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House of Representatives

The House met at 10 a.m.

The Reverend David E. Paul, Pastor, First United Methodist Church, Clewiston, Florida, offered the following prayer:

Our Heavenly Father, we come to You with grateful hearts for the daily evidence of Your love. You are always with us. You are always available to us.

There are times, Lord, when we ignore You and Your guidance. Forgive us. Forgive us when we stray away from the ideals and goals You have given our great Nation. Enable us to forgive ourselves and each other.

We thank You, Lord, for Your guidance and Your love. We thank You for the trust our citizens have given these persons. This trust, along with Your presence, strengthens and enables them to have the courage to deal with the hard decisions that face them.

We pray for those today who need a special sense of divine love, whose lives need encouragement and peace.

Sustain our Nation and guide the House of Representatives as it seeks to do Your will.

In Christ's name, Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. GIBBONS. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Speaker's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. GIBBONS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Pursuant to clause 8, rule XX, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from New York (Mr. MCNULTY) come forward and lead the House in the Pledge of Allegiance.

Mr. MCNULTY led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed a bill of the following title in which the concurrence of the House is requested:

> S. 2621. An act to provide a definition of vehicle for purposes of criminal penalties relating to terrorist attacks and other acts of violence against mass transportation systems.

The message also announced that pursuant to Public Law 106–170, the Chair on behalf of the Republican Leader, after consultation with the Ranking Member of the Senate Committee on Finance, announces the appointment of the following individuals to serve as members of the Ticket to Work and Work Incentives Advisory Panel—

Vicent Randazzo of Virginia, vice Stephanie Lee Smith, resigned; and

Katie Beckett of Iowa, for a term of four years.

WELCOMING THE REVEREND DAVID E. PAUL

(Mr. FOLEY asked and was given permission to address the House for 1 minute.)

Mr. FOLEY. Mr. Speaker, it is my great honor to welcome Dr. David Paul and his wife, Judy, to the House Chamber this morning. I join my colleague, the gentleman from Florida (Mr. HASTINGS), in this great honor.

Dr. Paul is a third generation Floridian. He was born in Miami, Florida, in 1946; and he is a graduate of Miami Senior High School and the University of Florida. Go Gators.

He is a true spiritual leader rooted in Florida.

An accomplished trombone player, Reverend Paul played with the Savannah Symphony Orchestra for a number of years before attending the Asbury Theological Seminary in Wilmore, Kentucky, where he earned his master of divinity degree and doctor of divinity.

After 10 years in Kentucky, Dr. Paul again regained his senses and returned to Florida where he has served churches in Eustic, Groveland, Clewiston and Lake City.

I know the community in Clewiston was very sad to see Reverend Paul head to Lake City, but one community's loss is another's gain; and I am sure he will have the same impact in Lake City that he had for us in Clewiston.

RECOGNIZING THE STEP AHEAD TO SUCCESS FARMWORKER YOUTH PROGRAM

(Ms. ROS-LEHTINEN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. ROS-LEHTINEN. Mr. Speaker, I recognize the Step Ahead to Success Farmworker Youth Program and congratulate the program's 2002 graduates. I want to especially commend the program's director, Maria Garza, and Miami-Dade County Manager Steve Shiver, whose tireless efforts have made this program a great success.

Since its inception in late 2000, the program has provided 275 at-risk young

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people from farmworker families with services to help develop their academic, social, and safety skills. In Miami-Dade, 50 young people have received leadership training and FCAT tutoring and have participated in several community service activities.

One amazing young man, Jose Rodriguez, came to the program with a 1.2 grade point average and was behind credits for graduation. But the program helped Jose to improve his grades, receive a stipend for financial help, graduate on time; and he will soon begin to serve our country upon finishing the Marine Corps basic training on July 27.

I want to thank all of the dedicated workers of the Farmworker Youth Program for their unending devotion to these children.

CODE ADAM

(Mr. LAMPSON asked and was given permission to address the House for 1 minute.)

Mr. LAMPSON. Mr. Speaker, I will digress again from my stories about Ludwig Koons, whom we desperately want returned from Italy to the United States where he is being held illegally, to talk about one of the scariest situations that a parent can experience when they are out shopping, perhaps they turn around and their child is not with them. In many cases they return in a matter of moments, but sometimes it can seem like an eternity. What if that son or daughter cannot be found? Or do stores have a system in place that can help protect their child from harm?

The answer is yes. The gentleman from New Jersey (Mr. PALLONE) and I are joining together to urge Members to support a resolution to encourage retailers across the Nation to adopt a special child safety alert program known as Code Adam.

Code Adam works. Since 1994, it has been a powerful preventive tool against child abductions and lost children in more than 25,000 stores, making it the largest child safety program in the Nation. Code Adam is a special alert issued through the store's public address system when a customer reports a missing child. The measure was established in 1994 and named in the memory of 6-year-old Adam Walsh whose abduction from a Florida shopping mall and murder in 1981 brought the horror of child abduction to national attention.

We owe it to the kids of America to do everything that we can to ensure their safety. Join us in supporting this important resolution. Bring our children home.

COST OF GOVERNMENT DAY

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, June 29, this Saturday, will be Cost of Government Day. What does that mean? It is the date on which the average American worker has earned enough gross income to pay off his or her share of tax and regulatory burdens imposed by all levels of government, either Federal, State or local. Currently Nevadans must work on average 179 days just to meet all the costs imposed by government.

There is some good news, however. Cost of Government Day falls 2 days earlier this year than last. In fact, this year it is earlier than it has been in 5 years, thanks to the tax relief we have just passed. Yet the cost of government is still substantially higher than it was during the 1980s when President Reagan led the Nation in bringing it down to a date in mid-June. Lowering the cost of government means more money in the hands of families, investors and entrepreneurs to reinvest in our economy.

Mr. Speaker, as we continue with the appropriations process, I call upon my colleagues to remain committed to reducing the cost of government to encourage economic growth and prosperity both at home and nationwide.

ECONOMIC REFORMS NEEDED

(Mr. DEFAZIO asked and was given permission to address the House for 1 minute.)

Mr. DEFAZIO. Headline: ''WorldCom Says Its Books Are Off By $3.8 Billion.'' Hey, we all make mistakes. $3.8 billion. The stock market is going to tank again today. The dollar is in a headlong decline. It seems like it would be a no-brainer for the House of Representatives to plug a few tax loopholes; mandate, mandate, by God, tough accounting reform; put a few of these crooked CEOs in jail, prosecute them, pursue them endlessly. Let us have real protection for stockholders, employees' pension funds. But no. It is needed, it seems like a no-brainer, but it ain't going to happen here because the House Republican leadership is too busy collecting campaign funds from some of the same firms and CEOs that are defrauding Americans and the stock market.

The American people need to focus and demand meaningful reforms before this disaster spirals totally out of control and drives the U.S. economy into a full blown financial crisis. No more sham reforms of pensions, no more sham prescription drug benefits, no more shams on the Tax Code. Let us do some meaningful work here and try and fix the problems with America's economy.

PARTIAL-BIRTH ABORTION BAN

(Mr. RYUN of Kansas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RYUN of Kansas. Mr. Speaker, I rise today to strongly urge my colleagues to support H.R. 4965, the partial-birth abortion ban. Since 1995, a ban on this horrendous procedure has been passed three times by both the House and the Senate. Unfortunately, due to vetoes by President Clinton, the practice continues today. In the partial-birth abortion procedure, the baby is partially delivered before being brutally killed. The vast majority of partial-birth abortions are performed on healthy babies and healthy mothers. In fact, according to the American Medical Association, a partial-birth abortion is never necessary to protect the health of a woman and can even lead to additional serious health risks.

Although language banning this procedure has been struck down in the past by the Supreme Court, this new legislation has been tailored to address the Court's concerns.

Partial-birth abortion is infanticide. It is crucial that we act on the wishes of the American people and outlaw this dangerous and gruesome procedure once and for all.

PRESCRIPTION DRUGS

(Mr. GREEN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GREEN of Texas. Mr. Speaker, seniors cannot wait a minute longer for a prescription drug benefit under Medicare. Our seniors have been in need for far too long. Unfortunately, they will be very disappointed with the plan that will be presented by the Republican majority either this week or after the Fourth of July break. With its high deductibles, fluctuating premiums and gaps in coverage, the Republican plan hardly provides any benefit at all.

But the biggest problem with their plan is that it relies on the insurance industry to work. Their plan is the first step in their long-term effort that they have been trying to do to privatize Medicare.

Let us face it. The insurance industry just does not work for seniors. As we have seen with the Medicare+Choice program, private health insurance companies cannot make a profit with the health care demands of our seniors. That is why Medicare was created in 1965. It is foolish to believe that private drug plans will be able to do any better.

We need to take profit out of the equation and create a prescription drug plan that is run by Medicare, just like hospital visits and doctors visits. It is time to stop wasting money on failed experiments and put the money where we know it will work, in a drug benefit under Medicare.

PARTIAL-BIRTH ABORTION

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, Congress now has an opportunity to put an end

to one of the most barbaric acts known to mankind. Amazingly, this barbaric act is perfectly legal in the United States of America. This horrible act of violence is called partial-birth abortion. Actually it is a procedure in which a baby is partially delivered, the doctor actually reaches in and turns the baby for a breech birth, and then is killed in a procedure too horrible to describe.

Congress has voted twice to make it illegal, but the previous President vetoed it both times. Today we have a new President who will do the right thing and make partial-birth abortion illegal, but first we have to send him the bill.

We in the House will have the chance to vote on this bill later this summer, and we will do the right thing. It will be up to the other body to act. No one knows what they will do.

It is time to make partial-birth abortion illegal. It should have been illegal long ago.

PRESCRIPTION DRUG COVERAGE

(Mr. WYNN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYNN. Mr. Speaker, I do not know how you measure greatness in the modern world, but if in fact America is the greatest country in the world, then it seems to me we ought to be able to provide prescription drug coverage to our seniors. Unfortunately, the Republican prescription drug plan that is going to be brought to the floor is best symbolized by the hole in the doughnut, too much cost for too little coverage when compared with the Democratic alternative.

Take a look at the premiums: the Democratic alternative, $25 fixed in statute. The Republican premium, not in statute, fluctuates. It may be $35. It may be $85. Probably at least $50.

□ 1015

Clearly, the Democrat plan is better.

Deductible: Democrats, $100 deductible; Republicans, $200 deductible. Copay: Democrats, 20 percent; Republicans, after the first $1,000, 50 percent copay. Clearly, too much cost, too little coverage.

Finally, stop loss. Between $2,000 and $3,700, and the taxpayer pays the bill. There is no coverage, no protection whatsoever.

Mr. Speaker, this is a bad plan, and we ought to reject it in the land of the great.

HOOPS FOR HOPE

(Mr. QUINN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. QUINN. Mr. Speaker, I started, on September 11 of last year, to come to the floor to make this presentation; and of course, we all know what happened that morning. This trophy is a result of the benefit basketball game that is played every year for the last 3 years, and this past year on September 10. So although the announcement is a little bit late, it is important for me to note that the Hoops for Hope, a unique contest here, which pits Members of Congress against lobbyists in a benefit basketball game, has raised over $50,000 in its 3-year history. We are on the road to raising $75,000 this September; and my duty this morning is to not only present the trophy, but to announce that this past year the lobbyists eked out a 63 to 60 win.

We just wanted everybody to know who participated in the game. We benefit Horton's Kids and Staffers for the Hungry and Homeless. This money goes to a great cause, and we appreciate everybody's cooperation.

GLARING INADEQUACIES IN REPUBLICAN PRESCRIPTION DRUG PLAN

(Mr. BROWN of Ohio asked and was given permission to address the House for 1 minute.)

Mr. BROWN of Ohio. Mr. Speaker, last Friday morning, while most Americans were still asleep, the Republican plan to create a drug benefit was pushed with brute force through the Committee on Energy and Commerce. While the Republican plan has too many flaws to mention in 1 minute, its most glaring inadequacy is that it makes no provision for dealing with the outrageous prices Americans pay for prescription drugs.

Apparently, Republicans and their corporate sponsors in the brand-name drug industry do not believe high prices are a problem. Yet last year, prices for the 50 most prescribed drugs for seniors have risen three times the rate of inflation, and the prices for some popular drugs rose by 10 times the rate of inflation.

Last week I sought to introduce an amendment that would have reduced drug prices for all Americans by reducing patent abuse and enhancing market competition. But the Republican leadership, which loves to champion the virtues of the free market, would not even let the Committee on Commerce consider the amendment.

If we need another reason, another reason to oppose the Republican plan, which was written by and for the big drug companies, let it be known that the Republican plan does absolutely nothing to reduce drug prices.

PASS REPUBLICAN PRESCRIPTION DRUG PLAN

(Mrs. CAPITO asked and was given permission to address the House for 1 minute.)

Mrs. CAPITO. Mr. Speaker, the House Prescription Drug Action Team and other leaders have been working very hard to provide a plan for a prescription drug benefit to all seniors. We have had many listening sessions, and we have crafted a meaningful prescription drug benefit. We need to pass this plan now, especially for women and our seniors.

Women make up more of the population over the age 65 because women actually live, on average, 7 years longer than men. If we look at a snapshot of Americans aged 85 and older, nearly three-quarters of these are women. But they are not just living longer; they have smaller incomes and have fewer financial resources to take care of their pharmaceutical needs.

Women are almost twice as likely as men to have incomes below $10,000, and two-thirds of Medicare beneficiaries with annual incomes below the poverty level are women. Fewer financial resources and greater longevity are key reasons why Congress needs to pass this prescription drug plan now.

Under this act, men and women under the age of 65 will benefit from substantial discounts.

Mr. Speaker, we need to pass this plan now for all seniors, but especially for our women.

DEFEAT REPUBLICAN SHAM PRIVATIZATION PRESCRIPTION DRUG BILL

(Mr. TIERNEY asked and was given permission to address the House for 1 minute.)

Mr. TIERNEY. Mr. Speaker, Republicans appear addicted to drug company money. Why else would they try to fool the American people with a plan written with the drug companies that fails to cover over 90 percent of seniors, that insurance companies say they will not participate in because it is good only for the wealthiest seniors with the highest drug costs, that would have seniors pay out of pocket $3,800 per year, and that does nothing to lower the cost of prescription drugs? In fact, the Republican bill so distrusts the President's Secretary of Health and Human Services that it forbids him to negotiate lower prices for seniors.

Mr. Speaker, the Republican sham bill is just an attempt to privatize prescription drug coverage in the same way they tried to privatize Social Security. It will not help most seniors, and it will not work.

So while Republicans are busy cutting taxes for less than 1 percent of the wealthiest estates in America, they trade off real prescription drug coverage, saying it is too expensive; and they offer a sham bill.

The Democrats have a plan to cover seniors. It is affordable, it is accessible to all seniors, it allows the Secretary to negotiate lower and fairer prices, and it is real.

Mr. Speaker, let us defeat the Republican sham privatization bill and pass the Democrats' real deal for seniors.

DIRECT LINK BETWEEN ENERGY POLICY AND NATIONAL SECURITY

(Mr. BLUNT asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. BLUNT. Mr. Speaker, the conference on our energy bill passed in this House almost 1 year ago today is beginning soon. American consumers sent Iraq and Saddam Hussein more than $1.4 billion for oil in the first 4 months of this year. This is a corrupt regime that pays the families of homicide bombers $25,000 for their attack on innocent victims in Israel. We are at war, and depending on Saddam Hussein for the fuel that powers our war on terrorism is untenable.

Mr. Speaker, there is a direct link between energy policy and our national security. That is why more than 80 percent of Americans want us to pass a comprehensive energy plan that protects our national security while strengthening our economy.

In 1992, we imported 32 percent of our energy. Now, nearly 60 percent of our energy is imported. We need an energy policy. The conferees on the energy bill begin meeting tomorrow. I urge them to bring us legislation to increase our energy independence, create jobs, and strengthen our economy, Mr. Speaker.

SUPPORT THE MEDICARE PRESCRIPTION DRUG BENEFIT AND DISCOUNT ACT

(Mr. LANGEVIN asked and was given permission to address the House for 1 minute.)

Mr. LANGEVIN. Mr. Speaker, Congress must add meaningful prescription drug coverage to Medicare. Prescription drugs can cost as much as $500 per month; and in Rhode Island alone, 200,000 seniors lack drug coverage.

A study I commissioned last year found that the uninsured elderly in the district of Rhode Island pay an average of 78 percent more for the most commonly used prescription drugs than do seniors in foreign countries.

That is why I support the Medicare Prescription Drug Benefit and Discount Act which adds a new part D in Medicare that provides voluntary prescription drug coverage for all beneficiaries. It includes a premium of just $25 a month, which would be subsidized for low-income seniors. It has a $2,000 out-of-pocket limit per beneficiary per year.

In contrast, the Republican plan would require high out-of-pocket costs for seniors while offering low benefits.

We must ensure that seniors do not have to choose between food or rent and getting their prescriptions filled. We must provide meaningful drug coverage.

SUPPORT FISCALLY-RESPONSIBLE REPUBLICAN PRESCRIPTION DRUG PLAN

(Mr. FLETCHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FLETCHER. Mr. Speaker, the Washington Democrats, once again are misleading the American people on the debate over necessary prescription drug coverage for our seniors. To illustrate to my Democrat friends how our plan will help States, Kentucky has 615,000 Medicare beneficiaries and 50 percent of these citizens are below the 175 percent of poverty level. In Kentucky, a study estimates that State Medicare savings under the Republican-proposed prescription drug benefit would be $549 million in the fiscal years 2005 through 2012.

In a time when seniors and State governments are experiencing financial difficulty, our plan provides seniors with an affordable prescription drug benefit to Medicare and immediate savings. States also benefit by saving millions of dollars in Medicaid beneficiary costs over the next several years.

Mr. Speaker, this plan is the only fiscally-responsible choice for both seniors and government and should be supported next week when it comes to a full vote in the U.S. House of Representatives.

The Democrat plan remains an $800 billion boondoggle; and I encourage, as we continue this debate, full support of the Republican plan.

OMNIBUS CORPORATE RESPONSIBILITY AND RESTORATION ACT

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, when Enron hit, most of America thought that this was an exception, a company that had not done right, that deserved to be reprimanded, and that we would go forward. Sadly, there has been an announcement that there has been a rollcall of the corporate elite violating the laws of this Nation and throwing America's investment community into a sense of doubt and shame.

It is time now to take a very forceful and firm stand against corporations that violate the law and hurt the American people, people who have lost their pensions, people who have lost everything, people who are unable to pay for their rent, their mortgages, their college tuitions of their children.

Mr. Speaker, I intend to offer the Omnibus Corporate Responsibility and Restoration Act. Once and for all, it is an omnibus bill that gets rid of insider trading, that provides us a firewall between accounting firms that consult and do accounting, that protects the pension plans of this Nation, and protects employees who can be taken advantage of by a company filing bankruptcy and then terminating thousands of employees.

Mr. Speaker, it is time to stand up against corporate criminal activity.

SUPPORT REPUBLICAN PRESCRIPTION DRUG PLAN

(Mr. SULLIVAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SULLIVAN. Mr. Speaker, seniors in the first district of Oklahoma and across America cannot afford the rising cost of prescription drugs. In order to live within their budget, some skip a meal, some turn off their air-conditioning, and some consume half the prescriptions that they need.

Without a doubt, I believe the Republican prescription drug plan is the only plan that will give our seniors prescription drug coverage they need at a cost that the Nation's budget can afford.

The Republican prescription drug plan provides a two-tiered approach that allows seniors to start saving on their prescription drug bills immediately. By grouping seniors together, Medicare can negotiate discounts from manufacturers. This is projected to save seniors about 10 to 20 percent upon the signature of the President.

The second part of the plan will come as a comprehensive and voluntary Medicare-based prescription drug benefit. The Republican plan will significantly reduce the costs of prescriptions and save seniors approximately 70 percent of their out-of-pocket drug costs.

The House Republican prescription drug plan will work for seniors today, tomorrow, and for the rest of their lives. I urge my colleagues to support this bill.

PROVIDING FOR CONSIDERATION OF H.R. 4598, HOMELAND SECURITY INFORMATION SHARING ACT

Mr. GOSS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 458 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 458

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 4598) to provide for the sharing of homeland security information by Federal intelligence and law enforcement agencies with State and local entities. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour, with 40 minutes equally divided and controlled by the chairman and ranking minority member of the Permanent Select Committee on Intelligence and 20 minutes equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on the Judiciary now printed in the bill. Each section of the committee amendment in the nature of a substitute shall be considered as read. All points of order against the committee amendment in the nature of a substitute are waived. During consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether

the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 8 of rule XVIII. Amendments so printed shall be considered as read. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

□ 1030

The SPEAKER pro tempore (Mr. RYAN of Wisconsin). The gentleman from Florida (Mr. GOSS) is recognized for 1 hour.

Mr. GOSS. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the distinguished gentleman from Georgia, or from Florida (Mr. HASTINGS), my colleague and friend, pending which I yield myself such time as I may consume. During consideration of this resolution, all time is for purposes of debate only.

Mr. Speaker, the legislation before us is an open rule providing for the consideration of H.R. 4598, the Homeland Security Information Sharing Act. This is a fair rule that will allow thoughtful discussion on a topic that has become crucial to our national security.

I do not think there is anything controversial in any way about any of the elements of the rule, which were so well read by the Clerk, and I do not think there is any point in repeating all of that.

Mr. Speaker, this is a good open rule on an important subject. Dealing with information sharing is critical to our ability to prevent bad things from happening in homeland America. That is the challenge that is before us today.

I have to congratulate the chairman and the ranking member of the Subcommittee on Terrorism and Homeland Security of my Permanent Select Committee on Intelligence, the gentleman from Georgia (Mr. CHAMBLISS) and the gentlewoman from California (Ms. HARMAN), for their work on this timely piece of legislation.

Mr. Speaker, this bill starts us down a road that we must travel to make sure all our forces are cooperatively engaged for national security. H.R. 4598 would promote the sharing of critical homeland security threat information between Federal law enforcement and intelligence agencies with State and local officials in place to protect and defend the American public.

Can Members imagine how much safer our country can be if local first responders like police officers and sheriffs have Federal information at their fingertips that enables them to pinpoint and thwart evildoers before tragedies occur?

Mr. Speaker, this bill may not provide a crystal ball that forewarns us of every and all bad things looming in the future, but it gives us a tool for transmitting known facts and information about terrorist activity to capable, authorized people who are in position to act on the front lines across America.

The tragic events of September 11 have caused us to reevaluate how we go about protecting our Nation and our people. We are dealing with a visionary new homeland security structure, we are dealing with necessary reform at the FBI, we are dealing with 9–11 reviews, we are dealing with reform of the intelligence community, and some inevitable changes in our intelligence community capabilities and management.

So we have a great many things on our plate. But, in the meantime, there is no reason why we should not, and every reason why we should, support a good rule and a good piece of legislation that will help us get some interim activity that will heighten safety for every man, woman, and child in the country. That is something that we all want.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank my good friend, the gentleman from the east coast, I mean west coast, of Florida, the distinguished chairman of the Permanent Select Committee on Intelligence, for yielding time to me. Since he almost put me in Georgia, I decided to put him on the east coast of Florida.

Mr. Speaker, I rise in support of this rule and in support of the underlying bill, the Homeland Security Information Sharing Act. I am proud to have worked with the Subcommittee on Terrorism and Homeland Security chairpersons, the gentleman from Georgia (Mr. CHAMBLISS) and the ranking member, the gentlewoman from California (Ms. HARMAN), on this bill; and I am proud to be an original cosponsor of this important legislation.

Mr. Speaker, H.R. 4598 requires Federal intelligence agencies to share relevant homeland security information with designated local police and emergency first response personnel. Furthermore, this bill instructs the Director of Central Intelligence and the Attorney General to draft guidelines for the dissemination of this information.

