S. 635, a bill to reinstate a standard for arsenic in drinking water.

S. CON. RES. 17

At the request of Mr. SARBANES, the name of the Senator from Minnesota (Mr. DAYTON) was added as a cosponsor of S. Con. Res. 17, a concurrent resolution expressing the sense of Congress that there should continue to be parity between the adjustments in the compensation of members of the uniformed services and the adjustments in the compensation of civilian employees of the United States.

S. RES. 16

At the request of Mr. THURMOND, the names of the Senator from Illinois (Mr. FITZGERALD), the Senator from Michigan (Mr. LEVIN), the Senator from California (Mrs. BOXER), the Senator from Wyoming (Mr. ENZI), and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of S. Res. 16, a resolution designating August 16, 2001, as ''National Airborne Day.''

S. RES. 41

At the request of Mr. SHELBY, the names of the Senator from New Mexico (Mr. DOMENICI), the Senator from Vermont (Mr. JEFFORDS), and the Senator from Colorado (Mr. CAMPBELL) were added as cosponsors of S. Res. 41, a resolution designating April 4, 2001, as ''National Murder Awareness Day.''

S. RES. 44

At the request of Mr. COCHRAN, the name of the Senator from Ohio (Mr. DEWINE) was added as a cosponsor of S. Res. 44, a resolution designating each of March 2001, and March 2002, as ''Arts Education Month.''

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS—MARCH 27, 2001

By Mr. DODD:

S. 635. A bill to reinstate a standard for arsenic in drinking water; to the Committee on Environment and Public Works.

Mr. DODD. 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. 635

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 ''Arsenic Standard Reinstatement Act''.

SEC. 2. FINDINGS.

Congress finds that—

(1) in 1996, Congress amended the Safe Drinking Water Act (42 U.S.C. 300f et seq.) to require the Administrator of the Environmental Protection Agency to revise the standard for arsenic in drinking water;

(2) after conducting scientific and economic analyses, the Administrator, on January 22, 2001, promulgated a final rule to reduce the public health risks from arsenic in drinking water by reducing the permissible level of arsenic from 50 parts per billion (.05 milligrams per liter) to 10 parts per billion (.01 milligrams per liter);

(3) the new standard would provide additional protection against cancer and other health problems for 13,000,000 people;

(4) the National Academy of Sciences has determined that drinking water containing 50 parts per billion of arsenic ''could easily'' result in a 1-in-100 risk of cancer;

(5) 50 parts per billion of arsenic causes a cancer risk that is 10,000 times the level of any cancer risk caused by any carcinogen that the Environmental Protection Agency permits to be present in food;

(6) 10 parts per billion of arsenic in drinking water is the standard used by the European Union, Japan, and the World Health Organization;

(7) public water systems may apply for financial assistance through the drinking water State revolving loan fund under section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j–12);

(8) since 1996, the revolving loan fund program has made $3,600,000,000 available to assist public water systems with projects to improve infrastructure; and

(9) on March 20, 2001, Administrator of the Environmental Protection Agency proposed to withdrew the pending arsenic standard that was promulgated on January 22, 2001, and due to take effect on March 23, 2001.

SEC. 3. REINSTATEMENT OF FINAL RULE.

(a) IN GENERAL.—On and after the date of enactment of this Act, the final rule promulgated by the Administrator of the Environmental Protection Agency entitled ''Arsenic and Clarifications to Compliance and New Source Contaminants Monitoring'' (66 Fed. Reg. 6976 (January 22, 2001)), and the amendments to parts 9, 141, and 142 of title 40, Code of Federal Regulations, made by that rule, shall have full force and effect.

(b) MAXIMUM CONTAMINANT LEVEL.—The maximum contaminant level for arsenic in drinking water of .01 milligrams per liter established by the final rule described in subsection (a) shall not be subject to revision except by Act of Congress.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS—MARCH 28, 2001

By Ms. SNOWE (for herself and Mr. MCCAIN):

S. 637. A bill to amend the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.) to authorize the establishment of individual fishery quota systems; to the Committee on Commerce, Science, and Transportation.

Ms. SNOWE. Mr. President, I rise today, together with Senator MCCAIN, to introduce the Individual Fishing Quota Act of 2001 which will address one of the most complex policy questions in fisheries management, individual fishing quotas, IFQs. This bill will amend the Magnuson-Stevens Fishery Conservation and Management Act to authorize the establishment of new individual quota systems after October 1, 2002. Last year, I introduced legislation to reauthorize the Magnuson-Stevens Act and extend the existing moratorium on new IFQ programs for three years. Congress ultimately extended the moratorium for two years through fiscal year 2002. The combination of the moratorium extension and the IFQ Act of 2001 will provide fishermen and fisheries managers time to prepare for the possibility of using IFQs as a management option. This legislation will in no way whatsoever force IFQs upon any regional management council. This is not a mandate to use IFQs. Rather, it is intended to provide the councils with an additional conservation and management tool after the existing moratorium expires.

IFQ programs can drastically change the face of fishing communities and the fundamental principles of conservation and management. Therefore, this legislation needs to be developed in a careful and meaningful manner. Accordingly, introduction of this bill is intended to begin the dialogue on the possibility of new IFQ programs. I fully anticipate that we will hear from many stakeholders to help the Subcommittee on Oceans and Fisheries shape and reshape this bill as necessary. I look forward to participation by all impacted groups as we move this bill through the legislative process.

The IFQ Act of 2001 sets conditions under which fishery management plans, FMPs, or plan amendments may establish a new individual fishing quota system. The bill ensures that any council which establishes new IFQs will promote sustainable management of the fishery; require fair and equitable allocation of individual quotas; minimize negative social and economic impacts on local coastal communities; ensure adequate enforcement of the system; and take into account present participation and historical fishing practices of the relevant fishery. Additionally, the bill requires the Secretary of Commerce to conduct referenda to ensure that those most affected by IFQs will have the opportunity to formally approve both the initiation and adoption of any new individual fishing quota program.

This bill authorizes the potential allocation of individual quotas to fishing vessel owners, fisherman and crew members who are citizens of the United States. The legislation does not allow, however, individual quotas to be sold, transferred or leased. In addition, participation in the fishery is required for a person to hold quota. Acknowledging the possibility that undue hardship may ensure, the bill allows for the suspension of the transferability requirements by the Secretary on an individual case-by-case basis. Moreover, this bill permits councils to allocate quota shares to entry-level fisherman, small vessel owners, or crew members who may not otherwise be eligible for individual quotas.

In 1996, Congress reauthorized the Magnuson-Stevens Act through enactment of the Sustainable Fisheries Act, SFA. The SFA contained the most substantial improvements to fisheries conservation since the original passage of the Magnuson-Stevens Act in 1976. More specifically, the SFA included a five year moratorium on new IFQ programs and required the National Academy of Sciences, NAS, to study and report on the issue.

As a result, the NAS issued a report which contained a number of recommendations to Congress addressing the social, economic, and biological aspects of IFQ programs. The first recommendation was for Congress to lift the existing moratorium on new IFQ programs and authorize the councils to design and implement new IFQs. The IFQ Act of 2001 specifically incorporates certain recommendations of the NAS report and provides councils with the flexibility to adopt additional NAS or other recommendations. Mr. President, as with other components of fisheries conservation and management, there is no ''one-size-fits-all'' solution to IFQ programs. Therefore, this bill sets certain conditions under which IFQs may be developed, but at the same time, it clearly provides the regional councils and the affected fishermen with the ability to shape any new IFQ program to fit the needs of the fishery, if such a program is desired.

Over the past one and a half years, the Subcommittee on Oceans and Fisheries traveled across the country and held six hearings on the reauthorization of the Magnuson-Stevens Act. We began the process in Washington, DC, and then visited fishing communities in Maine, Louisiana, Alaska, Washington, and Massachusetts. During the course of those hearings, we heard official testimony from over 70 witnesses and received statements from many more fishermen during open microphone sessions at each field hearing. The Subcommittee heard the comments, views and recommendations of federal and state officials, regional council chairmen and members, other fisheries managers, commercial and recreational fishermen, members of the conservation community, and many others interested in these important issues. Additionally, the 26th annual Maine Fishermen's Forum held a very informative all-day workshop on IFQs on March 1, 2001. The IFQ Act of 2001 incorporates many of the suggestions we heard from those men and women who fish for a living and those who are most affected by the law and its regulations.

Unfortunately successful fisheries conservation and management seems to be the exception and not the rule. The decisions that fishermen, regional councils and the Department of Commerce make are complex and often depend on less than adequate information. It is incumbent upon the Congress to provide the many interested stakeholders with the ability to make practical and informed decisions. At a later date, I will introduce additional legislation to amend the Magnuson-Stevens Act to address the fundamental problems in fisheries management—a lack of funding, a lack of basic scientific information, and enhanced flexibility in the decision-making process. But today, I introduce the IFQ Act of 2001 to begin the dialogue on new individual fishing quota programs, the most significant policy question in fisheries management. Clearly, I do not presume to offer a perfect solution to a complex and emotional concept. However, it is my intent to resolve this issue after appropriate debate and consideration by the Commerce Committee and the U.S. Senate. I look forward to and expect the full participation of those Senators who have expressed interest in this issue in the past and those who may be new to the debate.

I ask unanimous consent that the test 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. 637

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 ''IFQ Act of 2001''.

SEC. 2. INDIVIDUAL QUOTA PROGRAMS.

(a) AUTHORITY TO ESTABLISH INDIVIDUAL QUOTA SYSTEMS.—Section 303 of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1853) is amended by adding at the end the following:

''(e) SPECIAL PROVISIONS FOR INDIVIDUAL QUOTA SYSTEMS.—

''(1) CONDITIONS.—A fishery management plan which establishes an individual quota system for a fishery after September 30, 2002—

''(A) shall provide for administration of the system by the Secretary in accordance with the terms of the plan;

''(B) shall not create, or be construed to create, any right, title, or interest in or to any fish before the fish is harvested;

''(C) shall include provisions which establish procedures and requirements for each Council having authority over the fishery, for—

''(i) reviewing and revising the terms of the plan that establish the system; and

''(ii) renewing, reallocating, and reissuing individual quotas if determined appropriate by each Council;

''(D) shall include provisions to—

''(i) promote sustainable management of the fishery;

''(ii) provide for fair and equitable allocation of individual quotas under the system;

''(iii) minimize negative social and economic impacts of the system on local coastal communities;

''(iv) ensure adequate enforcement of the system, including the use of observers where appropriate at a level of coverage that should yield statistically significant results; and

''(v) take into account present participation and historical fishing practices, in the fishery; and

''(E) include provisions that prevent any person or entity from acquiring an excessive share of individual quotas issued for a fishery.

