their Part A and Part B deductible. This, generally, is because of our overutilization of hospital and doctor visits by the senior. The savings result because Medicare will not have to pay this $1,400 per person per year out of the trust fund.

As I mentioned, all hospital, physician, and prescription drug costs would count toward this $675 deductible. Once it was met, the senior would receive regular, above-the-deductible Medicare coverage, just as you get now. Or if you worked out the numbers and decided against my plan, then you would not have to select it; it is your choice.

I believe the vast majority of seniors will benefit from this plan. In fact, every senior with a Medigap plan will definitely benefit. Any senior with a prescription drug expenditure of more than $15 a month will benefit. Today, the Medicare Part A and Part B deductible totals $876, which most seniors cover by an average $1,611 Medigap insurance premium.

These estimates, as well as the estimate that the bill is budget neutral, come from Mr. Guy King, formerly chief actuary for the Health Care Financing Administration under President Clinton. I received a letter just this morning from Mr. King, from which I would like to quote:

DEAR SENATOR SMITH: This is in response to your letter of March 9, 2000, asking for my analysis of legislation you intend to introduce in the Senate. The proposed legislation establishes a voluntary prescription drug benefit, the Medicare Prescription Drug Plan, under the Medicare program.

Under the Medicare Prescription Drug Plan, the current Part A and Part B deductibles would be replaced by a single deductible of $675 which would also be applicable to the new prescription drug benefit. The Medicare program would pay fifty percent of the cost of prescription drugs, up to a maximum of $2,500 after satisfaction of the deductible.

He goes on to describe it.

Quoting further:

As you requested, I performed an analysis of the proposed legislation. This analysis is based on Medicare and prescription drug data I obtained from the Health Care Financing Administration. My analysis indicates that the Medicare Prescription Drug Plan, as described above, would be cost-neutral to the Medicare program if it were made available on a voluntary basis to all beneficiaries except those also covered by Medicaid.

It is signed by Guy King.

Let me just conclude speaking on this bill by saying, the benefits in this plan are delivered by private companies and regional entities, such as pharmaceutical benefit managers. These entities would negotiate with large drug companies and provide the drugs to Medicare seniors.

Finally, according to the actuaries who reviewed the legislation, there will be no adverse selection. Both the healthy and the sick will have an incentive to choose this plan. Everybody is in.

There are many different methods of providing prescription drug coverage for seniors, but I urge my colleagues—I plead with my colleagues—to look to the revenue-neutral methods that fund this benefit by the elimination of waste in the present system. I urge my colleagues to resist the temptation to raise Medicare premiums on the people who can least afford it.

I have vivid memories of seniors rocking Mr. Rostenkowski's car a few years ago when he decided to raise Medicare premiums. Let's look at it more specifically. The House's fiscal year 2001 budget—this is important—sets $40 billion aside for prescription drugs. In the Senate, we are expected to do a budget that is going to set aside $20 billion.

We don't need either under my plan. We don't need any more money. We don't need $20 billion. We don't need $40 billion. We don't need $2 billion. We don't need any billions. Let's use the money for debt reduction or tax credits for the uninsured rather than providing for prescription drugs, when we could use my revenue-neutral prescription plan instead.

I must say, in all candor, some of the deflections I have had put in my way on this issue by some in this body are disturbing. I will not get into details. I want people to listen and look at this plan. It is a good plan. I would like to have the opportunity to be able to talk about it in more detail with some of my colleagues, because it makes no sense to take $40 billion max, anywhere from $20 billion to $40 billion, and put it into this prescription plan when we don't need to. Let's put it on the debt or let's buy something else with it that is worthwhile. We don't need it.

A neutral plan that does not raise premiums, that takes effect in 2001 is a good plan. It is a good idea. We need to implement it.

I urge my colleagues to take a look at this bill.

I ask unanimous consent that the letter from Mr. King be printed in the RECORD.

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

KING ASSOCIATES,
Annapolis, MD, March 28, 2000.

Hon. BOB SMITH,
U.S. Senate,
Washington, DC.

DEAR SENATOR SMITH: This is in response to your letter of March 9, 2000 asking for my analysis of legislation you intend to introduce in the Senate. The proposed legislation establishes a voluntary prescription drug benefit, the Medicare Prescription Drug Plan, under the Medicare program.

Under the Medicare Prescription Drug Plan, the current Part A and Part B deductibles would be replaced by a single deductible of $675 which would also be applicable to the new prescription drug benefit. The Medicare program would pay fifty percent of the cost of prescription drugs, up to a maximum of $2,500 after satisfaction of the deductible. A beneficiary who chooses the Medicare Prescription Drug Plan would not be allowed to purchase a Medicare supplement policy that fills in the $675 deductible, so special Medicare supplement policies for those who choose the option would be allowed.

The Medicare Prescription Drug Plan would be available, on a voluntary basis, to any Medicare beneficiary not also covered by Medicaid. The possibility of anti-selection is an important consideration for a plan that is available to all Medicare beneficiaries as an option. I believe that the design features of the Medicare Prescription Drug Plan, as outlined in your legislation, minimize the impact of anti-selection.

As you requested, I performed an analysis of the proposed legislation. This analysis is based on Medicare and prescription drug data that I obtained from the Health Care Financing Administration (HCFA). My analysis indicates that the Medicare Prescription Drug Plan, as described above, would be cost-neutral to the Medicare program if it were made available on a voluntary basis to all beneficiaries except those also covered by Medicaid.

If you should have any questions regarding my analysis, please don't hesitate to call.

Sincerely,

ROLAND E. (GUY) KING,
President.

By Mr. JEFFORDS (for himself, Mr. BREAUX, Mr. FRIST, Mrs. LINCOLN, and Ms. SNOWE):

S. 2320. A bill to amend the Internal Revenue Code of 1986 to allow a refundable tax credit for health insurance costs, and for other purposes; to the Committee on Finance.

HEALTH COVERAGE, ACCESS, RELIEF, AND EQUITY (CARE) ACT

Mr. JEFFORDS. Mr. President, today, I am pleased to join with my colleagues in introducing the Health Coverage, Access, Relief and Equity Act or Health CARE Act. This legislation will provide low-income Americans with a refundable tax credit for the purchase of health insurance coverage. This effort marks the first major bipartisan, bicameral, market-based initiative on behalf of the uninsured since 1994.

I believe the issue of access to health coverage for the uninsured must be a top national priority. The uninsured often go without needed health care or face unaffordable medical bills. Insurance coverage guarantees providers reimbursement for their services, and it helps contain costs by encouraging more appropriate use of the health care system.

Unfortunately, the main source of coverage—employer-based insurance—is simply not available to a significant number of working Americans and their families. High health care cost increases have caused more people to become uninsured.

New Census Bureau data indicate that there are now 44 million Americans with no health coverage, an increase of one million from last year. This number is unacceptable for a prosperous nation with a strong economy.

A new poll indicates that our bill is consistent with the main health care concern of average voters. When asked what they think is the most important problem about our health care system that the government should address, the top choice—selected by 29 percent of those sampled—was universal coverage.

I believe the legislation we're introducing today can provide the necessary foundation for achieving the goal of expanded health coverage. The Health CARE tax credit is targeted to those who are most in need of help, due to their lack of income, access to subsidized employment-based coverage, and ineligibility for public programs.

About one-half of the full-time working poor were uninsured last year. Many of these individuals work for small firms. In my own state of Vermont, only 27 percent of workers in firms employing fewer than 10 people are offered health insurance.

These uninsured working Americans have one thing in common: they are low wage workers—with nearly 70 percent making less than two times the minimum wage. Without additional resources, health insurance coverage is either beyond their reach or only purchased by giving up other basic necessities of life.

The Health CARE Act will provide a refundable tax credit to help low and moderate-income individuals and families purchase health insurance.

The legislation will provide a refundable tax credit of $1,000 for the purchase of individual coverage to those with adjusted gross incomes of up to $35,000 and it will provide a $2,000 credit for the purchase of family coverage for those with AGI of up to $55,000.

The initial estimates show that this proposal will help almost 9 million Americans. It will provide health coverage for 3.2 million Americans who are presently uninsured and give needed financial relief to another 5.5 million low-income Americans who are using their scarce dollars to buy individual health insurance policies.

Realizing that insurance coverage is not the single answer for our nation's health access problems, we are also developing additional components to the Health CARE Act which will focus on improving access to health care services and safety net providers, such as community health centers and rural health clinics.

We must do whatever we can to ensure that the Safety Net already in place becomes stronger and more reliable. Just last week, the Subcommittee on Public Health held a hearing on three of our nation's safety provider programs—the Consolidated Health Centers program, the National Health Service Corps, and the Community Access program.

I look forward to working with Senator FRIST on shoring up the Safety Net, and together we plan to introduce an additional component to the CARE Act on Safety Net providers that will become part of the larger health CARE Package.

Our goal for this legislation is to maximize health coverage, tax equity, and cost efficiency, and we believe it should be included as an important element in any tax package that Congress enacts this year.

The Health CARE Act will increase the number of Americans who have health insurance coverage by filling key gaps in the current system and supporting a system of health care financial and delivery that complements the employment-based system.

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

Mr. President, I hope my colleagues will take a look at this. I hope they will join me in making sure we do what must be done to make sure the people who need it the most gets it.

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

S. 2320

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 ''Health Coverage, Access, Relief, and Equity (C.A.R.E.) Act''.

SEC. 2. REFUNDABLE HEALTH INSURANCE COSTS CREDIT.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable personal credits) is amended by redesignating section 35 as section 36 and inserting after section 34 the following new section:

''SEC. 35. HEALTH INSURANCE COSTS.

''(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the amount paid during the taxable year for qualified health insurance for the taxpayer and the taxpayer's spouse and dependents.

''(b) LIMITATIONS.—

''(1) MAXIMUM DOLLAR AMOUNT.—

''(A) IN GENERAL.—The amount allowed as a credit under subsection (a) to the taxpayer for the taxable year shall not exceed the sum of the monthly limitations for coverage months during such taxable year.

''(B) MONTHLY LIMITATION.—The monthly limitation for each coverage month during the taxable year is the amount equal to 1/12 of—

''(i) in the case of self-only coverage, $1,000, and

''(ii) in the case of family coverage, $2,000.

''(2) PHASEOUT OF CREDIT.—

''(A) IN GENERAL.—The amount which would (but for this paragraph) be taken into account under subsection (a) shall be reduced (but not below zero) by the amount determined under subparagraph (B).

''(B) AMOUNT OF REDUCTION.—The amount determined under this subparagraph is the amount which bears the same ratio to the amount which would be so taken into account as—

''(i) the excess of—

''(I) the taxpayer's modified adjusted gross income for such taxable year, over

''(II) $35,000 ($55,000 in the case of family coverage), bears to

''(ii) $10,000.

''(C) MODIFIED ADJUSTED GROSS INCOME.—The term 'modified adjusted gross income' means adjusted gross income determined—

''(i) without regard to this section and sections 911, 931, and 933, and

''(ii) after application of sections 86, 135, 137, 219, 221, and 469.

''(3) COORDINATION WITH DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.—In the case of a taxpayer who is eligible to deduct any amount under section 162(l) for the taxable year, this section shall apply only if the taxpayer elects not to claim any amount as a deduction under such section for such year.