All such information and the systems used to disseminate it are to be open to Federal intelligence, Federal law enforcement, and congressional review.

Mr. Speaker, this legislation is timely indeed. At a moment when State and local law enforcement and emergency response personnel are being forced to prepare for unprecedented threats to the safety and security of their communities, they cannot be left in the dark. Local first responders must have access to timely and detailed information about any terrorist threats in order to adequately serve their communities.

A footnote right here, and a compliment to the distinguished chairperson of the Permanent Select Committee on Intelligence and, in the other body, the Senator from Florida who chairs the concomitant committee in the Senate, for having sponsored a program in Orlando that I was fortunate enough to attend with both of them that deals specifically in part, or dealt with, in part, the facts having to do with first responders and local communities.

I think to the extent that Florida will become a bellwether State, the beacon light was shed by the information that was provided at that conference due to the two chairs of the intelligence community. I, for one, as a Floridian and as a Member of this body, am grateful and indebted to them.

Mr. Speaker, while some may be concerned that this legislation greatly widens the pool of people with access to intelligence information, let me note that this bill provides very adequate safeguards to protect the rights of individuals and groups.

For example, the bill protects the constitutional and statutory rights of individuals by requiring that any information that is shared must not be used for any unauthorized purpose. Similarly, the information sharing procedures mandated by the bill must ensure the security and confidentiality of information as well as redact or delete obsolete or erroneous information.

Last, this legislation, like the PATRIOT Act before it, brings with it new modes of intelligence sharing and new congressional oversight responsibilities. Just as we are compelled to increase our intelligence-sharing capacity in the wake of the tragedy of September 11, so, too, are we compelled to ensure that these new government powers do not erode our precious civil rights and civil liberties.

Again, for all of the reasons I have just outlined, I support this bill and I support this fair, open rule which allows its consideration today.

Mr. Speaker, I reserve the balance of my time.

Mr. GOSS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am from the west coast of Florida. We will get this right. Florida is south of Georgia. The gentleman from the east coast of Florida just made an eloquent speech for which I am most grateful, and I appreciate the kind remarks. I will return them from the west coast of Florida to the east coast of Florida.

It was always a privilege to have the gentleman on our Permanent Select Committee on Intelligence. We look forward to his return. We enjoy working with him on the Committee on Rules, in the meantime. It is a different kind of work than the Permanent Select Committee on Intelligence.

Mr. HASTINGS of Florida. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I appreciate the distinguished gentleman from Florida and the distinguished gentleman from Georgia. I want to thank them. I will soon be reprimanded on the floor. I am using my time. Let me thank the two distinguished gentlemen from Florida for their leadership on this issue.

Mr. Speaker, let me applaud the proponents of this legislation, particularly in the testimony they gave before the Committee on the Judiciary, of which I am a member. I want to add my support to the rule and am gratified that it is an open rule.

Mr. Speaker, I would like to share with my colleagues that I think one of the more important points that we can make as we move toward making this country a safer place to live, and recognizing that we have turned the page of history on September 11, is the ability to share viable and important information with our local responders, if you will, or the local leaders that will provide the home-based security.

With that in mind, I intend to offer an amendment, a friendly amendment, that I hope my colleagues will consider favorably, and that is to ensure procedures that will allow the information from government whistle-blowers to be able to be shared within the confines of the regulations that may be designed by the President of the United States of America.

Mr. Speaker, I hope in this context we will recognize that information may come from a variety of sources, and we would hope the President would then design for us the best way that that information should be shared. The idea is to make sure that our Nation is safe, to do it with cooperative and collaborative efforts, but also to protect the integrity of the information we need to secure those in the homeland.

This amendment, as I said, is offered in a friendly context to recognize the importance of information that comes from those who would be willing to provide us the truth. I think as we move forward we have all determined that the key element for safety involves finding out the facts and the truth.

Mr. HASTINGS of Florida. Mr. Speaker, I yield back the balance of my time.

Mr. GOSS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I appreciate the remarks of my colleague, the gentleman from the east coast of Florida (Mr. HASTINGS). Actually, we do note there is an east and west, we are one State together, and proud to know each other.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

RECESS

The SPEAKER pro tempore (Mr. SMITH of Texas). Pursuant to clause 12 of rule I, the Chair declares the House in recess for approximately 10 minutes.

Accordingly (at 10 o'clock and 42 minutes a.m.), the House stood in recess for approximately 10 minutes.

□ 1056

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. SMITH of Texas) at 10 o'clock and 56 minutes a.m.

GENERAL LEAVE

Mr. GOSS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H. Res. 458, the legislation just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

HOMELAND SECURITY INFORMATION SHARING ACT

The SPEAKER pro tempore. Pursuant to House Resolution 458 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4598.

□ 1057

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4598) to provide for the sharing of homeland security information by Federal intelligence and law enforcement agencies with State and local entities, with Mr. RYAN of Wisconsin in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Florida (Mr. GOSS) and the gentleman from Indiana (Mr. ROEMER) each will control 20 minutes. The gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentleman from Virginia (Mr. SCOTT) each will control 10 minutes.

The Chair recognizes the gentleman from Florida (Mr. GOSS).

Mr. GOSS. Mr. Chairman, I yield the balance of my time to the distinguished gentleman from Georgia (Mr. CHAMBLISS), and I ask unanimous consent that he be allowed to control the time that is allowed to us on behalf of the House Permanent Select Committee on Intelligence.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CHAMBLISS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, first of all, I would like to thank the distinguished chairman of the House Permanent Select Committee on Intelligence for the great work that he and the ranking member, the gentlewoman from California (Ms. PELOSI), have done in leading our Permanent Select Committee on Intelligence, not just post-September 11, but even before that.

The gentleman from Florida (Mr. GOSS) has been a very level-headed individual, who has carried us forward in some difficult times with respect to dealing with our intelligence community; and since September 11 he has particularly provided the strong leadership that this Congress needed and that this Nation has needed in order to be able to ensure the American people that Congress and our intelligence community is doing everything we possibly can to ensure that another act like September 11 never occurs again.

□ 1100

Since September 11 of last year, Congress has enhanced the capabilities of the Federal, State and local officials to prepare and respond to acts of terrorism. Information sharing is the key to cooperation and coordination in homeland security, and it has become abundantly more clear that better information sharing among government agencies and with State and local officials needs to be a higher priority.

The intelligence community of the Federal Government does a great job of gathering information on terrorist activity, but we do a very poor job of sharing that information both horizontally and vertically within our agencies and with State and local officials.

In the public hearings which our Subcommittee on Terrorism and Homeland Security held last September and October, we heard a recurring theme from witnesses ranging from New York City Mayor Rudolph Guiliani to Oklahoma Governor Frank Keating. They stressed the importance of an increased level of information sharing between Federal intelligence and law enforcement agencies and local and State law enforcement agencies.

Governor Keating even told us a story about his State Adjutant General, a gentleman that he appointed, who informed the governor he could not share some information with him because, as governor, he did not have the right security clearance.

The case in Oklahoma is no exception. These same types of communication gaps exist in every State, including my home State of Georgia. The result is that sheriffs and local officials do not have the same information as the governor, who does not have the same information as the FBI, who does not have the same information as other local officials.

As we fight this war on terrorism, we must make certain that relevant intelligence and sensitive information relating to our national security be in

the hands of the right person at the right time to prevent another attack and more needless loss of life. Critical homeland security information which Federal agencies and departments collect need to be quickly disseminated to State and local law enforcement officials and others who play key roles in protecting our communities.

For these reasons, the gentlewoman from California (Ms. HARMAN) and I, along with several of our colleagues, including the leadership of the Permanent Select Committee on Intelligence as well as the gentleman from Wisconsin (Mr. SENSENBRENNER), the chairman of the Committee on the Judiciary, and the gentleman from Texas (Mr. SMITH), the chairman of the Subcommittee on Crime, introduced the Homeland Security Information Sharing Act.

This bill will help to eliminate the stovepipes that exist in the intelligence and law enforcement worlds with respect to sharing of vital information and will assist officials across government to communicate with each other. Our bill will increase the level of cooperation between State, local and Federal law enforcement officials. Only when these organizations begin communicating on a more regular basis and sharing the information that they have with each other in relevant communities can we begin to effectively prepare for and defend ourselves against future attacks.

I have traveled all across my State of Georgia and listened to the concerns of many of our community leaders and emergency responders, and I am more convinced than ever that we must pass this legislation. Our police officers, our firefighters, our sheriffs and other local emergency officials need to be informed about the threats that may exist to their communities.

Georgia sheriffs like John Cary Bittick of Monroe County, who serves as the president of the National Sheriffs Association, or Bill Hutson of Cobb County need to know when there is information relevant to their community that will help them do their jobs better and prevent any type of terrorist attack. This bill has the support of all major law enforcement groups and other organizations of local officials.

The events of September 11 left us staring into the eyes of our own shortcomings. In the days following, we began to connect the scattered and vague messages that in hindsight seemed to point to the devastation, but hindsight is 20/20. Now we must take the information and move forward. We must act, and our bill will go a long way toward helping our law enforcement officials protect us by giving them the tools they need to better protect us.

I urge my colleagues to join me in supporting this important legislation.

Mr. GOSS. Mr. Chairman, will the gentleman yield?

Mr. CHAMBLISS. I yield to the gentleman from Florida.

Mr. GOSS. Mr. Chairman, I thank the distinguished chairman of the subcommittee for yielding.

I wanted to take just a second to briefly thank publicly the chairman of the subcommittee and the ranking member, the vice chairman of the committee, for doing extraordinary work on behalf of our Nation on the subject of terrorism and homeland security.

This really was the first body in Congress that dealt with this subject after the tragedies of 9–11. They have done an amazing job of gathering material, having the right kind of hearings, talking to the right type of people.

We have a report that I guess is going through classification review or something at this point to make sure we can get as much as possible available to the public as we can do, but this has been hard work. It has been well managed, and it shows Congress doing something positive when there is a critical need for the people of the United States.

So I want to return very much the compliment of the distinguished gentleman from Georgia (Mr. CHAMBLISS), the gentlewoman from California (Ms. HARMAN), and thank them very much for the fine work. They do the Permanent Select Committee on Intelligence proud.

Mr. CHAMBLISS. Mr. Chairman, I thank the gentleman for his remarks.

Mr. Chairman, I reserve the balance of my time.

Mr. ROEMER. Mr. Chairman, I ask unanimous consent that the gentlewoman from California (Ms. HARMAN) be allowed to manage the time on this bill. She is one of the valuable members of the Permanent Select Committee on Intelligence and one of the key authors, along with the gentleman from Georgia (Mr. CHAMBLISS).

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Ms. HARMAN. Mr. Chairman, I yield myself such time as I may consume.

I thank the gentleman from Georgia (Mr. CHAMBLISS) with whom I have had a long and productive partnership on the House Permanent Select Committee on Intelligence. I would also like to thank the chairman of the full committee for the comments he just made. He is graceful, he is competent, he is bipartisan, and I think much of the progress we have been able to make on this problem and many others has to do with the kind of leadership he exhibits as the chairman of the full committee, and I really want to say to the gentleman from Florida (Mr. GOSS) that I am one of his biggest admirers.

For those wondering, Mr. Chairman, what Congress' response to the intractable problem of information sharing is, the answer starts with this vote. I am pleased to speak on behalf of H.R. 4598, the Homeland Security Information Sharing Act of 2002. I introduced this legislation with the gentleman from Georgia (Mr. CHAMBLISS), the chairman of the House Permanent Select Committee on Intelligence, Subcommittee on Terrorism and Homeland Security, some months ago. This bill, like our subcommittee, is a bipartisan effort, and I appreciate his cooperation and real leadership.

Our subcommittee held a hearing last October in New York City to learn the first lessons of the September 11 tragedies. Former Mayor Rudy Giuliani testified that our critical priority should be to get information on terrorist activities to mayors and local responders. In addition, the National League of Cities, several first responder associations and my governor, Gray Davis of California, agree and support this effort to get information into the hands of those who need it; and not only to get the information there but, hopefully, to give them information on what to do in the event of a terrorist threat or terrorist attack.

That is what our bill does. It directs the President to create new procedures to share information on terrorist threats across the Federal government and down to the local government and first responders. After these provisions are put in place, police, fire, public health, EMTs and other first responders will know when the FBI or the CIA has critical information on a threat to their communities.

Governor Tom Ridge, in talking about the new Department of Homeland Security, says all the time that homeland security begins with hometown security, and that is what we are talking about. This information will empower the local communities to protect themselves.

The information will supplement the administration's homeland security advisory system by giving responders actionable information. If, for example, the CIA uncovers a threat to California's suspension bridges, that threat information will be relayed to the governor, to mayors, to police, to Coast Guard and transportation officials in California. Local teams can then react in a systematic, intelligent way to prevent the threat and notify the public appropriately.

The Homeland Security Information Sharing Act recognizes two realities, that sharing of information is more effective when unclassified and that we do not need to reinvent the wheel.

Intelligence on terrorist threats collected by our intelligence community will be classified. The first responders, the feet on the ground, do not need to know how it was collected. They need to know what to do with it. That is why the bill relies on stripping the sensitive sources and methods and transmitting the information through unclassified means.

Not only does this get critical information out to our States and cities, it protects the dedicated workers of our intelligence community. It prevents leaks of classified information, and it saves every police and fire department

across the country from having to invest in security clearance investigations and special facilities for handling secret information.

In addition, Mr. Chairman, the United States already shares intelligence with our allies. The legislation directs use of existing technology used in sharing information with NATO allies and Interpol. These techniques will be borrowed and used after this legislation becomes law. The information can then be shared through existing information sharing networks, such as NLEST, the National Law Enforcement Telecommunications System or the Regional Information Sharing Systems. These systems already reach 18,000 law enforcement offices across the country.

Mr. Chairman, I urge our colleagues to support H.R. 4598. It is the right bill at the right time. We take the step towards solving the problems we faced on 9–11 today. It starts with this bill. It starts now. I thank the gentleman from Georgia (Mr. CHAMBLISS) for authoring the bill with me.

Mr. Chairman, I reserve the balance of my time.

Mr. CHAMBLISS. Mr. Chairman, I am pleased to yield 3 minutes to the gentleman from Michigan (Mr. ROGERS), a former FBI agent.

Mr. ROGERS of Michigan. Mr. Chairman, I would like to thank the gentleman from Georgia for yielding me the time, and I want to commend him on his work and his leadership on this issue, and I have to tell him, as an agent who worked in the field, next to the PATRIOT Act and I think at equal stature is this bill. I think the bill is that important to the future security of the United States of America. I want to again applaud him from every agent in the field who is struggling to make a difference today. This bill will make a difference for the safety and security of this Nation.

I want to tell this story. We often forget, and sometimes in this town we are so quick to find a villain we forget about finding the solution. Over time what we have done to the agents in the field was, and we would hear the arguments, well, they are not cooperating because one agency thinks they are better than the other. Simply not so.

When we were agents, there are barriers that were put in place that prohibited us from communicating information to local law enforcement officials. I had a case as a new agent where I was able to work a State police officer undercover into a group of self-proclaimed anarchists who were going to do some damage by building bombs and delivering these bombs to kill Federal judges in institutions owned and operated by the Central Intelligence Agency.

Here is the dichotomy we got into. Because of the information we were developing in this case, we were not allowed by law, by rule, to share some of the information that we were developing with the very agent who was risking his life from the State police to go undercover to help us solve it. We had meetings with general counsel and a room full of lawyers trying to figure out if this was the right thing and what information could we or should we, and we always erred on the side of caution, saying we better not share that information.

This bill helps eliminate those very ridiculous rules that for years put fear in the agents who are trying to do the right thing. That is why this bill is so important. It will empower agents there through their own good judgment and common sense to deliver the information that they need and they know they need to deliver to our local law enforcement, our local sheriff offices, our local State police institutions, other Federal agencies. This bill will make that difference and will take down the fear that these agents have of losing their jobs or worse, in some cases losing everything they have through civil liability.

This bill is that important, Mr. Chairman, and I, again, I cannot tell my colleague, from the agents that I have talked to, how important this bill is and what freeing ability this is going to have to them to in a responsible way communicate the kinds of information that is going to make it safer for firefighters and EMT folks out there, for emergency room workers who are going to deal with some of these tragedies, for every level of law enforcement in this country.

This is that last bastion, that last hurdle that is going to stop us from doing good things. Had this bill been in place, we could have shared a lot of information with the State police and maybe even broadened our net a little bit and protected him to a degree that we really were not allowed under the law to do when I was an FBI agent.

Again, I would hope that this body would have quick action on this bill and stand up and salute the work of all, from the minority to the majority party, who worked so hard on this bill to make a difference for this country and the agents that are doing the work.

□ 1115

Ms. HARMAN. Mr. Chairman, I yield 3 minutes to my colleague, the gentleman from Indiana (Mr. ROEMER), who is a member of our subcommittee and one of our hardest-working partners on issues like these.

(Mr. ROEMER asked and was given permission to revise and extend his remarks.)

Mr. ROEMER. Mr. Chairman, I want to first of all commend the gentleman from Georgia (Mr. CHAMBLISS) and the gentlewoman from California (Ms. HARMAN) for their hard work on this bipartisan legislation. The gentleman from Georgia has been a leader from his position on the subcommittee, and the gentlewoman from California has shown dogged determination and real intellectual insight in helping craft this legislation and putting it forward before this body, and I thank her for her hard work.

This is important for our rural and urban communities that want to partake in preventing terrorism in the future, and so I rise in strong support of this legislation and want to thank the chairman of the Committee on the Judiciary, the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentleman from Michigan (Mr. CONYERS), and particularly the gentleman from New York (Mr. WEINER), for their support in helping improve the legislation as well.

My reading of this legislation, Mr. Chairman, reveals that it is quite simple and quite productive in what it does. It says to the President of the United States that he must help us devise a system to share information from the Federal, national, level with our local communities.

We have seen some of the problems in communication between the FBI and the CIA, between national and local field offices, and this will help change the culture and deal with the hurdles and some of the barriers that have been put up in the past to make this system work better in the future.

We also see that the President has two steps that he can take in devising this system: one is to declassify information, to declassify this information and, therefore, make it more shareable, if that is a word, a better sharing system with the local community; secondly, is to provide clearances for the local community so that they can get this information, glean from it, get it out, and hopefully prevent the next terrorist act from happening.

I think this is very important, very intelligent; and I think the gentleman from Georgia (Mr. CHAMBLISS) and the gentlewoman from California (Ms. HARMAN) have really come up with a good system to provide a way to fill in some of the gaps and the seams and the holes that exist in the current system.

I do want to say that I think this legislation also answers two important questions for the future. One is we have a lot of information out there. How do we make this information knowledge? How do we provide this information so it is actionable for our local communities rather than simply a color code of red or yellow? How does this information get translated into actionable information that helps the local community move forward to prevent terrorist activity?

The second question is how do we devise this system for the homeland security department to actually implement this in the future? The more information we get out there on these merging questions, the integration questions, the intelligence and analytical questions for the homeland security department, the more we have to move intelligently and wisely to get it right, rather than simply moving to get it done by September 11.

This is a very, very big question for us in the future, and I hope that this

legislation will help us move forward to get the homeland department right in the future; and so again I congratulate the gentlewoman from California and the gentleman from Georgia.

Mr. SENSENBRENNER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this country is at war against a craven enemy: terrorists. Their main purpose is to kill Americans, whether they are babies or the elderly. We know that this enemy is living here in the United States as well as abroad.

As a result, this country is at war with no borders or fronts. Thus, it will often be the first responders, local police, firefighters, emergency responders, that will confront this enemy when we are threatened or attacked at home.

First responders, however, cannot adequately prepare and respond to such threats without receiving appropriate threat information, nor will the Federal Government be able to respond appropriately without receiving information from State and local officials. We must have a comprehensive information-sharing system that involves all levels of government.

In order to better be able to prevent, disrupt, and respond to a terrorist attack, the Federal Government must improve, first, information sharing; second, analysis of the information; and, third, coordination. All three are interdependent and vital for a strong homeland security system.

Congress recognized the information-sharing problems immediately after 9–11 and passed the U.S.A. PATRIOT Act that provided for enhanced investigative tools and improved information sharing for the Federal law enforcement and intelligence communities. The enhanced law enforcement tools and information-sharing provisions have assisted in the prevention of terrorist activities and crimes which further such activities.

To protect privacy, the PATRIOT Act, first, limited disclosure to foreign intelligence and counterintelligence information, as defined by statute; second, restricted disclosure to only those officials with the need to know the information in the performance of their duties; and, third, maintained the limits on public or other unauthorized disclosure.

What the PATRIOT Act did not do was address the need to share homeland security information with State and local officials. The process by which Federal agencies share information with State and local officials is complicated due to the classified and sensitive nature of much of the information and the need to provide the States and localities with this information in an expedient manner.

This bill helps to address this perplexing issue. This important legislation was reported out of the Committee on the Judiciary on June 13, 2002, after an extensive markup. It requires the President to establish procedures for Federal agencies to determine the extent to which classified and unclassified, but sensitive, information may be shared with State and local officials on a need-to-know basis.

To share this information with State and local officials, Federal agencies must use information-sharing systems that are capable of transmitting both unclassified and classified information in a restricted manner to specified subgroups and be accessible to the appropriate State and local personnel and Federal agencies.

During consideration of H.R. 4598, the Committee on the Judiciary adopted an amendment to ensure that the new procedures contained adequate privacy protections. The bill directs the President to include conditions in the procedures that, first, limit the redissemination of such information to ensure that the information is not used for an unauthorized purpose; second, ensure the security and confidentiality of such information; third, protect the constitutional and statutory rights of any individuals who are subject to such information; and, fourth, provide data integrity through the timely removal and destruction of obsolete or erroneous names and information.

Additionally, the committee adopted an amendment which was a modified version of H.R. 3285, the Federal Local Information Sharing Partnership Act of 2001, a bill introduced by the New York delegation. This amendment extends the information-sharing provisions in the PATRIOT Act to State and local officials. Currently, Federal officials cannot share surveillance and intelligence information with State and local officials. This amendment allows for such sharing.

Current law does allow a Federal Government attorney to disclose, with a court order, grand jury information to State and local officials related to Federal criminal law matters. The amendment expands the type of grand jury information available for sharing to include information pertaining to foreign intelligence, foreign counterintelligence, foreign intelligence information, and domestic threat information. Domestic threat information is not covered in the U.S.A. PATRIOT Act. This information needs to be covered, but often it is not clear as to whether threats result from international or domestic terrorism. The amendment also authorized Federal criminal law information to be shared with foreign officials with court approval.

The amendment contains safeguards against the misuse of grand jury information. The information may only be disclosed for the specified purpose of preventing and responding to a threat. Additionally, recipients may only use the disclosed information in the conduct of their official duties as is necessary, and they are subject to the restrictions for unauthorized disclosures, including contempt of court.

State and local officials will be the first to respond to a terrorist attack. It goes without saying that the Federal Government must be able to provide homeland security information to those officials. H.R. 4598, as amended, will help to disseminate homeland security information quickly and efficiently while protecting classified sources and methods information.

This legislation is vital to improving homeland security, and I urge my colleagues to support it.

Mr. Chairman, I reserve the balance of my time.

Mr. CHAMBLISS. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Florida (Mr. FOLEY).

Mr. FOLEY. Mr. Chairman, let me first thank the chairman of the Committee on the Judiciary for that outstanding explanation of the bill, and I thank my colleagues, the gentleman from Georgia (Mr. CHAMBLISS) for his expert opinion on this issue and his hard work and dedication, and I want to take a moment to single out two Floridians.

There has been a lot of concern about terrorist activities in our country, and some people have been second-guessing some of our great agencies. There have been two notable Floridians, Senator BOB GRAHAM and the gentleman from Florida (Mr. GOSS), who are Chairs of the Permanent Select Committee on Intelligence on the House side and the Senate Select Committee on Intelligence on the Senate side, and I have to praise them for their handling of this information and the way they have been able to work together as colleagues across the aisle and across the Chambers in trying to develop a comprehensive terrorism strategy and a homeland security strategy.