''(2) PLAN CHARACTERISTICS.—An individual quota issued under an individual quota system established by a fishery management plan—

''(A) shall be considered a grant, to the holder of the individual quota, of permission to engage in activities permitted by the individual quota;

''(B) may be revoked or limited at any time, in accordance with the terms of the plan and regulations issued by the Secretary or the Council having authority over the fishery for which it is issued, if necessary for the conservation and management of the fishery (including as a result of a violation of this Act or any regulation prescribed under this Act);

''(C) if revoked or limited by the Secretary or a Council, shall not confer any right of compensation to the holder of the individual quota;

''(D) may be received and held in accordance with regulations prescribed by the Secretary under this Act;

''(E) shall, except in the case of an individual quota allocated under an individual quota system established before the date of enactment of the IFQ Act of 2001, expire not later than 5 years after the date it is issued, in accordance with the terms of the fishery management plan; and

''(F) upon expiration under subparagraph (E), may be renewed, reallocated, or reissued if determined appropriate by each Council having authority over the fishery.

''(3) ELIGIBLE HOLDERS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), any fishery management plan that establishes an individual quota system for a fishery may authorize individual quotas to be held by or issued under the system to fishing vessel owners, fishermen, and crew members.

''(B) NON-CITIZENS NOT ELIGIBLE.—An individual who is not a citizen of the United States may not hold an individual quota issued under a fishery management plan.

''(4) PERMITTED PROVISIONS.—Any fishery management plan that establishes an individual quota system for a fishery may include provisions that—

''(A) allocate individual quotas under the system among categories of vessels; and

''(B) provide a portion of the annual harvest in the fishery for entry-level fishermen, small vessel owners, or crewmembers who do not hold or qualify for individual quotas.

''(5) TERMINATION OR LIMITATION.—

''(A) GROUNDS.—An individual quota system established for a fishery may be limited or terminated at any time if necessary for the conservation and management of the fishery, by—

''(i) the Council which has authority over the fishery for which the system is established, through a fishery management plan or amendment; or

''(ii) the Secretary, in the case of any individual quota system established by a fishery management plan developed by the Secretary.

''(B) EFFECT ON OTHER AUTHORITY.—This paragraph does not diminish the authority of the Secretary under any other provision of this Act.

''(6) REQUIRED PROVISIONS; REALLOCATIONS.—Any individual quota system established for a fishery after the date of enactment of the IFQ Act of 2001—

''(A) shall not allow individual quota shares under the system to be sold, transferred, or leased;

''(B) shall prohibit a person from holding an individual quota share under the system unless the person participates in the fishery for which the individual quota share is issued; and

''(C) shall require that if any person that holds an individual quota share under the system does not engage in fishing under the individual quota share for 3 or more years in any period of 5 consecutive years, the individual quota share shall revert to the Secretary and shall be reallocated under the system to qualified participants in the fishery in a fair and equitable manner.

''(7) EXCEPTIONS.—

''(A) HARDSHIP.—The Secretary may suspend the applicability of paragraph (6) for individuals on a case-by-case basis due to

death, disablement, undue hardship, retirement, or in any case in which fishing is prohibited by the Secretary or the Council.

''(B) TRANSFER TO FAMILY MEMBERS.—Notwithstanding paragraph (6)(A), the Secretary may permit the transfer of an individual fishing quota, on a case-by-case basis, from an individual to a member of that individual's family under circumstances described in subparagraph (A) through a simple and expeditious process.

''(8) DEFINITIONS.—In this subsection:

''(A) INDIVIDUAL QUOTA SYSTEM.—The term 'individual quota system' means a system that limits access to a fishery in order to achieve optimum yield, through the allocation and issuance of individual quotas.

''(B) INDIVIDUAL QUOTA.—The term 'individual quota' means a grant of permission to harvest a quantity of fish in a fishery, during each fishing season for which the permission is granted, equal to a stated percentage of the total allowable catch for the fishery.''.

(b) APPROVAL OF FISHERY MANAGEMENT PLANS ESTABLISHING INDIVIDUAL QUOTA SYSTEMS.—Section 304 of that Act (16 U.S.C. 1854) is further amended by adding after subsection (h) the following:

''(i) REFERENDUM PROCEDURE.—

''(1) A Council may prepare and submit a fishery management plan, plan amendment, or regulation that creates an individual fishing quota or other quota-based program only if both the preparation and the submission of such plan, amendment or regulation are approved in separate referenda conducted under paragraph (2).

''(2) The Secretary, at the request of a Council, shall conduct the referenda described in paragraph (1). Each referendum shall be decided by a two-thirds majority of the votes cast by eligible permit holders. The Secretary shall develop guidelines to determine procedures and eligibility requirements for referenda and to conduct such referenda in a fair and equitable manner.

''(j) ACTION ON LIMITED ACCESS SYSTEMS.—

''(1) In addition to the other requirements of this Act, the Secretary may not approve a fishery management plan that establishes a limited access system that provides for the allocation of individual quotas (in this subsection referred to as an 'individual quota system') unless the plan complies with section 303(e).

''(2) Within 1 year after receipt of recommendations from the review panel established under paragraph (3), the Secretary shall issue regulations which establish requirements for establishing an individual quota system. The regulations shall be developed in accordance with the recommendations. The regulations shall—

''(A) specify factors that shall be considered by a Council in determining whether a fishery should be managed under an individual quota system;

''(B) ensure that any individual quota system is consistent with the requirements of sections 303(b) and 303(e), and require the collection of fees in accordance with subsection (d)(2) of this section;

''(C) provide for appropriate penalties for violations of individual quotas systems, including the revocation of individual quotas for such violations;

''(D) include recommendations for potential management options related to individual quotas, including the use of leases or auctions by the Federal Government in the establishment or allocation of individual quotas; and

''(E) establish a central lien registry system for the identification, perfection, and determination of lien priorities, and nonjudicial foreclosure of encumbrances, on individual quotas.

''(3)(A) Not later than 6 months after the date of the enactment of the IFQ Act of 2001, the Secretary shall establish a review panel to evaluate fishery management plans in effect under this Act that establish a system for limiting access to a fishery, including individual quota systems, and other limited access systems, with particular attention to—

''(i) the success of the systems in conserving and managing fisheries;

''(ii) the costs of implementing and enforcing the systems;

''(iii) the economic effects of the systems on local communities; and

''(iv) the use of auctions in the establishment or allocation of individual quota shares.

''(B) The review panel shall consist of—

''(i) the Secretary or a designee of the Secretary;

''(ii) the Commandant of the Coast Guard;

''(iii) a representative of each Council, selected by the Council; and

''(iv) 5 individuals with knowledge and experience in fisheries management.

''(C) Based on the evaluation required under subparagraph (A), the review panel shall, by September 30, 2003—

''(i) submit comments to the Councils and the Secretary with respect to the revision of individual quota systems that were established prior to June 1, 1995; and

''(ii) submit recommendations to the Secretary for the development of the regulations required under paragraph (2).''.

By Mr. DOMENICI (for himself, Mr. LEAHY, and Mr. BENNETT):

S. 638. A bill to amend the Internal Revenue Code of 1986 to provide the same capital gain treatment for art and collectibles as for other investment property and to provide that a deduction equal to fair market value shall be allowed for charitable contributions of literary, musical, artistic, or scholarly compositions created by the donor; to the Committee on Finance.

Mr. DOMENICI. Mr. President, the bill I am introducing today is designed to restore some internal consistency to the Tax Code as it applies to art and artists.

No one has ever said that the Tax Code is fair even though it has always been a theoretical objective of the code to treat similar taxpayers similarly.

The bill I am introducing today would address two areas where similarly situated taxpayers are not treated the same.

Internal inconsistency No. 1 deals with the long term capital gains tax treatment of investments in art and collectibles.

Internal inconsistency No. 2 deals with the charitable deduction for artists donating their work to a museum or other charitable cause. The unartistic person wishing to make a charitable contribution of a piece of art is entitled to a deduction equal to fair market value of the art. An artist, on the other hand, just because he/she is the creator of the art, is limited to a deduction equal to the tube of paint, the paper, or other art supplies involved. Under this tax treatment few eligible contributions exceed $19.95 even though the art may be worth hundreds or even thousands of dollars. The tax treatment is a disincentive and a blatant unfairness.

If a person invests in stocks, or bonds, holds the asset for the requisite period of time, and sells at a gain, the tax treatment is long term capital gains. The top capital gains tax rate is 20 percent, 18 percent if the asset is held for five or more years. However, if the same person invests in art or collectibles the top rate is hiked up to 28 percent.

Art for art's sake should not incur an additional 40-percent tax bill simply for revenue's sake. That is a big impact on the pocketbook of the beholder.

Art and collectibles are alternatives to financial instruments as an investment choice. To create a tax disadvantage with respect to one investment compared to another creates an artificial market and may lead to poor investment allocations. It also adversely impacts those who make their livelihood in the cultural sectors of the economy.

Santa Fe, NM, is the third largest art market in the country. We have a diverse colony of artists, collectors and gallery owners. We have fabulous Native American rug weavers, potters and carvers. Creative giants like Georgia O'Keeffe, Maria Martinez, E.L. Blumenshein, Allan Houser, R.C. Gorman, and Glenna Goodacre have all chosen New Mexico as their home and as their artistic subject.

John Nieto, Wilson Hurley, Clark Hulings, Verl Goodnight, Bill Acheff, Susan Rothenberg, Bruce Nauman, Agnes Martin, Doug Hyde, Margaret Nez, Dan Ostermiller are additional examples of living artists creating art in New Mexico.