''(c) COVERAGE MONTH DEFINED.—For purposes of this section—

''(1) IN GENERAL.—The term 'coverage month' means, with respect to an individual, any month if—

''(A) as of the first day of such month such individual is covered by qualified health insurance, and

''(B) the premium for coverage under such insurance for such month is paid by the taxpayer.

''(2) EMPLOYER-SUBSIDIZED COVERAGE.—

''(A) IN GENERAL.—Such term shall not include any month for which such individual is eligible to participate in any subsidized health plan (within the meaning of section 162(l)(2)) maintained by any employer of the taxpayer or of the spouse of the taxpayer.

''(B) PREMIUMS TO NONSUBSIDIZED PLANS.—If an employer of the taxpayer or the spouse of the taxpayer maintains a health plan which is not a subsidized health plan (as so defined) and which constitutes qualified health insurance, employee contributions to the plan shall be treated as amounts paid for qualified health insurance.

''(3) CAFETERIA PLAN AND FLEXIBLE SPENDING ACCOUNT BENEFICIARIES.—Such term shall not include any month during a taxable year if any amount is not includible in the gross income of the taxpayer for such year under section 106 with respect to—

''(A) a benefit chosen under a cafeteria plan (as defined in section 125(d)), or

''(B) a benefit provided under a flexible spending or similar arrangement.

''(4) MEDICARE AND MEDICAID.—Such term shall not include any month during a taxable year with respect to an individual if, as of the first day of such month, such individual—

''(A) is eligible for any benefits under title XVIII of the Social Security Act, or

''(B) is eligible to participate in the program under title XIX or XXI of such Act.

''(5) CERTAIN OTHER COVERAGE.—Such term shall not include any month during a taxable year with respect to an individual if, as of the first day of such month, such individual is eligible—

''(A) for benefits under chapter 17 of title 38, United States Code,

''(B) for benefits under chapter 55 of title 10, United States Code,

''(C) to participate in the program under chapter 89 of title 5, United States Code, or

''(D) for benefits under any medical care program under the Indian Health Care Improvement Act or any other provision of law.

''(6) PRISONERS.—Such term shall not include any month with respect to an individual if, as of the first day of such month, such individual is imprisoned under Federal, State, or local authority.

''(d) QUALIFIED HEALTH INSURANCE.—For purposes of this section, the term 'qualified health insurance' means health insurance coverage (as defined in section 9832(b)(1)(A)), including coverage under a high deductible health plan (as defined in section 220(c)(2)) or a COBRA continuation provision (as defined in section 9832(d)(1)).

''(e) MEDICAL SAVINGS ACCOUNT CONTRIBUTIONS.—

''(1) IN GENERAL.—If a deduction would (but for paragraph (2)) be allowed under section 220 to the taxpayer for a payment for the taxable year to the medical savings account of an individual, subsection (a) shall be applied by treating such payment as a payment for qualified health insurance for such individual.

''(2) DENIAL OF DOUBLE BENEFIT.—No deduction shall be allowed under section 220 for that portion of the payments otherwise allowable as a deduction under section 220 for the taxable year which is equal to the

amount of credit allowed for such taxable year by reason of this subsection.

''(f) SPECIAL RULES.—

''(1) COORDINATION WITH MEDICAL EXPENSE DEDUCTION.—The amount which would (but for this paragraph) be taken into account by the taxpayer under section 213 for the taxable year shall be reduced by the credit (if any) allowed by this section to the taxpayer for such year.

''(2) DENIAL OF CREDIT TO DEPENDENTS.—No credit shall be allowed under this section to any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins.

''(3) COORDINATION WITH ADVANCE PAYMENT.—Rules similar to the rules of section 32(g) shall apply to any credit to which this section applies.

''(g) EXPENSES MUST BE SUBSTANTIATED.—A payment for insurance to which subsection (a) applies may be taken into account under this section only if the taxpayer substantiates such payment in such form as the Secretary may prescribe.

''(h) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section, including regulations under which—

''(1) an awareness campaign is established to educate the public, insurance issuers, and agents or others who market health insurance about the requirements and procedures under this section, including—

''(A) criteria for insurance products and group health coverage which constitute qualified health insurance under this section, and

''(B) guidelines for marketing schemes and practices which are appropriate and acceptable in connection with the credit under this section, and

''(2) periodic reviews or audits of health insurance policies and group health plans (and related promotional marketing materials) which are marketed to eligible taxpayers under this section are conducted for the purpose of determining—

''(A) whether such policies and plans constitute qualified health insurance under this section, and

''(B) whether offenses described in section 7276 occur.''.

(b) INFORMATION REPORTING.—

(1) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 of such Code (relating to information concerning transactions with other persons) is amended by inserting after section 6050S the following new section:

''SEC. 6050T. RETURNS RELATING TO PAYMENTS FOR QUALIFIED HEALTH INSURANCE.

''(a) IN GENERAL.—Any person who, in connection with a trade or business conducted by such person, receives payments during any calendar year from any individual for coverage of such individual or any other individual under creditable health insurance, shall make the return described in subsection (b) (at such time as the Secretary may by regulations prescribe) with respect to each individual from whom such payments were received.

''(b) FORM AND MANNER OF RETURNS.—A return is described in this subsection if such return—

''(1) is in such form as the Secretary may prescribe, and

''(2) contains—

''(A) the name, address, and TIN of the individual from whom payments described in subsection (a) were received,

''(B) the name, address, and TIN of each individual who was provided by such person with coverage under creditable health insurance by reason of such payments and the period of such coverage,

''(C) the aggregate amount of payments described in subsection (a),

''(D) the qualified health insurance credit advance amount (as defined in section 7527(e)) received by such person with respect to the individual described in subparagraph (A), and

''(E) such other information as the Secretary may reasonably prescribe.

''(c) CREDITABLE HEALTH INSURANCE.—For purposes of this section, the term 'creditable health insurance' means qualified health insurance (as defined in section 35(d)) other than—

''(1) insurance under a subsidized group health plan maintained by an employer, or

''(2) to the extent provided in regulations prescribed by the Secretary, any other insurance covering an individual if no credit is allowable under section 35 with respect to such coverage.

''(d) STATEMENTS TO BE FURNISHED TO INDIVIDUALS WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—Every person required to make a return under subsection (a) shall furnish to each individual whose name is required under subsection (b)(2)(A) to be set forth in such return a written statement showing—

''(1) the name and address of the person required to make such return and the phone number of the information contact for such person,

''(2) the aggregate amount of payments described in subsection (a) received by the person required to make such return from the individual to whom the statement is required to be furnished,

''(3) the information required under subsection (b)(2)(B) with respect to such payments, and

''(4) the qualified health insurance credit advance amount (as defined in section 7527(e)) received by such person with respect to the individual described in paragraph (2). The written statement required under the preceding sentence shall be furnished on or before January 31 of the year following the calendar year for which the return under subsection (a) is required to be made.

''(e) RETURNS WHICH WOULD BE REQUIRED TO BE MADE BY 2 OR MORE PERSONS.—Except to the extent provided in regulations prescribed by the Secretary, in the case of any amount received by any person on behalf of another person, only the person first receiving such amount shall be required to make the return under subsection (a).''.

(2) ASSESSABLE PENALTIES.—

(A) Subparagraph (B) of section 6724(d)(1) of such Code (relating to definitions) is amended by redesignating clauses (xi) through (xvii) as clauses (xii) through (xviii), respectively, and by inserting after clause (x) the following new clause:

''(xi) section 6050T (relating to returns relating to payments for qualified health insurance),''.

(B) Paragraph (2) of section 6724(d) of such Code is amended by striking ''or'' at the end of the next to last subparagraph, by striking the period at the end of the last subparagraph and inserting '', or'', and by adding at the end the following new subparagraph:

''(BB) section 6050T(d) (relating to returns relating to payments for qualified health insurance).''.

(3) CLERICAL AMENDMENT.—The table of sections for subpart B of part III of subchapter A of chapter 61 of such Code is amended by inserting after the item relating to section 6050S the following new item:

''Sec. 6050T. Returns relating to payments for qualified health insurance.''.

(c) CRIMINAL PENALTY FOR FRAUD.—Subchapter B of chapter 75 of such Code (relating to other offenses) is amended by adding at the end the following new section:

''SEC. 7276. PENALTIES FOR OFFENSES RELATING TO HEALTH INSURANCE TAX CREDIT.

''Any person who knowingly misuses Department of the Treasury names, symbols, titles, or initials to convey the false impression of association with, or approval or endorsement by, the Department of the Treasury of any insurance products or group health coverage in connection with the credit for health insurance costs under section 35 shall on conviction thereof be fined not more than $10,000, or imprisoned not more than 1 year, or both.''.

(d) CONFORMING AMENDMENTS.—

(1) Section 162(l) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(6) ELECTION TO HAVE SUBSECTION APPLY.—No deduction shall be allowed under paragraph (1) for a taxable year unless the taxpayer elects to have this subsection apply for such year.''.

(2) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period '', or from section 35 of such Code''.

(3) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the last item and inserting the following new items:

''Sec. 35. Health insurance costs.

''Sec. 36. Overpayments of tax.''.

(4) The table of sections for subchapter B of chapter 75 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''Sec. 7276. Penalties for offenses relating to health insurance tax credit.''.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2000.

(2) PENALTIES.—The amendments made by subsections (c) and (d)(4) shall take effect on the date of the enactment of this Act.

SEC. 3. ADVANCE PAYMENT OF CREDIT TO ISSUERS OF QUALIFIED HEALTH INSURANCE.

(a) IN GENERAL.—Chapter 77 of the Internal Revenue Code of 1986 (relating to miscellaneous provisions) is amended by adding at the end the following new section:

''SEC. 7527. ADVANCE PAYMENT OF HEALTH INSURANCE CREDIT TO ISSUERS OF QUALIFIED HEALTH INSURANCE.

''(a) GENERAL RULE.—In the case of an eligible individual, the Secretary shall make payments to the health insurance issuer of such individual's qualified health insurance equal to such individual's qualified health insurance credit advance amount with respect to such issuer.

''(b) ELIGIBLE INDIVIDUAL.—For purposes of this section, the term 'eligible individual' means any individual—

''(1) who purchases qualified health insurance (as defined in section 35(c)), and

''(2) for whom a qualified health insurance credit eligibility certificate is in effect.

''(c) HEALTH INSURANCE ISSUER.—For purposes of this section, the term 'health insurance issuer' has the meaning given such term by section 9832(b)(2).

''(d) QUALIFIED HEALTH INSURANCE CREDIT ELIGIBILITY CERTIFICATE.—For purposes of this section, a qualified health insurance credit eligibility certificate is a statement furnished by an individual to a qualified health insurance issuer which—

''(1) certifies that the individual will be eligible to receive the credit provided by section 35 for the taxable year,

''(2) estimates the amount of such credit for such taxable year, and

''(3) provides such other information as the Secretary may require for purposes of this section.

''(e) QUALIFIED HEALTH INSURANCE CREDIT ADVANCE AMOUNT.—For purposes of this section, the term 'qualified health insurance credit advance amount' means, with respect to any qualified health insurance issuer of qualified health insurance, an estimate of the amount of credit allowable under section 35 to the individual for the taxable year which is attributable to the insurance provided to the individual by such issuer.