I also want to applaud the agencies themselves. It is time that America lifts up its heart and wishes the best for every agency and every American, rather than the cynical second-guessing of people and the Monday morning quarterbacking and the reflections in the rear-view mirror. Let us look forward as a Nation to provide for the common defense, to protect our communities, to salute the fine men and women who make up these agencies. Let us not sit here and have a pity party. Let us work together.

I also want to commend the gentlewoman from California (Ms. HARMAN), who has done a tremendous job explaining on national network some of the intricacies of what we are dealing with. I know my constituents are very, very pleased and proud when they see Democrats and Republicans explaining to the American public what we are doing relative to homeland security, to give us security, to make us feel better, and to also let us know we are fighting terrorism.

Ms. HARMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia (Mr. BISHOP), another member of our committee and I will also thank him for his leadership, and, at the same time, thank my colleague from Florida for his kind comments.

Mr. BISHOP. Mr. Chairman, I rise in strong support of this bill, H.R. 4598.

Mr. Chairman, the great failure of September 11 was our failure to methodically analyze and share among our Federal and local authorities critical intelligence information. The task before Congress today is to provide greater transparency in the information-sharing process so that police officers, sheriffs, elected officials and other emergency responders can exchange vital information while also protecting the critical sources and methods that are used in gathering such information.

The bill before us today, the Homeland Security Information Sharing Act, answers this calling. Specifically, it directs the President to develop procedures by which Federal and local agencies and personnel share security information. It ensures adequate security in the dissemination and transmission of classified or unclassified information based on a recipient's need to know. It protects the legal and constitutional rights of individuals by requiring that shared information is current, factually accurate, and used only for the authorized purpose for which it was obtained or disseminated.

Finally, it safely and responsibly provides authorized State and local officials access to certain types of sensitive information, including foreign intelligence and grand jury information, consistent with the Justice Department and CIA agency guidelines.

Mr. Chairman, transparency must be the goal of any homeland security proposal. This legislation fulfills our responsibility to the American people by providing authorized professionals with the best, safest, and most accurate information available in the most efficient manner possible.

Mr. SENSENBRENNER. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. SMITH), the chairman of the Subcommittee on Crime, Terrorism and Homeland Security of the Committee on the Judiciary.

Mr. SMITH of Texas. Mr. Chairman, I thank the chairman of the Committee on the Judiciary, the gentleman from Wisconsin (Mr. SENSENBRENNER), for yielding me this time.

Mr. Chairman, H.R. 4598, the Homeland Security Information Sharing Act, was approved by the Subcommittee on Crime, Terrorism and Homeland Security on June 4 and by the full Committee on the Judiciary on June 13.

This bipartisan bill was introduced by the gentleman from Georgia (Mr. CHAMBLISS), the chairman of the Subcommittee on Terrorism and Homeland Security of the House Permanent Select Committee on Intelligence, and the gentlewoman from California (Ms. HARMAN), the ranking member of that subcommittee.

□ 1130

This bill does not mandate the sharing of information but rather removes the barriers for doing so. The discretion will still remain with the Federal entity that possesses the information. This bill as amended and reported out of the Committee on the Judiciary focuses on procedures to strip out classified information so that State and local officials may receive the information without clearances.

The bill also removes the barriers for State and local officials that prevent them from sharing intelligence information with Federal officials.

The September 11 terrorist attacks made it clear that the Federal Government must improve its ability to collect, share and analyze information. The USA PATRIOT Act and this bill address that pressing need.

Mr. Chairman, America must have a comprehensive information exchange system that will allow those on the front line, our State and local officials, to detect and prevent a terrorist attack. H.R. 4598 helps to create just that system.

Mr. CHAMBLISS. Mr. Chairman, I yield 2 minutes to the gentleman from Nevada (Mr. GIBBONS), a cosponsor of this legislation.

Mr. GIBBONS. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise not only as a cosponsor of this bill and also supporter of the bill but also to urge my colleagues to support this vital legislation as we vote on it today in this body. There has been a growing theme, Mr. Chairman, that Congress must take this opportunity to address the lack of information sharing among some of our Federal agencies.

As a member of the Permanent Select Committee on Intelligence, I have heard testimony about how some of these agencies do not share information in a way that best protects our homeland. To put it another way, not all of the dots are being connected. Internally, some agencies, like the FBI, may connect some of the dots, the CIA may connect some of the dots, and the Border Patrol and Customs may connect some of the dots. But if all of our efforts fail to present a complete picture, we are likely to face a tragedy perhaps worse than those we faced on September 11.

The current stovepipe barriers that prevent timely information sharing must stop. Never before in our Nation's history has communication sharing among our national security agencies been as imperative nor as important as it is today.

While information sharing horizontally must improve, our local law enforcement and first responders demand that we achieve vertical integration in information sharing as well.

As we have all heard from our constituents back home, the first responders are the people who play key rolls in protecting the communities in which they serve. Our police, firefighters, medical personnel must be informed of the threats that exist within their communities so they are able to prepare and protect those in their communities.

H.R. 4598 ensures that information sharing, both horizontally and vertically, exists by directing the President to develop procedures by which Federal agencies will share security information with State and local personnel. Further, it ensures that information-sharing systems have the capability to transmit classified and unclassified information.

Mr. Chairman, I thank the gentleman from Georgia (Mr. CHAMBLISS) and the gentlewoman from California (Ms. HARMAN) for their hard work on this legislation.

Ms. HARMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Maine (Mr. BALDACCI).

Mr. BALDACCI. Mr. Chairman, I thank the gentlewoman for yielding me this time and also her leadership and the leadership that the caucus has brought to this important issue.

I believe this is one of the singular, most important issues next to the development of the homeland department, is to make sure that this coordination of information happens.

We know first hand in Portland, Maine, where a couple of the terrorists had boarded the plane, to have gone through the security screening and not to have that information disseminated to the local law enforcement that was available at the Federal level with Federal law enforcement is just completely unacceptable.

I think this legislation which I am cosponsoring directing the administration to develop procedures for Federal agencies to share this information, both declassified and classified, is appropriate with State and local authorities. This bill requires the CIA and the Department of Justice to prescribe procedures in accordance with Presidential directives with Federal agencies to share homeland security information with State and local authorities. These Federal agencies would also be required to provide to State and local authorities an assessment of the credibility of such information.

This legislation is going to go a long way to further enhancing the relationship between the Federal, State and local governments so we can together protect Maine and the Nation's homeland security.

Mr. SENSENBRENNER. Mr. Chairman, I yield 2½ minutes to the gentleman from Pennsylvania (Mr. GEKAS).

Mr. CHAMBLISS. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania (Mr. GEKAS).

Mr. GEKAS. Mr. Chairman, I thank the gentlemen for yielding me this time.

Mr. Chairman, we were very much impressed by the remarks given by our colleague from Michigan, the former FBI agent, about the personal experience he had with the vacuum that was left when information did not percolate

very quickly and was not shared immediately, to the detriment of an investigation to which he was a part.

Every Member in Congress has some kind of situation which he can relate in which sharing of information was not what it should have been. I myself a few months ago was part of a scenario in which the Nuclear Regulatory Commission issued what it felt was a credible threat to Three Mile Island and reported the essence of that credible threat to the operators of Three Mile Island. This was 6 or 6:30 p.m. At 1 a.m., when an all-clear was sent forth, we learned for the first time that the first responders, the township officials, the State officials, the county officials who were responsible in and around Three Mile Island, some of them did not hear about this credible threat for several hours following the institution of it by the Nuclear Regulatory Commission, and some never heard a thing about it.

Happily nothing happened, and it turned out not to be a credible threat, but we were alarmed. So we convened a meeting of all of the people who should have been involved in the sharing of information, from the initial first responders in and around Three Mile Island straight up to the State agency, and thus we now have in place a set of positions that will more easily undertake the sharing of information and deal with any kind of threat.

Just yesterday, I and several other Members participated in a war game at Fort McNair sponsored by Secretary of Defense Rumsfeld and Secretary of Agriculture Veneman which portrayed a scenario to determine whether Members of Congress can come up with recommendations to the President if such a thing would really happen; and 80 percent of it, I must relate to the Members, had to do with sharing of information and communication of information on the spot as the threat was developing under the war game.

We learned in this war game that the essence of any kind of preparation for our society, our neighbors, our families, our municipalities, is the instant communication among them of what is happening and the sharing of information across the board for the preparation to meet a threat in the best possible way.

So we all are in a position now to support this piece of legislation which will aid all of us in the completion of a cycle in which sharing of information will be more vital than ever.

Ms. HARMAN. Mr. Chairman, I yield 30 seconds to myself.

Mr. Chairman, the perspective just offered is very helpful to us as we consider this legislation. This is an effort to empower local officials on whose real estate future terrorist acts will occur. Without useful information, they and the citizens who live in those places will not know what to do, and if they do not know what to do, they will panic. That is exactly what the terrorists want, and I appreciate the gentleman's comments.

Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts (Mr. TIERNEY).

Mr. TIERNEY. Mr. Chairman, I rise to support a bill to help local officials and our emergency responders better protect our communities. I am a proud cosponsor of H.R. 4598, the Homeland Security Information Sharing Act.

We need this bill so we can promote the sharing of critical homeland security threat information between Federal law enforcement and intelligence agencies and State and local officials, including our first responders. We need to do this for the families who lost loved ones on September 11 and in the October anthrax attacks, for the American people who expect us to protect them, and for our children so that future generations can grow up in a free and open society.

We can and must do so while protecting people's constitutional rights and civil liberties by requiring that any information that is shared must not be used for any unauthorized purpose, and that the procedures must ensure the security and confidentiality of the information, as well as remove or delete obsolete or erroneous information.

I cosponsored this bill because first responders from across my district have contacted my office asking for the means to receive credible and specific threat information in order to prevent or respond to terrorist attacks. The fact is, our local first responders face real threats. They need real information and real resources to protect our communities.

This bill is an important first step. It says we will be full partners in this action against terrorism. The partnership is critical in protecting communities and saving lives.

We all agree that, since September 11, America's heroic first responders have risen to the occasion, protecting communities as the first line of defense against terrorism. In my district, as across America, they have marshaled the resources to track down leads on potential terrorist threats, to buy more equipment, from upgraded weapons to technology to biohazard suits and masks. They have increased hazmat training for handling suspicious packages and stepped up patrols around potential targets like water and gas supplies, power plants, harbors and airports.

Now it is time for us to step up and help them. While our first responders appreciated our praise, they do not need our rhetoric. They need our information, and they need resources. This bill is the first step to allow that to happen. We need to press the administration to release direct funding to local first responders and to give them credit for $1.5 billion already spent in this effort.

Mr. CONYERS. Mr. Chairman, I rise on behalf of the Committee on the Judiciary to claim the time for the minority.

The CHAIRMAN pro tempore (Mr. SIMPSON). Without objection, the gentleman from Michigan (Mr. CONYERS) is recognized for 10 minutes.

There was no objection.

Mr. CONYERS. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. WEINER).

Mr. WEINER. Mr. Chairman, I thank the gentleman from Michigan (Mr. CONYERS), the gentleman from Virginia (Mr. SCOTT), the gentlewoman from California (Ms. HARMAN), and the gentleman from Georgia (Mr. CHAMBLISS) for helping bring this bill to the floor.

We do not have to look far into the realm of the hypothetical to see why this bill was necessary. When anthrax was found at the NBC building at New York City several months ago, the Department of Health was not notified. The New York City Police Department was not notified. In fact, the Police Commissioner and the Mayor found out by watching television news.

We do not know to this day why local authorities were not notified, but we can figure it out by reading the current law of the land. We can figure out it was probably a Federal agency, probably the FBI that was notified, and since they might have found out about this information via a wiretap or grand jury testimony, they were prohibited by the law of the land from even letting New York City know.

□ 1145

Imagine if it were even worse than that anthrax attack. Imagine if in the course of a wiretap about some other related case, someone says, ''This deal is going to go down tomorrow in the New York City subway system. We are going to release sarin gas,'' or ''We are going to try to derail a train.'' Can you imagine if it were the FBI alone, since they gathered the information and were prohibited by law in the way they gathered it, going into every subway station and trying to figure out where they should be to try to stop this?

They could not call the New York City mass transit authority, they could not call the transit authority police that have been responsible for driving crime down in the City of New York subways. They would have had to go down and try to figure out a way to navigate that threat on their own.

There is a reason, perhaps, that these prohibitions were in place. Maybe there is a concern, and it is a legitimate one, about having information that comes as very sensitive falling into the wrong hands. That is why the bill that the gentleman from Georgia (Mr. CHAMBLISS) and the gentlewoman from California (Ms. HARMAN) have drafted is smart by saying that the Attorney General does not have to turn over every piece of information, does not have to say, ''Well, we have a box of grand jury information. Let's give it to every sheriff's department that might be so implicated,'' but it does at least allow them to do it if need be.

Mayor Giuliani before he left office approached this Congress and spoke

publicly about the need to have this information in certain circumstances. He said, ''We need the information, and we need it right away. Otherwise, we are going to make a terrible, critical mistake.'' What Mr. Giuliani was talking about is a mistake of omission, excluding from the chain of information people who needed the information.

I share the concerns that some raised in committee that we do not want this information to chip away at the confidentiality of the grand jury. We do not want wiretap information falling into the wrong hands. But at the very least, if someone runs into the Attorney General's office with a hot piece of information of an impending threat, I would hate to have the Attorney General's counsel say, ''Boss, you can't let the City of New York know about this. You can't let the City of Detroit know about this. You can't let a locality that might need to know about this know about it.''

This is what this seeks to address. There has been a great deal of talk about the way we need to get different levels of government connecting the various dots. This piece of legislation does it better than anything we have done yet to date.

Mr. CHAMBLISS. Mr. Chairman, I yield myself such time as I may consume just to commend the gentleman from New York for his real insight into the practicalities of this issue. His amendment which was filed in the Committee on the Judiciary was readily accepted by the gentlewoman from California (Ms. HARMAN) and myself because it gets right to the core of the practical problem out there and also allows for additional information to be redacted, declassified and get in the hands of the right people at the right time and within real time. I commend the gentleman for his insight and for his thoughtfulness on this issue. His particular amendment will go a long way toward saving additional lives of Americans.

Mr. Chairman, I reserve the balance of my time.

Mr. CONYERS. Mr. Speaker, I am delighted to yield 2 minutes to the gentleman from Virginia (Mr. SCOTT), a valued member of the Committee on the Judiciary.

Mr. SCOTT. Mr. Chairman, I thank the gentleman for yielding me this time. I particularly want to thank the gentleman from Georgia, the gentlewoman from California and the gentleman from New York for their hard work on this bill.

It is absolutely necessary, Mr. Chairman, to provide a mechanism for meaningful communication of sensitive information to local and State officials so they can take appropriate action to protect citizens from terrorist attacks. Much of this information will, by necessity, be sensitive, often derogatory information which will be circulated without the target of the information ever being able to respond. For public safety reasons, we have to be able to communicate what is known, but we need to make every effort to ensure that this information is circulated just to those who actually need it and not spread all over town so that the chances are increased that someone's neighbors or friends who happen to work for the government agencies might see it unnecessarily.

This bill, because of the hard work of those involved, strikes that appropriate balance. It is slightly different from the Senate version of the bill which tightens the language in regards to privacy and limitations on the kinds of information which will be subject to the provisions of the bill. I would hope that the conferees will adopt the Senate language. It is not inconsistent with the goals of the bill.

But I must also add that the bill establishes just a framework for regulations to be developed. It is therefore important that those who develop the regulations and those who implement the regulations follow not only the letter of the law but also reflect the bipartisan spirit by which this bill was developed.

Again, I want to thank the gentlewoman from California, the gentleman from Georgia and the gentleman from New York for their hard work on this legislation.

Mr. CONYERS. Mr. Chairman, I yield 3 minutes to the eloquent gentleman from North Carolina (Mr. WATT).

Mr. WATT of North Carolina. Mr. Chairman, I thank the gentleman for yielding me this time. I rise in support of this legislation.

In the days following September 11, Congress acted very quickly to pass the PATRIOT bill. Some of us thought that some of the provisions in that bill perhaps overstepped the bounds, and some of us voted against it because we were concerned about its implications for individual liberties. In the days since, what has become very, very apparent is that it does not do any good for the CIA and the FBI and Federal law enforcement agencies to have information that would help us combat terrorism and respond to it without bringing local law enforcement and agencies into the equation and sharing that information with them, not necessarily the full ambit of the information that we have but, subject to certain guidelines, sharing that information with them.

When this bill came before the Committee on the Judiciary, some of us expressed concerns and offered an amendment that would put some parameters around this second-stage process of sharing information with local authorities. The Committee on the Judiciary added language which I think is absolutely critical to this bill which would make sure that the information limits the redissemination of such information to ensure that such information is not used for an unauthorized purpose, to ensure the security and confidentiality of such information, to protect the constitutional and statutory rights of any individuals who are subjects of such information, and to provide data integrity through the timely removal and destruction of obsolete and erroneous names and information so that people who are just kind of generally suspicious would not have their whole lives and reputations ruined as a result of information that was shared with local authorities even though they might not be guilty of anything or even involved in anything either directly or indirectly.

We have done a great service to add this language in the Committee on the Judiciary. There are still some concerns, perhaps, about the use of grand jury information and other aspects of this. I think the Senate is addressing some of those concerns on the Senate side, but we clearly need to move this bill forward, get it into conference and work out some of these other details, because local authorities really need to be in the loop when it comes to protecting us from terrorism. This bill would certainly allow that to happen.

Mr. CONYERS. Mr. Chairman, I yield the balance of my time to the distinguished gentlewoman from Texas (Ms. JACKSON-LEE).

The CHAIRMAN pro tempore (Mr. SIMPSON). The gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 2 minutes.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the distinguished gentleman for yielding me this time.

Let me offer my applause to the proponents of this legislation, the gentleman from Georgia (Mr. CHAMBLISS) and the gentlewoman from California (Ms. HARMAN) from the Permanent Select Committee on Intelligence.

I rise to support this legislation and to point out one or two matters that I think are very important. That is, as a member of the Committee on the Judiciary, the concern, as my colleagues have already mentioned, with the preservation of the sanctity of the grand jury testimony or of grand jury testimony, recognizing the importance now even more past September 11. The horrific acts of September 11 certainly, as I have said often, turned the page as to how we do business in America, but certainly now even more after that time frame, after the attack, if you will, of anthrax, we have come to understand the viability and the importance of first responders and the local communities.

This legislation confirms for us that there must be exchange, there must be dialogue on the issues of homeland security, on the issues of information, but we must be reminded that, as we go forward, it is important for the President, the administration, the executive branch, to define and determine how that information on the Federal level is discerned and interpreted and transmitted.

I offered amendments in the larger body that I believe help to enhance this legislation. I look forward to offering a prospective amendment as well that

was proposed but not offered. When I say proposed, there was an interest in but it was not put forward at the committees. But I will say that the language that adds public health security in the bill is important, that it ensures that those who are involved in public health security as well will receive information and as well the emphasis or the adding that rural and urban communities, those first responders there, will be particularly not highlighted but noted that those areas have to have an opportunity to receive information in a balanced way throughout the Nation.

I would offer to support this legislation with the constraints that it has and applaud the proponents of this legislation as well as the distinguished chairman and ranking member of the Committee on the Judiciary.

Ms. HARMAN. Mr. Chairman, I yield myself such time as I may consume.

I think this has been a very useful debate and would just like to underscore several points.

First of all, as my coauthor, the gentleman from Georgia (Mr. CHAMBLISS), has said, the House Committee on the Judiciary has made a substantial contribution to this bill. We have heard from the gentleman from New York (Mr. WEINER), the gentleman from North Carolina (Mr. WATT), the gentleman from Virginia (Mr. SCOTT), the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentleman from Texas (Mr. SMITH) about a number of issues that they have had concerns about, and a number of changes they have made to this legislation when it went through their committee. I just want to salute them for a very constructive contribution to making this legislation better.

Second, I would like to underscore the importance of bipartisanship. This is a constant refrain of mine. I represent a very bipartisan district. I have often pointed out that I do not believe the terrorists will check our party registration before they try to blow us up. Therefore, it is absolutely critical that we face the problems of homeland security as American problems, not as partisan problems. This legislation certainly does this. It was introduced virtually unanimously by the House Permanent Select Committee on Intelligence, and that was a very good beginning. I believe that the best legislation we produce here is bipartisan, and this is an example of it.

I also want to salute again the really very special leadership of the chairman of the House Permanent Select Committee on Intelligence, the gentleman from Florida (Mr. GOSS). His style is enormously productive on that committee, and I think his experience is enormously helpful to us as well. He sets an environment in which people like the gentleman from Georgia and I can be our most productive in this Congress.

The third point is that homeland security is a bottom-up problem, not a top-down problem. As we continue to consider the department of homeland security concept, which I support as an original cosponsor of the bill introduced by the gentleman from Texas (Mr. ARMEY), we need to remember that the point is not the best arrangement of the deck chairs, the point is how to empower our first responders and all Americans to have the critical information they need to know what to do.

This bill is all about that. It is about making sure that the beginning of the process is empowered. I think it is one of the most important contributions we can make and very consistent with what our subcommittee heard at the first hearing after 9–11 in New York City.

Many are saying that we do not really need a department of homeland security because it does not fix the real problem, which is the lack of collaboration between the CIA and the FBI, which are not formally moved over to that new department. I do not think they should be moved, but I do agree there is a real problem and that problem is about information sharing. This bill addresses that problem.

□ 1200

Finally, let me say that if we think about what the major problems are in our effort to develop an effective strategy for homeland security, information sharing is certainly one. The other big one we do not address here, but it is a big one that we will address I hope shortly, is interoperability. Our first responders need information, but then they need to be able to talk to each other, to communicate in real-time with all of those who are with them trying to deal with whatever the threat is, hopefully to prevent it or disrupt it, but if not, to respond to it. So I hope that soon we will also take up that important issue.

On that point, Mr. Chairman, I would mention to our colleagues that Governor Ridge was here yesterday testifying before the House Committee on Energy and Commerce on which I serve. We talked about that issue. He does support the notion of bridging technologies, and there are existing technologies to deal with that point.

So for all of these reasons, Mr. Chairman, I think we have good legislation here. It was made better by the Committee on the Judiciary; it was made better by bipartisanship. It really emphasizes a bottom-up process. It helps deal with the problems between the FBI and the CIA, and it is one of the major problems that we have to address. I would like to salute my colleague and partner, the gentleman from Georgia (Mr. CHAMBLISS), and thank him for his efforts on this bill. I urge the strong and, I hope, unanimous support of this body for this legislation.

Mr. Chairman, I yield back the balance of my time.

Mr. CHAMBLISS. Mr. Chairman, I yield myself such time as I may consume.

As we conclude our general debate on this bill, I too would like to, first of all, recognize and thank the great leadership that we have had from the Committee on the Judiciary, from the gentleman from Wisconsin (Mr. SENSENBRENNER), the chairman of the committee, to the gentleman from Michigan (Mr. CONYERS), the ranking member, to the gentleman from Texas (Mr. SMITH), the chairman of the subcommittee, and the gentleman from Virginia (Mr. SCOTT), the ranking member of that subcommittee.

We have had an open dialogue on this issue, an issue that all of us, irrespective of what party or what side of that party one comes from, recognize that this is a bill about what it takes to make America safer and what it takes to assist our law enforcement officials and ensuring that we do, as the President says, eradicate this war on terrorism.