Art, antiques and collectibles are a $12 to $20 billion annual industry nationwide. In New Mexico, it has been estimated that art and collectible sales range between $500 million and $1 billion a year.

Economists have always been interested in the economics of the arts. Adam Smith is a well-known economist. He was also a serious, but little-known essayist on painting, dancing, and poetry. Keynes was a passionate devotee of painting.

Even the artistically inclined economists found it difficult to define art within the context of economic theory.

When asked to define Jazz, Louis Armstrong replied: ''If you gotta ask, you ain't never going to know.'' A similar conundrum has challenged Galbraith and other economists who have grappled with the definitional issues associated with bringing art within the economic calculus.

Original art objects are, as a commodity group, characterized by a set of attributes:

Every unit of output is differentiated from every other unit of output.

Art works can be copied but not reproduced.

The cultural capital of the nation has significant elements of public good.

Because art works can be resold, and their prices may rise over time, they have the characteristics of financial assets, and as such may be sought as a hedge against inflation, as a store of wealth or as a source of speculative capital gain.

As chairman of the Budget Committee I pride myself on understanding economics, so I reviewed the literature on ''cultural economics'' to see how the markets have treated the muses.

Numerous economists have analyzed rates of return on works of art—some studies going back as far as 1635. The more recent the study the more favorable art investments compare with the stock market.

New Mexico is not only the third largest art market but it is also the home of a unique company that manages the Metropolitan Fine Arts fund which charts the price performance of various categories of collectibles over the past five years. Recently this firm, Lyons and Hannover, compared the S&P 500 with different categories of fine art and collectibles. Had a person invested in American impressionists like Cassatt, Hassam, or Sargent he would have beat the S&P. An investment in 20th century expressionists like Klee or Nolde did not out perform the S&P. Of the other 16 categories most did almost as well as the S&P 500. Furniture, ceramics, cars, photography, wine and weapons were also worthwhile investments during the last decade.

Lyons and Hannover are not the only ones putting theory into practice. Citigroup has created in essence an art mutual fund. Deutchsche Bank recently launched its own art fund and others are raising money for an ''art investment bank.'' Not to be outdone by the ''Wall Street suits'' artist Ben McNeill has gone straight to the public. He minted 800 shares in his ''Art Shares'' project at $5 each. Each can be redeemed for $10 in 2004, But buyers think they are worth more. They've traded on his Web site for as high as $43.

William Goetzmann when he was at the Columbia Business School constructed an art index and concluded that painting price movements and stock market fluctuations are correlated. I conclude that with art, as well as stocks, past performance is no guarantee of future returns but the gains should be taxed the same.

In 1990, the editor of Art and Auction asked the question: ''Is there an 'efficient' art market?''

A well known art dealer answered: ''Definitely not. That's one of the things that make the market so interesting.''

For everyone who has been watching world financial markets lately, the art market may be a welcome distraction.

Why do people invest in art and collectibles?

Art and collectibles are something you can appreciate even if the investment doesn't appreciate.

Art is less volatile. If bouncing bond prices drive you berserk and spiraling stock prices scare you silly, art may be the right investment for you.

Because art and collectibles are investments, the long term capital gains tax treatment should be the same as for stocks and bonds. This bill would accomplish that.

Artists will benefit. Gallery owners will benefit. Collectors will benefit. And museums benefit from collectors. About 90 percent of what winds up in museums like the New York's Metropolitan Museum of Art comes from collectors.

Collecting isn't just for the hoyty toity. It seems that everyone collects something. Some collections are better investments than others. Some collections are just bizarre. The internet makes collecting big business.

The flea market fanatics are also avid collectors. In fact, people collect the darndest things. Books, duck decoys, Audubon prints, chai pets, snowglobes, thimbles, handcuffs, spectacles, baseball cards, and caps, guns and dolls.

This bill could be called the ''Fine art, furniture, figurines, coins and stamps, china and pottery, silver, cast iron and brass wares, beanie babies, rugs, quilts, and other textiles, architectural columns, glassware, jewelry, lamps, military memorabilia, toys, dolls, trains, entertainment memorabilia, political memorabilia, books, maps, antique hardware, clocks and watches'' Capital Gains Parity Act and I still would not have accurately captured the full scope of the bill.

For most of these collections, capital gains isn't really an issue, but you never know. Antique Roadshow is one of the most popular shows on TV. Everyone knows the story about the women who bought the card table at a yard sale for $25. It turned out to be the work of a Boston cabinet maker circa 1797. It later sold at Sotheby's for $490,000.

Like the women on Antique Roadshow, you could be creating a sizeable taxable asset if you decide to sell your art or collectible collection. You may find that your collecting passion has created a tax predicament—to phrase it politely. Art and collectibles are tangible assets. When you sell them, capital gains tax is due on any appreciation over your purchase price.

The bill provides capital gains tax parity because it lowers the top capital gains rate from 28 percent to 20 percent, 18 percent if the asset has been held for five or more years.

The second area where people similarly situated are not treated similarly in the tax code deals with charitable contributions. When someone is asked to make a charitable contribution to a museum or to a fund raising auction it shouldn't, but under current law does, matter whether you are an artist or not.

Under current law an artist/creator can only take a deduction equal to the cost of the art supplies.

The bill I am introducing with Senators LEAHY and BENNETT will allow a fair market deduction for the artist. It includes certain safeguards to keep the artist from ''painting himself a tax deduction.''

This bill applies to literary, musical, artistic, and scholarly compositions if the work was created at least 18 months before the donation was made, has been appraised, and is related to the purpose or function of the charitable organization receiving the donation.

As with other charitable contributions it is limited to 50 percent of adjusted gross income, AGI. If it is also a capital gain, there is a 30 percent of AGI limit.

I believe these safeguards bring fairness back into the code and protect the Treasury against any potential abuse.

The revenue estimate for the capital gains provision is $2.3 billion over ten years and the estimate for the charitable deduction is approximately $48 million over ten years.

I hope my colleagues will help me put the internally consistent into the Internal Revenue Code—for art's sake.

I ask unanimous consent 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. 638

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 ''Art and Collectibles Capital Gains Tax Treatment Parity Act''.

SEC. 2. CAPITAL GAINS TREATMENT FOR ART AND COLLECTIBLES.

(a) IN GENERAL.—Section 1(h) of the Internal Revenue Code of 1986 (relating to maximum capital gains rate) is amended by striking paragraphs (5) and (6) and inserting the following new paragraph:

''(5) 28-PERCENT RATE GAIN.—For purposes of this subsection, the term '28-percent rate gain' means the excess (if any) of—

''(A) section 1202 gain, over

''(B) the sum of—

''(i) the net short-term capital loss, and

''(ii) the amount of long-term capital loss carried under section 1212(b)(1)(B) to the taxable year.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 1(h)(9) of the Internal Revenue Code of 1986 is amended by striking ''collectibles gain, gain described in paragraph (7)(A)(i),'' and inserting ''gain described in paragraph (7)(A)(i)''.

(2) Section 1(h) of such Code is amended by redesignating paragraphs (12) and (13) as paragraphs (6) and (12), respectively.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 3. CHARITABLE CONTRIBUTIONS OF CERTAIN ITEMS CREATED BY THE TAXPAYER.

(a) IN GENERAL.—Subsection (e) of section 170 of the Internal Revenue Code of 1986 (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end the following new paragraph:

''(7) SPECIAL RULE FOR CERTAIN CONTRIBUTIONS OF LITERARY, MUSICAL, OR ARTISTIC COMPOSITIONS.—

''(A) IN GENERAL.—In the case of a qualified artistic charitable contribution—

''(i) the amount of such contribution shall be the fair market value of the property contributed (determined at the time of such contribution), and

''(ii) no reduction in the amount of such contribution shall be made under paragraph (1).

''(B) QUALIFIED ARTISTIC CHARITABLE CONTRIBUTION.—For purposes of this paragraph, the term 'qualified artistic charitable contribution' means a charitable contribution of any literary, musical, artistic, or scholarly composition, or similar property, or the copyright thereon (or both), but only if—

''(i) such property was created by the personal efforts of the taxpayer making such contribution no less than 18 months prior to such contribution,

''(ii) the taxpayer—

''(I) has received a qualified appraisal of the fair market value of such property in accordance with the regulations under this section, and

''(II) attaches to the taxpayer's income tax return for the taxable year in which such contribution was made a copy of such appraisal,

''(iii) the donee is an organization described in subsection (b)(1)(A),

''(iv) the use of such property by the donee is related to the purpose or function constituting the basis for the donee's exemption under section 501 (or, in the case of a governmental unit, to any purpose or function described under subsection (c)),

''(v) the taxpayer receives from the donee a written statement representing that the donee's use of the property will be in accordance with the provisions of clause (iv), and

''(vi) the written appraisal referred to in clause (ii) includes evidence of the extent (if any) to which property created by the personal efforts of the taxpayer and of the same type as the donated property is or has been—

''(I) owned, maintained, and displayed by organizations described in subsection (b)(1)(A), and

''(II) sold to or exchanged by persons other than the taxpayer, donee, or any related person (as defined in section 465(b)(3)(C)).

''(C) MAXIMUM DOLLAR LIMITATION; NO CARRYOVER OF INCREASED DEDUCTION.—The increase in the deduction under this section by reason of this paragraph for any taxable year—

''(i) shall not exceed the artistic adjusted gross income of the taxpayer for such taxable year, and

''(ii) shall not be taken into account in determining the amount which may be carried from such taxable year under subsection (d).

''(D) ARTISTIC ADJUSTED GROSS INCOME.—For purposes of this paragraph, the term 'artistic adjusted gross income' means that portion of the adjusted gross income of the taxpayer for the taxable year attributable to—

''(i) income from the sale or use of property created by the personal efforts of the taxpayer which is of the same type as the donated property, and

''(ii) income from teaching, lecturing, performing, or similar activity with respect to property described in clause (i).