''(f) REQUIRED DOCUMENTATION FOR RECEIPT OF PAYMENTS OF ADVANCE AMOUNT.—No payment of a qualified health insurance credit advance amount with respect to any eligible individual may be made under subsection (a) unless the health insurance issuer provides to the Secretary—

''(1) the qualified health insurance credit eligibility certificate of such individual, and

''(2) the return relating to such individual under section 6050T.

''(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 77 of such Code is amended by adding at the end the following new item:

''Sec. 7527. Advance payment of health insurance credit for purchasers of qualified health insurance.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2001.

● Mr. FRIST. Mr. President, I am pleased to join my colleagues today and be part of the first bipartisan, bicameral group to address the growing number of individuals and families without health insurance coverage in this country.

The problem has been made clear. America's uninsured population continues to rise. Despite the fact that we are enjoying strong economic times, the nation's uninsured population has grown to 44 million over the past decade. We know that the majority of the uninsured—32 of the 44 million—earn an annual income of under $50,000. We also know that the rising cost of health insurance is the single most important reason for not purchasing health care coverage. Many Americans simply cannot afford to buy health insurance.

The solutions are becoming clearer as well. A one-size fits all approach to expand health coverage and access to health care does not meet the various needs of the uninsured population. As a result, our proposal will take a multi-pronged approach that meets the needs of the uninsured and looks at innovative approaches to provide individuals greater ability to purchase coverage. We will seek to build upon the current employer-based system which continues to be the main source of health care coverage for most Americans.

Our goal is to fill the coverage gaps that exist in the current system. A central piece of our proposal is to provide a refundable tax credit for low-income Americans who are not offered a contribution for their insurance through their employer and do not receive coverage through federal programs such as Medicaid or Medicare. The legislation introduced today will help hard working Americans who cannot afford to buy coverage on their own. For example, the part-time worker who is not offered employer-sponsored health insurance will be offered a $1,000 tax credit to purchase health care coverage. The single mother with two children earning less than $50,000 a year, will be offered a $2,000 credit to purchase health insurance.

The legislation introduced today is the first of many steps that we will take to address the varying needs of the uninsured. Over the next several months, we will also explore a variety of options to assist individuals and their families in purchasing health coverage either through existing employer plans, the individual market, or through purchasing pools; seek ways to improve enrollment in existing federal programs, where approximately 5 million adults and 8 million children are eligible for Medicaid and the State Children's Health Insurance Program (S–CHIP) yet are not enrolled; and finally, as the Chairman of the Subcommittee on Public Health, I will work closely with my colleagues to explore ways to expand and sustain our safety net system to improve access to critical primary care services to the uninsured and medically underserved populations.

I especially wish to thank the American Academy of Family Physicians, the American Hospital Association, the American Medical Association, the Americans for Tax Reform, the BlueCross BlueShield Association, the Chamber of Commerce of the USA, the Citizens Against Government Waste, the Galen Institute, the Healthcare Leadership Council, the Health Insurance Association of America, the Hispanic Business Roundtable, the National Center for Policy Analysis, the National Federation of Independent Business, and the Small Business Survival Committee for their support of this important legislation.●

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

S. 2321. A bill to amend the Internal Revenue Code of 1986 to allow a tax credit for development costs of telecommunications facilities in rural areas; to the Committee on Finance.

RURAL TELECOMMUNICATIONS MODERNIZATION ACT OF 2000

● Mr. ROCKEFELLER. Mr. President, I rise today to introduce the Rural Telecommunications Modernization Act. This Act would create a tax credit for companies that invest in providing broadband telecommunications services available in rural areas. The convergence of computing and communications has changed the way America interacts and does business. Individuals, businesses, schools, libraries, hospitals, and many others, reap the benefits of networked communications more and more each year. However, where in the past access to low bandwidth telephone facilities met our communications needs, today many people and organizations need the ability to transmit and receive large amounts of data quickly—as part of electronic commerce, distance learning, telemedicine, and even for mere access to many web sites.

In some areas of the country companies are building networks that meet this broadband need as fast as they can. Technology companies are fighting to roll out broadband facilities as quickly as they can in urban and suburban areas. They are tearing up streets to instal fiber optics, converting cable TV facilities to broadband telecom applications, developing incredible new DSL technologies that convert regular copper telephone wires into broadband powerhouses.

Other areas are not as fortunate. In rural areas access to broadband communications is harder to come by. In fact, there are only a few broadband providers outside big cities and suburban areas nationwide. This is because in many cases rural areas are more expensive to serve. Terrain is difficult. Populations are widely dispersed. Importantly, many of our broadband technologies cannot serve people who live more than eighteen thousand feet from a phone company's central office—which is the case for most rural Americans.

The implications for the country if we allow this broadband disparity to continue are alarming. Organizations in traditional robust communications and computing regions, often located in prosperous urban and suburban communities, will be able to reap the rewards of the so-called ''New Economy.'' Organizations in other areas, often in rural areas, including many areas in my State of West Virginia, will suffer the consequences of being unable to take advantage of the astounding power of broadband networked computing.

Just as companies that employ technological advances are decimating their less technologically savvy competitors, businesses in infrastructure-rich areas may soon decimate competitors in infrastructure-poor areas. This is just as true for rural students and workers trying to gain new skills who are competing against their non-rural peers in the New Economy. The result of this digital divide could be disastrous for rural Americans: job loss, tax revenue loss, brain drain, and business failure concentrated in rural areas.

Denying rural Americans a chance to participate in the New Economy is also bad for the national economy. Businesses will be forced to locate their operations and hire their employees in urban locations that have adequate broadband infrastructure, rather than in rural locations that are otherwise more efficient due to the location of

their customers or suppliers, a stable or better workforce, and cheaper production environments. Additionally, without adequate infrastructure, the businesses and individuals in these communications infrastructure poor areas are less likely to be integrated into the national electronic marketplace. Their absence would put a damper on the growth of the digital economy for everyone—not just for those in rural areas.

Therefore, we must do everything we can to ensure that broadband communications are available to all areas of the country—rural as well as urban. The Rural Telecommunications Modernization Act addresses this problem.

The Rural Telecommunications Modernization Act would give companies the incentive to build broadband facilities in rural areas by using a very focused tax credit. It would offer any company that invests in broadband facilities in rural areas a tax credit over the next three years. This tax credit will help fight the growing disparity in technology I just described.

The credit is only available for certain investments. First, investments must be for ''broadband local access facilities.'' Second, investments must support ''high-speed broadband telecommunications services.'' And third, investments must serve only ''rural counties.''

The Rural Telecommunications Modernization Act is part of the solution to the critically important digital divide problem. Rural Americans deserve the chance to participate in the New Economy. Without access to broadband services they will not have this chance. I hope that the Members of this body will support this important bill.

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

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

S. 2321

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 ''Rural Telecommunications Modernization Act of 2000.

SEC. 2. CREDIT FOR TELECOMMUNICATIONS FACILITIES DEVELOPMENT IN RURAL AREAS.

(a) IN GENERAL.—Section 46(a) of the Internal Revenue Code of 1986 (relating to amount of investment credit) is amended by striking ''and'' at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting '', and'', and by adding at the end the following:

''(4) the rural telecommunications facilities credit.''

(b) AMOUNT OF CREDIT.—Subpart E of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to rules for computing investment credit) is amended by inserting after section 47 the following:

''SEC. 47A. RURAL TELECOMMUNICATIONS FACILITIES CREDIT.

''(a) IN GENERAL.—For purposes of section 46, the rural telecommunications facilities credit for any taxable year is an amount equal to the applicable percentage of the qualified broadband local access facilities expenditures for such taxable year.

''(b) APPLICABLE PERCENTAGE.—For purposes of subsection (a), the applicable percentage in the case of qualified broadband local access facilities expenditures in connection with—

''(1) broadband telecommunications facilities, is 10 percent, and

''(2) enhanced broadband telecommunications facilities, is 15 percent.

''(c) QUALIFIED BROADBAND LOCAL ACCESS FACILITIES EXPENDITURE.—For purposes of this section, the term 'qualified broadband local access facilities expenditure' means any expenditure—

''(1) chargeable to capital account—

''(A) for property for which depreciation is allowable under section 168, and

''(B) incurred in connection with broadband telecommunications facilities or enhanced broadband telecommunications facilities serving rural subscribers, and

''(2) incurred during the period—

''(A) beginning with the taxpayer's (or any predecessor's) first taxable year beginning after the date of the enactment of this section, and

''(B) ending with the taxpayer's (or any predecessor's) third taxable year beginning after such date.

''(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) BROADBAND TELECOMMUNICATIONS FACILITIES.—The term 'broadband telecommunications facilities' means broadband local access facilities capable of—

''(A) transmitting voice, and

''(B) downloading data at a rate of 1.5 MBPS and uploading data at a rate of .5 MBPS.

''(2) ENHANCED BROADBAND TELECOMMUNICATIONS FACILITIES.—The term 'enhanced broadband telecommunications facilities' means the broadband local access facilities capable of—

''(A) transmitting voice, and

''(B) downloading and uploading data at a rate of 10 MBPS.

''(3) DETERMINATION OF BROADBAND LOCAL ACCESS FACILITIES.—Broadband local access facilities—

''(A) begin at the switching point closest to the rural subscriber, which is—

''(i) the subscriber side of the nearest switching facility in the case of local exchange carriers,

''(ii) the subscriber side of the headend or the node in the case of cable television operators, and

''(iii) the subscriber side of the transmission and reception facilities in the case of a wireless or satellite carrier,

''(B) end at the interface between the network and the rural subscriber's location, and

''(C) do not include any switching facility.

''(4) RURAL SUBSCRIBER.—The term 'rural subscriber' means a subscriber who lives in area which—

''(A) is not within 10 miles of any incorporated or census designated places containing more than 25,000 people, and

''(B) is not within a county or county equivalent which has an overall population density of more than 500 people per square mile of land.''

(c) SPECIAL RULE FOR MUTUAL OR COOPERATIVE TELEPHONE COMPANIES.—Section 501(c)(12)(B) of the Internal Revenue Code of 1986 (relating to list of exempt organizations) is amended by striking ''or'' at the end of clause (iii), by striking the period at the end of clause (iv) and inserting '', or'', and by adding at the end the following new clause:

''(v) which is not described in subparagraph (A), in an amount which does not exceed in any year an amount equal to the applicable percentage of the qualified broadband local access facilities expenditures (as determined in section 47A) of the mutual or cooperative telephone company for such year.''

(d) CONFORMING AMENDMENT.—The table of sections for subpart E of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 47 the following:

''Sec. 47A. Rural telecommunications facilities credit.''

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to expenditures incurred after the date of the enactment of this Act.

(2) SPECIAL RULE.—The amendments made by subsection (c) shall apply to amounts received after the date of the enactment of this Act.●

By Mr. MCCAIN:

S. 2322. A bill to amend title 37, United States Code, to establish a special subsistence allowance for certain members of the uniformed services who are eligible to receive food stamp assistance, and for other purposes; to the Committee on Armed Services.

REMOVE SERVICEMEMBERS FROM FOOD STAMPS ACT OF 2000

● Mr. MCCAIN. Mr. President, I rise today to introduce a bill to remove thousands of our servicemembers from the food stamp rolls.