I also want to thank again the gentleman from Florida (Mr. GOSS), our chairman of the Permanent Select Committee on Intelligence, and the gentlewoman from California (Ms. PELOSI), our ranking member, for their strong leadership. Their cooperation helped us move this forward. I particularly want to say thanks to my ranking member, the gentlewoman from California (Ms. HARMAN). She has already stated a number of times in what a bipartisan way we have worked, and we truly have. She provides good, strong leadership, advice and council; and she has been a great asset to the committee, and she has been an even greater asset to the subcommittee. It is unfortunate that the bipartisan attitude that we have on our subcommittee does not translate over to all of the work that we do in this committee; we would probably get a lot more done. But I do thank her for the great work she has done and the great cooperation she has given us here.

Mr. Chairman, this is a major piece of legislation. I do not think we can say that enough. As the gentleman from Michigan (Mr. ROGERS) mentioned a little bit earlier, if he had had this piece of legislation in place 8 years ago, it would have gone a long ways toward helping him solve a particular crime against the United States of America when he, as a special agent of the FBI, was handicapped. The laws are in place today regarding the ability to share information with our State and local officials.

This is the first step in moving to establish and restructure the Government of the United States and to create the Department of Homeland Security. We cannot guarantee the prevention of another attack of terrorism, domestically or abroad, whether it is against assets or against people of the United States; but without legislation such as the Homeland Security Information Sharing Act, we certainly raise the chances of the possibility of another act of terrorism occurring.

Again, I applaud the great support from a bipartisan standpoint that we

have had as this bill has moved through the process. I urge all of my colleagues to support this measure.

Ms. PELOSI. Mr. Chairman, I am pleased that the Homeland Security Information Sharing Act of 2002 is before the House.

Let me begin by complimenting the chairman and ranking Democrat of the Subcommittee on Terrorism and Homeland Security, Mr. CHAMBLISS and Ms. HARMAN, for the work they have done on this legislation. In the weeks and months after September 11, they have been tireless advocates for ensuring that barriers to information sharing between federal, state, and local officials be eliminated. This legislation is an important result of their leadership. It also has benefitted greatly from the work done on it in the Judiciary Committee through the guidance of Chairman SENSENBRENNER, Ranking Democrat CONYERS, and the efforts of Mr. WEINER.

The bill directs the President to develop procedures for federal agencies to share information with state and local personnel, ensuring that any systems set in place have the capability to transmit classified and unclassified information as needed to respond locally to any terrorist threats that may arise. It is important to note, too, that the legislation is flexible, providing the President broad guidelines within which to design information sharing mechanisms, but leaving to him many of the mechanics of how best to do so. It also requires the President to report back to Congress in 1 year on whether additional changes are necessary. Thus, this bill sets up a framework that is workable within any homeland security architecture that may be established this year.

This important measure will strengthen the Nation's ability to prevent future terrorist attacks. I urge its adoption by the House.

Mr. CASTLE. Mr. Chairman, I want to thank the leadership for bringing up legislation to address the need for sharing of critical homeland security information among federal intelligence agencies, state and local governments, and first responders. Through my work on the Intelligence Committee, I have collaborated with Representative CHAMBLISS and Representative HARMAN to make sure that all levels of government receive the same homeland security information so our local law enforcement agencies and first responders have the proper information to protect us.

The attacks of September 11 obviously exposed some communication weaknesses among our intelligence and law enforcement agencies and now is the time to forward and analyze what went wrong, and more importantly how we can make changes to protect our country from future terrorist attacks. As a member of the Joint Senate-House Intelligence Committee reviewing September 11, I am learning more about our overall intelligence apparatus in context of the September 11 attack and how we can improve the system. The most important goal is to find the best intelligence solutions to ensure our homeland is secure and all domestic agencies are coordinating, communicating, and cooperating with each other.

H.R. 4598 directs that critical threat information be shared between federal law enforcement and intelligence agencies with state and local personnel, including granting security clearances to appropriate state and local personnel.

I strongly support the President's proposal to reorganize our homeland security agencies and enhance information sharing. H.R. 4598 will immediately strengthen our homeland security apparatus while the new Department is being implemented by directing the President to develop procedures by which the federal agencies will share homeland security information with state and local personnel and ensures that information sharing systems have the capability to transmit classified or unclassified information.

I urge quick passage of this important legislation. Let's provide all of our federal, state and local officials timely homeland security information that can be used to better protect all Americans.

Mr. PASCRELL. Mr. Chairman, Coordination and information sharing among federal, state and local authorities may be the single most important thing we can do to enhance our ability to respond to a terrorist threat. This point is reiterated to me in every meeting I have had with law enforcement personnel, firefighters, public health officials and state and municipal leaders in my district since September 11. We need communication. We need cooperation. We need coordination—not only among federal agencies, but also with our people in the field.

In my role on the Democratic Homeland Security Task Force, I have spoken with many first responders about their concerns. They say the same thing. The Federal Government simply does not pass information down the chain to the local level to the extent that is so necessary. And this fact can continue no longer. The Federal Government relies on state and local personnel to protect our Nation against a terrorist attack. We rely on them. It would be unconscionable if we didn't help them to do their job to the best of their ability. And the ability to do their job effectively relies on the information they receive.

I think H.R. 4598, the Homeland Security Information Sharing Act, is an important step toward developing and ensuring an effective strategy for truly protecting the United States. We simply need to get information into the hands of those who need it, and this bill does that. We've heard from many that ''Hometown security equals homeland security.'' This legislation gets past the catchphrases and jingles, and actually does something. This will empower our states and local communities to protect themselves, and in turn protect our Nation.

I urge my colleagues to support this important piece of legislation.

Mr. CONYERS. Mr. Chairman, I am happy to speak in support of this legislation which would provide for information sharing between federal and state and local authorities.

I believe that providing state and local officials with this type of information ultimately will help them detect and prevent future acts of terrorism. State and local personnel are the most likely individuals to interdict terrorists—as demonstrated by the detainment of Ahmed Ressam on the Canadian border and the routine traffic stopping of one of the 9/11 terrorists by a Maryland state trooper. As we have learned in the last several weeks, if we had shared more information before the attacks, we may have been able to more aggressively intervene against the terrorist plot.

The legislation will also help state and local officials prepare an appropriate response to future attacks. Every act of terrorism is local—occurring in a neighborhood, city or state near you or someone you know. Often times, officials at the state and local level are first-line responders to these attacks.

The bill is not perfect. The more broadly information is shared, the greater the danger it will be improperly disclosed. I think we all agree that the last thing we would want is for the newly shared information to be used to harm an innocent person's reputation. As we move forward, we should take a close look at whether sufficient safeguards are in place that will prevent improper disclosure from happening.

The bill, in its current form, offers us a good starting point to improve our nation's defenses against terrorism. It is critical that our law enforcement agencies talk with one another so that the right hand knows what the left hand is doing. I strongly urge its prompt passage.

Mr. UNDERWOOD. Mr. Chairman, I am pleased this bill takes important steps to strengthen homeland security by ensuring workable procedures and systems are designed within the federal government to facilitate the sharing of homeland security information among federal, state, territorial and local officials. Further, I am especially pleased that the bill ensures that the territories are included. We must ensure that information critical to homeland security is shared between important federal agencies and the territorial and local governments of Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands. Homeland security concerns apply for all Americans, irrespective of whether they reside in the 50 states or U.S. territories. Towards this end I am pleased to support H.R. 4598, and I look forward to receiving the President's report required by this legislation to help determine what additional measures are needed to increase the effectiveness of sharing information among all levels of government. I hope this report will assess the needs of the territories and not just the 50 states.

Mr. CHAMBLISS. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. SIMPSON). All time for general debate has expired.

Pursuant to the rule, the committee amendment in the nature of a substitute printed in the bill shall be considered by sections as an original bill for the purpose of amendment, and each section is considered read.

During consideration of the bill for amendment, the Chair may accord priority in recognition to a Member offering an amendment that he has printed in the designated place in the CONGRESSIONAL RECORD. Those amendments will be considered read.

The Clerk will designate section 1.

The text of section 1 is as follows:

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 ''Homeland Security Information Sharing Act''.

The CHAIRMAN pro tempore. Are there amendments to section 1?

The Clerk will designate section 2.

The text of section 2 is as follows:

SEC. 2. FINDINGS AND SENSE OF CONGRESS.

(a) FINDINGS.—The Congress finds the following:

(1) The Federal Government is required by the Constitution to provide for the common defense, which includes terrorist attack.

(2) The Federal Government relies on State and local personnel to protect against terrorist attack.

(3) The Federal Government collects, creates, manages, and protects classified and sensitive but unclassified information to enhance homeland security.

(4) Some homeland security information is needed by the State and local personnel to prevent and prepare for terrorist attack.

(5) The needs of State and local personnel to have access to relevant homeland security information to combat terrorism must be reconciled with the need to preserve the protected status of such information and to protect the sources and methods used to acquire such information.

(6) Granting security clearances to certain State and local personnel is one way to facilitate the sharing of information regarding specific terrorist threats among Federal, State, and local levels of government.

(7) Methods exist to declassify, redact, or otherwise adapt classified information so it may be shared with State and local personnel without the need for granting additional security clearances.

(8) State and local personnel have capabilities and opportunities to gather information on suspicious activities and terrorist threats not possessed by Federal agencies.

(9) The Federal Government and State and local governments and agencies in other jurisdictions may benefit from such information.

(10) Federal, State, and local governments and intelligence, law enforcement, and other emergency preparation and response agencies must act in partnership to maximize the benefits of information gathering and analysis to prevent and respond to terrorist attacks.

(11) Information systems, including the National Law Enforcement Telecommunications System and the Terrorist Threat Warning System, have been established for rapid sharing of classified and sensitive but unclassified information among Federal, State, and local entities.

(12) Increased efforts to share homeland security information should avoid duplicating existing information systems.

(b) SENSE OF CONGRESS.—It is the sense of Congress that Federal, State, and local entities should share homeland security information to the maximum extent practicable, with special emphasis on hard-to-reach urban and rural communities.

The CHAIRMAN pro tempore. Are there amendments to section 2?

The Clerk will designate section 3.

The text of section 3 is as follows:

SEC. 3. FACILITATING HOMELAND SECURITY INFORMATION SHARING PROCEDURES.

(a) PRESIDENTIAL PROCEDURES FOR DETERMINING EXTENT OF SHARING OF HOMELAND SECURITY INFORMATION.—

(1) The President shall prescribe procedures under which relevant Federal agencies determine—

(A) whether, how, and to what extent homeland security information may be shared with appropriate State and local personnel, and with which such personnel it may be shared;

(B) how to identify and safeguard homeland security information that is sensitive but unclassified; and

(C) to the extent such information is in classified form, whether, how, and to what extent to remove classified information, as appropriate, and with which such personnel it may be shared after such information is removed.

(2) The President shall ensure that such procedures apply to all agencies of the Federal Government.

(3) Such procedures shall not change the substantive requirements for the classification and safeguarding of classified information.

(4) Such procedures shall not change the requirements and authorities to protect sources and methods.

(b) PROCEDURES FOR SHARING OF HOMELAND SECURITY INFORMATION.—

(1) Under procedures prescribed by the President, all appropriate agencies, including the intelligence community, shall, through information sharing systems, share homeland security information with appropriate State and local personnel to the extent such information may be shared, as determined in accordance with subsection (a), together with assessments of the credibility of such information.

(2) Each information sharing system through which information is shared under paragraph (1) shall—

(A) have the capability to transmit unclassified or classified information, though the procedures and recipients for each capability may differ;

(B) have the capability to restrict delivery of information to specified subgroups by geographic location, type of organization, position of a recipient within an organization, or a recipient's need to know such information;

(C) be configured to allow the efficient and effective sharing of information; and

(D) be accessible to appropriate State and local personnel.

(3) The procedures prescribed under paragraph (1) shall establish conditions on the use of information shared under paragraph (1)—

(A) to limit the redissemination of such information to ensure that such information is not used for an unauthorized purpose;

(B) to ensure the security and confidentiality of such information;

(C) to protect the constitutional and statutory rights of any individuals who are subjects of such information; and

(D) to provide data integrity through the timely removal and destruction of obsolete or erroneous names and information.

(4) The procedures prescribed under paragraph (1) shall ensure, to the greatest extent practicable, that the information sharing system through which information is shared under such paragraph include existing information sharing systems, including, but not limited to, the National Law Enforcement Telecommunications System, the Regional Information Sharing System, and the Terrorist Threat Warning System of the Federal Bureau of Investigation.

(5) Each appropriate Federal agency, as determined by the President, shall have access to each information sharing system through which information is shared under paragraph (1), and shall therefore have access to all information, as appropriate, shared under such paragraph.

(6) The procedures prescribed under paragraph (1) shall ensure that appropriate State and local personnel are authorized to use such information sharing systems—

(A) to access information shared with such personnel; and

(B) to share, with others who have access to such information sharing systems, the homeland security information of their own jurisdictions, which shall be marked appropriately as pertaining to potential terrorist activity.

(7) Under procedures prescribed jointly by the Director of Central Intelligence and the Attorney General, each appropriate Federal agency, as determined by the President, shall review and assess the information shared under paragraph (6) and integrate such information with existing intelligence.

(c) SHARING OF CLASSIFIED INFORMATION AND SENSITIVE BUT UNCLASSIFIED INFORMATION WITH STATE AND LOCAL PERSONNEL.—

(1) The President shall prescribe procedures under which Federal agencies may, to the extent the President considers necessary, share with appropriate State and local personnel homeland security information that remains classified or otherwise protected after the determinations prescribed under the procedures set forth in subsection (a).

(2) It is the sense of Congress that such procedures may include one or more of the following means:

(A) Carrying out security clearance investigations with respect to appropriate State and local personnel.

(B) With respect to information that is sensitive but unclassified, entering into nondisclosure agreements with appropriate State and local personnel.

(C) Increased use of information-sharing partnerships that include appropriate State and local personnel, such as the Joint Terrorism Task Forces of the Federal Bureau of Investigation, the Anti-Terrorism Task Forces of the Department of Justice, and regional Terrorism Early Warning Groups.

(d) RESPONSIBLE OFFICIALS.—For each affected Federal agency, the head of such agency shall designate an official to administer this Act with respect to such agency.

(e) FEDERAL CONTROL OF INFORMATION.—Under procedures prescribed under this section, information obtained by a State or local government from a Federal agency under this section shall remain under the control of the Federal agency, and a State or local law authorizing or requiring such a government to disclose information shall not apply to such information.

(f) DEFINITIONS.—As used in this section:

(1) The term ''homeland security information'' means any information possessed by a Federal, State, or local agency that—

(A) relates to the threat of terrorist activity;

(B) relates to the ability to prevent, interdict, or disrupt terrorist activity;

(C) would improve the identification or investigation of a suspected terrorist or terrorist organization; or

(D) would improve the response to a terrorist act.

(2) The term ''intelligence community'' has the meaning given such term in section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).

(3) The term ''State and local personnel'' means any of the following persons involved in prevention, preparation, or response for terrorist attack:

(A) State Governors, mayors, and other locally elected officials.

(B) State and local law enforcement personnel and firefighters.

(C) Public health and medical professionals.

(D) Regional, State, and local emergency management agency personnel, including State adjutant generals.

(E) Other appropriate emergency response agency personnel.

(F) Employees of private-sector entities that affect critical infrastructure, cyber, economic, or public health security, as designated by the Federal government in procedures developed pursuant to this section.

(4) The term ''State'' includes the District of Columbia and any commonwealth, territory, or possession of the United States.

The CHAIRMAN pro tempore. Are there amendments to section 3?

AMENDMENT OFFERED BY MS. JACKSON-LEE OF TEXAS

Ms. JACKSON-LEE of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. JACKSON-LEE of Texas:

Page 4, line 24, strike ''and''.

Page 5, line 5, strike the period and insert ''; and''.

Page 5, after line 5, insert the following:

(D) whether, how, and to what extent information provided by government whistleblowers regarding matters affecting homeland security may be shared with appropriate state and local personnel, and with which such personnel may it be shared.

Ms. JACKSON-LEE of Texas. Mr. Chairman, as I indicated in general debate, I am a supporter of this legislation. I am a supporter because I believe the underlying premises are key to providing expanded homeland security in the face of terroristic threats and, as well, a new approach to ensuring that we have a holistic opposition and fight against terrorism.

One of the concepts that the distinguished gentlewoman from California has always represented to this body is that we need to have an assessment of the threats or the threat situation against this country and, as well, to make sure that those individuals who would have to respond to the threats closest to the home front, if you will, have all of the information that they can accept and utilize in order to protect those local communities. This legislation provides a vehicle for such, and it will make its way through this body and to the other body.

I would like to raise another point that I think is key in what we do, and it is key because most of America now has been introduced to the concept of whistleblowers. They have been introduced to this by way of the thorough investigation that is now ongoing as to the facts and activities of September 11. We know that in providing for protection for the homeland, we must move forward and provide a plan and a structure, we must be able to disseminate information to our local authorities and, at the same time, we must get the facts as to what happened on September 11. Why? Because that begins to define for us the design of changing how we share information.

Having been in about three or four homeland security meetings and hearings yesterday, one of the key elements, Mr. Chairman, was the idea of information. In fact, in the Committee on Science, there was the proposal that was just announced from the Homeland Security Commission to, in fact, implement and institute, that could begin to be the thinkers, the designers of new technology that will help us with homeland security. They need information. So information comes in many ways.

One of the ways that it comes that we saw most recently in determining what happened on September 11 was the insight of Coleen Rowley from the FBI. She initiated the dissemination of information on her own. She was not seeking publicity; she was seeking to be a problem-solver and she did it in the form of a letter. I do not know whether that kind of information disseminated is, in fact, provided for by this particular legislation as we read it through at this point.

So my amendment is simple. It is how the President should design how, whether, and to what extent information by whistleblowers would be disseminated ultimately to the local authorities.

Additionally, there should be the question of making sure whistleblowers are protected. I recognize, of course, that there are multiple jurisdictions here: the Permanent Select Committee on Intelligence, the House Committee on the Judiciary, and certainly the question of whistleblower would be a question of the jurisdiction of the Committee on Government Reform. We know that they are addressing that now.

I believe this is an important enough issue regarding whistleblowers and regarding how information is disseminated that it should be included in the provisions where we ask the President, the executive, to give us guidance and provide this to the United States Congress. It is through whistleblowers and a source of other information that we are able to get the true facts, as well as to help us design the appropriate kind of homeland security.

Mr. CONYERS. Mr. Chairman, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Chairman, I just wanted to point out that the gentlewoman from Texas is the first to identify the importance of the whistleblower function in our system. I think it is going to be considered more carefully now that the gentlewoman has brought this to light. I thank the gentlewoman for it, and I hope it will gain wide acceptance.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the distinguished gentleman.

With that, Mr. Chairman, I do want to again acknowledge the gentlewoman from California (Ms. HARMAN) for the vision and the persistence that she has had on this key issue. If I might, just for an editorial comment, I think the gentlewoman from California (Ms. HARMAN) and myself and others had gathered about 48 hours, 2 days after September 11, huddled offsite, but convening the business of Congress, if you will, on these very issues; and she was raising them at that time and she pursued them, so I join her. I would be happy to yield to the gentlewoman, but I wanted to indicate my appreciation and respect for her work, along with the distinguished gentleman from Georgia on this idea, and I wanted to bring this issue that I think is so very important to the attention of this body.

Ms. HARMAN. Mr. Chairman, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentlewoman from California.

Ms. HARMAN. Mr. Chairman, first of all, I think whistleblowers are important and that the Rowley memo is a very important fact that has emerged since 9–11.

Secondly, in our legislation as reported, we do state that whether, how, and to what extent information may be shared with appropriate State and local personnel is up to the President. So it is not precluded here that, in an appropriate way with appropriate safeguards and privacy protections, whistleblower information, if it were deemed important to share with local responders could, in fact, be shared. I thank the gentlewoman for raising this issue.

Mr. CHAMBLISS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I appreciate the gentlewoman's concern and the point which she is raising. She is a very valued member of this body and particularly the Committee on the Judiciary, and her opinions are well respected. It is important that as much homeland security information, whether gained from whistleblowers or elsewhere in the government, be shared with the right people at the right time in order to help our emergency responders and local officials respond to terrorist threats and activity. The gentlewoman's amendment would specifically address information from whistleblowers.

However, let me note that we have crafted the bill in a broad and flexible fashion, as noted by the gentlewoman from California (Ms. HARMAN), so that the administration can determine the appropriate procedures for sharing and disseminating homeland security information, whatever the source, whether from whistleblowers or other relevant homeland security information should be shared.

I think it is important that we retain this flexibility and focus on the original purpose of the bill, namely, to share as much appropriate homeland security information as possible with our State and local authorities.

So my objection is that we have just seen this this morning, and I hope the gentlewoman would consider withdrawing it and let us have a chance as we move into conference to dialogue on this, and if we need to strengthen some provisions, obviously we will look forward to working with the gentlewoman and other members of the Committee on the Judiciary to ensure that we do so. Because we share the same concern that the gentlewoman has brought forward here. I have been open and outspoken about the fact that we need more courageous people like Ms. Rowley to make sure that not just from an oversight standpoint within Congress, but from an oversight standpoint in the public and within the agency and other Federal agencies out there, that we are able to do our job correctly and appropriately.

Ms. JACKSON-LEE of Texas. Mr. Chairman, will the gentleman yield?

Mr. CHAMBLISS. I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I respect the, if you will, explanation that the distinguished gentleman from Georgia has given and the distinguished gentlewoman from California. I would not have brought this to

the attention of the body had I not had a deep concern, having met Ms. Rowley and having been involved in other circumstances with the Committee on the Judiciary in the concept of whistleblowers and the importance of providing information generally to help us be better at our job and the government to be better.

I appreciate the offer that has been extended. This is brought to the attention of this body not to put forward an amendment that would not draw the collective support of this body. I would like to be able to work with the staffs of the respective Members as we move toward conference, recognizing that we have language in the legislation, maybe appropriate language, that the whistleblower issue is of such importance that it requires further study.

Mr. CHAMBLISS. Mr. Chairman, just reiterating to the gentlewoman, I think her point is well taken; and I think there may be some merit to strengthening language, maybe even getting specific as the gentlewoman has done in her amendment. We will commit to the gentlewoman that we will look forward to working with her as we move into conference and dialoguing with her to make sure that we get her input into this specific area of the bill.

Ms. JACKSON-LEE of Texas. Mr. Chairman, if the gentleman will yield, I thank the distinguished gentleman from Georgia and the gentlewoman from California.

Mr. Chairman, I am willing at this time to ask unanimous consent, with the idea of moving forward in consideration and study of this issue to protect whistleblowers, to withdraw my amendment.

The CHAIRMAN pro tempore. Is there objection to the request of the gentlewoman from Texas?

There was no objection.

The gentlewoman's amendment is withdrawn.

□ 1215

The CHAIRMAN pro tempore (Mr. SIMPSON). Are there further amendments to section 3?

If not, the Clerk will designate section 4.

The text of section 4 is as follows:

SEC. 4. REPORT.

(a) REPORT REQUIRED.—Not later than 12 months after the date of the enactment of this Act, the President shall submit to the congressional committees specified in subsection (b) a report on the implementation of section 3. The report shall include any recommendations for additional measures or appropriation requests, beyond the requirements of section 3, to increase the effectiveness of sharing of information among Federal, State, and local entities.

(b) SPECIFIED CONGRESSIONAL COMMITTEES.—The congressional committees referred to in subsection (a) are the following committees:

(1) The Permanent Select Committee on Intelligence and the Committee on the Judiciary of the House of Representatives.

(2) The Select Committee on Intelligence and the Committee on the Judiciary of the Senate.

The CHAIRMAN pro tempore. Are there amendments to section 4?

If not, the Clerk will designate section 5.

The text of section 5 is as follows:

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out section 3.

The CHAIRMAN pro tempore. Are there amendments to section 5?

If not, the Clerk will designate section 6.

The text of section 6 is as follows:

SEC. 6. AUTHORITY TO SHARE GRAND JURY INFORMATION.