''(E) PARAGRAPH NOT TO APPLY TO CERTAIN CONTRIBUTIONS.—Subparagraph (A) shall not apply to any charitable contribution of any letter, memorandum, or similar property which was written, prepared, or produced by or for an individual while the individual is an officer or employee of any person (including any government agency or instrumentality) unless such letter, memorandum, or similar property is entirely personal.

''(F) COPYRIGHT TREATED AS SEPARATE PROPERTY FOR PARTIAL INTEREST RULE.—In the case of a qualified artistic charitable contribution, the tangible literary, musical, artistic, or scholarly composition, or similar property and the copyright on such work shall be treated as separate properties for purposes of this paragraph and subsection (f)(3).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made after the date of the enactment of this Act in taxable years ending after such date.

By Mr. TORRICELLI:

S. 641. A bill to amend section 842 of title 18, United States Code, relating to explosive materials; to the Committee on the Judiciary.

Mr. TORRICELLI. Mr. President, I rise today to introduce the ''Explosives Protection Act.'' I do this in memory of the tragic bombing of the federal building in Oklahoma City, because I hope that this bill will, in some small way, prevent future bombings—whether by terrorists of symbolic targets, malcontents of random ones, or even spouses involved in marital disputes.

This bill, while not directly related to the circumstances in Oklahoma City, is a first step towards protecting the American people from those who would use explosives to do them harm.

Not many people realize just how few restrictions on the use and sale of explosives really exist. While we have increasingly restricted the number of people who can obtain and use a firearm, we have been lax in extending these prohibitions to explosives.

For instance, while we prohibit illegal aliens from obtaining a gun, we allow them to obtain explosives without restriction. And this same divergence applies to those who have been dishonorably discharged from the armed forces, those who have renounced U.S. citizenship, people who have acted in such a way as to have restraining orders issued against them, and those with domestic violence convictions. Each of these categories of persons are prohibited from obtaining firearms, but face no such prohibition on obtaining explosive material.

Congress has already made the determination that certain members of society should not have access to firearms, and the same logic clearly applies to dangerous and destructive explosive materials, materials which can result in an equal or even greater loss of life. It is time to bring the explosives law into line with gun laws, and this is all my bill does. Specifically, the extend the list of persons barred from purchasing explosives so that it matched that of people barred from purchasing firearms.

This is a simple bill meant only to correct longstanding gaps and loopholes in current law. I urge my colleagues to support the bill, and I hope we can quickly move to get this passed and protect Americans from future acts of explosive destruction. 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. 641

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 ''Explosives Protection Act of 2001''.

SEC. 2. PROHIBITIONS RELATING TO EXPLOSIVE MATERIALS.

(a) PROHIBITION OF SALE, DELIVERY, OR TRANSFER OF EXPLOSIVE MATERIALS TO CERTAIN INDIVIDUALS.—Section 842 of title 18, United States Code, is amended by striking subsection (d) and inserting the following:

''(d) PROHIBITION OF SALE, DELIVERY, OR TRANSFER OF EXPLOSIVE MATERIALS TO CERTAIN INDIVIDUALS.—It shall be unlawful for any licensee to knowingly sell, deliver, or transfer any explosive materials to any individual who—

''(1) is less than 21 years of age;

''(2) is under indictment for, or has been convicted in any court of, a crime punishable by imprisonment for a term exceeding 1 year;

''(3) is a fugitive from justice;

''(4) is an unlawful user of or addicted to any controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802));

''(5) has been adjudicated as a mental defective or has been committed to any mental institution;

''(6) being an alien—

''(A) is illegally or unlawfully in the United States; or

''(B) except as provided in section 845(d), has been admitted to the United States under a nonimmigrant visa (as that term is defined in section 101(a)(26) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(26));

''(7) has been discharged from the Armed Forces under dishonorable conditions;

''(8) having been a citizen of the United States, has renounced his citizenship;

''(9) is subject to a court order that restrains such person from harassing, stalking, or threatening an intimate partner of such person or child of such intimate partner or person, or engaging in other conduct that would place an intimate partner in reasonable fear of bodily injury to the partner or child, except that this paragraph shall only apply to a court order that—

''(A) was issued after a hearing of which such person received actual notice, and at which such person had the opportunity to participate; and

''(B)(i) includes a finding that such person represents a credible threat to the physical safety of such intimate partner or child; and

''(ii) by its terms explicitly prohibits the use, attempted use, or threatened use of physical force against such intimate partner or child that would reasonably be expected to cause bodily injury; or

''(10) has been convicted in any court of a misdemeanor crime of domestic violence.''.

(b) PROHIBITION ON SHIPPING, TRANSPORTING, POSSESSION, OR RECEIPT OF EXPLOSIVES BY CERTAIN INDIVIDUALS.—Section 842 of title 18, United States Code, is amended by striking subsection (i) and inserting the following:

''(i) PROHIBITION ON SHIPPING, TRANSPORTING, POSSESSION, OR RECEIPT OF EXPLOSIVES BY CERTAIN INDIVIDUALS.—It shall be unlawful for any person to ship or transport in interstate or foreign commerce, or possess, in or affecting commerce, any explosive, or to receive any explosive that has been shipped or transported in interstate or foreign commerce, if that person—

''(1) is less than 21 years of age;

''(2) has been convicted in any court, of a crime punishable by imprisonment for a term exceeding 1 year;

''(3) is a fugitive from justice;

''(4) is an unlawful user of or addicted to any controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802));

''(5) has been adjudicated as a mental defective or who has been committed to a mental institution;

''(6) being an alien—

''(A) is illegally or unlawfully in the United States; or

''(B) except as provided in section 845(d), has been admitted to the United States under a nonimmigrant visa (as that term is defined in section 101(a)(26) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(26));

''(7) has been discharged from the Armed Forces under dishonorable conditions;

''(8) having been a citizen of the United States, has renounced his citizenship; or

''(9) is subject to a court order that—

''(A) was issued after a hearing of which such person received actual notice, and at which such person had an opportunity to participate;

''(B) restrains such person from harassing, stalking, or threatening an intimate partner of such person or child of such intimate partner or person, or engaging in other conduct that would place an intimate partner in reasonable fear of bodily injury to the partner or child; and

''(C)(i) includes a finding that such person represents a credible threat to the physical safety of such intimate partner or child; and

''(ii) by its terms explicitly prohibits the use, attempted use, or threatened use of physical force against such intimate partner or child that would reasonably be expected to cause bodily injury; or

''(10) has been convicted in any court of a misdemeanor crime of domestic violence.''.

(c) EXCEPTIONS AND WAIVER FOR CERTAIN INDIVIDUALS.—Section 845 of title 18, United States Code, is amended by adding at the end the following:

''(d) EXCEPTIONS AND WAIVER FOR CERTAIN INDIVIDUALS.—

''(1) DEFINITIONS.—In this subsection—

''(A) the term 'alien' has the same meaning as in section 101(a)(3) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(3)); and

''(B) the term 'nonimmigrant visa' has the same meaning as in section 101(a)(26) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(26)).

''(2) EXCEPTIONS.—Subsections (d)(5)(B) and (i)(5)(B) of section 842 do not apply to any alien who has been lawfully admitted to the United States pursuant to a nonimmigrant visa, if that alien is—

''(A) admitted to the United States for lawful hunting or sporting purposes;

''(B) a foreign military personnel on official assignment to the United States;

''(C) an official of a foreign government or a distinguished foreign visitor who has been so designated by the Department of State; or

''(D) a foreign law enforcement officer of a friendly foreign government entering the United States on official law enforcement business.

''(3) WAIVER.—

''(A) IN GENERAL.—Any individual who has been admitted to the United States under a nonimmigrant visa and who is not described in paragraph (2), may receive a waiver from the applicability of subsection (d)(5)(B) or (i)(5)(B) of section 842, if—

''(i) the individual submits to the Attorney General a petition that meets the requirements of subparagraph (B); and

''(ii) the Attorney General approves the petition.

''(B) PETITIONS.—Each petition under subparagraph (A)(i) shall—

''(i) demonstrate that the petitioner has resided in the United States for a continuous period of not less than 180 days before the date on which the petition is submitted under this paragraph; and

''(ii) include a written statement from the embassy or consulate of the petitioner, authorizing the petitioner to engage in any activity prohibited under subsection (d) or (i) of section 842, as applicable, and certifying that the petitioner would not otherwise be prohibited from engaging in that activity under subsection (d) or (i) of section 842, as applicable.''.

By Mr. TORRICELLI:

S. 642. A bill to amend part Q of title I of the Omnibus Crime Control and Safe Streets Act of 1968 to provide assistance for unincorporated neighborhood watch programs; to the Committee on the Judiciary.

Mr. TORRICELLI. Mr. President, I rise today to introduce the ''Neighborhood Watch Partnership Act.'' This bill will broaden the eligibility of groups that may apply for essential funding for neighborhood watch activities.

Communities across the country are finding sensible ways to solve local problems. Through partnerships with local police, neighborhood watch groups are having a decisive impact on crime. There are almost 20,000 such groups creating innovative programs that promote community involvement in crime prevention techniques. They empower community members and organize them against rape, burglary, and all forms of fear on the street. They forge bonds between law enforcement and the communities they serve.

Unfortunately, many communities find it difficult to afford the often expensive equipment such as cellphones and CBs needed to start a neighborhood watch organization. While the COPS program within the Department of Justice provides funding for some neighborhood watch groups, an organization must incorporate to benefit from the current program. A mere 2000 of the nearly 20,000 groups incorporate, however, meaning that the vast majority of watch groups cannot apply for funding assistance. This makes very little sense.

The time has come to make a clear commitment to these groups. That is why I am introducing a bill to extend COPS funding to unincorporated neighborhood watch organizations. The bill would provide grants of up to $1950 to these groups. Under current law, either the local police chief or sheriff must approve grant requests by unincorporated watch groups. We would impose the same requirement on unincorporated groups, thus providing accountability for the disbursement of funds.

Neighborhood watch organizations provide an invaluable service. By extending the partnership between community policing and watch group organizations, we will boldly encourage small and large communities to preserve and create crime prevention tools. We should act now, 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. 642

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

SECTION 1. ASSISTANCE FOR UNINCORPORATED NEIGHBORHOOD WATCH PROGRAMS.