The Remove Servicemembers from Food Stamps Act of 2000 provides junior enlisted servicemembers who are eligible for food stamps in the pay grade E–1 through E–5 an additional allowance of $180 a month. A not-yet-published Department of Defense report estimates that 6,300 servicemembers receive food stamps, while the General Accounting Office and Congressional Research Service place this number at around 13,500. Regardless of this disparity, the fact that just one servicemember is on food stamps is a national disgrace. This bill will end the ''food stamp Army'' once and for all.

This legislative proposal is estimated to cost only $6 million annually. Interestingly, the Congressional Budget Office determined that it would represent an overall savings to taxpayers since it would save the Department of Agriculture more than $6 million by removing servicemembers from the food stamp rolls for good.

Last year, this legislation was included in S. 4, the Soldiers', Sailors', Airmen's, and Marines' Relief Act of 1999. Although the Senate approved this legislation as part of S. 4, I was greatly disappointed when food stamp relief was rejected by conferees from the House of Representatives despite the strong support of Admiral Jay Johnson, the Chief of Naval Operations, and General Jim Jones, the Commandant of the Marine Corps. With over 13,500 military families on food stamps, and possibly thousands more eligible for the program, I cannot understand the Congress' refusal to rectify this problem in last year's National Defense Authorization Act.

It is outrageous that Admirals and Generals received a 17 percent pay

raise last year while our enlisted families continue to line up for free food and furniture. Last year, we poured hundreds of millions of dollars into programs the military did not request, like the C–130J. We spent $375 million as a down payment on a $1.5 billion amphibious assault ship that the Navy did not want and that the Secretary of Defense said diverts dollars from higher priority programs. We added $5.1 million to build a gymnasium at the Naval Post-Graduate School and $15 million to build a Reserve Center in Oregon—neither was in the President's budget request or identified by the Joint Chiefs as a priority item.

It is difficult to reconcile how Congress could waste $7.4 billion on pork barrel spending in the defense budget, while we ignore the basic needs of our military families. I have been open to all suggestions for solutions to this problem and am willing to work toward a bipartisan plan that would satisfy the administration, Congress, and the Department of Defense. Sadly, politics, not military necessity, remains the rule, not the exception.

It is unconscionable that the men and women who are willing to sacrifice their lives for their country have to rely on food stamps to make ends meet, and it is an abrogation of our responsibilities as Senators to let this reality go on without some sort of legislative remedy.

I will not stand by and watch as our military is permitted to erode to the breaking point due to the President's lack of foresight and the Congress' lack of compassion. These military men and women on food stamps—our soldiers, sailors, airmen, and marines—are the very same Americans that the President and Congress have sent into harm's way in recent years in Somalia, Bosnia, Haiti, Kosovo, and East Timor. They deserve our continuing respect, our unwavering support, and a living wage.

The legislation is supported by every enlisted association or organization that specifically supports enlisted servicemember issues in the Military Coalition and in the National Military/Veterans Alliance. Associations include the Veterans of Foreign Wars, the Non-Commissioned Officers Association, the American Legion, the Retired Enlisted Association, the National Association for Uniformed Services, the Fleet Reserve Association, the Air Force Sergeants Association, the U.S. Coast Guard Chief Petty Officers Association, the Disabled American Veterans, the Enlisted Association of the National Guard of the U.S., and the Naval Enlisted Reserve Association.

I urge my colleagues to support this bill and to act swiftly. It is a step in the right direction toward improving the lives of our servicemembers and their families who are struggling to feed their families. There is no reason not to pass this bill immediately. We have waited too long already. We must end the days of a ''food stamp Army'' once and for all. Our military personnel and their families deserve better.

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

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

S. 2322

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 ''Remove Servicemembers from Food Stamps Act of 2000''.

SEC. 2. SPECIAL SUBSISTENCE ALLOWANCE FOR MEMBERS ELIGIBLE TO RECEIVE FOOD STAMP ASSISTANCE.

(a) ALLOWANCE.—(1) Chapter 7 of title 37, United States Code, is amended by inserting after section 402 the following new section:

''§ 402a. Special subsistence allowance

''(a) ENTITLEMENT.—Upon the application of an eligible member of a uniformed service described in subsection (b), the Secretary concerned shall pay the member a special subsistence allowance for each month for which the member is eligible to receive food stamp assistance.

''(b) COVERED MEMBERS.—An enlisted member referred to in subsection (a) is an enlisted member in pay grade E–5 or below.

''(c) TERMINATION OF ENTITLEMENT.—The entitlement of a member to receive payment of a special subsistence allowance terminates upon the occurrence of any of the following events:

''(1) Termination of eligibility for food stamp assistance.

''(2) Payment of the special subsistence allowance for 12 consecutive months.

''(3) Promotion of the member to a higher grade.

''(4) Transfer of the member in a permanent change of station.

''(d) REESTABLISHED ENTITLEMENT.—(1) After a termination of a member's entitlement to the special subsistence allowance under subsection (c), the Secretary concerned shall resume payment of the special subsistence allowance to the member if the Secretary determines, upon further application of the member, that the member is eligible to receive food stamps.

''(2) Payments resumed under this subsection shall terminate under subsection (c) upon the occurrence of an event described in that subsection after the resumption of the payments.

''(3) The number of times that payments are resumed under this subsection is unlimited.

''(e) DOCUMENTATION OF ELIGIBILITY.—A member of the uniformed services applying for the special subsistence allowance under this section shall furnish the Secretary concerned with such evidence of the member's eligibility for food stamp assistance as the Secretary may require in connection with the application.

''(f) AMOUNT OF ALLOWANCE.—The monthly amount of the special subsistence allowance under this section is $180.

''(g) RELATIONSHIP TO BASIC ALLOWANCE FOR SUBSISTENCE.—The special subsistence allowance under this section is in addition to the basic allowance for subsistence under section 402 of this title.

''(h) FOOD STAMP ASSISTANCE DEFINED.—In this section, the term 'food stamp assistance' means assistance under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

''(i) TERMINATION OF AUTHORITY.—No special subsistence allowance may be made under this section for any month beginning after September 30, 2005.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 402 the following:

''402a. Special subsistence allowance.''.

(b) EFFECTIVE DATE.—Section 402a of title 37, United States Code, shall take effect on the first day of the first month that begins on or after the date of the enactment of this Act.

(c) ANNUAL REPORT.—(1) Not later than March 1 of each year after 2000, the Comptroller General of the United States shall submit to Congress a report setting forth the number of members of the uniformed services who are eligible for assistance under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

(2) In preparing the report, the Comptroller General shall consult with the Secretary of Defense, the Secretary of Transportation (with respect to the Coast Guard), the Secretary of Health and Human Services (with respect to the commissioned corps of the Public Health Service), and the Secretary of Commerce (with respect to the commissioned officers of the National Oceanic and Atmospheric Administration), who shall provide the Comptroller General with any information that the Comptroller General determines necessary to prepare the report.

(3) No report is required under this subsection after March 1, 2005.●

By Mr. MCCONNELL (for himself, Mr. DODD, Mr. JEFFORDS, Mr. ENZI, Mr. ABRAHAM, Mr. BENNETT, Mr. ROBB, Mr. WARNER, Mrs. MURRAY, Mr. GORTON, Mr. HUTCHINSON Mr. LIEBERMAN, Mr. BINGAMAN, Mr. REED, Mr. KERRY, and Mr. LUGAR):

S. 2323. A bill to amend the Fair Labor Standards Act of 1938 to clarify the treatment of stock options under the act; read the first time.

WORKER ECONOMIC OPPORTUNITY ACT

● Mr. MCCONNELL. Mr. President, I rise today to introduce the Worker Economic Opportunity Act. Senator DODD and I have worked closely with Senators JEFFORDS and ENZI, as well as Senators ABRAHAM, BENNETT, LIEBERMAN, and others to develop this important bill. This important bipartisan bill will ensure that American workers can receive lucrative stock options from their employers—once considered the exclusive perk of corporate executives.

In recent years our country's innovative new workplaces and creative employers have offered new financial opportunities—such as stock options—for hourly employees. The Department of Labor recently issued an interpretation of the decades-old labor and employment laws that could keep normal employees from reaping the benefits of these perks. When I realized this, I decided we needed to fix this problem—it would have been a travesty for us to let old laws steal this chance for the average employee to share in his or her company's economic growth.

This law simply says: it makes no difference if you work in the corporate boardroom or on the factory floor—everyone should be able to share in the success of the company.

Our bill changes the outdated laws so they don't stand in the way of economic opportunity for American workers. In sum, the bill would amend the Fair Labor Standards Act to ensure that employer-provided stock option programs are allowed just like employee bonuses already are. Also, this legislation includes a broad ''safe harbor'' that specifies that employers have no liability because of any stock options or similar programs that they have given to employees in the past. The bill I am introducing today is what I hope will be the first of many common-sense efforts to drag old labor and employment laws into the new millennium.

I am very pleased that Secretary Herman and the Department of Labor have worked with us on this legislation. The Worker Economic Opportunity Act is also supported by a broad range of high tech and business groups who have joined together to form the Coalition to Promote Employee Stock Ownership. This group has been of great assistance throughout the development of this bill.

An identical companion bill to the Worker Economic Opportunity Act is being introduced in the House today. As a result, I am optimistic that we can work to ensure that this much-needed fix to the FLSA becomes law in the near future.●

Mr. DODD. Mr. President, today I join with my colleague Senator MCCONNELL in introducing the Worker Economic Opportunity Act. This common sense bill will allow companies to continue to offer stock option programs to their hourly employees without violating the Fair Labor Standards Act with respect to overtime. We are joined today by Senators JEFFORDS, ENZI, ROBB, MURRAY, LIEBERMAN, BINGAMAN, REED, KERRY, ABRAHAM, BENNETT, GORTON, HUTCHINSON, and WARNER.

Sotck options, stock appreciation rights, and employee stock purchase programs are tools used by some companies to give employees a stake in a company's success and to retain employees in a tight labor market. These programs are used by well-known companies such as Xerox, GTE, and PepsiCo. as well as hi-tech startups. In more and more situations, non-exempt and exempt employees are able to participate. For example, it has been GTE's practice to give stock options to all 110,000 employees, of which 53,000 are non-exempt. Xerox corporation employs approximately 52,000 employees in the United States, and offers stock options to all employees who have completed one year of service. It employs 93,000 people worldwide and 57 percent of them are non-exempt.

Clearly, the trend in our economy is that more and more companies are providing this type of compensation package. Not surprisingly, then, my office was beset with letters and phone calls recently concerning a 1999 Department of Labor advisory letter regarding one company's proposed stock option plan for non-exempt employees. The opinion letter, which does not carry the weight of law, states that the value of the options would have to be included in the non-exempt workers base wages when calculating their overtime rates. The Fair Labor Standards Act (FLSA) exempts some employee benefits from overtime calculations including health insurance, thrift savings plans, and discretionary bonuses. When providing its opinion letter, the Department of Labor determined that stock option plans did not fall within any of the current exemptions. While the Department did point out that their opinion was based on only one company's proposed plan, it became clear that legislation was needed to exempt these programs, lest businesses begin to exclude non-exempt employees from receiving stock options. I commend the Department for calling for a legislative fix and working closely with us to craft this bipartisan bill.