Rule 6(e) of the Federal Rules of Criminal Procedure is amended—

(1) in paragraph (2), by inserting '', or of guidelines jointly issued by the Attorney General and Director of Central Intelligence pursuant to Rule 6,'' after ''Rule 6''; and

(2) in paragraph (3)—

(A) in subparagraph (A)(ii), by inserting ''or of a foreign government'' after ''(including personnel of a state or subdivision of a state'';

(B) in subparagraph (C)(i)—

(i) in subclause (I), by inserting before the semicolon the following: ''or, upon a request by an attorney for the government, when sought by a foreign court or prosecutor for use in an official criminal investigation'';

(ii) in subclause (IV)—

(I) by inserting ''or foreign'' after ''may disclose a violation of State'';

(II) by inserting ''or of a foreign government'' after ''to an appropriate official of a State or subdivision of a State''; and

(III) by striking ''or'' at the end;

(iii) by striking the period at the end of subclause (V) and inserting ''; or''; and

(iv) by adding at the end the following:

''(VI) when matters involve a threat of actual or potential attack or other grave hostile acts of a foreign power or an agent of a foreign power, domestic or international sabotage, domestic or international terrorism, or clandestine intelligence gathering activities by an intelligence service or network of a foreign power or by an agent of a foreign power, within the United States or elsewhere, to any appropriate federal, state, local, or foreign government official for the purpose of preventing or responding to such a threat.''; and

(C) in subparagraph (C)(iii)—

(i) by striking ''Federal'';

(ii) by inserting ''or clause (i)(VI)'' after ''clause (i)(V)''; and

(iii) by adding at the end the following: ''Any state, local, or foreign official who receives information pursuant to clause (i)(VI) shall use that information only consistent with such guidelines as the Attorney General and Director of Central Intelligence shall jointly issue.''.

The CHAIRMAN pro tempore. Are there amendments to section 6?

If not, the Clerk will designate section 7.

The text of section 7 is as follows:

SEC. 7. AUTHORITY TO SHARE ELECTRONIC, WIRE, AND ORAL INTERCEPTION INFORMATION.

Section 2517 of title 18, United States Code, is amended by adding at the end the following:

''(7) Any investigative or law enforcement officer, or attorney for the government, who by any means authorized by this chapter, has obtained knowledge of the contents of any wire, oral, or electronic communication, or evidence derived therefrom, may disclose such contents or derivative evidence to a foreign investigative or law enforcement officer to the extent that such disclosure is appropriate to the proper performance of the official duties of the officer making or receiving the disclosure, and foreign investigative or law enforcement officers may use or disclose such contents or derivative evidence to the extent such use or disclosure is appropriate to the proper performance of their official duties.

''(8) Any investigative or law enforcement officer, or attorney for the government, who by any means authorized by this chapter, has obtained knowledge of the contents of any wire, oral, or electronic communication, or evidence derived therefrom, may disclose such contents or derivative evidence to any appropriate Federal, State, local, or foreign government official to the extent that such contents or derivative evidence reveals a threat of actual or potential attack or other grave hostile acts of a foreign power or an agent of a foreign power, domestic or international sabotage, domestic or international terrorism, or clandestine intelligence gathering activities by an intelligence service or network of a foreign power or by an agent of a foreign power, within the United States or elsewhere, for the purpose of preventing or responding to such a threat. Any official who receives information pursuant to this provision may use that information only as necessary in the conduct of that person's official duties subject to any limitations on the unauthorized disclosure of such information, and any State, local, or foreign official who receives information pursuant to this provision may use that information only consistent with such guidelines as the Attorney General and Director of Central Intelligence shall jointly issue.''.

The CHAIRMAN pro tempore. Are there amendments to section 7?

If not, the Clerk will designate section 8.

The text of section 8 is as follows:

SEC. 8. FOREIGN INTELLIGENCE INFORMATION.

(a) DISSEMINATION AUTHORIZED.—Section 203(d)(1) of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT ACT) of 2001 (Public Law 107–56; 50 U.S.C. 403–5d) is amended—

(1) by striking ''Notwithstanding any other provision of law, it'' and inserting ''It''; and

(2) by adding at the end the following: ''It shall be lawful for information revealing a threat of actual or potential attack or other grave hostile acts of a foreign power or an agent of a foreign power, domestic or international sabotage, domestic or international terrorism, or clandestine intelligence gathering activities by an intelligence service or network of a foreign power or by an agent of a foreign power, within the United States or elsewhere, obtained as part of a criminal investigation to be disclosed to any appropriate Federal, State, local, or foreign government official for the purpose of preventing or responding to such a threat. Any official who receives information pursuant to this provision may use that information only as necessary in the conduct of that person's official duties subject to any limitations on the unauthorized disclosure of such information, and any State, local, or foreign official who receives information pursuant to this provision may use that information only consistent with such guidelines as the Attorney General and Director of Central Intelligence shall jointly issue.''.

(b) CONFORMING AMENDMENTS.—Section 203(c) of that Act is amended—

(1) by striking ''section 2517(6)'' and inserting ''paragraphs (6) and (8) of section 2517 of title 18, United States Code,''; and

(2) by inserting ''and (VI)'' after ''Rule 6(e)(3)(C)(i)(V)''.

The CHAIRMAN pro tempore. Are there amendments to section 8?

If not, the Clerk will designate section 9.

The text of section 9 is as follows:

SEC. 9. INFORMATION ACQUIRED FROM AN ELECTRONIC SURVEILLANCE.

Section 106(k)(1) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1806) is

amended by inserting after ''law enforcement officers'' the following: ''or law enforcement personnel of a State or political subdivision of a State (including the chief executive officer of that State or political subdivision who has the authority to appoint or direct the chief law enforcement officer of that State or political subdivision)''.

The CHAIRMAN pro tempore. Are there amendments to section 9?

If not, the Clerk will designate section 10.

The text of section 10 is as follows:

SEC. 10. INFORMATION ACQUIRED FROM A PHYSICAL SEARCH.

Section 305(k)(1) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1825) is amended by inserting after ''law enforcement officers'' the following: ''or law enforcement personnel of a State or political subdivision of a State (including the chief executive officer of that State or political subdivision who has the authority to appoint or direct the chief law enforcement officer of that State or political subdivision)''.

The CHAIRMAN pro tempore. Are there amendments to section 10?

Are there further amendments to the bill?

If not, the question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The CHAIRMAN pro tempore. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. BONILLA) having assumed the chair, Mr. SIMPSON, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4598) to provide for the sharing of homeland security information by Federal intelligence and law enforcement agencies with State and local entities, pursuant to House Resolution 458, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. HARMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Pursuant to clause 8 of rule XX, this 15-minute vote on passage of H.R. 4598 will be followed by 5-minute votes on H.R. 4477, on H.R. 4070, and on approving the Journal.

The vote was taken by electronic device, and there were—yeas 422, nays 2, not voting 10, as follows:

[Roll No. 258]

YEAS—422

Abercrombie
Ackerman
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boozman
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio
DeGette
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
LaFalce
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller, Dan
Miller, Gary
Miller, George
Miller, Jeff
Mink
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sullivan
Sununu
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins (OK)
Watson (CA)
Watt (NC)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—2

Delahunt
Kucinich

NOT VOTING—10

Hunter
Northup
Otter
Reyes
Roukema
Simmons
Smith (MI)
Sweeney
Traficant
Watts (OK)

□ 1239

Mr. THOMPSON of Mississippi changed his vote from ''nay'' to ''yea.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. SWEENEY. Mr. Speaker, on June 26, 2002, I missed the rollcall vote No. 258. If I had been present I would have voted ''yea.''

Mr. OTTER. Mr. Speaker, I was unavoidably detained for rollcall vote 258 on H.R. 4598, the Homeland Security Information Sharing Act. Had I been present I would have voted ''aye.''

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SIMPSON). Pursuant to clause 8 of rule XX, the Chair will resume proceedings on postponed questions in the following order:

H.R. 4477, by the yeas and nays;
H.R. 4070, de novo;
Approval of the Journal, de novo.

The Chair will reduce to 5 minutes the time for each electronic vote.

SEX TOURISM PROHIBITION IMPROVEMENT ACT OF 2002

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 4477, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and pass the bill, H.R. 4477, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 418, nays 8, not voting 8, as follows:

[Roll No. 259]

YEAS—418

Abercrombie
Ackerman
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boozman
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller, Dan
Miller, Gary
Miller, George
Miller, Jeff
Mink
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Napolitano
Neal
Nethercutt
Ney
Norwood
Nussle
Oberstar
Obey
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schaffer
Schakowsky
Schiff
Schrock
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sullivan
Sununu
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins (OK)
Watson (CA)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—8

Frank
Hastings (FL)
Nadler
Olver
Paul
Rangel
Scott
Watt (NC)

NOT VOTING—8

Greenwood
Leach
Northup
Roukema
Smith (MI)
Sweeney
Traficant
Watts (OK)

□ 1249

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

SOCIAL SECURITY PROGRAM PROTECTION ACT OF 2002

The SPEAKER pro tempore (Mr. SIMPSON). The unfinished business is the question of suspending the rules and passing the bill, H.R. 4070, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. SHAW) that the House suspend the rules and pass the bill, H.R. 4070, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

RECORDED VOTE

Mr. OTTER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 425, noes 0, not voting 9, as follows:

[Roll No. 260]

AYES—425

Abercrombie
Ackerman
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boozman
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee

Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller, Dan
Miller, Gary
Miller, George
Miller, Jeff
Mink
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sullivan
Sununu
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins (OK)
Watson (CA)
Watt (NC)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—9

Edwards
Greenwood
Leach
Northup
Roukema
Smith (MI)
Sweeney
Traficant
Watts (OK)

□ 1258

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. EDWARDS. Mr. Speaker, on rollcall No. 260, the Social Security Program Protection Act, had I been present, I would have voted "aye."

THE JOURNAL

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the pending business is the question on agreeing to the Speaker's approval of the Journal.

The question is on the Speaker's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. FOLEY. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 369, noes 41, answered "present" 1, not voting 23, as follows:

[Roll No. 261]

AYES—369

Abercrombie
Ackerman
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boozman
Boswell
Boucher
Boyd
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Cardin
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Cooksey
Cox
Coyne
Cramer
Crenshaw
Crowley
Cubin
Culberson
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Tom
Deal
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frank
Frelinghuysen
Frost
Ganske
Gekas
Gibbons
Gilchrest
Gilman
Gonzalez
Goode
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Grucci
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Herger
Hill
Hilleary
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
LaFalce
LaHood
Lampson
Langevin
Lantos
Larson (CT)
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McHugh
McInnis
McIntyre
McKeon
McKinney
Meehan
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller, Dan
Miller, Gary
Miller, Jeff
Mink
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Ney
Norwood
Nussle
Oberstar
Obey
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pastor
Paul
Payne
Pelosi
Pence
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Putnam
Quinn
Rahall
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Schrock
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Stump
Sullivan
Sununu
Tanner
Tauscher
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Thurman
Tiberi
Tierney
Toomey
Towns
Turner
Upton
Velazquez
Visclosky
Vitter
Walden
Walsh
Watkins (OK)
Watson (CA)
Watt (NC)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wynn
Young (AK)
Young (FL)

NOES—41

Aderholt
Baldwin
Borski
Brady (PA)
Capuano
Costello
Crane
DeFazio
English
Filner
Gillmor
Gutknecht
Hefley
Hilliard
Johnson, E. B.
Kucinich
Larsen (WA)
Latham
LoBiondo
McDermott
McGovern
McNulty
Miller, George
Moore
Pascrell
Peterson (MN)
Ramstad
Saxton
Schaffer
Scott
Strickland
Stupak
Taylor (MS)
Thompson (CA)
Thompson (MS)
Udall (CO)
Udall (NM)
Wamp
Waters
Weller
Wu

ANSWERED "PRESENT"—1

Tancredo

NOT VOTING—23

Buyer
Carson (IN)
Cummings
Davis, Jo Ann
Gallegly
Gephardt
Goodlatte
Green (WI)
Greenwood
Gutierrez
Meek (FL)
Nethercutt
Northup
Olver
Pryce (OH)
Radanovich
Roukema
Smith (MI)
Sweeney
Tauzin
Tiahrt
Traficant
Watts (OK)

□ 1306

So the Journal was approved.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. GREENWOOD. Mr. Speaker, on rollcall Nos. 259, 260 and 261, I was unavoidably detained. Had I been present, I would have voted ''yes'' on all 3 measures.

Mr. WATTS of Oklahoma. Mr. Speaker, I was unavoidably detained in my district and missed recorded votes on Wednesday, June 26, 2002. I would like the RECORD to reflect that, had I been present, I would have cast the following votes: On passage of H.R. 4598, rollcall vote No. 258, I would have voted ''yea''; on passage of H.R. 4477, rollcall vote No. 259, I would have voted ''yea''; on passage of H.R. 4070, rollcall vote No. 260, I would have voted ''yea''; on approval of the Journal, rollcall vote No. 261, I would have voted ''yea''.

LEGISLATIVE PROGRAM

(Mr. ARMEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARMEY. Mr. Speaker, in a few minutes we are going to ask that the House recess until approximately 2 p.m. When we return from that recess, we should return to consider, one, the rule to go to conference on the Omnibus Trade Act; two, motion to instruct conferees on trade, if it is offered; and then, three, the suspension votes that have been rolled from last Tuesday. After the completion of that work, then we would have completed our work for the day.

Ms. PELOSI. Mr. Speaker, will the gentleman yield?

Mr. ARMEY. I yield to the gentlewoman from California.

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding to me. I would like to have an inquiry about schedule and about the substance of the rule that will be coming to the floor.

Mr. Leader, is this the identical rule, or is the gentleman planning to amend it on the floor?

Mr. ARMEY. Reclaiming my time, Mr. Speaker, I thank the gentlewoman for her inquiry. Indeed, it is the identical rule we had reported last week.

Ms. PELOSI. Mr. Speaker, if the gentleman will continue to yield, and with all due respect to the majority leader and his capacity, I hope that he will convey to the Republican leadership the displeasure of the Members in the minority, and really I think we speak on behalf of the American people when we say that the work that we do on this floor is very important. The public needs notice as to what we are doing.

A schedule was put forth that we would have votes this morning so that we could notify Members who are doing their work in their committees. That was turned upside down. Now we come to the floor and the majority is asking for a recess to take up the very important issue of trade promotion within an hour.

We are coming back in an hour. Is that what the gentleman said, at 2 p.m., in 55 minutes? In a matter of minutes we are now notifying Members that the majority wants to bring the rule on the trade promotion to the floor, turning upside down the schedule for the rest of the day. It is not just the minority that is disserved by this unprofessional approach to our schedule. It is the general public and those who follow with interest and have public opinion about the work of Congress in the people's House.

So if the gentleman would convey the displeasure of the minority in the manner in which this important issue is being treated and how this schedule has turned into such a haphazard arrangement at will, with no consultation, about these very important issues.

Now we are going to have a vote on fast track. Could the gentleman shed some light as to when the majority may bring up the prescription drug benefit bill?

Mr. ARMEY. Well, I thank the gentlewoman for that inquiry, and let me say to the gentlewoman that I do appreciate the concerns she has raised. I spent 10 years in the minority, and there were many times during those 10 years that I too, without better understanding, was concerned about whether or not the schedule was done in a professional and considerate manner. I learned to accept that the majority was doing the best they could, many times under difficult circumstances, and that I should be patient and understanding.

Upon accepting these responsibilities, I have always concerned myself that the minority should have these feelings. And it is for that reason that I made it a point at the close of business last week, in my colloquy, to advise the body, the minority in particular, that we would be trying to bring this bill to the floor, and stipulated at that time we would do so whenever we were able to do so.

We are now able to do so, and I am happy to see us move on. I will try my very, very best to not disappoint the gentlewoman from California in the future.

Ms. PELOSI. If the gentleman will continue to yield, I had a question about the prescription drug bill.

Mr. ARMEY. I will be happy to continue to yield.

Ms. PELOSI. When does the gentleman think the prescription drug legislation will be coming to the floor?

Mr. ARMEY. I appreciate the gentlewoman's inquiry. I see no sign that we will be able to do that yet today; but as soon as we are capable of bringing that bill to the floor, we will let the minority know.

Ms. PELOSI. The debt limit?

Mr. ARMEY. On the debt limit, I again renew my invitation to Members of the minority to join with us in passing this very important increase in the debt limit so that we can indeed deal with even the important supplemental bill.

The Senate has passed Senator DASCHLE's bill. It would strike me that this body ought to be able to pick up Senator DASCHLE's bill, passed in the Senate, and pass it in the House, with a generous number of Members of the minority willing to vote for the Senate majority leader's own bill. But so far I have seen no indication that the minority Members of this body are willing to vote in agreement with the Democrat majority leader from the other body. Therefore, I cannot make an announcement about our ability to bring his bill forward.

Ms. PELOSI. Is one to infer from what the gentleman has said that the majority would be willing to bring up a freestanding bill with some discussion about what the amount would be for the debt limit, including the $150 billion that the minority has been suggesting?

Mr. ARMEY. Mr. Speaker, I appreciate the gentlewoman's question, and let me just say to the gentlewoman that one should infer from what I said that any serious suggestion or recommendation will be considered. At this point, I believe that the Senate majority leader's passed bill is a serious proposition. We would be happy to consider that if Members of the minority would indicate their willingness to vote with Senator DASCHLE on this matter.

Ms. PELOSI. Well, our distinguished minority leader has made an offer to the Republican majority.

On the supplemental, do we know when that will be coming up?

Mr. ARMEY. Again, I am pleased to announce that the conferees on the supplemental have found a way back to the table to discuss that. I have been advised by the chairman of the Committee on Appropriations that he has a renewed optimism on this matter.

It is my hope that that optimism gets worked out even during this next hour, when they can sit down together. Nothing would please me more than to be able to announce later, even perhaps to the inconvenience and surprise of some Members, that we are prepared to bring that very important conference report to the floor.

Ms. PELOSI. Mr. Speaker, will the gentleman continue to yield?

Mr. ARMEY. I will be happy to continue to yield to the gentlewoman.

Ms. PELOSI. Mr. Speaker, I appreciate the information that the gentleman has been willing to provide.

I think it is important for both sides of the aisle to remember that the legislation and the issues that we are dealing with are not our private personal property. The American people expect and should demand more transparency than what is happening in this House.

What is happening in this House is we are moving to a much less democratic way of discussing the issues. I am not speaking to what the gentleman experienced 8 years ago, because the gentleman knows that when the Republican majority came in, part of the Contract on America was to close down debate on this floor; to

eliminate many options available for debate for the minority. So this is yet again another example.

Mr. ARMEY. Mr. Speaker, reclaiming my time, I thank the gentlewoman for her comments and remind the body that indeed the Contract With America was to bring to this floor for debate and to vote on this floor 10 items that were disallowed by the prior majority.

RECESS

The SPEAKER pro tempore (Mr. SIMPSON). Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 1 o'clock and 14 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 1419

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. LAHOOD) at 2 o'clock and 19 minutes p.m.

MOTION TO ADJOURN

Mr. HASTINGS of Florida. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER pro tempore. The question is on the motion to adjourn offered by the gentleman from Florida (Mr. HASTINGS).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. HASTINGS of Florida. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 45, nays 378, not voting 11, as follows:

[Roll No. 262]

YEAS—45

Ackerman
Berry
Bishop
Bonior
Brown (FL)
Capuano
Clay
Conyers
Cummings
DeFazio
Dicks
Dingell
Doggett
Evans
Farr
Filner
Hastings (FL)
Hilliard
Hinchey
Hoyer
Istook
Jackson (IL)
Johnson, E. B.
Jones (OH)
McDermott
McGovern
Meek (FL)
Mink
Moran (VA)
Napolitano
Olver
Pelosi
Sanchez
Sanders
Sandlin
Simmons
Stupak
Thompson (MS)
Thune
Towns
Velazquez
Waters
Watson (CA)
Waxman
Wynn

NAYS—378

Abercrombie
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Biggert
Bilirakis
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clement
Clyburn
Coble
Collins
Combest
Condit
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dooley
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Everett
Fattah
Ferguson
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Houghton
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller, Dan
Miller, Gary
Miller, George
Miller, Jeff
Mollohan
Moore
Moran (KS)
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sawyer
Saxton
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stump
Sullivan
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thornberry
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Turner
Udall (CO)
Udall (NM)
Upton
Visclosky
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watt (NC)
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Woolsey
Wu
Young (FL)

NOT VOTING—11

Clayton
Doyle
LaFalce
Obey
Riley
Roukema
Smith (MI)
Traficant
Watts (OK)
Wolf
Young (AK)

□ 1442

Ms. BERKLEY, Mrs. MCCARTHY of New York, Messrs. JONES of North Carolina, BARTLETT of Maryland, KANJORSKI, SHADEGG, Ms. PRYCE of Ohio and Mr. BOOZMAN changed their vote from ''yea'' to ''nay.''

So the motion to adjourn was rejected.

The result of the vote was announced as above recorded.

RELATING TO CONSIDERATION OF SENATE AMENDMENT TO H.R. 3009, ANDEAN TRADE PROMOTION AND DRUG ERADICATION ACT

Mr. REYNOLDS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 450 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 450

Resolved, That upon adoption of this resolution the bill (H.R. 3009) to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes, with the Senate amendment thereto, be, and the same is hereby, taken from the Speaker's table to the end that the Senate amendment thereto be, and the same is hereby, agreed to with the amendment printed in the report of the Committee on Rules accompanying this resolution. The House shall be considered to have insisted on its amendment to the Senate amendment and requested a conference with the Senate thereon.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from New York (Mr. REYNOLDS) is recognized for 1 hour.

Mr. REYNOLDS. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentleman from Florida (Mr. HASTINGS) pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

(Mr. REYNOLDS asked and was given permission to revise and extend his remarks.)

Mr. REYNOLDS. Mr. Speaker, House Resolution 450 is a functional rule relating to the consideration of the Senate amendment to H.R. 3009 extending

the Andean Trade Preference Act. The rule allows this House to prepare for a conference with the Senate on comprehensive trade legislation.

□ 1445

The rule provides that H.R. 3009 and Senate amendment thereto shall be taken from the Speaker's table and agreed to with the amendment printed in the report of the Committee on Rules accompanying this resolution.

The rule provides that the House shall be considered to have insisted on its amendment to the Senate amendment.

Finally, the rule provides that the House shall be considered to have requested a conference with the Senate.

Mr. Speaker, my colleagues may be wondering why a rule is needed for the House to put this conference into action. The answer is really one of simplification. The House has passed its version of Trade Promotion Authority and Andean Trade while the Senate has passed its own version, including some measures the House has not singularly considered.

This rule prepares the House for conference by giving us an appropriate and equitable foothold at the bargaining table. Without this amendment and this rule, the House would be at a great disadvantage going into conference. But passing this rule will put the House at a starting point equivalent with the other Chamber so that we can best represent the needs of our constituents during the deliberations.

Mr. Speaker, while this may seem like procedural jargon, I would like to remind my colleagues that the House would not be in this position had the Senate not taken up the Andean trade bill, stripped out all the House-passed provisions, and added countless other trade items, leaving the House with no position in the conference on all these measures.

On a larger scale, this rule is needed so we can proceed with the vital trade legislation that is long overdue. Each day that we delay, other countries around the world enter into trade agreements without us, gradually surrounding the United States with a network of trade agreements that benefit their workers, their farmers, their businesses, and their economies at the expense of ours.

How important is this to American jobs and the American economy? In my home State, international trade is a primary generator of business and job growth. In the Buffalo area, the highest manufacturing employment sectors are also among the State's top merchandise export industries, including electronics, fabricated metals, industrial machinery, transportation equipment, and food and food products. Consequently, as exports increase, employment in these sectors will also increase.

In the Rochester area, companies like IBM and Kodak play a significant impact on the local economy and employment, and they will benefit directly from increased exports and international sales that will result from new trade agreements and open markets negotiated under Trade Promotion Authority.