(a) SHORT TITLE.—This Act maybe cited as the ''Neighborhood Watch Partnership Act of 2001''.

(b) IN GENERAL.—Section 1701(d) of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796dd(d)) is amended—

(1) in paragraph (10), by striking ''and'' at the end;

(2) in paragraph (11), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(12) provide assistance to unincorporated neighborhood watch organizations approved by the appropriate local police or sheriff's department, in an amount equal to not more than $1950 per organization, for the purchase of citizen band radios, street signs, magnetic signs, flashlights, and other equipment relating to neighborhood watch patrols.''.

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 1001(a)(11) of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3793(a)(11)) is amended—

(1) in subparagraph (A), by striking clause (vi) and inserting the following:

''(vi) $282,625,000 for fiscal year 2002.''; and

(2) in subparagraph (B) by inserting after ''(B)'' the following: ''Of amounts made available to carry out part Q in each fiscal year $14,625,000 shall be used to carry out section 1701(d)(12).''.

By Mr. BAUCUS (for himself, Mr. KERRY, Ms. LANDRIEU, Mr. INOUYE, Mr. TORRICELLI, Mr. DASCHLE, Mr. LEAHY, Mr. WYDEN, Mr. BINGAMAN, and Mr. LIEBERMAN):

S. 643. A bill to implement the agreement establishing a United States-Jordan free trade area; to the Committee on Finance.

Mr. BAUCUS. Mr. President, I rise today to introduce legislation to implement the United States-Jordan Free Trade Agreement.

I introduce this legislation on behalf of myself and Senators KERRY, LANDRIEU, INOUYE, TORRICELLI, DASCHLE, LEAHY, BINGAMAN, WYDEN, and LIEBERMAN. The same legislation is today being introduced by colleagues in the other body.

The United States-Jordan FTA was signed on October 26, 2000 and formally submitted to Congress on January 6.

For a variety of reasons, it is one of the most significant trade achievements in recent years.

Simply put, the United States-Jordan FTA is a strong trade agreement. It eliminates barriers to trade on goods and services across the board.

The agreement is very much on a par with the FTA with Canada and Mexico; the specific provisions of the agreement mirror the United States-Israel FTA and the related understanding with the Palestinian Authority.

Although the volume of trade involved is not likely to have much impact on the United States, it should be a significant boon to Jordan—and that does benefit the United States.

Jordan has become one of the United States' best allies in the Middle East. Demonstrating considerable courage and leadership, Jordan has made peace with Israel and cooperated with the United States on a number of diplomatic fronts.

As the majority leader Senator LOTT wrote in a letter to the President on March 8 urging approval of the agreement:

> Jordan has been a reliable partner of the United States and has played an important role in America's efforts to achieve a lasting peace in the Middle East. The United States -Jordan Free Trade Agreement is an important and timely symbol of this critical relationship.

I strongly agree with Senator LOTT. I am normally skeptical of using geopolitical rationales to change U.S. trade policy, but in this case the right geopolitical outcome is also the right trade policy outcome.

Most of the controversy surrounding the United States-Jordan FTA focuses on provisions of the agreement regarding the environment and labor.

Without question, these are significant provisions. They address labor rights and environmental issues in the core of the agreement and make the issues subject to dispute settlement like all other provisions of the agreement.

That said, the provisions simply obligate both countries to enforce their current labor and environmental laws and not weaken their laws with the aim of distorting trade.

Any objective reading of the provisions makes it clear that critics' fears of private parties litigating under these portions of the agreement or attacking U.S. environmental laws are simply unfounded.

The agreement is clearly a government-to-government agreement; private parties cannot trigger dispute settlement proceedings. I believe there is little chance of the United States actually weakening its environmental laws, but it is certainly not going to take such a step with the aim of distorting trade with Jordan.

Given Jordan's strong position on labor rights and environmental issues and the consultative process of the dispute settlement in the agreement, it is quite unlikely these provisions will ever result in the imposition of trade sanctions—the stated fear of the critics.

In fact, in the decade and a half it has been in place, the United States-Israel FTA dispute settlement procedures, the model for the Jordan FTA, have only been invoked once and, even in that case, sanctions were never imposed.

I suspect the real fear of critics is that the Jordan agreement will set a precedent for inclusion of labor and environmental provisions in future trade agreements. I understand that. That precedent, however, has already been set. Both the world trading system—now represented by the World Trade Organization—and the North American Free Trade Agreement, NAFTA, address labor and environmental issues.

In my opinion, all future trade agreements must meaningfully address labor and environmental issues to win congressional approval.

Further, the United States-Jordan FTA has already been negotiated, and it has been signed. Even if it was not ultimately approved by the Congress, the precedent has already been set with an approved and signed agreement. The bell cannot be unrung.

There is a more serious precedent at stake.

When President Clinton took office in 1993, I urged him to support the NAFTA agreement struck by his predecessor in the White House without renegotiation. I did this not because the NAFTA was a perfect agreement, it was not. It needed improvement. But certainly there were certain areas where improvement was possible.

I supported it, and I told the President so because it is vital for there to be continuity in trade policy, I might add, also in foreign policy. Reopening negotiations on an agreement that is already signed to address what can only be called a partisan concern threatens the credibility of U.S. trade policy.

Scuttling or renegotiating the United States-Jordan FTA also sets a precedent for any new administration to undo the agreements negotiated by its predecessor. This would destroy any possibility of bipartisan trade policy and discourage our trading partners from negotiating seriously with the United States. We simply cannot afford to allow this kind of partisan chicanery to overwhelm good trade policy.

I introduce this implementing legislation for the United States-Jordan FTA in the hopes it can be rapidly passed and signed into law.

This is a good agreement. The United States-Jordan FTA advances U.S. trade policy as well as Middle East policy. It has wide support from labor and environmental groups, as well as from business leaders. The United States-Jordan FTA can go far to build a consensus on trade policy. It is very important.

Aside from the concerns over the labor and environmental provisions which I have already addressed, no one has raised serious objections to this agreement.

With Jordan's King Abdullah visiting the United States next week, the Congress and the administration should move together to approve the United States-Jordan FTA.

I ask unanimous consent to print the bill in the RECORD.

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

S. 643

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

This Act may be cited as the ''United States-Jordan Free Trade Area Implementation Act''.

SEC. 2. PURPOSES.

The purposes of this Act are—

(1) to implement the agreement between the United States and Jordan establishing a free trade area;

(2) to strengthen and develop the economic relations between the United States and Jordan for their mutual benefit; and

(3) to establish free trade between the 2 nations through the removal of trade barriers.

SEC. 3. DEFINITIONS.

For purposes of this Act:

(1) AGREEMENT.—The term ''Agreement'' means the Agreement between the United States of America and the Hashemite Kingdom of Jordan on the Establishment of a Free Trade Area, entered into on October 24, 2000.

(2) HTS.—The term ''HTS'' means the Harmonized Tariff Schedule of the United States.

TITLE I—TARIFF MODIFICATIONS; RULES OF ORIGIN

SEC. 101. TARIFF MODIFICATIONS.

(a) TARIFF MODIFICATIONS PROVIDED FOR IN THE AGREEMENT.—The President may proclaim—

(1) such modifications or continuation of any duty,

(2) such continuation of duty-free or excise treatment, or

(3) such additional duties,

as the President determines to be necessary or appropriate to carry out article 2.1 of the Agreement and the schedule of duty reductions with respect to Jordan set out in Annex 2.1 of the Agreement.

(b) OTHER TARIFF MODIFICATIONS.—The President may proclaim—

(1) such modifications or continuation of any duty,

(2) such continuation of duty-free or excise treatment, or

(3) such additional duties,

as the President determines to be necessary or appropriate to maintain the general level of reciprocal and mutually advantageous concessions with respect to Jordan provided for by the Agreement.

SEC. 102. RULES OF ORIGIN.

(a) IN GENERAL.—

(1) ELIGIBLE ARTICLES.—

(A) IN GENERAL.—The reduction or elimination of any duty imposed on any article by the United States provided for in the Agreement shall apply only if—

(i) that article is imported directly from Jordan into the customs territory of the United States; and

(ii) that article—

(I) is wholly the growth, product, or manufacture of Jordan; or

(II) is a new or different article of commerce that has been grown, produced, or manufactured in Jordan and meets the requirements of subparagraph (B).

(B) REQUIREMENTS.—

(i) GENERAL RULE.—The requirements of this subparagraph are that with respect to an article described in subparagraph (A)(ii)(II), the sum of—

(I) the cost or value of the materials produced in Jordan, plus

(II) the direct costs of processing operations performed in Jordan,

is not less than 35 percent of the appraised value of such article at the time it is entered.

(ii) MATERIALS PRODUCED IN UNITED STATES.—If the cost or value of materials produced in the customs territory of the United States is included with respect to an article to which this paragraph applies, an amount not to exceed 15 percent of the appraised value of the article at the time it is entered that is attributable to such United States cost or value may be applied toward determining the percentage referred to in clause (i).

(2) EXCLUSIONS.—No article may be considered to meet the requirements of paragraph (1)(A) by virtue of having merely undergone—

(A) simple combining or packaging operations; or

(B) mere dilution with water or mere dilution with another substance that does not materially alter the characteristics of the article.

(b) DIRECT COSTS OF PROCESSING OPERATIONS.—

(1) IN GENERAL.—As used in this section, the term ''direct costs of processing operations'' includes, but is not limited to—

(A) all actual labor costs involved in the growth, production, manufacture, or assembly of the specific merchandise, including fringe benefits, on-the-job training, and the cost of engineering, supervisory, quality control, and similar personnel; and

(B) dies, molds, tooling, and depreciation on machinery and equipment which are allocable to the specific merchandise.

(2) EXCLUDED COSTS.—The term ''direct costs of processing operations'' does not include costs which are not directly attributable to the merchandise concerned, or are not costs of manufacturing the product, such as—

(A) profit; and

(B) general expenses of doing business which are either not allocable to the specific merchandise or are not related to the growth, production, manufacture, or assembly of the merchandise, such as administrative salaries, casualty and liability insurance, advertising, and salesmen's salaries, commissions, or expenses.