Our legislation would amend the Fair Labor Standards Act to exclude from the regular rate stock options, stock appreciation rights or bonafide stock purchase programs that meet certain vesting, disclosure, and determination requirements. A safe harbor would be in effect to protect companies that have already established stock option programs for non-exempt workers, including those programs provided under a collective bargaining agreement or requiring shareholder approval.

Just several years ago, stock option plans were only offered corporate CEO's and other very senior executives. Today's flexible benefit packages give that same opportunity throughout the corporate structure. I don't believe that non-exempt employees who form the backbone of most businesses should be excluded from this opportunity. They deserve the right to share in the prosperity of the new economy.

Clearly, stock option programs have risk attached, so we wanted to be very clear that our legislation requires that the terms and conditions of any program are communicated to employees and that the exercise of any grants is voluntary. Employees need to make informed choices.

I am pleased that this has been a bipartisan effort, and also one where we have worked very constructively with the Administration. I hope we can move it quickly for the benefit of all working families.

● Mr. JEFFORDS. Mr. President, I am delighted to be here today to introduce the Worker Economic Opportunity Act. Having worked with colleagues from both sides of the aisle and the Department of Labor, I am extremely proud of this collaborative effort which has resulted in this legislation which will encourage employers to provide equity ownership opportunities to their hourly employees.

In the last 10 years, we have witnessed tremendous change in the structure of our Nation's economy in large part due to the birth of the internet and e-commerce. The vitality of our economy is a tribute to the creative and entrepreneurial genius of thousands of individual business people and the indispensable contribution of the American workforce.

As legislators during this exciting time, we are challenged to maintain an environment that will foster the continued growth of our economy. We must work to ensure that our laws are in sync with the changing environment. However, many of the laws and policies governing our workplace have fallen out of sync with the information age and there has been particular resistance to changing our labor laws. As Chairman of the Senate Committee with jurisdiction over workplace issues, I believe it is time to examine and modify these laws to meet the rapidly involving needs of the American workforce.

The Fair Labor Standards Act (FLSA), for example, was enacted in the late 1930s, to establish basic standards for wages and overtime pay. While the principles behind the FLSA have not changed, its rigid provisions make it difficult for employers to accommodate the needs of today's workforce. Most recently, we discovered that the FLSA actually operates to deter employers from offering stock option programs to hourly employees.

While stock option programs are most prevalent in the high tech industry, increasingly employers across the whole spectrum of American industry have begun to offer stock option programs to all of their employees. Broad-based stock option programs prove valuable to both employers and employees. For employers, stock options programs have become a key tool for employee recruitment, motivation and retention. Employees seek out companies offering these programs because they enable workers to become owners and reap the benefits of their company's growth.

When I heard about the FLSA's application to stock options, I became very concerned about its impact on our workforce. I was pleased to discover that Senators' MCCONNELL, DODD, and ENZI shared similar concerns and that the Department of Labor also recognized that we had a problem on our hands that would require a legislative solution. Together we have crafted the Worker Economic Opportunity Act which will create a new exemption under the Fair Labor Standards Act for stock options, stock appreciation rights and employee stock purchase plans.●

● Mr. ENZI. Mr. President, I am pleased to be part of the introduction today of the Worker Economic Opportunity Act, a bipartisan bill to exclude stock options and stock option profits from overtime pay calculations under the Fair Labor Standards Act. I want to acknowledge and commend my colleagues Senators MCCONNELL, DODD, and JEFFORDS for their hard work on this issue.

Earlier this year, the Department of Labor advised employers that they would be required to include stock options in overtime calculations. The advisory also prescribed an extremely complicated method of calculation that created a virtual administrative impossibility for employers. We received overwhelmingly negative feedback that this advisory would result in the end of stock options for hourly employees and create a lose-lose situation for employees and employers alike. The legislation we introduce today ensures that companies can continue to give stock options to hourly employees so that these employees—and not just executives—can share in this country's economic boom. And employers will be able to continue to use stock options as a valuable tool for recruiting and retaining employees in a competitive labor market.

This bipartisan legislation also represents an important first step towards reforming outdated labor statutes that no longer meet the needs of today's workforce. Most of the major labor statutes were drafted between 30 and 60 years ago and many of their heavy-handed restrictions are now more harmful than helpful to employees in the modern workplace. We need to think about how to encourage—not discourage—employers' development of new and creative measures to benefit employees, such as stock option programs and telecommuting arrangements. Our legislation will provide just such encouragement and ensure that stock option programs do not fall prey to obsolete legislative prohibitions.

Finally, I am particularly proud that both Democrats and the Department of Labor have worked with us on this bill. As chairman of the Employment, Safety and Training Subcommittee, I firmly believe that cooperation between lawmakers and agencies is the best way to develop practical solutions that benefit both employees and businesses. I sincerely hope that we can continue to work together on similar measures in the future.●

By Mr. KOHL (for himself and Mrs. FEINSTEIN):

S. 2324. A bill to amend chapter 44 of title 18, United States Code, to require ballistics testing of all firearms manufactured and all firearms in custody of Federal agencies, and to add ballistics testing to existing firearms enforcement strategies; to the Committee on the Judiciary.

BALLISTICS, LAW ASSISTANCE, SAFETY TECHNOLOGY ACT

● Mr. KOHL. Mr. President, I rise today with my colleague Senator FEINSTEIN to introduce ''BLAST''—the Ballistics, Law Assistance, and Safety Technology Act. The bill offers two complementary approaches to combating gun violence. The first supplies our Nation's police with a new technology to assist them in solving crimes. The second expands ''Project Exile'' to 50 cities, giving federal prosecutors the resources they need to put more felons behind bars. Let me explain how our measure is crucial to the fight against crime.

Reducing crime requires a multifaceted approach. While we need tougher controls to keep guns away from kids in this country—including mandating that child safety locks be sold with every new handgun—all of us also recognize that the battle against senseless violence includes prosecuting all criminals to the letter of the law.

Mr. President, just as every person has a unique fingerprint, each gun leaves unique markings on discharged bullets and shell casings. Over the past decade, new technology has allowed for the comparison of those ''gun prints'' with bullets found at crime scenes. By keeping a computerized image of each new gun's fingerprint, police can compare the microscopic differences in markings left by each gun until they find a match. Once a match is found, law enforcement can begin tracing that weapon from its original sale to the person who used it to commit the crime.

Indeed, ballistics technology, though nascent, is already helping to solve crimes. For example, in June 1997, an Oakland man was shot and killed as he used a public telephone on a street corner. Without any leads or physical evidence other than a bullet casing left by the discharged weapon, police were initially stymied in their search for the killer.

A year passed without any progress in the investigation until police made an ordinary arrest of two men for the unlawful possession of a firearm. When the officers test-fired the confiscated gun and ran the image through their ballistics database, they found a match within seconds. The seized gun was the same gun that fired the deadly bullet in the unsolved case the previous year. Police confronted the two men with this evidence, and quickly received a confession to the murder.

In another case, police only found 9 millimeter cartridge casings at the scene of a brutal homicide in Milwaukee—there were no other clues. But four months later, when a teenage male was arrested on an unrelated charge, he was found to be in possession of that firearm. Ballistics linked the two cases. Prosecutors successfully prosecuted three adult suspects for the homicide and convicted the teen in juvenile court.

Mr. President, since the early 1990's, more than 250 crime labs and law enforcement agencies in over 40 states have been operating independent ballistics systems maintained by either the ATF or the FBI. Together, ATF's Integrated Ballistics Identification System (''IBIS'') and the FBI's DRUGFIRE system have been responsible for linking 5,700 guns to two or more crimes where corroborating evidence was otherwise lacking.

My own state of Wisconsin employs the DRUGFIRE system for ballistics testing and has already used it to solve crime and provide authenticating evidence for ongoing criminal investigations. In 1998, the Milwaukee police department alone analyzed almost 600 firearms and over 3200 fired cartridges. Even though Wisconsin's DRUGFIRE has a limited number of guns in its database, ballistics testing helped solve seven homicides, 100 cases where the reckless use of a weapon endangered public safety, and numerous other gun crimes.

These statistics are heartening, but they also illustrate the untapped potential of ballistics as a law enforcement weapon. Simply put, ballistics testing is only as good as the number of images in the database. Unfortunately, not enough guns are test fired before they are sold, not enough communities have access to ballistics databases, and not enough information is shared between law enforcement agencies of different jurisdictions. Ironically, even the two primary agencies responsible for investigating gun crimes—the ATF and the FBI—have created ballistics systems that cannot read each others data. Sadly, this significant law enforcement tool is severely underutilized.

But that need not be the case. Title I of BLAST makes ballistics a centerpiece of our anti-crime strategy by requiring federal firearms manufacturers and importers to test fire all new firearms and make the ballistics images available to federal law enforcement; requiring federal law enforcement officials to test fire all firearms in their custody; and providing financial support to communities that include ballistics testing as a critical part of their comprehensive anti-crime strategy, building on the model used by ATF in the Youth Crime Gun Interdiction Initiative.

The burden on manufacturers is minimal—we authorize funds to underwrite the cost of testing—and the assistance to law enforcement is considerable. And don't take my word for it, ask the gun manufacturers and the police. Listen to what Paul Januzzo, the vice-president of the gun manufacturer Glock, said last month in reference to ballistics testing, ''our mantra has been that the issue is crime control, not gun control . . . it would be two-faced of us not to want this.'' In their agreement with HUD, Smith & Wesson agreed to perform ballistics testing on all new handguns. And Ben Wilson, the chief of the firearms section at ATF, emphasized the importance of ballistics testing as a investigative device, ''This [ballistics] allows you literally to find a needle in a haystack.''

Our approach is bipartisan as well. The Republican governor of New York, George Pataki, prominently included a similar ballistics measure in his recently introduced anti-crime package. He clearly recognizes, as we do, that the more we can empower law enforcement, the more effectively we can put hard core criminals where they belong—behind bars.

To be sure, we are sensitive to the notion that law abiding hunters and sportsmen need to be protected from any misuse of the ballistics database by government. The BLAST bill explicitly prohibits ballistics information from being used for any purpose unless it is necessary for the investigation of a gun crime.

Of course, to successfully combat crime, you also need to enhance the arsenal of law enforcement. That is why Title II of BLAST expands the successful ''Project Exile'' program. By authorizing $20 million over four years, BLAST would fund gun prosecutors in 50 cities—prosecutors, who will work in conjunction with state and local authorities, devoted solely to the aggressive enforcement of the federal gun laws.

This program already enjoys widespread support—from the industry to leaders on both sides of the political aisle to the National Rifle Association, which has pointed to Project Exile as a model for fighting gun crime. Our hope is to expand the success of EXILE across the country and provide the resources to every city interested in aggressively pursuing gun crimes. Felons will know that if they commit a crime with a gun they will pay the price.

Mr. President, the BLAST bill will enhance a revolutionary new technology that helps solve crime while, at the same time, recognizing that new crime solving instruments are worthless unless prosecutors are in place to punish violent offenders to the fullest extent of the law. BLAST is a worthwhile piece of crime control legislation. I hope that the Senate will quickly move to pass it.