For example, about one in every five Kodak jobs in the United States depends on exports. New trade agreements are needed to break down foreign barriers and keep American made goods competitive overseas as well as opening up foreign markets to domestic companies.

From family farms to high-tech start-ups to established businesses and manufacturers, increasing free and fair trade will keep our economy going and creating jobs in our economy. And let us not forget the significant impact free trade can have on spreading democracy and democratic ideals across the globe.

As America perseveres in the war on terrorism, expanding global trade and heightening our role in global trade means greater economic prosperity and opportunities for Americans and our neighbors worldwide.

Let us also not forget that the rest of the world is not waiting while the United States putters along. Trade Promotion Authority offers the best chance for the United States to reclaim leadership in the opening of foreign markets, expanding global economic opportunities for American producers and workers, and developing the virtues of democracy around the world.

While long overdue, this is the right thing for America. Mr. Speaker, I strongly urge my colleagues to support this resolution.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Florida. Mr. Speaker, I thank the gentleman from New York (Mr. REYNOLDS) for yielding me this time, and I yield myself such time as I may consume.

Mr. Speaker, it is no wonder the American people have such disdain for politicians. The Republican leadership's rule this afternoon is the perfect example of back-room deals gone wrong, legislating under the cloak of darkness, and accountability at its most pernicious. The leadership has brought us a rule that not only structures the terms of debate but actually legislates within the rule.

My colleagues will hear from the distinguished chairman of the Committee on Ways and Means that much of this amendment has already passed the House. That is true, much has, but much has not. What we are being asked to do today is to not only weaken U.S. trade laws, and this clearly does that, but to completely eviscerate the regular order of procedures in this House.

At the Committee on Rules last week, not one member there could remember a time when the House had attempted such chicanery. The gentleman from California (Mr. DREIER), the chairman of the Committee on Rules, said, and I quote, ''It was unusual.'' Even the gentleman from California (Mr. THOMAS), the chairman of the Committee on Ways and Means, admitted that, quote, ''It was unprecedented.''

So how did we get here? Well, if we are to believe the chairman of the Committee on Ways and Means, it is because of what the other Chamber has done to our House-passed trade bills. Last week, the chairman accused the other body of all sorts of underhanded legislative witchcraft. And how do we answer that in the House? With our own Harry Potter-like sorcery.

If we consider the Senate action, as Chairman Thomas did, as a raw, and I quote him, political power play, then just what is it that we are doing? I mean, give me a break. This is theater of the absurd. It would not have surprised me if this bill was brought to us by Congressman George Orwell: up is down, war is peace. And this is serious legislation? I do not think so.

Is the House understanding this? If this rule passes, we will be giving the nine majority members of the Committee on Rules the power to legislate on all matters of jurisdiction within this House without the full House ever truly working its will. They are attempting to add the language of H.R. 3010, relating to the general system of preferences, to this rule, and having it considered as passed. This bill has never passed the House.

No matter. If it is an important trade bill that does not require full-House consideration today, why not a prescription drug bill tomorrow? Why not just take a Senate amendment to a House bill, amend it with all sorts of tinsel and ornaments, and bring it back to the House floor along with other legislation that would not have otherwise seen the light of day? This is outrageous.

Now, let us look seriously at how the House rule today undermines trade and the American family. First, as it relates to hardworking people who lose their jobs because their job is sent elsewhere or their employer closes the American factory to move to some far-off place, the Senate-passed bill includes much stronger language to help these types of workers.

Specifically as it relates to the health care provisions, the House amendment undermine's the Senate Trade Adjustment Act assistance by reducing the level of support from 70 percent to 60 percent. The House provision adds a means-testing requirement based on prior-year income and providing unusable tax credit to retired steelworkers for use in the private insurance market.

Under the gentleman from California's (Mr. THOMAS) plan, TAA and steelworker health care benefits would be severely limited in availability and cost too much for most workers to afford. Moreover the other body's bill would include other industries besides steelworkers and other suppliers. Farmers, for instance, a very large

group in my district in south Florida, would gain from the other body's bill. Fishermen, oil and gas producers, other raw goods suppliers, all good examples of hard-working people that stand to benefit under the compromise reached between the Senate and the Bush administration and all of whom stand to lose under the amendment the House is considering right now.

It is just this simple. One had better be the exact right person to get any sort of benefit from this House bill. This is what we are doing to the American people today. I am embarrassed, as rightly all of us should be.

Another interesting part of this amendment this afternoon is its inclusion of the so-called DeMint language. I found it passing strange that this language is in here in the first place. Not long ago, the gentleman from California (Mr. THOMAS), chairman of the Committee on Ways and Means, objected, and strongly objected, to this language. He said he did not like it and would not defend it, and yet it is here today. Why? Let me borrow another of the chairman's phrases from last week when he was alluding to the other body's actions, but equally useful here, ''It is a raw political power play.''

Rank politics is rank politics. It does not matter if it is in the House, in the other body, or where this rule belongs, somewhere out in the gutter.

I urge my colleagues to reject this odious rule.

Mr. Speaker, I reserve the balance of our time.

Mr. REYNOLDS. Mr. Speaker, I yield myself such time as I may consume.

Just want to remind the gentleman from Florida (Mr. HASTINGS), my colleague on the Committee on Rules, each day he brings a motion to make something in order, he is actually legislating in the Committee on Rules on legislation that he would like to see the Committee on Rules intertwine into legislation coming from committees of jurisdiction. I also want to take this time to remind all of the body that in the past the Committee on Rules has allowed rules providing the following: motions to go to conference, disposition of Senate amendments, allowing for amendments to the Senate amendments, and nothing on this legislation is binding on the Senate.

But just because we put it all in one package does not mean that we cannot do something somewhat unprecedented. We should look at the fact that the rulings of this House are deliberately crafted to permit flexibility for unique instances such as this and when the question comes from my colleagues on other side how did we get here, we got here because the Senate stripped all of the House language and sent it back. We are now having an opportunity to level the playing field of this House as this goes to conference.

Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. THOMAS).

(Mr. THOMAS asked and was given permission to revise and extend his remarks.)

Mr. THOMAS. Mr. Speaker, I thank my friend from Florida for stating the case; and the case is, as he indicated, we are asking the House to include in this rule to go to conference 191 pages. That is absolutely correct. Out of the 191 pages, more than 165 of them, over 80 percent, have already been passed by the House, some of these pieces more than 6 months ago.

But what the Senate did was to take the House-passed Andean trade bill which passed by a voice vote, it was so broadly supported, there was no recorded vote and it passed by a bipartisan vote. That Andean bill is 40 pages. That is what they sent us to go to conference. Under the rules of conference, that was what the House would have in front of us. What the Senate did was to pass 374 pages. This is what the Senate goes to conference with. How many of these pages have previously passed the Senate like the more than 80 percent of ours? Absolutely not one. So what the gentleman from Florida wants the House to do is to go to conference with this to battle the Senate against this, and what we are saying is let us just make it a little bit fair.

PARLIAMENTARY INQUIRY

Mr. McDERMOTT. Mr. Speaker.

The SPEAKER pro tempore (Mr. LAHOOD). Will the gentleman from California yield for the parliamentary inquiry?

Mr. THOMAS. Certainly, for parliamentary inquiry.

The SPEAKER pro tempore. Does the gentleman from California (Mr. THOMAS) yield for that purpose?

Mr. THOMAS. Is it my time?

The SPEAKER pro tempore. The gentleman has the right to yield.

Mr. THOMAS. Is it coming out of my time?

The SPEAKER pro tempore. The gentleman from California's time.

Mr. THOMAS. No, I will not yield for a parliamentary inquiry on my time.

The SPEAKER pro tempore. The gentleman may proceed.

Mr. THOMAS. I appreciate the gentleman from Florida's (Mr. HASTINGS) attempt to stop the rhythm, but the rhythm will not change when what they want us to do is to go to conference on one bill when the Senate put 15 different bills together. These are all within the scope of the conference. The Senate has these in front of the conference, and the House of Representatives would have only 40 pages.

POINT OF ORDER

Mr. RANGEL. Mr. Speaker, the gentleman is referring to the other body. That is a violation of the House rules.

The SPEAKER pro tempore. The gentleman from California will suspend.

Mr. RANGEL. The gentleman is violating the House rules by referring to the other body.

I ask to be recognized by the Chair. Regular order. Parliamentary inquiry. Point of order.

□ 1500

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from New York (Mr. RANGEL) is recognized.

Mr. RANGEL. Mr. Speaker, I say that the gentleman from California (Mr. THOMAS) is violating the House rules by referring to the other body, and ask for a ruling.

The SPEAKER pro tempore. The Chair advises that Members may describe actions of the other body factually on a matter pending before the House, but they may not characterize such action. The gentleman from California has not characterized Senate action.

Mr. THOMAS. Mr. Speaker, I did not characterize. I indicated factually what the Senate was doing; and would Members notice, I have had two consecutive interruptions on parliamentary procedure which were both wrong and simply an attempt to cover up the facts because they will not be able to argue on the substance.

These 191 pages are 80 percent passed already by the House. These 374 pages by the Senate had not passed the House until they put it together this way. The institution of the House should not go to a conference with the Senate unilaterally disarming. That is wrong institutionally.

All this rule does is put bills that we have passed previously together so we can have our bills in front of the conference, as the Senate has as well. Members might learn something from this. We can actually say what we need to do in 191 pages; the Senate needs 374.

Mr. HASTINGS of Florida. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. RANGEL), a member of the Committee on Ways and Means.

(Mr. RANGEL asked and was given permission to revise and extend his remarks.)

Mr. RANGEL. Mr. Speaker, I wish the gentleman from California (Mr. THOMAS) would share with me those 191 pages, because the gentleman's admission on this floor means that they are prepared to just tear up the House rules. Just saying that 20 percent of it has not been passed by the House is like saying someone is half pregnant.

Mr. Speaker, what gives the gentleman of the Committee on Ways and Means the right to decide what is going to go to conference with the so-called other body?

Whatever happened to House conferees going into conference with the other body and saying we will not tolerate the other body taking over our jurisdiction? Do we have to make up legislation and say, hey, act like this has passed because when we meet with the other body, or the Senate, as the gentleman calls them, we get weak-kneed.

If we do not have any legislation passed, we make it up as we go along. Sure, 80 percent of the 191 pages are cats and dogs that we passed at one time or the other. So that should give

us a little more weight in terms of the paper, if not the intellect, that we take to the conference.

But the other part, why did not the distinguished chairman from California share with us what he made up? He certainly did not make it up in the committee. He did not make it up on the House floor. Even Republicans do not know what is in it, but we should really count on the chairman of the Committee on Ways and Means to go in conference with, what, 20 percent of paper that he brings to the Committee on Rules to legislate.

What does it mean? That we do not need any more committees? We do not need subcommittees? We do not need legislation on the floor, just hope and pray Members can get on the Committee on Rules and be on the majority because they will be able to not only legislate but dictate what goes into conference.

Mr. Speaker, I submit this is not just an insult to the members of the Committee on Ways and Means, this is not just an insult to the House rules and traditions, it is an insult to the American people.

Mr. REYNOLDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I remind Members that there is nothing in this rule that is binding on the Senate or the conference committee.

Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. CRANE), a leading expert on trade in America.

Mr. CRANE. Mr. Speaker, I rise in strong support of the rule which provides a motion to go to conference on the omnibus trade package approved by the Senate on May 23. Today's vote is a procedural vote that puts the House in the best position to negotiate the most solid conference agreement.

I am gratified that the Senate has finally acted on H.R. 3009, the Andean Trade Promotion and Drug Eradication Act. I agree with the President that this bill is central to U.S. national security and our efforts to combat drug trafficking both here in the United States and in the Andean region. We need this critical legislation to expand U.S. trade and to help Andean entrepreneurs find practical and profitable alternatives to cultivating crops for the production of illicit drugs.

Trade promotion authority is about arming President Bush and his team with the authority to achieve trade agreements written in the best interest of U.S. farmers, companies and workers. It assures that the President will negotiate according to clearly defined goals and objectives written by Congress.

The House TPA bill strikes a two-way partnership between the President and Congress on our common objective for international trade negotiations in which the U.S. participates. Its passage will ensure that the world knows that Americans speak with one voice on issues vital to our economic security.

I am also supportive of conferencing with the Senate on the extension of the generalized system of preferences, which expired 9 months ago.

Trade adjustment assistance plays an important role in helping workers and the economy adjust themselves to the new economic environment fostered by trade, and I support a bipartisan package that helps American workers adjust and builds a better, stronger economy.

Reauthorization of Customs and the other trade agencies will provide resources in the war against terrorism, drugs and international child pornography. We also facilitate trade by directing funds towards Customs' new computer system; and we help Customs protect our borders by giving them better, more sophisticated inspection equipment and legal tools to collect critical data.

This conference provides us an opportunity to send an important signal that the United States is committed to our trading partners around the world, to U.S. workers here at home, and to the global trading system in general. I encourage Members to vote yes on the motion to go to conference.

Mr. HASTINGS of Florida. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. LEVIN).

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Speaker, let no one be fooled by what is going on here today. This is horrible process, but it is a smoke screen on substance. It is not to level the playing field; it is to rig it.

Members who vote for this will be voting for provisions that never went through any committee: TAA, DeMint, a $50 million dispute fine fund.

Any Member who votes for this is going to be voting against meaningful TAA and health care provisions. They are going to be voting for foreign investors to have greater rights than U.S. investors. They are going to vote to renege on our CBI commitments, and they are going to be voting to strip Dayton-Craig.

Mr. Speaker, just a few days ago, 18 Republicans wrote a letter to the Speaker saying we support Dayton-Craig. Members who vote today for this bill are voting to take it out.

Look, Members are voting with this bill to destroy Senate provisions. This House got off on the wrong foot 6 months ago on a very partisan basis. This is a further misstep. We cannot build viable trade policy on a partisan basis. We would be building it on sand. Today, the other side is pouring more sand under a viable trade policy.

For reasons of process and for substance, I urge Members to vote against this rule. It is a bill with a rule wrapped around it. Members are voting to undercut what was in the Senate provision and voting to say to House Members, go and fight sound, viable trade policy. Vote no.

Mr. REYNOLDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in the history of this House, I do not believe there has ever been a time when the House has stripped language from the Senate. As we move forward here, we have an opportunity to correct a wrong that has occurred on the Senate with us.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Florida. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York (Ms. SLAUGHTER).

Ms. SLAUGHTER. Mr. Speaker, as a member of the Committee on Rules, I am extremely troubled by the lengths to which the majority has gone to block a real debate on trade. This self-executing rule denies us the opportunity to debate, amend or offer a substitute; and if this resolution passes, the bill passes.

Last week, before the Committee on Rules, the leadership kept insisting that this 191-page document is necessary to ensure that the House is not steamrolled by the Senate in the conference committee. If so, then this rule should simply strip away the Senate provisions.

This measure does not leave us with legislation identical to what the House passed by a one-vote margin. It actually alters the substance of the Senate version and in some ways weakens our current trade laws.

With all due respect, I have all the confidence in the world that the Members we send to conference will be tenacious, so what is the chairman afraid of? A real debate? That Members of the body actually reading this document might have some questions or objections?

Mr. Speaker, I know first hand about the sometime high price of trade. In the Rochester, New York, area and throughout upstate New York, I hear constantly from constituents who no longer, but used to have, well-paying, stable jobs with well-established American firms.

This rule places new hurdles in front of unemployed families struggling to maintain health care coverage. It reduces the health care tax credit to 60 percent and means tested based on the prior year's income. It simply short-changes American workers.

Mr. Speaker, I also believe the omission of the Dayton-Craig provision signals to our trading partners that the U.S. is ready to cave on U.S. trade remedy laws, and that is absolutely the wrong message.

Moreover, the rule further undermines our trade laws by including new language that undermines our existing anti-dumping laws. The inclusion of language subjecting ''abusive'' anti-dumping laws of our trading partners to negotiations actually undermines our efforts to rigorously enforce our anti-dumping trade laws.

If we ask our trading partners to put their anti-dumping laws on the table, we open the door to doing the same.

Mr. Speaker, I strongly urge my colleagues to defeat this rule. It denies Members from engaging in a real trade

debate on issues that affect real Americans.

Mr. REYNOLDS. Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Florida. Mr. Speaker, I yield 1½ minutes to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I call upon Members of the House to have self-respect for this institution and for our rules and for our process. This is called a self-executing rule. It is an unfair rule.

Let me read from the chairman of the Committee on Rules, the predecessor to the gentleman from California (Mr. DREIER). He said, ''The guiding principles will be openness and fairness. The Rules Committee will no longer rig the procedure to contrive a predetermined outcome. From now on, the Committee on Rules will clear the stage for debate, and let the House work its will.''

This is a self-executing rule. It executes fairness. It executes good process. It executes bipartisanship. It executes comity. It executes trust. It executes opportunity for partnership on this critical issue.

Mr. DREIER. Mr. Speaker, will the gentleman yield?

Mr. HOYER. I yield to the gentleman from California.

□ 1515

Mr. DREIER. I thank my friend for yielding. There is absolutely nothing whatsoever in this that is self-enacting. All we are trying to do is strengthen the hand of those negotiators. My friend does understand the procedures of this House and the rules of this House. Nothing is self-enacting in this rule at all.

Mr. HOYER. Reclaiming my time, what the gentleman seeks to do is create an unfair advantage for the Republican negotiators in the conference. That is what he seeks to do. He executes fairness, bipartisanship, good process, and an opportunity to provide for the bipartisan consideration of this issue. The gentleman and I have been together oftentimes on these kinds of issues. He makes a mistake. The Committee on Rules makes a mistake.

My colleagues, do not compound that mistake. Reject this rule.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LAHOOD). The Chair would appreciate it if Members would abide by the Chair's announcement of time having expired.

Mr. REYNOLDS. Mr. Speaker, I yield myself such time as I may consume.

I just told the chairman of the Committee on Rules, I think we have put the previous speaker down as ''undecided.''

I want to point out as we listened a little earlier from my colleague on the Committee on Rules, it becomes very important as we look at why we are here today, why this debate will go on. My colleague from New York asked why this rule could not simply strip out the Senate language. As a fellow member of the Committee on Rules, the gentlewoman knows full well that the House cannot strip the Senate position. At the very least, we can try to make the House position equitable, as the chairman of the Committee on Rules has just previously tried to outline. That is why we are here today doing what we are today, to give the House an equitable position at the bargaining table of the conference.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Florida. Mr. Speaker, once again I ask that the Speaker advise the respective parties how much time remains.

The SPEAKER pro tempore. The gentleman from Florida has 16½ minutes and the gentleman from New York has 19½ minutes.

Mr. HASTINGS of Florida. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from Ohio (Mr. BROWN), my colleague that I came here with and we hope to stay here.

Mr. BROWN of Ohio. Mr. Speaker, let us call this vote what it is. This is a brand-new fast track bill. Rules do not include 191 pages of never-before-considered legislative changes to a bill that passed the House by a single, weeping, arm-twisted vote.

No one here can remember any rule that has ever employed the procedural deceptiveness of this rule. No hearings on these provisions. No opportunity to offer amendments. No opportunity for substantive debate.

Members are being asked to accept that the chairman of the Committee on Ways and Means is the best judge of the needs and concerns of House Members and their constituents. Right.

This rule would only complicate efforts to convene a cooperative, bipartisan conference on fast track. Defeat the rule.

Mr. REYNOLDS. Mr. Speaker, I yield myself such time as I may consume.

I just want to remind my colleagues that while we do have a 190-page amendment before us, the Senate and what some of the Members of this body would like to have happen is that we just address 374 pages that the Senate did while they stripped out the House language. I also want to remind my colleagues both here and throughout the offices that the majority of this legislation has passed the House, some as long as 6 months ago. Members certainly would have read it thoroughly before voting on it when it came to the floor.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Florida. Mr. Speaker, I am pleased to yield 1¼ minutes to the distinguished gentlewoman from California (Ms. ESHOO).

Ms. ESHOO. Mr. Speaker, I thank my colleague for yielding me this time.

I rise today in opposition to this self-executing rule and specifically because of the trade adjustment provisions in it. The TAA provisions in this bill are vastly different than the compromise reached by the Senate and the Bush administration. I know the TAA provisions very well, along with the gentleman from Texas (Mr. BENTSEN), because we wrote and carried the legislation in the House of Representatives. The compromise that was reached was historic in that it recognizes the duality to trade and the need to deal with the downsides of it in a very real 21st-century way.

The Senate-White House compromise provides health care for all displaced workers at 70 percent while the Thomas bill legislates on this rule a means-tested situation based on income and the largest benefit would be 60 percent if an individual makes less than $20,000. The Senate-White House compromise provides an additional $150 million for worker training. This GOP provision only provides for an additional $30 million.

When I was growing up, the nuns used to mark the report card in a very important way. That was for conduct. I give my colleagues on the other side of the aisle an F for conduct on how you have conducted yourself on this rule. You are squandering a political opportunity for the people of this country. I urge my colleagues to vote against it.

Mr. REYNOLDS. Mr. Speaker, it is important to remind the gentlewoman that the structures referred to on TAA passed this House twice.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Florida. Mr. Speaker, I yield 15 seconds to the gentleman from Michigan (Mr. LEVIN).

Mr. LEVIN. Mr. Speaker, all that passed here was an extension of TAA, and for the gentleman to get up here and say otherwise is simply wrong. We did not consider anything but the very, very continuation of the present structure for a short period of time.

Mr. HASTINGS of Florida. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. PASCRELL).

(Mr. PASCRELL asked and was given permission to revise and extend his remarks.)

Mr. PASCRELL. Mr. Speaker, article 1, section 8 of the United States Constitution states very clearly that the Congress shall have power to lay and collect taxes, duties, imposts and excises. If we vote ''yes'' on this rule today, the House will be on record abdicating yet another constitutionally granted right. This undermines the Congress; this undermines this institution as a separate and coequal branch of government. In fact, one could question whether we have the right to do it.

In 1980, a President of the United States taxed oil and the courts overruled him. We do not have the power to surrender this right now. Edmund Randolph put it all very nicely. He worried about the executive power, calling it ''the fetus of monarchy.''

What you are doing is running down this institution, not only by the process but what you want the end product

to be. We are a people's house and should represent the people of the United States in every one of our districts.

Mr. REYNOLDS. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. THOMAS), the chairman of the Committee on Ways and Means, the committee that has jurisdiction on trade matters.

Mr. THOMAS. I thank the gentleman for yielding time.

Mr. Speaker, some of us over here are somewhat baffled because, as we had stated earlier, more than 160 pages that are contained here are bills that have previously passed the House. But the way in which the Senate called us to go to conference, those bills would not have been within the scope of conference. All we are doing is taking previously passed work product of the House and placing it before the conference.

As far as health credits are concerned, the 60 percent structure was contained in the stimulus bill. As you will recall, this House passed it four times until the Senate finally passed it. Two of those times it had health credits in there. I do not understand why my colleagues do not want to take previously passed House work product and make it in order in front of the Senate so we have a chance that the House-passed work product could be in competition with the Senate-passed product.

That is all this does is take passed, previously-agreed-to measures like the Andean bill, like the trade promotion bill, and put it in front of the Senate. Why are you so afraid of using a House-passed product as the House's position?

PARLIAMENTARY INQUIRY

Mr. RANGEL. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. RANGEL. Mr. Speaker, I make a parliamentary inquiry as to whether in the history of this august body has ever before a self-executing rule such as this in wrapping a 191-page bill ever been given to the Committee on Rules to be enacted into law with the exception of the time that the Republicans closed down the House of Representatives?

Mr. THOMAS. Will the gentleman yield?

Mr. RANGEL. I made a parliamentary inquiry. Unless the gentleman is the Parliamentarian.

The SPEAKER pro tempore. The Chair would like to respond to the gentleman from New York. The Chair is not the historian of the House and therefore cannot make any kind of a ruling.