(c) TEXTILE AND APPAREL ARTICLES.—

(1) IN GENERAL.—A textile or apparel article imported directly from Jordan into the customs territory of the United States shall be considered to meet the requirements of paragraph (1)(A) of subsection (a) only if—

(A) the article is wholly obtained or produced in Jordan;

(B) the article is a yarn, thread, twine, cordage, rope, cable, or braiding, and—

(i) the constituent staple fibers are spun in Jordan, or

(ii) the continuous filament is extruded in Jordan;

(C) the article is a fabric, including a fabric classified under chapter 59 of the HTS, and the constituent fibers, filaments, or yarns are woven, knitted, needled, tufted, felted, entangled, or transformed by any other fabric-making process in Jordan; or

(D) the article is any other textile or apparel article that is wholly assembled in Jordan from its component pieces.

(2) DEFINITION.—For purposes of paragraph (1), an article is ''wholly obtained or produced in Jordan'' if it is wholly the growth, product, or manufacture of Jordan.

(3) SPECIAL RULES.—(A) Notwithstanding paragraph (1)(D) and except as provided in subparagraphs (C) and (D) of this paragraph, subparagraph (A), (B), or (C) of paragraph (1), as appropriate, shall determine whether a good that is classified under one of the following headings or subheadings of the HTS shall be considered to meet the requirements of paragraph (1)(A) of subsection (a): 5609, 5807, 5811, 6209.20.50.40, 6213, 6214, 6301, 6302, 6304, 6305, 6306, 6307.10, 6307.90, 6308, and 9404.90.

(B) Notwithstanding paragraph (1)(D) and except as provided in subparagraphs (C) and (D) of this paragraph, a textile or apparel article which is knit-to-shape in Jordan shall be considered to meet the requirements of paragraph (1)(A) of subsection (a).

(C) Notwithstanding paragraph (1)(D), a good classified under heading 6117.10, 6213.00, 6214.00. 6302.22, 6302.29, 6302.52, 6302.53, 6302.59, 6302.92, 6302.93, 6302.99, 6303.92, 6303.99, 6304.19, 6304.93, 6304.99, 9404.90.85, or 9404.90.95 of the HTS, except for a good classified under any such heading as of cotton or of wool or consisting of fiber blends containing 16 percent or more by weight of cotton, shall be considered to meet the requirements of paragraph (1)(A) of subsection (a) if the fabric in the good is both dyed and printed in Jordan, and such dyeing and printing is accompanied by 2 or more of the following finishing operations: bleaching, shrinking, fulling, napping, decating, permanent stiffening, weighting, permanent embossing, or moireing.

(D) Notwithstanding paragraph (1)(C), a fabric classified under the HTS as of silk, cotton, man-made fiber, or vegetable fiber shall be considered to meet the requirements of paragraph (1)(A) of subsection (a) if the fabric is both dyed and printed in Jordan, and such dyeing and printing is accompanied by 2 or more of the following finishing operations: bleaching, shrinking, fulling, napping, decating, permanent stiffening, weighting, permanent embossing, or moireing.

(4) MULTICOUNTRY RULE.—If the origin of a textile or apparel article cannot be determined under paragraph (1) or (3), then that article shall be considered to meet the requirements of paragraph (1)(A) of subsection (a) if—

(A) the most important assembly or manufacturing process occurs in Jordan; or

(B) if the applicability of paragraph (1)(A) of subsection (a) cannot be determined under subparagraph (A), the last important assembly or manufacturing occurs in Jordan.

(d) EXCLUSION.—A good shall not be considered to meet the requirements of paragraph (1)(A) of subsection (a) if the good—

(1) is imported into Jordan, and, at the time of importation, would be classified under heading 0805 of the HTS; and

(2) is processed in Jordan into a good classified under any of subheadings 2009.11 through 2009.30 of the HTS.

(e) REGULATIONS.—The Secretary of the Treasury, after consultation with the United States Trade Representative, shall prescribe such regulations as may be necessary to carry out this section.

TITLE II—RELIEF FROM IMPORTS

Subtitle A—General Provisions

SEC. 201. DEFINITIONS.

As used in this title:

(1) COMMISSION.—The term ''Commission'' means the United States International Trade Commission.

(2) JORDANIAN ARTICLE.—The term ''Jordanian article'' means an article that qualifies for reduction or elimination of a duty under section 102.

Subtitle B—Relief From Imports Benefiting From The Agreement

SEC. 211. COMMENCING OF ACTION FOR RELIEF.

(a) FILING OF PETITION.—

(1) IN GENERAL.—A petition requesting action under this part for the purpose of adjusting to the obligations of the United States under the Agreement may be filed with the Commission by an entity, including a trade association, firm, certified or recognized union, or group of workers that is representative of an industry. The Commission shall transmit a copy of any petition filed under this subsection to the United States Trade Representative.

(2) PROVISIONAL RELIEF.—An entity filing a petition under this subsection may request that provisional relief be provided as if the petition had been filed under section 202(a) of the Trade Act of 1974.

(3) CRITICAL CIRCUMSTANCES.—Any allegation that critical circumstances exist shall be included in the petition.

(b) INVESTIGATION AND DETERMINATION.—

(1) IN GENERAL.—Upon the filing of a petition under subsection (a), the Commission, unless subsection (d) applies, shall promptly initiate an investigation to determine whether, as a result of the reduction or elimination of a duty provided for under the Agreement, a Jordanian article is being imported into the United States in such increased quantities, in absolute terms or relative to domestic production, and under such conditions that imports of the Jordanian article alone constitute a substantial cause of serious injury or threat thereof to the domestic industry producing an article that is like, or directly competitive with, the imported article.

(2) CAUSATION.—For purposes of this part, a Jordanian article is being imported into the United States in increased quantities as a result of the reduction or elimination of a duty provided for under the Agreement if the reduction or elimination is a cause that contributes significantly to the increase in imports. Such cause need not be equal to or greater than any other cause.

(c) APPLICABLE PROVISIONS.—The following provisions of section 202 of the Trade Act of 1974 (19 U.S.C. 2252) apply with respect to any investigation initiated under subsection (b):

(1) Paragraphs (1)(B) and (3) of subsection (b).

(2) Subsection (c).

(3) Subsection (d).

(d) ARTICLES EXEMPT FROM INVESTIGATION.—No investigation may be initiated under this section with respect to any Jordanian article if import relief has been provided under this part with respect to that article.

SEC. 212. COMMISSION ACTION ON PETITION.

(a) DETERMINATION.—By no later than 120 days (180 days if critical circumstances have been alleged) after the date on which an investigation is initiated under section 211(b) with respect to a petition, the Commission shall make the determination required under that section.

(b) ADDITIONAL FINDING AND RECOMMENDATION IF DETERMINATION AFFIRMATIVE.—If the determination made by the Commission under subsection (a) with respect to imports of an article is affirmative, the Commission shall find, and recommend to the President in the report required under subsection (c), the amount of import relief that is necessary to remedy or prevent the injury found by the Commission in the determination and to facilitate the efforts of the domestic industry to make a positive adjustment to import competition. The import relief recommended by the Commission under this subsection shall be limited to that described in section 213(c).

(c) REPORT TO PRESIDENT.—No later than the date that is 30 days after the date on which a determination is made under subsection (a) with respect to an investigation, the Commission shall submit to the President a report that shall include—

(1) a statement of the basis for the determination;

(2) dissenting and separate views; and

(3) any finding made under subsection (b) regarding import relief.

(d) PUBLIC NOTICE.—Upon submitting a report to the President under subsection (c), the Commission shall promptly make public such report (with the exception of information which the Commission determines to be confidential) and shall cause a summary thereof to be published in the Federal Register.

(e) APPLICABLE PROVISIONS.—For purposes of this part, the provisions of paragraphs (1), (2), and (3) of section 330(d) of the Tariff Act of 1930 (19 U.S.C. 1330(d)) shall be applied with respect to determinations and findings made under this section as if such determinations and findings were made under section 202 of the Trade Act of 1974 (19 U.S.C. 2252).

SEC. 213. PROVISION OF RELIEF.

(a) IN GENERAL.—No later than the date that is 30 days after the date on which the President receives the report of the Commission containing an affirmative determination of the Commission under section 212(a), the President shall provide relief from imports of the article that is the subject of such determination to the extent that the President determines necessary to prevent or remedy the injury found by the Commission and to facilitate the efforts of the domestic industry to make a positive adjustment to import competition, unless the President determines that the provision of such relief is not in the national economic interest of the United States or, in extraordinary circumstances, that the provision of such relief would cause serious harm to the national security of the United States.

(b) NATIONAL ECONOMIC INTEREST.—The President may determine under subsection (a) that providing import relief is not in the national economic interest of the United States only if the President finds that taking such action would have an adverse impact on the United States economy clearly greater than the benefits of taking such action.

(c) NATURE OF RELIEF.—The import relief (including provisional relief) that the President is authorized to provide under this part with respect to imports of an article is—

(1) the suspension of any further reduction provided for under the United States Schedule to Annex 2.1 of the Agreement in the duty imposed on that article;

(2) an increase in the rate of duty imposed on such article to a level that does not exceed the lesser of—

(A) the column 1 general rate of duty imposed under the HTS on like articles at the time the import relief is provided; or

(B) the column 1 general rate of duty imposed under the HTS on like articles on the day before the date on which the Agreement enters into force; or

(3) in the case of a duty applied on a seasonal basis to that article, an increase in the rate of duty imposed on the article to a level that does not exceed the column 1 general rate of duty imposed under the HTS on the article for the corresponding season occurring immediately before the date on which the Agreement enters into force.

(d) PERIOD OF RELIEF.—The import relief that the President is authorized to provide under this section may not exceed 4 years.

(e) RATE AFTER TERMINATION OF IMPORT RELIEF.—When import relief under this part is terminated with respect to an article—

(1) the rate of duty on that article after such termination and on or before December 31 of the year in which termination occurs shall be the rate that, according to the United States Schedule to Annex 2.1 of the Agreement for the staged elimination of the tariff, would have been in effect 1 year after the initiation of the import relief action under section 211; and

(2) the tariff treatment for that article after December 31 of the year in which termination occurs shall be, at the discretion of the President, either—

(A) the rate of duty conforming to the applicable rate set out in the United States Schedule to Annex 2.1; or

(B) the rate of duty resulting from the elimination of the tariff in equal annual stages ending on the date set out in the United States Schedule to Annex 2.1 for the elimination of the tariff.