I ask unanimous consent that a copy of the legislation be printed in the RECORD.

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

S. 2324

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 ''Ballistics, Law Assistance, and Safety Technology Act'' (''BLAST'').

SEC. 2. PURPOSES.

The purposes of this Act are—

(1) to increase public safety by assisting law enforcement in solving more gun-related crimes and offering prosecutors evidence to link felons to gun crimes through ballistics technology;

(2) to provide for ballistics testing of all new firearms for sale to assist in the identification of firearms used in crimes;

(3) to require ballistics testing of all firearms in custody of Federal agencies to assist in the identification of firearms used in crimes;

(4) to add ballistics testing to existing firearms enforcement programs; and

(5) to provide for targeted enforcement of Federal firearms laws.

TITLE I—BLAST

SEC. 101. DEFINITION OF BALLISTICS.

Section 921(a) of title 18, United States Code, is amended by adding at the end the following:

''(35) BALLISTICS.—The term 'ballistics' means a comparative analysis of fired bullets and cartridge casings to identify the firearm from which bullets were discharged, through identification of the unique characteristics that each firearm imprints on bullets and cartridge casings.''.

SEC. 102. TEST FIRING AND AUTOMATED STORAGE OF BALLISTICS RECORDS.

(a) AMENDMENT.—Section 923 of title 18, United States Code, is amended by adding at the end the following:

''(m)(1) In addition to the other licensing requirements under this section, a licensed manufacturer or licensed importer shall—

''(A) test fire firearms manufactured or imported by such licensees as specified by the Secretary by regulation;

''(B) prepare ballistics images of the fired bullet and cartridge casings from the test fire;

''(C) make the records available to the Secretary for entry in a computerized database; and

''(D) store the fired bullet and cartridge casings in such a manner and for such a period as specified by the Secretary by regulation.

''(2) Nothing in this subsection creates a cause of action against any Federal firearms licensee or any other person for any civil liability except for imposition of a civil penalty under this section.

''(3)(A) The Attorney General and the Secretary shall assist firearm manufacturers and importers in complying with paragraph (1) through—

''(i) the acquisition, disposition, and upgrades of ballistics equipment and bullet recovery equipment to be placed at or near the sites of licensed manufacturers and importers;

''(ii) the hiring or designation of personnel necessary to develop and maintain a database of ballistics images of fired bullets and cartridge casings, research and evaluation;

''(iii) providing education about the role of ballistics as part of a comprehensive firearm crime reduction strategy;

''(iv) providing for the coordination among Federal, State, and local law enforcement and regulatory agencies and the firearm industry to curb firearm-related crime and illegal firearm trafficking; and

''(v) any other steps necessary to make ballistics testing effective.

''(B) The Attorney General and the Secretary shall—

''(i) establish a computer system through which State and local law enforcement agencies can promptly access ballistics records stored under this subsection, as soon as such a capability is available; and

''(ii) encourage training for all ballistics examiners.

''(4) Not later than 1 year after the date of enactment of this subsection and annually thereafter, the Attorney General and the Secretary shall submit to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives a report regarding the impact of this section, including—

''(A) the number of Federal and State criminal investigations, arrests, indictments, and prosecutions of all cases in which access to ballistics records provided under this section served as a valuable investigative tool;

''(B) the extent to which ballistics records are accessible across jurisdictions; and

''(C) a statistical evaluation of the test programs conducted pursuant to section 6 of the Ballistics, Law Assistance, and State Technology Act.

''(5) There is authorized to be appropriated to the Department of Justice and the Department of the Treasury for each of fiscal years 2001 through 2004, $20,000,000 to carry out this subsection, including—

''(A) installation of ballistics equipment and bullet recovery equipment;

''(B) establishment of sites for ballistics testing;

''(C) salaries and expenses of necessary personnel; and

''(D) research and evaluation.

''(6) The Secretary and the Attorney General shall conduct mandatory ballistics testing of all firearms obtained or in the possession of their respective agencies.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by subsection (a) take effect on the date on which the Attorney General and the Secretary of the Treasury, in consultation with the Board of the National Integrated Ballistics Information Network, certify that the ballistics systems used by the Department of Justice and the Department of the Treasury are sufficiently interoperable to make mandatory ballistics testing of new firearms possible.

(2) EFFECTIVE ON DATE OF ENACTMENT.—Section 923(m)(6) of title 18, United States Code, as added by subsection (a), shall take effect on the date of enactment of this Act.

SEC. 103. PRIVACY RIGHTS OF LAW ABIDING CITIZENS.

Ballistics information of individual guns in any form or database established by this Act may not be used for prosecutorial purposes unless law enforcement officials have a reasonable belief that a crime has been committed and that ballistics information would assist in the investigation of that crime.

SEC. 104. DEMONSTRATION FIREARM CRIME REDUCTION STRATEGY.

(a) IN GENERAL.—Not later than 60 days after the date of enactment of this Act, the Secretary of the Treasury and the Attorney General shall establish in the jurisdictions selected under subsection (c), a comprehensive firearm crime reduction strategy that meets the requirements of subsection (b).

(b) PROGRAM ELEMENTS.—Each program established under subsection (a) shall, for the jurisdiction concerned—

(1) provide for ballistics testing, in accordance with criteria set forth by the National Integrated Ballistics Information Network, of all firearms recovered during criminal investigations, in order to—

(A) identify the types and origins of the firearms;

(B) identify suspects; and

(C) link multiple crimes involving the same firearm;

(2) require that all identifying information relating to firearms recovered during criminal investigations be promptly submitted to the Secretary of the Treasury, in order to identify the types and origins of the firearms and to identify illegal firearms traffickers;

(3) provide for coordination among Federal, State, and local law enforcement officials, firearm examiners, technicians, laboratory personnel, investigators, and prosecutors in the tracing and ballistics testing of firearms and the investigation and prosecution of firearms-related crimes including illegal firearms trafficking; and

(4) require analysis of firearm tracing and ballistics data in order to establish trends in firearm-related crime and firearm trafficking.

(c) PARTICIPATING JURISDICTIONS.—

(1) IN GENERAL.—The Secretary of the Treasury and the Attorney General shall select not fewer than 10 jurisdictions for participation in the program under this section.

(2) CONSIDERATIONS.—In selecting jurisdictions under this subsection, the Secretary of the Treasury and the Attorney General shall give priority to jurisdictions that—

(A) participate in comprehensive firearm law enforcement strategies, including programs such as the Youth Crime Gun Interdiction Initiative (known as ''YCGII''), Project Achilles, Project Disarm, Project Triggerlock, Project Exile, and Project Surefire, and Operation Ceasefire;

(B) draft a plan to share ballistics records with nearby jurisdictions that require ballistics testing of firearms recovered during criminal investigations; and

(C) pledge to match Federal funds for the expansion of ballistics testing on a one-on-one basis.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for each of fiscal years 2001 through 2004, $20,000,000 to carry out this section, including—

(1) installation of ballistics equipment; and

(2) salaries and expenses for personnel (including personnel from the Department of Justice and the Bureau of Alcohol, Tobacco, and Firearms).

TITLE II—EXILE

SEC. 201. TARGETED ENFORCEMENT OF FEDERAL FIREARMS LAWS.

(a) DESIGNATION.—The Attorney General and the Secretary of the Treasury, after consultation with appropriate State and local officials, shall designate not less than 50 local jurisdictions in which to enforce aggressively Federal laws designed to prevent the possession by criminals of firearms (as defined in section 921(a) of title 18, United States Code).

(b) ASSISTANCE.—In order to provide assistance for the enforcement of Federal laws designed to prevent the possession by criminals of firearms, the Attorney General and the Secretary of the Treasury may—

(1) direct the detailing of Federal personnel, including Assistant United States Attorneys and agents and investigators of the Bureau of Alcohol, Tobacco, and Firearms, to designated jurisdictions, subject to the approval of the head of that department or agency that employs such personnel;

(2) coordinate activities with State and local officials, including facilitation of training of State and local law enforcement officers and prosecutors in designated jurisdictions to work with Federal prosecutors, agents, and investigators to identify appropriate cases for enforcement of Federal laws designed to prevent the possession by criminals of firearms;

(3) help coordinate, in conjunction with local officials, local businesses, and community leaders, public outreach in designated jurisdictions regarding penalties associated with violation of Federal laws designed to prevent the possession by criminals of firearms.

(c) CRITERIA FOR DESIGNATION.—In designating local jurisdictions under this section, the Attorney General and Secretary of the Treasury shall consider—

(1) the extent to which there is a high rate of recidivism among armed felons in the jurisdiction;

(2) the extent to which there is a high rate of violent crime in the jurisdiction;

(3) the extent to which State and local law enforcement agencies have committed resources to respond to the illegal possession of firearms in the jurisdiction, as an indication of their determination to respond aggressively to the problem;

(4) the extent to which a significant increase in the allocation of Federal resources is necessary to respond adequately to the illegal possession of firearms in the jurisdiction; and

(5) any other criteria as the Attorney General and Secretary of the Treasury consider to be appropriate.

(d) PRIORITY.—In addition to the criteria set forth in subsection (c), in considering which local jurisdictions to designate under this section, the Attorney General and the Secretary of the Treasury shall give priority to jurisdictions that have—

(1) demonstrated a commitment to enforcement of Federal firearms laws through participation in initiatives like the Youth Crime Gun Interdiction Initiative, Project Disarm, and Operation Ceasefire;

(2) identified a large number of convicted felons involved in firearms trafficking to individuals under age 25; and

(3) agreed to require that all identifying information relating to firearms recovered during criminal investigations be promptly submitted to the Secretary of the Treasury to identify the types and origins of such firearms and to identify illegal firearms traffickers.

(e) REPORTS AND EVALUATION.—

(1) ANNUAL REPORT.—The Attorney General and the Secretary of the Treasury shall annually submit to the Chairmen and Ranking Members of the Committees on the Judiciary of the House of Representatives and the Senate a report, which shall include information relating to—

(A) the number of arrests by Federal, State, and local law enforcement officials involving illegal possession of firearms by criminals in each designated city;

(B) the number of individuals prosecuted for illegal firearms possession by criminals in Federal, State, and local court in each designated city, the number of convictions, and a breakdown of sentences imposed; and

(C) a description of the public outreach initiatives being implemented in designated jurisdictions.

(2) EVALUATION.—Not later than 3 years after the date of enactment of this Act, the Attorney General and the Secretary of the Treasury shall submit to the Chairmen and Ranking Members of the Committees on the Judiciary of the House of Representatives and the Senate a report concerning the effectiveness of the designation of jurisdictions under this section, including an analysis of whether crime within the jurisdiction has been reduced or displaced to nearby jurisdictions, along with any recommendations for related legislation.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for each of fiscal years 2001 through 2004.●

By Mr. TORRICELLI:

S. 2325. A bill to amend title 49, United States Code, to ensure equity in the provision of transportation by limousine services; to the Committee on Commerce, Science, and Transportation.

CONTRACTED AUTOMOBILE REGULATORY RELIEF ACT OF 2000 (CARR)

Mr. TORRICELLI. Mr. President, I rise today to introduce legislation that will eliminate burdensome and unnecessary regulations which are devastating the nation's limousine companies, 80 percent of which are small business owners.