The Chair recognizes the gentleman from Florida.

Mr. RANGEL. Could I get a parliamentary answer to my question, Mr. Speaker?

The SPEAKER pro tempore. The parliamentary answer is that the Chair is not the historian. The Chair is not able to put the issue in historical context.

Mr. RANGEL. Could I get an answer from the Parliamentarian?

The SPEAKER pro tempore. If the gentleman from New York would like to ask the Parliamentarian to check the precedents of the House previously, he is more than welcome to do that.

The Chair recognizes the gentleman from Florida.

Mr. RANGEL. If the Speaker would yield just for a moment, I have checked with the Parliamentarian to ask what the history was, and I would like it reaffirmed by the Speaker that this has never been done before.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Florida.

Mr. HASTINGS of Florida. Mr. Speaker, how much time does each side have?

The SPEAKER pro tempore. The gentleman from Florida has 13 minutes. The gentleman from New York has 18.

Mr. HASTINGS of Florida. Mr. Speaker, I would respectfully reserve the balance of my time and ask my colleague if he would use some of the time because of the imbalance of time as it is considered.

Mr. REYNOLDS. Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Florida. Is the gentleman prepared to yield back the balance of his time?

Mr. REYNOLDS. If you are intending to yield back the balance of your time, I will follow you with that, and we will move ahead to a vote.

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself such time as I may consume.

First let me become the Parliamentarian of the House. It was Chairman THOMAS who agreed that there was absolutely no precedent for this and Chairman DREIER said the same thing last week. Either it is something different today, or last week up in the Rules Committee it was something else.

For Chairman THOMAS' benefit, you are attempting to add in that 31 pages that you are not talking about the language of H.R. 3010, the general system of preferences, to this rule and it has never passed this House.

Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. BONIOR).

Mr. BONIOR. I thank my good friend from Florida for yielding me this time.

Mr. Speaker, today's headlines: ''WorldCom Says Its Books Are Off By $3.8 billion.'' What do WorldCom, Arthur Andersen, Global Crossing, Enron, K-Mart, DCT, CMS Energy, and Merrill Lynch have in common? They support the idea of a fast track, all these trade laws, even though they themselves have been ethically challenged companies that have fleeced their workers, their retirees, have caused the market to take a terrible toll on retirees and those who invest in it. They are the people behind this kind of trade negotiation and deal.

And in this very bill that we are arguing about today are provisions that will gut health care benefits for steelworkers. You go out there in that 95-degree temperature like we have got today and you work, you pour your heart and soul into every paycheck, you punch a clock and pack a lunch, come home and then have them tell you that you cannot have your health care benefits. They are going to get caught. That is what is wrong with trade readjustment under their proposal, and that is what is wrong with fast track.

Vote ''no'' on this proposal.

Mr. REYNOLDS. Mr. Speaker, I yield myself such time as I may consume.

It is an honor and privilege for me to serve on the Committee on Rules, as I think it is on both sides of the aisle. Just because the House has not done something exactly like this before does not mean it should never be done. The rules of this House are deliberately crafted to permit flexibility for unique instances such as this.

Mr. Speaker, as I stated earlier, but its importance bears repeating, so I am going to say it again: the House would not be in this position had the Senate not taken up the Andean trade bill, stripped out all of the House-passed provisions and added countless other trade items, leaving the House with no position in the conference on all these measures.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Florida. Mr. Speaker, I am pleased to yield 1 minute to the distinguished gentleman from Texas (Mr. BENTSEN).

(Mr. BENTSEN asked and was given permission to revise and extend his remarks.)

Mr. BENTSEN. I thank the gentleman for yielding time.

Mr. Speaker, I was one of 21 Democrats who voted for the TPA bill. I think it is a good bill.

□ 1530

I want to see the President get Trade Promotion Authority; I voted for it for President Clinton and I will vote for it for President Bush, if it is done the right way. I did that last fall, but what we are doing today is not the way to get there.

The Senate has passed a substantial trade adjustment assistance package that is good public policy, that helps workers who do lose their jobs to trade. What the House is being asked to do today is to state a new position on the part of the House to strengthen the hand of the Republicans in the conference. There is nothing that precludes the conferees on the part of the House to put forth a position or to hammer out a conference agreement with the other body, including provisions which were not addressed in this body. This is all designed to provide political leverage. It is not a practical rules effect. In fact, the Committee on Rules can waive on the issue of scope.

The bill before us today is a dramatic rewrite of the Bush-backed, bipartisan

Senate trade adjustment assistance package. We should reject this. If we want to get real TPA, let us take the Bush and the Senate bipartisan package and put it together.

Mr. REYNOLDS. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. THOMAS), the chairman of the Committee on Ways and Means.

Mr. THOMAS. Mr. Speaker, for those of us who really want to know, the Senate passed an Andean trade act bill this month. Into that bill, because they could not pass them separately, they amended the trade promotion act bill that this House passed back in December. They amended into it the trade adjustment assistance that this House passed back in November. They amended into it a Customs border security bill that we passed back in May. They could not pass bills the way we usually do.

We should have gone to the Trade Promotion Authority conference 5 months ago. We should have gone to the TAA conference 4 months ago. The Senate could not pass individual bills, so in an unprecedented way, they took all of those bills, rolled them into one, and then said, let us go to conference.

All we are doing are taking the bills we have passed in the past, put them together now, and going to conference in the way the Senate is going to conference, with all of the bills together.

I guess it is our fault that we did our work earlier this year.

PARLIAMENTARY INQUIRIES

Mr. BENTSEN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman will state it.

Mr. BENTSEN. Mr. Speaker, with all due respect to the chairman, do the rules of the House preclude conferees on the part of the House, when going into conference on this particular bill that is being discussed as part of this rule, do the rules of the House preclude the House conferees from negotiating other parts of the bill, even though it is being considered under the Senate, the other body's Andean trade bill, or are the House conferees limited only to that portion? Because the argument that is being put forth is, in some respects, that our conferees on the part of the House may only discuss certain portions and not the entire scope of the bill, or bills, as they are packaged together.

Mr. THOMAS. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman from California will state it.

Mr. THOMAS. The Speaker just said that the rules of both the House and the Senate require those bodies in the unique situation under the Constitution, when bills have passed both Houses in different forms, to come together to reconcile the differences. That is a conference.

The scope of the conference is defined by the bills that are brought to the conference. The Senate brings 374 pages of 15 different bills.

What the Democrats are asking us to do is to go to conference with one bill, the Andean bill, which is what the Senate requested that we go to conference over.

What we want to do is take the bills that have been passed, put them into this motion, go to conference with the scope of the conference being fair and equal on both sides, and that is the sum and substance of the response of the Speaker to the parliamentary inquiry of the gentleman from Texas.

Mr. BENTSEN. Mr. Speaker, I have a further parliamentary inquiry.

The SPEAKER pro tempore. The gentleman from Texas will state it.

Mr. BENTSEN. Mr. Speaker, two inquiries. One, may the Committee on Rules suspend rule XXII for purposes of House conferees?

Question number two is, again, does that preclude in a conference with the other body the House conferees from discussing or bringing up any provisions related to those other items, other than the bill that passed the House?

The SPEAKER pro tempore. The Committee on Rules does have the authority to waive certain rules of the House.

Mr. BENTSEN. Mr. Speaker, with respect to the other inquiry?

The SPEAKER pro tempore. The Chair cannot judge what will be discussed in the conference or give anticipatory rulings thereon.

Mr. BENTSEN. Mr. Speaker, I have a further parliamentary inquiry, and I am trying to get to the point of what the chairman is discussing.

The SPEAKER pro tempore. Briefly.

Mr. BENTSEN. Very briefly. Do the rules preclude House conferees from discussing or bringing up any portion of a conference, other than the portion of the conference related to the Andean trade bill? Are they allowed to vote and make suggestions, make recommendations, make legislative recommendations on the other portions of the conference?

The SPEAKER pro tempore. The Chair can only judge that when the Chair sees the work of the conferees in the conference report.

Mr. HASTINGS of Florida. Mr. Speaker, I am pleased to yield 1 minute to the gentlewoman from California (Mrs. TAUSCHER), my good friend.

Mrs. TAUSCHER. Mr. Speaker, I rise to oppose this rule. I voted for TPA when it was called Fast Track at least twice before, and I am for open and free trade. But I am not for ramming it through the House with this closed, surgically enhanced rule.

This resolution would send to conference some legislation we have not even voted on and sneaks in Member-to-Member favors. Simply put, this self-executing rule is unnecessary and amounts to parliamentary maneuvering and election year politics at its worse.

Mr. Speaker, I want the President to have fast track authority, but we also need a robust trade adjustment assistance package to help American workers displaced by expanding trade. This rule effectively guts TAA by reducing health care assistance and only helps workers whose jobs have gone to Mexico or Canada.

In today's global economy, America needs free trade. We must free our President to negotiate trade deals while assisting American workers who are affected by changing markets. I look forward to voting for a trade bill out of the conference, but I cannot support a rule that plays games with such an important bill.

Mr. REYNOLDS. Mr. Speaker, I yield myself such time as I may consume.

I just think it is important to point out to the previous speaker and to the gentlewoman from California, at first he addressed the thing on the Senate and it is clear that the Senate can do whatever they may wish to do relative to the conference, and our action today would not impede that from doing that. Then I watch him turn on the dime when he wants us to totally reverse a rule.

I think it is important for Members to know that clause 9 of House rule XXII provides the definition of scope for House conferees. The House rules on the scope of a conference committee are very precise and well defined. The CRS report 98–696 CV on resolving legislative differences between the two bodies of Congress is available to any Member who would like to review the process of going to conference with the other Chamber.

The report states that there are significant restrictions on the authority of House conferees. Their authority is restricted by the scope of the differences between the House and Senate over the matters in disagreement between them. It goes on to explain how difficult it is to define the scope of the differences, and it also depends on how the second Chamber to act on the measure has cast the matters in disagreement. And the second Chamber that acts on the measure typically casts its version in the form of an amendment in the nature of a substitute. This is exactly what the Senate did. That comes from the CRS report 98–696.

The report goes on to explain that the second House substitutes make it much harder, if not impractical, to specifically identify each matter in disagreement and the scope of the differences over the matter. This matter could have been easily avoided if the Senate had simply taken up H.R. 3005, the House-passed TPA legislation, and acted on it. Then a conference committee could have been convened and the final bill sent to both bodies.

Instead, the Senate took up the Andean trade bill, stripped it out of the language, and inserted its own trade agenda. We are left with no alternative but to protect the interests of this House and to assure that our conferees are able to go into conference with a

House position on all of these extra trade measures that the Senate included. Why should we allow the House to be put in a weakened position with this important legislation?

That is what this debate is about and shortly, when we have a vote, it will reflect the vote of this House.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Florida. Mr. Speaker, after that procedural gobbledygook, it still does not make what they are doing correct and precedential. There is no precedent for what we are doing.

Mr. Speaker, I yield 1 minute to the distinguished gentleman from Texas (Mr. DOGGETT), my good friend.

Mr. DOGGETT. Mr. Speaker, a vote for this rule damages our environment. I am all for trade, but trading clean water for sour, pure air for fouled, open justice for star chamber proceedings, that is not a good trade. Free trade is not ''free'' when it comes at the expense of such imperatives.

My concern about the failed Chapter 11 NAFTA model that this proposal endorses is similar to my concern about the mismanaging of this fast track trade debate. Both result from a secret, closed-door process, both ignore the Sierra Club, Consumers Union and others concerned with our sovereignty, our environment, and our health and safety; and both relegate important decisions to a self-selected few, although the burden will be borne by many.

They violate the whole spirit of our Texas open-government laws. We could use a little Texas sunshine in on our trade policy.

The only thing transparent about this fast track process is the heavy-handed, insular way that it has been handled by the Chairman since day one. A ''no'' vote is a vote for openness, a vote for the democratic process, and for our environment.

Mr. REYNOLDS. Mr. Speaker, I yield myself such time as I may consume.

I knew it would take just a little time of this debate to kind of pick apart whether one is a free trader and what the perfect debate is and how it happens; and whether you are really a trader or whether you are not; whether you are a protectionist; or, I wanted to support it, but it did not have all of the things I needed in it.

Well, today as we have a vote on this, the determination in a bipartisan solution, as trade has always been in this House, we are either going to support free trade and we are going to move the agenda forward, or we are going to reject it. But for those 21 Democratic votes or for others who may consider future votes on trade, this is going to end up with a bottom-line deal here.

The bottom line is you either support free trade and give the House the ability to go as a conference and continue to move on trade, or you are not. But you cannot go home and tell everybody, I am a free trader, but it just was not a perfect way for me to cast my vote. Because it is going to be measured. It is going to be measured not only in D.C., but throughout the land. You are either voting for free trade or you are rejecting it.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Florida. Mr. Speaker, I yield 1 minute to the gentleman from Indiana (Mr. VISCLOSKY), my good friend.

Mr. VISCLOSKY. Mr. Speaker, I appreciate the gentleman yielding me this time.

In response to the previous gentleman's remark, I would suggest that the bottom line is jobs. This rule is about jobs; and as far as I am concerned, it represents bad policy for America, it represents bad policy for people in this country who still make a living wage, and it is very bad and horrific policy for all of the people who are going to lose their jobs because of the attempt to give any administration this type of trade authority.

One of the fatal flaws is not allowing us consideration of provisions that might undermine and weaken our trade remedy laws that are on the books today. That includes industries in the United States that used to make and may still make some pencils, may grow garlic, may make cement clinkers, may produce petroleum wax candles. There are 265 industries and growers who have sought relief for these important protections.

This is about jobs. It is about the 210 people who have no work at Calumet Steel in Chicago Heights, Illinois, because of illegal trade that takes place.

Mr. REYNOLDS. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. ISSA).

Mr. ISSA. Mr. Speaker, my colleague on the other side of the aisle is absolutely right, this is about jobs. I have listened for almost an hour to people talk about the rule and about what kind of rule this is and whether it is fair. I would like to speak about jobs.

Before I came to this body, I spent over 20 years in the American electronics business, and I sold freely in those countries that had free trade; and I was either locked out or severely limited in the countries that we had not opened trade with.

□ 1545

I would like to remind my friends on both sides of the aisle that we cannot pick our friends and enemies on free trade. Some of the most protectionist countries are our close allies. In fact, we need this kind of trade promotion authority if we are going to open those markets, many of them with European countries that today freely trade between each other and, in fact, are limiting our products.

So, Mr. Speaker, I strongly rise in support of this rule and of the underlying language. I ask for my Democrat colleagues to please go beyond the 22 and vote this up.

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I guess what my colleagues are saying is trade, yes; House precedents, no.

Mr. Speaker, I yield 1 minute to my good friend, the gentlewoman from Ohio (Ms. KAPTUR).

Ms. KAPTUR. Mr. Speaker, I thank the gentleman for yielding time to me.

I wish to say that this Republican-led Congress is trying to enlarge NAFTA to all the countries of Latin America and to do so not by regular order but by this outrageous tourniquet rule, because the rule basically locks in the deals of the powerful few against the workers of this country and, indeed, our hemisphere. We have seen it before.

The leadership knows it cannot win it on the merits, on the up and up, so they intimidate Members, or they produce a rule like this that even the authors cannot fully understand. But we know what it does is it will tie the hands of our conferees so they cannot deal with the needs of displaced workers, and they cannot extend health benefits to them.

It reminds me of how the GATT vote was passed. When they could not pass it, they figured out, let us do it in a lame duck session after 2 a.m. in the morning when nobody will know what happens anyway. The American people will not pay attention.

Mr. Speaker, the American people are paying attention. When they cannot win on the merits, they rig the rules.

I say to my colleagues, vote no on this rule. Do not vote for any more NAFTAs.

Mr. REYNOLDS. Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Florida. Mr. Speaker, I yield 1 minute to my good friend, the distinguished gentleman from Massachusetts (Mr. LYNCH).

Mr. LYNCH. Mr. Speaker, I rise today in opposition to this rule, which would try to silence the voices on both sides of the aisle who oppose this fast track legislation.

Mr. Speaker, this rule, as well as the whole fast track procedure, takes Congress out of the equation, takes Congress out of the debate and, by doing so, also takes the American people out of the debate. Fast track is nothing more than a silent auction, a silent auction of American jobs, so I am not surprised that the Republican leadership wants this rule. This is not something that they would do in the light of day and with open and honest debate.

There was an interesting story in the Washington Post last week where the companies that actually went down to Mexico and ran out on the United States are now leaving Mexico and the maquilladoras for Asian countries because the Mexican workers have had the audacity to ask for $5 an hour in wages.

This is a race to the bottom. This should not happen. We should be protecting American jobs.

Mr. HASTINGS of Florida. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. LEVIN).

Mr. LEVIN. Mr. Speaker, first of all, I would say to the gentleman from New York (Mr. REYNOLDS), 161 Democrats voted for the fast track bill. Do not stand up here and say the issue is whether one is for or against free trade. That is nonsense.

Mr. Speaker, also nonsense is this argument about the Senate stripping House language using an Andean bill. That is pure hokum. What the Senate did was to take the Andean bill that passed here and put other trade bills in it, including their Andean bill.

So Members do not need this bill. The subjects are on the table for the conference. They are trying to load the deck. That is what they are trying to do. They are trying to do it by a rule that has 191 pages and adding DeMint, which might be the only subject that could not be brought in the conference. That is what they are doing here. Be honest, they are trying to load the deck as they enter conference, and they should not be handling serious trade matters in this way.

For that reason, because we see through the smoke screen, Members should vote no on this bill.

Mr. REYNOLDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I have great respect and admiration for the gentleman from Michigan, but, for the life of me, I cannot understand why the minority must not have the confidence in the Senate conferees. They must not trust their ability to negotiate, the integrity of the Senate language.

But what I find most perplexing is how the minority, with a clear conscience, would want to send our own conferees into conference with no position, because what is there are the Senate provisions in the conference. I have read the report under our rule that was the opinion of CRS that clearly talks about definitions of that position.

It is important for us to reflect on the fact that the chairman of the Committee on Ways and Means, in seeing that, clearly brought to this House, which we will have a vote on in a moment, but to the Committee on Rules the fact that we were not on a level playing field, and that was not right. It was not right for this House, and it is not right for the debate that needs to happen in that conference report.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I ask the gentleman from New York to look at me: this side of my mouth, that side of my mouth. You are talking out of both sides of your mouth. What you are saying is that, on the one hand, you have 160 pages that you passed; and then you say we have no position. You cannot have it both ways.

MOTION TO ADJOURN

Mr. HASTINGS of Florida. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the motion to adjourn offered by the gentleman from Florida (Mr. HASTINGS).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. HASTINGS of Florida. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently, a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 40, nays 384, not voting 10, as follows:

[Roll No. 263]

YEAS—40

Berry
Bishop
Boucher
Brown (FL)
Capuano
Carson (IN)
Clay
Conyers
DeFazio
Dingell
Doggett
Evans
Farr
Filner
Gonzalez
Hastings (FL)
Hoekstra
Honda
Hoyer
Jackson-Lee (TX)
Johnson, E. B.
Jones (OH)
Kaptur
Lynch
McDermott
McGovern
Meek (FL)
Mink
Obey
Olver
Pelosi
Sanders
Sandlin
Stupak
Taylor (MS)
Thompson (MS)
Towns
Velazquez
Waters
Wynn

NAYS—384

Abercrombie
Ackerman
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Biggert
Bilirakis
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boozman
Borski
Boswell
Boyd
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Cardin
Carson (OK)
Castle
Chabot
Chambliss
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeGette
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Everett
Fattah
Ferguson
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Kanjorski
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller, Dan
Miller, Gary
Miller, George
Miller, Jeff
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Oberstar
Ortiz
Osborne
Ose
Otter
Oxley
Pallone
Pascrell
Paul
Payne
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sawyer
Saxton
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stearns
Stenholm
Strickland
Stump
Sullivan
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Turner
Udall (CO)
Udall (NM)
Upton
Visclosky
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watson (CA)
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Young (AK)
Young (FL)

NOT VOTING—10

Delahunt
Jefferson
LaFalce
Nussle
Owens
Pastor
Roukema
Smith (MI)
Stark
Traficant

□ 1613

Mrs. JO ANN DAVIS of Virginia, Mrs. JOHNSON of Connecticut, Ms. RIVERS, Mr. HILLEARY and Mr. PICKERING changed their vote from ''yea'' to ''nay.''

So the motion to adjourn was rejected.

The result of the vote was announced as above recorded.

RELATING TO CONSIDERATION OF SENATE AMENDMENT TO H.R. 3009, ANDEAN TRADE PROMOTION AND DRUG ERADICATION ACT

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from New York (Mr. REYNOLDS) has 10½ minutes remaining, and the gentleman from Florida (Mr. HASTINGS) has 4 minutes remaining.

□ 1615

Mr. REYNOLDS. Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Florida. Mr. Speaker, I reserve the balance of my time and ask the gentleman, because of the imbalance of time, if he would proceed with some of his speakers. We have but two speakers remaining.

Mr. REYNOLDS. Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Florida. Mr. Speaker, I reserve the balance of my time.

Mr. REYNOLDS. Mr. Speaker, for the gentleman who is managing the minority side of the rule, I intend to have him speak. I then intend to have the Chairman of the Committee on Rules close. There will be no further speakers other than I as the manager of the rule.

Mr. HASTINGS of Florida. Mr. Speaker, I am very pleased to yield 3 minutes to the distinguished gentlewoman from California (Ms. PELOSI), my good friend, the Democratic whip.

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding me the time and for his brilliant arguments against this outrageous rule, which I rise not only to oppose but to implore my colleagues on both sides of the aisle to disassociate themselves from.

This is not a rule proposed by the Grand Old Party. This is not about Republicans in our country. This rule is outrageous. It is a rule that limits freedom in this, the people's House.

Every child in school learns how laws are made. They visit here, this temple of democracy, and yet what is happening here today is to shred that book.

American people think of this as the people's House, where issues and policies are debated, a marketplace of ideas. They do not think of it as a place of bait and switch. This House voted on a bill; I opposed it. It won by one vote, but it would be the House's bill to go to conference.

Because the majority did not like how the other body treated this same legislation on trade promotion, they decided that they would usurp the power of this House and give that power to one person to go to the Committee on Rules and have over 50 pages of changes on a 191-page rule, that by passing the rule my colleagues are deeming those provisions passed, provisions that have never been debated and considered in this House. We might as well tear up the book on how a bill is passed in terms of process, in terms of precedent, in terms of policy.

This is a very dark day for the House of Representatives. We had all hoped, many of us, that the bill would come back in the form we could have a great amount of support for, to give the President trade promotion authority. Instead of doing that, the chairman of the Committee on Ways and Means has made matters worse with this outrageous procedure and this outrageous bill.

We are the model of democracy to the world, to the world. The world is watching what we do here. Young children study what we do here; and instead of being an example, we are a place where today freedom and democratic debate are being greatly diminished.

It is no wonder the gentleman from New York has no speakers on this rule. It is no wonder that in the course of the debate many people spoke up to defend the minority position and only two people could speak in favor of this rule. It is an embarrassment to this House, and it should be an embarrassment to the Republican party.

Why do we not want to have this debate in the light of day instead of just by stealth into the Committee on Rules and on to this floor? Because this is a disgrace and a disservice, a disservice to American workers. It deprives them of the debate on their health benefits, on workers' rights.

We can come together in a bipartisan way. I implore my colleagues to reject this outrageous rule. Vote no.

Mr. REYNOLDS. Mr. Speaker, I yield as much time as he may consume to the gentleman from California (Mr. THOMAS).

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that a colloquy between the gentleman from Mississippi (Mr. PICKERING) and myself be made a part of the RECORD.

Mr. HASTINGS of Florida. Mr. Speaker, I reserve the right to object.

The SPEAKER pro tempore (Mr. LAHOOD). Under the rules, that cannot be done by unanimous consent.