SEC. 214. TERMINATION OF RELIEF AUTHORITY.

(a) GENERAL RULE.—Except as provided in subsection (b), no import relief may be provided under this part after the date that is 15 years after the date on which the Agreement enters into force.

(b) EXCEPTION.—Import relief may be provided under this part in the case of a Jordanian article after the date on which such relief would, but for this subsection, terminate under subsection (a), but only if the Government of Jordan consents to such provision.

SEC. 215. COMPENSATION AUTHORITY.

For purposes of section 123 of the Trade Act of 1974 (19 U.S.C. 2133), any import relief provided by the President under section 213 shall be treated as action taken under chapter 1 of title II of such Act.

SEC. 216. SUBMISSION OF PETITIONS.

A petition for import relief may be submitted to the Commission under—

(1) this part;

(2) chapter 1 of title II of the Trade Act of 1974; or

(3) under both this part and such chapter 1 at the same time, in which case the Commission shall consider such petitions jointly.

Subtitle C—Cases Under Title II Of The Trade Act of 1974

SEC. 221. FINDINGS AND ACTION ON JORDANIAN IMPORTS.

(a) EFFECT OF IMPORTS.—If, in any investigation initiated under chapter 1 of title II of the Trade Act of 1974, the Commission makes an affirmative determination (or a determination which the President may treat as an affirmative determination under such chapter by reason of section 330(d) of the Tariff Act of 1930), the Commission shall also find (and report to the President at the time such injury determination is submitted to the President) whether imports of the article from Jordan are a substantial cause of serious injury or threat thereof.

(b) PRESIDENTIAL ACTION REGARDING JORDANIAN IMPORTS.—In determining the nature and extent of action to be taken under chapter 1 of title II of the Trade Act of 1974, the President shall determine whether imports from Jordan are a substantial cause of the serious injury found by the Commission and, if such determination is in the negative, may exclude from such action imports from Jordan.

SEC. 222. TECHNICAL AMENDMENT.

Section 202(a)(8) of the Trade Act of 1974 (19 U.S.C. 2252(a)(8)) is amended in the first sentence—

(1) by striking ''and part 1'' and inserting '', part 1''; and

(2) by inserting before the period at the end '', and title II of the United States-Jordan Free Trade Area Implementation Act''.

TITLE III—TEMPORARY ENTRY

SEC. 301. NONIMMIGRANT TRADERS AND INVESTORS.

Upon the basis of reciprocity secured by the Agreement, an alien who is a national of Jordan (and any spouse or child (as defined in section 101(b)(1) of the Immigration and Nationality Act (8 U.S.C. 1101(b)(1)) of the alien, if accompanying or following to join the alien) shall be considered as entitled to enter the United States under and in pursuance of the provisions of the Agreement as a nonimmigrant described in section 101(a)(15)(E) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(E)), if the entrance is solely for a purpose described in clause (i) or (ii) of such section and the alien is otherwise admissible to the United States as such a nonimmigrant.

TITLE IV—GENERAL PROVISIONS

SEC. 401. RELATIONSHIP OF THE AGREEMENT TO UNITED STATES AND STATE LAW.

(a) RELATIONSHIP OF AGREEMENT TO UNITED STATES LAW.—

(1) UNITED STATES LAW TO PREVAIL IN CONFLICT.—No provision of the Agreement, nor the application of any such provision to any person or circumstance, that is inconsistent with any law of the United States shall have effect.

(2) CONSTRUCTION.—Nothing in this Act shall be construed—

(A) to amend or modify any law of the United States, or

(B) to limit any authority conferred under any law of the United States,

unless specifically provided for in this Act.

(b) RELATIONSHIP OF AGREEMENT TO STATE LAW.—

(1) LEGAL CHALLENGE.—No State law, or the application thereof, may be declared invalid as to any person or circumstance on the ground that the provision or application is inconsistent with the Agreement, except in an action brought by the United States for the purpose of declaring such law or application invalid.

(2) DEFINITION OF STATE LAW.—For purposes of this subsection, the term ''State law'' includes—

(A) any law of a political subdivision of a State; and

(B) any State law regulating or taxing the business of insurance.

(c) EFFECT OF AGREEMENT WITH RESPECT TO PRIVATE REMEDIES.—No person other than the United States—

(1) shall have any cause of action or defense under the Agreement; or

(2) may challenge, in any action brought under any provision of law, any action or inaction by any department, agency, or other instrumentality of the United States, any State, or any political subdivision of a State on the ground that such action or inaction is inconsistent with the Agreement.

SEC. 402. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for each fiscal year after fiscal year 2001 to the Department of Commerce not more than $100,000 for the payment of the United States share of the expenses incurred in dispute settlement proceedings under article 17 of the Agreement.

SEC. 403. IMPLEMENTING REGULATIONS.

After the date of enactment of this Act—

(1) the President may proclaim such actions, and

(2) other appropriate officers of the United States may issue such regulations,

as may be necessary to ensure that any provision of this Act, or amendment made by this Act, that takes effect on the date the Agreement enters into force is appropriately implemented on such date, but no such proclamation or regulation may have an effective date earlier than the date the Agreement enters into force.

SEC. 404. EFFECTIVE DATES; EFFECT OF TERMINATION.

(a) EFFECTIVE DATES.—Except as provided in subsection (b), the provisions of this Act and the amendments made by this Act take effect on the date the Agreement enters into force.

(b) EXCEPTIONS.—Sections 1 through 3 and this title take effect on the date of the enactment of this Act.

(c) TERMINATION OF THE AGREEMENT.—On the date on which the Agreement ceases to be in force, the provisions of this Act (other than this subsection) and the amendments made by this Act, shall cease to have effect.

By Mr. SESSIONS (for himself, Mr. GRAMM, Mr. KYL, Mr. INHOFE, Mr. SHELBY, Mr. SMITH of New Hampshire, Mr. CRAPO, Mr. HAGEL, Mr. HELMS, and Mr. FITZGERALD):

S.J. Res. 11. A joint resolution proposing an amendment to the Constitution of the United States to require two-thirds majorities for bills increasing taxes; to the Committee on the Judiciary.

Mr. SESSIONS. Mr. President, I rise today to introduce a resolution to amend the Constitution of the United States, requiring a two-thirds majority vote of both houses of Congress to levy a new tax or increase the rate of an existing tax.

I call this the tax limitation amendment, and I am proud to be joined in this effort by Senators GRAMM of Texas, KYL, INHOFE, SHELBY, SMITH of New Hampshire, FITZGERALD, CRAPO, HAGEL, and HELMS.

In 1997, Congress balanced its checkbook for the first time in 29 years, and we are now enjoying an era of unprecedented budget surpluses.

Unfortunately, the tax burden on the American people is also rising to unprecedented levels. Today, federal tax revenues make up 20.6 percent of our nation's Gross Domestic Product, GDP, up from 17.6 percent in 1993.

This has had an enormous impact on our economy, and it has placed an unfair burden on the average taxpayer.

It is also clear the American people are frustrated with the increasing amount of government spending, and they are tired of the federal government reaching further into their wallets to pay for new spending and new programs.

Today, it is far too easy for Congress to go on a spending spree and then send the bill to the taxpayers.

This amendment is important for many reasons, but most importantly, it will help restore fiscal responsibility and discipline in our budget process.

We need to make it more difficult for Congress to raise taxes, which will put more pressure on us to control spending.

This resolution has been supported by a number of taxpayer groups including the Americans for Tax Reform, the Citizens Against Government Waste, the American Conservative Union, and the U.S. Chamber of Commerce. It has enjoyed broad support in previous years, and I would like to invite other Senators to join me in this effort and cosponsor this resolution.

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

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

S.J. RES. 11

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within 7 years after the date of its submission for ratification:

''ARTICLE —

''SECTION 1. Any bill to levy a new tax or increase the rate or base of any tax may pass only by a two-thirds majority of the whole number of each House of Congress.

''SECTION 2. The Congress may waive section 1 when a declaration of war is in effect. The Congress may also waive section 1 when the United States is engaged in military conflict which causes an imminent and serious threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law. Any provision of law which would, standing alone, be subject to section 1 but for this section and which becomes law pursuant to such a waiver shall be effective for not longer than 2 years.

''SECTION 3. All votes taken by the House of Representatives or the Senate under this article shall be determined by yeas and nays and the names of persons voting for and against shall be entered on the Journal of each House respectively.''.

By Mr. SMITH of New Hampshire:

S.J. Res. 12. A joint resolution granting the consent of Congress to the International Emergency Management Assistance Memorandum of Understanding; to the Committee on the Judiciary.

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

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

S.J. RES. 12

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CONGRESSIONAL CONSENT.

Congress consents to the International Emergency Management Assistance Memorandum of Understanding entered into between the States of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut and the Provinces of Quebec, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland. The compact is substantially as follows:

"Article I—International Emergency Management Assistance Memorandum of Understanding Purpose and Authorities

''The International Emergency Management Assistance Memorandum of Understanding, hereinafter referred to as the 'compact,' is made and entered into by and among such of the jurisdictions as shall enact or adopt this compact, hereinafter referred to as 'party jurisdictions.' For the purposes of this agreement, the term 'jurisdictions' may include any or all of the States of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut and the Provinces of Quebec, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland, and such other states and provinces as may hereafter become a party to this compact.

''The purpose of this compact is to provide for the possibility of mutual assistance among the jurisdictions entering into this compact in managing any emergency or disaster when the affected jurisdiction or jurisdictions ask for assistance, whether arising from natural disaster, technological hazard, manmade disaster or civil emergency aspects of resources shortages.