Federal Highway Administration regulations grant limo operators the right to cross states lines ''without interference''. Yet local entities across the U.S. have taken it upon themselves to establish unnecessary bureaucracies for the purpose of placing excessive and arbitrary requirements upon limo operators that enter their jurisdictions.

Current law already requires limo operators to be certified and registered at three different stages: the U.S. Department of Transportation; the state in which they principally operate; and the locality in which the business is located. Therefore, company owners, drivers, and vehicles must already comply with a myriad of safety and financial requirements that includes carrying at least $1.5 million in liability insurance. Public safety is clearly being upheld.

Yet, after satisfying these three stages of compliance, limo operators often find that there is a fourth, fifth, sixth and sometimes even more bureaucratic hoops to jump through to simply conduct their business. This happens when a locality sets up a Local Taxi and Limousine Commission to place certification requirements not only on companies located in their jurisdiction, but on any other limo that enters their locality to pick up or drop off a customer. These additional licenses can cost up to several hundred dollars annually—and that's just to enter one jurisdiction.

The purpose of the CARR ACT is simple. It says that if a limo operator has satisfied federal, state, and local requirements, no other state or entity has the authority to establish additional requirements. The bill will not lower the quality of service which the public expects from the limousine industry nor does it compromise public safety. In fact, my legislation does not affect any safety regulations or financial requirements on interstate operations required by the U.S. DOT nor does it affect the power of states to regulate safety or financial responsibility as they may do under current law.

The same protections were granted to the trucking industry in 1995, to the armor car industry in 1997, and to the chartered bus industry under TEA–21. The time for these protections to be extended to the limousine industry is long overdue. No small business should be faced with the unfair and excessive bureaucracy faced by the nation's 9,000 limousine operators.

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

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

S. 2325

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 ''Contracted Automobile Regulatory Relief Act''.

SEC. 2. REGULATION OF INTERSTATE AND CERTAIN INTRASTATE TRANSPORTATION SERVICES.

Section 14501(a) of title 49, United States Code, is amended—

(1) in paragraph (1)—

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

(B) in subparagraph (C), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following:

''(D) prohibiting, restricting, licensing, permitting, or regulating the operation of a motor vehicle that is providing limousine service on an interstate basis, except in the case of the State or political subdivision in which the limousine operator maintains its principal place of business; or

''(E) requiring that a person, that has secured any mandatory State license, permit, certificate, or authority to operate a limousine service on an intrastate basis between or among political subdivisions within the State, obtain, in order to conduct limousine service between or among political subdivisions of the State, a license, permit, certificate, or other form of authority from any political subdivision of the State other than the political subdivision in which the limousine operator maintains its principal place of business.''; and

(2) by adding at the end the following:

''(3) DEFINITIONS.—In this subsection:

''(A) LIMOUSINE SERVICE.—The term 'limousine service' means a prearranged ground transportation service in a motor vehicle (other than a motor vehicle providing taxicab service), the seating capacity of which does not exceed 15 passengers (including the driver), that—

''(i) is provided on a dedicated, nonscheduled, charter basis;

''(ii) is not conducted on a regular route; and

''(iii) does not entail shuttle service.

''(B) SHUTTLE SERVICE.—The term 'shuttle service' means the simultaneous provision of a nondedicated transportation service to more than 1 paying customer in a case in which the service provider, rather than the customer, reserves the power to determine the pickup or destination point.''.

By Mr. WYDEN (for himself and Mr. BURNS):

S. 2326. A bill to amend the Communications Act of 1934 to strengthen and clarify prohibitions on electronic eavesdropping, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE WIRELESS EAVESDROPPING PROTECTION ACT OF 2000

• Mr. WYDEN. Mr. President, I am introducing today the Wireless Eavesdropping Protection Act. This bill will enhance the privacy rights of wireless subscribers by strengthening the laws that prohibit eavesdropping wireless communications. Since the early days of wireless communications, Congress has paid particular attention to the privacy rights of wireless subscribers. Unfortunately, despite our best efforts, electronic eavesdroppers have been able to find loopholes in the law. I am pleased to be joined in this effort by the Senator from Montana, Senator BURNS.

Using the loopholes, electronic eavesdroppers have been able to develop a ''gray market'' for modified and modifiable wireless scanners. Some of these individuals even advertise in magazines and on Internet websites that their products can be altered easily to pick up cellular communications. The information and equipment necessary to make these modifications are also widely advertised, sometimes with blatant offers to unblock the cellular frequencies after the equipment is purchased.

The Wireless Eavesdropping Protection Act attacks these problems on several fronts. First, it would expand the definition of the frequencies that may not be scanned to include digital Personal Communications Service (PCS) frequencies as well as cellular ones. The legislation recognizes that some frequencies are shared between commercial mobile services and public safety users, and that the use of scanners to monitor public safety communications may assist in saving lives. As to those frequencies, the Federal Communications Commission (FCC) may adopt such regulations as may be necessary to enhance privacy.

Second, the bill would clarify that it is just as illegal to modify scanners for the purpose of eavesdropping as it is to manufacture or import them for this purpose, and it would direct the FCC to modify its rules to reflect this change. The bill also would amend current law to prohibit either the intentional interception or the intentional divulgence of wireless communications, so that either action on its own would be prohibited. Finally, the bill would require the FCC to investigate and take action on wireless privacy violations, regardless of any other investigative or enforcement action by any other federal agency. This provision would help ensure that these newly strengthened privacy protections are full enforced in the future.

The millions of Americans who use wireless communications deserve to have their privacy protected. They should be able to enjoy the same privacy protection as landline phone users. The Wireless Eavesdropping Protection Act will help provide those protections, and I urge my colleagues to join Senator BURNS and me in supporting this legislation. I ask unanimous consent that a copy of the bill be printed in the RECORD.

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

S. 2326

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 ''Wireless Eavesdropping Protection Act of 2000''.

SEC. 2. COMMERCE IN ELECTRONIC EAVESDROPPING DEVICES.

(a) PROHIBITION ON MODIFICATION.—Section 302(b) of the Communications Act of 1934 (47 U.S.C. 302a(b)) is amended by inserting before the period at the end thereof the following: '', or modify any such device, equipment, or system in any manner that causes such device, equipment, or system to fail to comply with such regulations''.

(b) PROHIBITION ON COMMERCE IN SCANNING RECEIVERS.—Section 302(d) of such Act (47 U.S.C. 302a(d)) is amended to read as follows:

''(d) EQUIPMENT AUTHORIZATION REGULATIONS.—

''(1) PRIVACY PROTECTIONS REQUIRED.—The Commission shall prescribe regulations, and review and revise such regulations as necessary in response to subsequent changes in technology or behavior, denying equipment authorization (under part 15 of title 47, Code of Federal Regulations, or any other part of that title) for any scanning receiver that is capable of—

''(A) receiving transmissions in the frequencies that are allocated to the domestic cellular radio telecommunications service or the personal communications service;

''(B) readily being altered to receive transmissions in such frequencies;

''(C) being equipped with decoders that—

''(i) convert digital domestic cellular radio telecommunications service, personal communications service, or protected specialized mobile radio service transmissions to analog voice audio; or

''(ii) convert protected paging service transmissions to alphanumeric text; or

''(D) being equipped with devices that otherwise decode encrypted radio transmissions for the purposes of unauthorized interception.

''(2) PRIVACY PROTECTIONS FOR SHARED FREQUENCIES.—The Commission shall, with respect to scanning receivers capable of receiving transmissions in frequencies that are used by commercial mobile services and that are shared by public safety users, examine methods, and may prescribe such regulations as may be necessary, to enhance the privacy of users of such frequencies.

''(3) TAMPERING PREVENTION.—In prescribing regulations pursuant to paragraph (1), the Commission shall consider defining 'capable of readily being altered' to require scanning receivers to be manufactured in a manner that effectively precludes alteration of equipment features and functions as necessary to prevent commerce in devices that may be used unlawfully to intercept or divulge radio communication.

''(4) WARNING LABELS.—In prescribing regulations under paragraph (1), the Commission shall consider requiring labels on scanning receivers warning of the prohibitions in Federal law on intentionally intercepting or divulging radio communications.

''(5) DEFINITION.—As used in this subsection, the term 'protected' means secured by an electronic method that is not published or disclosed except to authorized users, as further defined by Commission regulation.''.

(c) IMPLEMENTING REGULATIONS.—Not later than 90 days after the date of the enactment of this Act, the Federal Communications Commission shall prescribe amendments to its regulations for the purposes of implementing the amendments made by this section.

SEC. 3. UNAUTHORIZED INTERCEPTION OR PUBLICATION OF COMMUNICATIONS.

Section 705 of the Communications Act of 1934 (47 U.S.C. 605) is amended—

(1) in the heading of such section, by inserting ''interception or'' after ''unauthorized'';

(2) in the first sentence of subsection (a), by striking ''Except as authorized by chapter 119, title 18, United States Code, no person'' and inserting ''No person'';

(3) in the second sentence of subsection (a)—

(A) by inserting ''intentionally'' before ''intercept''; and

(B) by striking ''communication and divulge'' and inserting ''communication, and no person having intercepted such a communication shall intentionally divulge'';

(4) in the fourth sentence of subsection (a)—

(A) by inserting ''(A)'' after ''intercepted, shall''; and

(B) by striking ''thereof) or'' and inserting ''thereof); or (B)'';

(5) by striking the last sentence of subsection (a) and inserting the following: ''Nothing in this subsection prohibits an

interception or disclosure of a communication as authorized by chapter 119 of title 18, United States Code.''; and

(6) in subsection (e)—

(A) in paragraph (1)—

(i) by striking ''fined not more than $2,000 or''; and

(ii) by inserting ''or fined under title 18, United States Code,'' after ''6 months,'';

(B) in paragraph (3), by striking ''any violation'' and inserting ''any receipt, interception, divulgence, publication, or utilization of any communication in violation'';

(C) in paragraph (4), by striking ''any other activity prohibited by subsection (a)'' and inserting ''any receipt, interception, divulgence, publication, or utilization of any communication in violation of subsection (a)''; and

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

''(7) Notwithstanding any other investigative or enforcement activities of any other Federal agency, the Commission shall investigate alleged violations of this section and may proceed to initiate action under section 503 to impose forfeiture penalties with respect to such violation upon conclusion of the Commission's investigation.''.●

By Mr. HOLLINGS (for himself, Mr. STEVENS, Ms. SNOWE, Mr. KERRY, Mr. BREAUX, Mr. INOUYE, Mr. CLELAND, Mr. WYDEN, Mr. AKAKA, Mrs. BOXER, Mrs. MURRAY, Mr. LAUTENBERG, Mrs. FEINSTEIN, Mr. LIEBERMAN, Mr. MOYNIHAN, Mr. REED, Mr. SARBANES, and Mr. SCHUMER):

S. 2327. A bill to establish a Commission on Ocean Policy, and for other purposes; to the Committee on Commerce, Science, and Transportation.

OCEANS ACT OF 2000

● Mr. HOLLINGS. Mr. President, I rise today to introduce the Oceans Act of 2000, a bill calling for a plan of action for the twenty-first century to explore, protect, and use our oceans and coasts through the coming millennium. I am pleased to be joined in this endeavor by my colleagues, Senators STEVENS, SNOWE, KERRY, BREAUX, INOUYE, CLELAND, WYDEN, AKAKA, BOXER, MURRAY, LAUTENBERG, FEINSTEIN, LIEBERMAN, MOYNIHAN, REED, SARBANES, and SCHUMER.