''This compact also provides for the process of planning mechanisms among the agencies responsible and for mutual cooperation, including, if need be, emergency-related exercises, testing, or other training activities using equipment and personnel simulating performance of any aspect of the giving and receiving of aid by party jurisdictions or subdivisions of party jurisdictions during emergencies, with such actions occurring outside actual declared emergency periods. Mutual assistance in this compact may include the use of emergency forces by mutual agreement among party jurisdictions.

"Article II—General Implementation

''Each party jurisdiction entering into this compact recognizes that many emergencies may exceed the capabilities of a party jurisdiction and that intergovernmental cooperation is essential in such circumstances. Each jurisdiction further recognizes that there will be emergencies that may require immediate access and present procedures to apply outside resources to make a prompt and effective response to such an emergency because few, if any, individual jurisdictions have all the resources they need in all types of emergencies or the capability of delivering resources to areas where emergencies exist.

''The prompt, full, and effective utilization of resources of the participating jurisdictions, including any resources on hand or available from any other source that are essential to the safety, care, and welfare of the people in the event of any emergency or disaster, shall be the underlying principle on which all articles of this compact are understood.

''On behalf of the party jurisdictions participating in the compact, the legally designated official who is assigned responsibility for emergency management is responsible for formulation of the appropriate inter-jurisdictional mutual aid plans and procedures necessary to implement this compact, and for recommendations to the jurisdiction concerned with respect to the amendment of any statutes, regulations, or ordinances required for that purpose.

"Article III—Party Jurisdiction Responsibilities

''(a) FORMULATE PLANS AND PROGRAMS.—It is the responsibility of each party jurisdiction to formulate procedural plans and programs for inter-jurisdictional cooperation in the performance of the responsibilities listed in this section. In formulating and implementing such plans and programs the party jurisdictions, to the extent practical, shall—

''(1) review individual jurisdiction hazards analyses that are available and, to the extent reasonably possible, determine all those potential emergencies the party jurisdictions might jointly suffer, whether due to natural disaster, technological hazard, manmade disaster or emergency aspects of resource shortages;

''(2) initiate a process to review party jurisdictions' individual emergency plans and develop a plan that will determine the mechanism for the inter-jurisdictional cooperation;

''(3) develop inter-jurisdictional procedures to fill any identified gaps and to resolve any identified inconsistencies or overlaps in existing or developed plans;

''(4) assist in warning communities adjacent to or crossing jurisdictional boundaries;

''(5) protect and ensure delivery of services, medicines, water, food, energy and fuel, search and rescue, and critical lifeline equipment, services and resources, both human and material to the extent authorized by law;

''(6) inventory and agree upon procedures for the inter-jurisdictional loan and delivery of human and material resources, together with procedures for reimbursement or forgiveness; and

''(7) provide, to the extent authorized by law, for temporary suspension of any statutes or ordinances, over which the province or state has jurisdiction, that impede the implementation of the responsibilities described in this subsection.

''(b) REQUEST ASSISTANCE.—The authorized representative of a party jurisdiction may request assistance of another party jurisdiction by contacting the authorized representative of that jurisdiction. These provisions only apply to requests for assistance made by and to authorized representatives. Requests may be verbal or in writing. If verbal, the request must be confirmed in writing within 15 days of the verbal request. Requests must provide the following information:

''(1) A description of the emergency service function for which assistance is needed and of the mission or missions, including but not limited to fire services, emergency medical, transportation, communications, public works and engineering, building inspection, planning and information assistance, mass care, resource support, health and medical services, and search and rescue.

''(2) The amount and type of personnel, equipment, materials, and supplies needed and a reasonable estimate of the length of time they will be needed.

''(3) The specific place and time for staging of the assisting party's response and a point of contact at the location.

''(c) CONSULTATION AMONG PARTY JURISDICTION OFFICIALS.—There shall be frequent consultation among the party jurisdiction officials who have assigned emergency management responsibilities, such officials collectively known hereinafter as the International Emergency Management Group, and other appropriate representatives of the party jurisdictions with free exchange of information, plans, and resource records relating to emergency capabilities to the extent authorized by law.

"Article IV—Limitation

''Any party jurisdiction requested to render mutual aid or conduct exercises and training for mutual aid shall undertake to respond as soon as possible, except that it is understood that the jurisdiction rendering aid may withhold or recall resources to the extent necessary to provide reasonable protection for that jurisdiction. Each party jurisdiction shall afford to the personnel of the emergency forces of any party jurisdiction, while operating within its jurisdictional limits under the terms and conditions of this compact and under the operational control of an officer of the requesting party, the same powers, duties, rights, privileges, and immunities as are afforded similar or like forces of the jurisdiction in which they are performing emergency services. Emergency forces continue under the command and control of their regular leaders, but the organizational units come under the operational control of the emergency services authorities of the jurisdiction receiving assistance. These conditions may be activated, as needed, by the jurisdiction that is to receive assistance or upon commencement of exercises or training for mutual aid and continue as long as the exercises or training for mutual aid are in progress, the emergency or disaster remains in effect or loaned resources remain in the receiving jurisdiction or jurisdictions, whichever is longer. The receiving jurisdiction is responsible for informing the assisting jurisdictions of the specific moment when services will no longer be required.

"Article V—Licenses and Permits

''Whenever a person holds a license, certificate, or other permit issued by any jurisdiction party to the compact evidencing the meeting of qualifications for professional, mechanical, or other skills, and when such assistance is requested by the receiving party jurisdiction, such person is deemed to be licensed, certified, or permitted by the jurisdiction requesting assistance to render aid involving such skill to meet an emergency or disaster, subject to such limitations and conditions as the requesting jurisdiction prescribes by Executive order or otherwise.

"Article VI—Liability

''Any person or entity of a party jurisdiction rendering aid in another jurisdiction pursuant to this compact are considered agents of the requesting jurisdiction for tort liability and immunity purposes. Any person or entity rendering aid in another jurisdiction pursuant to this compact are not liable on account of any act or omission in good faith on the part of such forces while so engaged or on account of the maintenance or use of any equipment or supplies in connection therewith. Good faith in this article does not include willful misconduct, gross negligence, or recklessness.

"Article VII—Supplementary Agreements

''Because it is probable that the pattern and detail of the machinery for mutual aid among 2 or more jurisdictions may differ from that among the jurisdictions that are party to this compact, this compact contains elements of a broad base common to all jurisdictions, and nothing in this compact precludes any jurisdiction from entering into supplementary agreements with another jurisdiction or affects any other agreements already in force among jurisdictions. Supplementary agreements may include, but are not limited to, provisions for evacuation and reception of injured and other persons and the exchange of medical, fire, public utility, reconnaissance, welfare, transportation and communications personnel, equipment, and supplies.

"Article VIII—Workers' Compensation and Death Benefits

''Each party jurisdiction shall provide, in accordance with its own laws, for the payment of workers' compensation and death benefits to injured members of the emergency forces of that jurisdiction and to representatives of deceased members of those forces if the members sustain injuries or are killed while rendering aid pursuant to this compact, in the same manner and on the same terms as if the injury or death were sustained within their own jurisdiction.

"Article IX—Reimbursement

''Any party jurisdiction rendering aid in another jurisdiction pursuant to this compact shall, if requested, be reimbursed by the party jurisdiction receiving such aid for any loss or damage to, or expense incurred in, the operation of any equipment and the provision of any service in answering a request for aid and for the costs incurred in connection with those requests. An aiding party jurisdiction may assume in whole or in part any such loss, damage, expense, or other cost or may loan such equipment or donate such services to the receiving party jurisdiction without charge or cost. Any 2 or more party jurisdictions may enter into supplementary agreements establishing a different allocation of costs among those jurisdictions. Expenses under article VIII are not reimbursable under this section.

"Article X—Evacuation

''Each party jurisdiction shall initiate a process to prepare and maintain plans to facilitate the movement of and reception of evacuees into its territory or across its territory, according to its capabilities and powers. The party jurisdiction from which the evacuees came shall assume the ultimate responsibility for the support of the evacuees, and after the termination of the emergency or disaster, for the repatriation of such evacuees.

"Article XI—Implementation

''(a) This compact is effective upon its execution or adoption by any 2 jurisdictions, and is effective as to any other jurisdiction upon its execution or adoption thereby: subject to approval or authorization by the United States Congress, if required, and subject to enactment of provincial or State legislation that may be required for the effectiveness of the Memorandum of Understanding.

''(b) Any party jurisdiction may withdraw from this compact, but the withdrawal does not take effect until 30 days after the governor or premier of the withdrawing jurisdiction has given notice in writing of such withdrawal to the governors or premiers of all other party jurisdictions. The action does not relieve the withdrawing jurisdiction from obligations assumed under this compact prior to the effective date of withdrawal.

''(c) Duly authenticated copies of this compact in the French and English languages and of such supplementary agreements as may be entered into shall, at the time of their approval, be deposited with each of the party jurisdictions.

"Article XII—Severability

''This compact is construed to effectuate the purposes stated in Article I. If any provision of this compact is declared unconstitutional or the applicability of the compact to any person or circumstances is held invalid, the validity of the remainder of this compact and the applicability of the compact to other persons and circumstances are not affected.

"Article XIII—Consistency of Language

''The validity of the arrangements and agreements consented to in this compact shall not be affected by any insubstantial difference in form or language as may be adopted by the various states and provinces.

"Article XIV—Amendment

''This compact may be amended by agreement of the party jurisdictions.''.

SEC. 2. INCONSISTENCY OF LANGUAGE.

The validity of the arrangements consented to by this Act shall not be affected by any insubstantial difference in their form or language as adopted by the States and provinces.

SEC. 3. RIGHT TO ALTER, AMEND, OR REPEAL.

The right to alter, amend, or repeal this Act is hereby expressly reserved.

AMENDMENTS SUBMITTED AND PROPOSED

SA 151. Mrs. FEINSTEIN (for herself, Mr. COCHRAN, and Mr. SCHUMER) proposed an amendment to the bill S. 27, to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform.

SA 152. Mr. DEWINE (for himself, Mr. HATCH, Mr. HUTCHINSON, Mr. BROWNBACK, and Mr. ROBERTS) proposed an amendment to the bill S. 27, supra.

SA 153. Mr. SCHUMER proposed an amendment to the bill S. 27, supra.