This is not the first time I have come before you to advocate legislation to ensure our national ocean policy is coordinated, effective, and sustainable for future generations. In 1997, I introduced an Oceans Act to create both an independent ocean commission and a federal interagency ocean council. While the Senate passed this bill unanimously, it was not enacted before the end of the 105th Congress. We continued the work we started in 1997 by introducing the Senate-passed bill as S. 959, cosponsored by 23 Senators from both sides of the aisle, in May of last year. I now introduce the Oceans Act of 2000, a new bill that reflects the lessons learned among state and federal policymakers, ocean-related industries, and public interest groups who worked together during and after the 1998 Year of the Ocean.

What we heard loud and clear from these groups was the need for a balanced, high-level national commission to determine whether the United States is managing its oceans and coasts wisely, and how we can improve or refocus our efforts. Thus, the Oceans Act of 2000 focuses exclusively on the appointment of an independent national Ocean Commission to recommend ways to ensure our nation's ocean policy is coordinated, effective, and sustainable for future generations. I believe this is both improved and streamlined legislation that will enjoy wide support from industry, conservation groups, and States. Already we have received letters of support from a cross-section of these interests, all of whom believe we cannot wait any longer to enact this important legislation.

Mr. President, it is critical that we enact the Oceans Act of 2000 this year. In 1966 Congress enacted legislation to establish a Commission on Marine Science, Engineering, and Resources (known as the Stratton Commission for its chairman, Julius Stratton) that was to recommend a comprehensive national program to explore the oceans, develop marine and coastal resources, and conserve the sea. The Stratton Commission's report and recommendations have shaped U.S. ocean policy for three decades. We have long needed to take a hard look at this legacy, and a national Ocean Commission could comprehensively evaluate concerns that cannot be viewed effectively through current federal processes or through privately-commissioned studies. For example, an Ocean Commission could evaluate charges that the most critical coastal management issues, such as fishery conservation and data needs, are not given appropriate priority and funding. It could consider whether ocean management regimes that have developed over the last 30 years under a variety of agencies are duplicative and uncoordinated, resulting in costly or time-consuming requirements that may provide little incremental environmental benefit. Finally, it could address the argument that we lack a plan to evalute and plan for future resource needs or to derive benefits from discoveries made possible by advances in ocean technology.

It would be difficult to coherently address all these concerns without the high-level comprehensive review provided by this legislation. The Oceans Act of 2000 would establish a 16-member Commission, similar to the Stratton Commission, to examine ocean and coastal activities and report within 18 months on recommendations for a national policy. The Commission members would be selected from individuals nominated by majority and minority representatives in both houses of Congress. Eligible individuals include those representing state and local governments, ocean-related industries and public interest groups. I have included new provisions stating that the membership should be balanced geographically to the extent consistent with maintaining the highest level of expertise.

The Oceans Act of 2000 specifies that the Commission should examine concerns that range from priority and planning issues to regulatory reform. The Commission is specifically charged with evaluating the cumulative regulatory effect of the myriad of ocean and coastal management regimes, and crafting recommendations for resolving inconsistencies. To ensure we can meet future technical and funding challenges and set our national priorities appropriately, the Commission is directed to review the known and anticipated supply of, and demand for, ocean and coastal resources, as well as review opportunities for development or investment in new products, technologies, or markets related to ocean and coastal activities. Because I believe the Commission should focus on large-scale ocean and coastal policy questions, the bill includes a provision clarifying that the Commission recommendations shall not be specific to the lands and waters within a single state.

Finally, once the Commission issues its recommendations, the President must report to Congress on how he will respond to or implement Commission recommendations. We want to be sure that this body is fully informed of, and participates in, how the Nation proceeds once the Commission has completed its work. Finally, the effective date of the Act is at December 31, 2000 in order to enable the current Administration to complete its interagency ocean initiative before the end of the current term, and allow the incoming Administration time to evaluate the Commission nominees and make appointments.

This version does not include a federal interagency Ocean Council—I believe that this function is now being filled by the sub-cabinet level Ocean Policy Task Force process announced by the Administration last year. Establishing a second interagency council now would be duplicative, and it is my firm belief that the independent Commission will adequately assess whether the existing interagency process is appropriate or sufficient to address its recommendations. However, it is my hope that interagency coordination on oceans policy will remain an important priority for the next Administration. And I look forward to the day that ocean policy issues are given the highest priority within the federal government by a Cabinet-level entity, without the infighting or discord that has impeded our progress on these issues.

Mr. President, this legislation is both appropriate and long overdue. By the end of this decade about 60% of Americans will live along our coasts, which account for less than 10% of our land area. I am amazed that in this era, when we've invested billions of dollars in exploring other planets, we know so little about the ocean and coastal systems upon which we and other living

things depend. Large storms events like Hurricanes Floyd and Hugo, driven by ocean-circulation patterns, pose the ultimate risk to human health and safety. El Nino-related climate events have led to increased incidence of malaria in areas of Colombia and Venezuela. Harmful algal blooms have been linked to deaths of sea lions in California and manatees in Florida, and we are still searching to understand their effects on humans. Mr. President, the oceans are integral to our lives but we are not putting a priority on finding ways to learn more about them, and what they may hold for our future. The oceans are home to 80% of all life forms on Earth, but only 1% of our biotechnology R&D budget will focus on marine life forms. Of the 4 manned submersibles in the world capable of descending to half of the ocean's maximum depth, not a single one of them is operated by the United States!

The Stratton Commission stated in 1969: ''How fully and wisely the United States uses the sea in the decades ahead will affect profoundly its security, its economy, its ability to meet increasing demands for food and raw materials, its positions and influence in the World community, and the quality of the environment in which its people live.'' those words are as true today as they were 30 years ago.

Mr. President, it is time to look towards the next 30 years. This bill offers us the vision and understanding needed to establish sound ocean and coastal policies for the 21st century, and I think the cosponsors of the legislation for joining with me in recognizing its significance. We look forward to working together in the bipartisan spirit of the Stratton Commission to enact legislation this year that ensures the development of an integrated national ocean and coastal policy well into the next millennium.●

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ADDITIONAL COSPONSORS

S. 345

At the request of Mr. ALLARD, the name of the Senator from Florida (Mr. GRAHAM) was added as a cosponsor of S. 345, a bill to amend the Animal Welfare Act to remove the limitation that permits interstate movement of live birds, for the purpose of fighting, to States in which animal fighting is lawful.

S. 662

At the request of Ms. SNOWE, the name of the Senator from Minnesota (Mr. GRAMS) was added as a cosponsor of S. 662, a bill to amend title XIX of the Social Security Act to provide medical assistance for certain women screened and found to have breast or cervical cancer under a federally funded screening program.

S. 801

At the request of Mr. SANTORUM, the name of the Senator from Minnesota (Mr. GRAMS) was added as a cosponsor of S. 801, a bill to amend the Internal Revenue Code of 1986 to reduce the tax on beer to its pre-1991 level.

S. 867

At the request of Mr. ROTH, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 867, a bill to designate a portion of the Arctic National Wildlife Refuge as wilderness.

S. 875

At the request of Mr. ALLARD, the name of the Senator from Texas (Mrs. HUTCHISON) was added as a cosponsor of S. 875, a bill to amend the Internal Revenue Code of 1986 to expand S corporation eligibility for banks, and for other purposes.

S. 882

At the request of Mr. MURKOWSKI, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 882, a bill to strengthen provisions in the Energy Policy Act of 1992 and the Federal Nonnuclear Energy Research and Development Act of 1974 with respect to potential Climate Change.

S. 954

At the request of Mr. SMITH of New Hampshire, the name of the Senator from Wyoming (Mr. ENZI) was added as a cosponsor of S. 954, a bill to amend title 18, United States Code, to protect citizens' rights under the Second Amendment to obtain firearms for legal use, and for other purposes.

S. 1053

At the request of Mr. BOND, the name of the Senator from Ohio (Mr. VOINOVICH) was added as a cosponsor of S. 1053, a bill to amend the Clean Air Act to incorporate certain provisions of the transportation conformity regulations, as in effect on March 1, 1999.

S. 1142

At the request of Ms. MIKULSKI, the name of the Senator from Florida (Mr. GRAHAM) was added as a cosponsor of S. 1142, a bill to protect the right of a member of a health maintenance organization to receive continuing care at a facility selected by that member, and for other purposes.

S. 1185

At the request of Mr. ABRAHAM, the name of the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 1185, a bill to provide small business certain protections from litigation excesses and to limit the product liability of non-manufacturer product sellers.

S. 1272

At the request of Mr. NICKLES, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 1272, a bill to amend the Controlled Substances Act to promote pain management and palliative care without permitting assisted suicide and euthanasia, and for other purposes.

S. 1787

At the request of Mr. BAUCUS, the name of the Senator from Nevada (Mr. REID) was added as a cosponsor of S. 1787, a bill to amend the Federal Water Pollution Control Act to improve water quality on abandoned or inactive mined land.

S. 1806

At the request of Mr. BINGAMAN, the name of the Senator from Virginia (Mr. ROBB) was added as a cosponsor of S. 1806, a bill to authorize the payment of a gratuity to certain members of the Armed Forces who served at Bataan and Corregidor during World War II, or the surviving spouses of such members, and for other purposes.

S. 1810

At the request of Mrs. MURRAY, the names of the Senator from Minnesota (Mr. WELLSTONE) and the Senator from Kansas (Mr. BROWNBACK) were added as cosponsors of S. 1810, a bill to amend title 38, United States Code, to clarify and improve veterans' claims and appellate procedures.

S. 1874

At the request of Mr. GRAHAM, the name of the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of S. 1874, a bill to improve academic and social outcomes for youth and reduce both juvenile crime and the risk that youth will become victims of crime by providing productive activities conducted by law enforcement personnel during non-school hours.

S. 1883

At the request of Mr. BINGAMAN, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 1883, a bill to amend title 5, United States Code, to eliminate an inequity on the applicability of early retirement eligibility requirements to military reserve technicians.

S. 1898

At the request of Mr. DORGAN, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 1898, a bill to provide protection against the risks to the public that are inherent in the interstate transportation of violent prisoners.

S. 1921

At the request of Mr. CAMPBELL, the name of the Senator from Rhode Island (Mr. REED) was added as a cosponsor of S. 1921, a bill to authorize the placement within the site of the Vietnam Veterans Memorial of a plaque to honor Vietnam veterans who died after their service in the Vietnam war, but as a direct result of that service.

S. 1991

At the request of Mr. THOMPSON, the name of the Senator from Vermont (Mr. JEFFORDS) was added as a cosponsor of S. 1991, a bill to amend the Federal Election Campaign Act of 1971 to enhance criminal penalties for election law violations, to clarify current provisions of law regarding donations from foreign nationals, and for other purposes.

S. 1997

At the request of Mr. BINGAMAN, the name of the Senator from North Dakota (Mr. DORGAN) was added as a cosponsor of S. 1997, a bill to simplify Federal oil and gas revenue distributions, and for other puroposes.