Mr. REYNOLDS. Mr. Speaker, how much time remains?

The SPEAKER pro tempore. The gentleman from New York (Mr. REYNOLDS) has 10½ minutes remaining. The gentleman from Florida (Mr. HASTINGS) has 1 minute remaining.

Mr. REYNOLDS. Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Florida. Mr. Speaker, I am very pleased to yield the remaining time of the minority to the distinguished gentleman from New York (Mr. RANGEL), the ranking member of the Committee on Ways and Means, my good friend.

Mr. RANGEL. Mr. Speaker, there is a way to get out of this dilemma in an attempt to restore some degree of bipartisanship to a trade bill. This is what we enjoyed when we were dealing with the Caribbean Basin Initiative, with China, with the African Growth and Opportunity bill. We worked out our differences; and even though we disagreed, we were not disagreeable.

The problem that we have here is not one of substance. We have one that the integrity of the House of Representatives is on, and I am saying that history will not treat us kindly if, for the first time in over 200 years of the House of Representatives, we attempt to take substantive legislation and have the Committee on Rules roll it up into a rule and to have us vote on it.

True, the Chairman of the Committee on Ways and Means will tell my colleagues that 80 percent of this has already been passed one way or the other by the House, but what about the 20 percent? When does the 20 percent become 30 percent or 40 percent? This did happen once before, and that is when the House was closed down. There was no way to communicate with the Senate, and we did use the Committee on Rules in order to legislate.

But I ask my colleagues to vote down the rule. Let us do it the right way.

Mr. REYNOLDS. Mr. Speaker, I yield 1 minute to the gentleman from Mississippi (Mr. PICKERING) for the purposes of entertaining a colloquy.

Mr. PICKERING. Mr. Speaker, I would like to inquire about the impact of the hybrid cutting provision with respect to CBI that is contained in the amendment. As my colleagues know, the amendment contains language requiring that apparel made of U.S. knit or woven fabric assembled in the CBI qualifies for benefits only if the U.S. knit or woven fabric is dyed and finished in the United States. The hybrid cutting provision allows benefits under CBI if apparel is made of components cut in the United States and in the CBI of fabric wholly formed in the United States from yarns wholly formed in the United States.

Is it my colleague's understanding that the dyeing and finishing requirements for U.S. fabric contained in the amendment also apply to the hybrid cutting provision?

Mr. THOMAS. Mr. Speaker, will the gentleman yield?

Mr. PICKERING. I yield to the gentleman from California.

Mr. THOMAS. Mr. Speaker, I tell the gentleman from Mississippi, the answer is an unequivocal yes.

Mr. REYNOLDS. Mr. Speaker, I yield myself such time as I may consume.

While the rest of the world speeds ahead when it comes to free trade, the United States desperately needs to get back on track. Trade promotion authority is the most effective way to accomplish that, and this rule simply allows the process to move forward so we can get one step closer to retaining and regaining America's global trade preeminence.

I ask my colleagues to join me in freeing the hands of our conferees and not restrict our ability to negotiate before they even get to the table. That is why I have urged a yes for this resolution; and when the end of the day comes for a vote in moments, it is going to come down to either my colleagues supported free trade and they

have sent that message back to their district and across America or they rejected it. That is what this comes down to, an up or down, yes or no, free trade or no. My colleagues are not going to continue it.

Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DREIER), who is the Chairman of the Committee on Rules and an expert on trade.

Mr. DREIER. Mr. Speaker, I would like to begin by congratulating the gentleman from New York (Mr. REYNOLDS) for his fine management of this rule. I have had the honor of participating in and witnessing some of the greatest debates that have taken place in the greatest deliberative body known to man, the United States Congress.

The very best, the very best that I can say about this debate that we have gone through today is that it has been interesting. It has not been a great debate because my colleagues on the other side of the aisle who love to stand up and talk about their strong support of free trade and their desire to open up new markets have said we are for giving the President this authority but not this measure.

Now as we have listened to the debate that has come from the other side of the aisle, I have heard people say this is a violation of article 1, section 8 of the Constitution. I have heard this described as a self-executing rule. I have heard all kinds of mischaracterization of what it is that we have done here.

I never said that it was unprecedented. We went back and looked at the record. I said it was unusual. I think what was done in the United States Senate was unprecedented, and that is why we have responded with an unusual procedure here.

We are trying to strengthen the hands of our negotiators so that the prerogatives of this institution, the people's House, the body which my friend the gentleman from Illinois (Mr. CRANE) referred to this morning in a meeting as the most important of our Federal branches of government, the people's House, our prerogatives need to be recognized.

We are not passing laws here. This is nothing more than a motion to go to conference, and in 1996 a similar procedure was followed, and we regularly followed the procedure of passing motions to go to conference.

I will admit that there is quite a bit attached to this, but when we saw the United States Senate do what it did, we had little choice other than take the action that we are taking today.

As we look at the challenges, as we look at the challenges that we have before us, we all know that this economy is facing real difficulty. We know that 95 percent of the world's consumers are outside of our border, and we know that unless we do what we can to open up those markets we are not going to have the opportunity to create jobs for the American worker.

As I listened to my colleagues again mischaracterize the North American Free Trade Agreement, talking about its failure, we have seen a doubling of trade between the United States and Mexico since its passage. We have seen the middle-class population in Mexico grow to be larger than the entire Canadian population.

□ 1630

It has been a win-win.

And it is true, we want to expand the North American Free Trade Agreement to a free trade area, the Americas. A lot of us here, Mr. Speaker, are interested in seeing the technology sector of our economy improve. We faced a real downturn there, and it has hurt our overall economy because so much of the GDP growth in the past several years has come from that sector of the economy.

Let us look at what a free trade area, the Americas, would bring us. There are about 12 million computers south of the border, but 500 million people. We need to do what we can to open up those markets.

The Andean Trade Preference Act is designed to help wean those in the Andean nations off of the crops of drugs, and so what we need to do is realize that ATPA is very important in dealing with that battle that we face today.

So while many people can make all of these arguments procedurally against this, which really do not stand the test of what we are doing here at all, I believe that if my colleagues are for increased economic growth here in the United States of America, if they are for realizing that this is a bicameral legislature and we have the prerogatives of the House that need to be followed, and if they are committed to doing everything that we possibly can to make sure that the United States of America, at this time of war, plays its proper role as the paramount global leader, they will vote in support of this rule, because it is the right thing to do.

Mr. REYNOLDS. Mr. Speaker, is there any further time on the minority side?

The SPEAKER pro tempore (Mr. LAHOOD). The time of the gentleman from Florida has expired.

Mr. BLUMENAUER. Mr. Speaker, I urge my colleagues to defeat this Self-Executing Rule governing the house conferees on trade promotion authority, because it sets a terrible precedent. It could well be the worst abuse of the legislative process since the Republican party took control of the House in 1994. Newt Gingrich would have howled in outrage if the previous Democratic majority has attempted such a maneuver; and it would have been appropriate outrage.

It is shameful to treat this body in such a fashion—tying the hands of House conferees, adding new provisions without any opportunity of fairly debate their merits. This behavior abuses the American people as well as this House. It will come back to haunt the Republican majority.

I support free trade because it strengthens the economy of my city and state and the country as a whole. I have been unable to support the Administration and House leadership position because they have ignored legimate environmental and labor concerns.

Now this rule would further damage the cause of trade by committing this House to reject improvements in Trade Adjustment Assistance that were made by the Senate.

There are dislocations that occur as our economy changes in response to new markets and new imports. Some workers are hurt in that process, and Trade Adjustment Assistance is critical to ensuring that we move as quickly and painlessly as possible to extend the benefits of trade to all American families.

The provisions of this rule reject in advance important improvements in TAA that the Senate made and that must be part our trade agenda:

Health Care for workers unemployed due to trade dislocations. This Substitute unilaterally rolls back the health care benefits contained in the Senate bill—and puts in their place a reduced level of support that is harder to obtain because of a means-testing requirement.

Job training and relocation assistance: The Senate bill doubles this funding (to $300 million), reflecting the fact that TAA chronically runs out of money early in the year. So far this year, 12 states—including Oregon—have already ran out of TAA money. This proposed rule would strip this money, forcing continued funding shortfalls for TAA.

This is a critical issue for my State. Currently, more than 600 Oregon workers have been certified by the Department of Labor as being eligible for Trade Adjustment Assistance (TAA) or NAFTA benefits but are not receiving those benefits due to a lack of resources. Trade assistance petitions are pending for 35 companies, and additional layoffs are expected from several companies that have previously been certified as eligible for assistance. However, the state of Oregon received only 25 percent of the amount it requested under the trade program. As a result, the state exhausted its funds at the end of April, and has been unable to grant any more requests for assistance. Already 200 laid-off Oregonians are on the waiting list for job training and relocation assistance, with hundreds more expected to apply in the fall.

Were we to approve this motion we would send exactly the wrong message to the people of my state and the rest of America: that trade is about creating winners and losers, and the losers are on their own.

Mr. ACEVEDO-VILA. Mr. Speaker, As the House moves toward conference on the trade package, I want to bring to the attention of my colleagues a report from the International Trade Commission (ITC) on the impacts of tariff modifications for tuna imported from Andrean beneficiaries.

The results of this analysis are quite clear, and they support what I and my good friend from American Samoa have been saying all along—that the proposed duty free treatment of tuna contained in the House passed bill will create only a limited amount of jobs in Ecuador, but the effect on workers in the domestic fishing and processing industry will be severe. Thousands of jobs in American Samoa, California, and Puerto Rico are at stake. All for a few hundred jobs in Ecuador at 77 cents an hour.

While I support the intent of the Andean Trade Preference Act (ATPA), exempting tuna will not provide intended benefits to Ecuadorian workers. Instead, it will help a multinational corporation increase its profit margin at the cost of thousands of American jobs.

I ask the conferees to consider the limited benefits of the proposed tariff modifications on the workers in Ecuador and compare them with the harsh reality of significant job loss for American workers. Consider the strong warnings of Senators against undermining our relationship with ASEAN countries such as the Philippines, a close and important ally in our war against terror.

The current duty structure on tuna over the past decade has created tremendous growth in the Andean tuna industry. For example, over the past ten years the number of tuna factories as increased 229%, production capacity has increased 400% and exports to the U.S. have increased 567%. Clearly the current tariff structure for tuna has been a huge success for the Andean region.

I have been working with Bumble Bee Seafoods to ensure continued operations in Mayaguez, Puerto Rico. Based on close cooperation between the Puerto Rican government and Bumble Bee Seafoods, Bumble Bee now anticipates that it will be able to maintain a workforce in excess of 500 people. This is higher than the 300 originally anticipated and ensures that the tuna industry will continue to be an important part of the Puerto Rican industrial sector. The key risk to the continuation and growth of the industry in Puerto Rico and elsewhere in the United States is the tariff modifications being considered under APTA. Changes to the existing tariff structure, under which significant industry growth has been realized in Ecuador, will have an immediate and lasting impact on tuna industry employment not only in Puerto Rico but also in California and American Samoa.

The conferees on this important package should consider the impact tariff modifications will have on workers and fisherman in Puerto Rico, California, and American Samoa. The potential benefits for Ecuador simply do not justify the significant costs that will be brought to bear on the domestic processing and fishing industry. The current tariff structure has resulted in tremendous growth for Ecuador in this industry.

With the above stated reasons in mind, I respectfully ask the conferees to strike tuna from the list of items for duty free treatment under the ATPA.

In regards to rum, congress and past Administrations have repeatedly recognized that rum is a product of unique and critical importance to Puerto Rico and neighboring island jurisdictions that benefit from the Caribbean Basin initiative (''CBI''). The current duty structure for rum is the result of a compromise reached in 1997 among the United States, the European Union and Caribbean governments and producers. This compromise balanced the phase-out of tariffs for higher-value rum with the maintenance of essential duties on low-value rum. Congress and the Administration should continue this wise policy. I ask that conferees assure that rum continues to be excluded from duty-free treatment under the ATPDEA and that low-value rum is not part of future tariff negotiations in the context of the Free Trade Area of the Americas (''FTAA'').

Finally and, perhaps most importantly, there is a compelling economic case for retaining current duties on low-value rum. Economic analysis on the probable economic effects of eliminating rum tariffs reaches a stark conclusion—that the grant of duty-free treatment for low-value rum would enable Brazil, Colombia and other regional producers to use their many natural resource advantages and massive excess production capacity to displace Caribbean producers of low-value rum and thereby destroy this important Caribbean industry. This is precisely the same finding that Congress made in 1991 when it added the current rum exclusion to the ATPA and argues strongly for maintaining the current tariff structure for rum.

I respectfully ask that Conferees take these concerns into account and support the House position on the treatment of low-valued rum under ATPA. Congress must not allow these trade initiatives to undermine carefully considered and longstanding U.S. policy in support of tariff protections for low-value rum produced in Puerto Rico and elsewhere in the Caribbean.

Mr. REYNOLDS. Mr. Speaker, I urge a ''yes'' vote on the resolution, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HASTINGS of Florida. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, this 15-minute vote on adopting House Resolution 450 will be followed by 5-minute votes on motions to suspend the rules on H.R. 3764 and on H.R. 3180; and perhaps on H. Con. Res. 424 and H.R. 3034.

The vote was taken by electronic device, and there were—yeas 216, nays 215, answered ''present'' 1, not voting 3, as follows:

[Roll No. 264]

YEAS—216

Aderholt
Akin
Armey
Bachus
Baker
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Carson (OK)
Castle
Chabot
Chambliss
Collins
Combest
Cooksey
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis (FL)
Davis, Jo Ann
Davis, Tom
Deal
DeLay
Diaz-Balart
Dooley
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Forbes
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Goss
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hyde
Isakson
Issa
Istook
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
Lucas (KY)
Lucas (OK)
Manzullo
Matheson
McCrery
McInnis
McKeon
Mica
Miller, Dan
Miller, Gary
Miller, Jeff
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Nussle
Osborne
Ose
Otter
Oxley
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Saxton
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simpson
Skeen
Smith (TX)
Snyder
Souder
Stearns
Stenholm
Stump
Sullivan
Sununu
Sweeney
Tancredo
Tanner
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Upton
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watts (OK)
Weldon (FL)
Weller
Whitfield
Wicker
Wilson (NM)
Wolf
Young (AK)
Young (FL)

NAYS—215

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Ballenger
Barcia
Barrett
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capito
Capps
Capuano
Cardin
Carson (IN)
Clay
Clayton
Clement
Clyburn
Coble
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
DeMint
Deutsch
Dicks
Dingell
Doggett
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Goode
Gordon
Graham
Green (TX)
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hayes
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
LoBiondo
Lofgren
Lowey
Luther
Lynch
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McHugh
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Norwood
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Quinn
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman

Roybal-Allard	Smith (NJ)	Udall (NM)
Rush	Smith (WA)	Velazquez
Sabo	Solis	Visclosky
Sanchez	Spratt	Waters
Sanders	Stark	Watson (CA)
Sandlin	Strickland	Watt (NC)
Sawyer	Stupak	Waxman
Schakowsky	Tauscher	Weiner
Schiff	Taylor (MS)	Weldon (PA)
Scott	Thompson (CA)	Wexler
Serrano	Thompson (MS)	Wilson (SC)
Sherman	Thurman	Woolsey
Shows	Tierney	Wu
Simmons	Towns	Wynn
Skelton	Turner	
Slaughter	Udall (CO)	

ANSWERED ''PRESENT''—1

Paul

NOT VOTING—3

Roukema	Smith (MI)	Traficant

□ 1657

Mr. GIBBONS changed his vote from ''nay'' to '' yea.''

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to House Resolution 450, the House concurs in the Senate amendment to H.R. 3009 with an amendment, insists on the House amendment to the Senate amendment, and requests a conference with the Senate thereon.

The text of the Senate amendment is as follows:

Senate amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Trade Act of 2002''.

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) DIVISIONS.—This Act is organized into 4 divisions as follows:

(1) DIVISION A.—Trade Adjustment Assistance.

(2) DIVISION B.—Bipartisan Trade Promotion Authority.

(3) DIVISION C.—Andean Trade Preference Act.

(4) DIVISION D.—Extension of Certain Preferential Trade Treatment and Other Provisions.

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

Sec. 1. Short title.
Sec. 2. Organization of Act into divisions; table of contents.

DIVISION A—TRADE ADJUSTMENT ASSISTANCE

Sec. 101. Short title.

TITLE I—TRADE ADJUSTMENT ASSISTANCE FOR WORKERS

Sec. 111. Adjustment assistance for workers.
Sec. 112. Displaced worker self-employment training pilot program.

TITLE II—TRADE ADJUSTMENT ASSISTANCE FOR FIRMS

Sec. 201. Reauthorization of program.

TITLE III—TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITIES

Sec. 301. Purpose.
Sec. 302. Trade adjustment assistance for communities.

TITLE IV—TRADE ADJUSTMENT ASSISTANCE FOR FARMERS

Sec. 401. Trade adjustment assistance for farmers.

TITLE V—TRADE ADJUSTMENT ASSISTANCE FOR FISHERMEN

Sec. 501. Trade adjustment assistance for fishermen.

TITLE VI—HEALTH CARE COVERAGE OPTIONS FOR WORKERS ELIGIBLE FOR TRADE ADJUSTMENT ASSISTANCE

Sec. 601. Trade adjustment assistance health insurance credit.
Sec. 602. Advance payment of trade adjustment assistance health insurance credit.
Sec. 603. Health insurance coverage for eligible individuals.

TITLE VII—CONFORMING AMENDMENTS AND EFFECTIVE DATE

Sec. 701. Conforming amendments.

TITLE VIII—SAVINGS PROVISIONS AND EFFECTIVE DATE

Sec. 801. Savings provisions.
Sec. 802. Effective date.

TITLE IX—REVENUE PROVISIONS

Sec. 901. Custom user fees.

TITLE X—MISCELLANEOUS PROVISIONS

Sec. 1001. Country of origin labeling of fish and shellfish products.
Sec. 1002. Sugar policy.

TITLE XI—CUSTOMS REAUTHORIZATION

Sec. 1101. Short title.

Subtitle A—United States Customs Service

CHAPTER 1—DRUG ENFORCEMENT AND OTHER NONCOMMERCIAL AND COMMERCIAL OPERATIONS

Sec. 1111. Authorization of appropriations for noncommercial operations, commercial operations, and air and marine interdiction.
Sec. 1112. Antiterrorist and illicit narcotics detection equipment for the United States-Mexico border, United States-Canada border, and Florida and the Gulf Coast seaports.
Sec. 1113. Compliance with performance plan requirements.

CHAPTER 2—CHILD CYBER-SMUGGLING CENTER OF THE CUSTOMS SERVICE

Sec. 1121. Authorization of appropriations for program to prevent child pornography/child sexual exploitation.

CHAPTER 3—MISCELLANEOUS PROVISIONS

Sec. 1131. Additional Customs Service officers for United States-Canada border.
Sec. 1132. Study and report relating to personnel practices of the Customs Service.
Sec. 1133. Study and report relating to accounting and auditing procedures of the Customs Service.
Sec. 1134. Establishment and implementation of cost accounting system; reports.
Sec. 1135. Study and report relating to timeliness of prospective rulings.
Sec. 1136. Study and report relating to customs user fees.
Sec. 1137. Authorization of appropriations for Customs staffing.

CHAPTER 4—ANTITERRORISM PROVISIONS

Sec. 1141. Emergency adjustments to offices, ports of entry, or staffing of the Customs Service.
Sec. 1142. Mandatory advanced electronic information for cargo and passengers.
Sec. 1143. Border search authority for certain contraband in outbound mail.
Sec. 1144. Authorization of appropriations for reestablishment of Customs operations in New York City.

CHAPTER 5—TEXTILE TRANSSHIPMENT PROVISIONS

Sec. 1151. GAO audit of textile transshipment monitoring by Customs Service.
Sec. 1152. Authorization of appropriations for textile transshipment enforcement operations.
Sec. 1153. Implementation of the African Growth and Opportunity Act.

Subtitle B—Office of the United States Trade Representative

Sec. 1161. Authorization of appropriations.

Subtitle C—United States International Trade Commission

Sec. 1171. Authorization of appropriations.

Subtitle D—Other Trade Provisions

Sec. 1181. Increase in aggregate value of articles exempt from duty acquired abroad by United States residents.
Sec. 1182. Regulatory audit procedures.

Subtitle E—Sense of Senate

Sec. 1191. Sense of Senate.

DIVISION B—BIPARTISAN TRADE PROMOTION AUTHORITY

TITLE XXI—TRADE PROMOTION AUTHORITY

Sec. 2101. Short title; findings.
Sec. 2102. Trade negotiating objectives.
Sec. 2103. Trade agreements authority.
Sec. 2104. Consultations and assessment.
Sec. 2105. Implementation of trade agreements.
Sec. 2106. Treatment of certain trade agreements for which negotiations have already begun.
Sec. 2107. Congressional Oversight Group.
Sec. 2108. Additional implementation and enforcement requirements.
Sec. 2109. Committee staff.
Sec. 2110. Conforming amendments.
Sec. 2111. Report on impact of trade promotion authority.
Sec. 2112. Identification of small business advocate at WTO.
Sec. 2113. Definitions.

DIVISION C—ANDEAN TRADE PREFERENCE ACT

TITLE XXXI—ANDEAN TRADE PREFERENCE

Sec. 3101. Short title; findings.
Sec. 3102. Temporary provisions.
Sec. 3103. Termination.

TITLE XXXII—MISCELLANEOUS TRADE BENEFITS

Sec. 3201. Wool provisions.
Sec. 3202. Duty suspension on wool.
Sec. 3203. Ceiling fans.
Sec. 3204. Certain steam or other vapor generating boilers used in nuclear facilities.

DIVISION D—EXTENSION OF CERTAIN PREFERENTIAL TRADE TREATMENT AND OTHER PROVISIONS

TITLE XLI—EXTENSION OF GENERALIZED SYSTEM OF PREFERENCES

Sec. 4101. Generalized system of preferences.
Sec. 4102. Amendments to generalized system of preferences.

TITLE XLII—OTHER PROVISIONS

Sec. 4201. Transparency in NAFTA tribunals.
Sec. 4202. Expression of solidarity with Israel in its fight against terrorism.
Sec. 4203. Limitation on use of certain revenue.
Sec. 4204. Sense of the Senate regarding the United States-Russian Federation summit meeting, May 2002.
Sec. 4205. No appropriations.

DIVISION A—TRADE ADJUSTMENT ASSISTANCE

SEC. 101. SHORT TITLE.

This division may be cited as the ''Trade Adjustment Assistance Reform Act of 2002''.

TITLE I—TRADE ADJUSTMENT ASSISTANCE FOR WORKERS

SEC. 111. ADJUSTMENT ASSISTANCE FOR WORKERS.

Chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.) is amended to read as follows:

''CHAPTER 2—ADJUSTMENT ASSISTANCE FOR WORKERS

''Subchapter A—General Provisions

''SEC. 221. DEFINITIONS.

''In this chapter:

''(1) ADDITIONAL COMPENSATION.—The term 'additional compensation' has the meaning given that term in section 205(3) of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

''(2) ADVERSELY AFFECTED EMPLOYMENT.—The term 'adversely affected employment' means employment in a firm or appropriate subdivision of a firm, if workers of that firm or subdivision are eligible to apply for adjustment assistance under this chapter.

''(3) ADVERSELY AFFECTED WORKER.—

''(A) IN GENERAL.—The term 'adversely affected worker' means a worker who is a member of a group of workers certified by the Secretary under section 231(a)(1) as eligible for trade adjustment assistance.

''(B) ADVERSELY AFFECTED SECONDARY WORKER.—The term 'adversely affected worker' includes an adversely affected secondary worker who is a member of a group of workers employed at a downstream producer or a supplier, that is certified by the Secretary under section 231(a)(2) as eligible for trade adjustment assistance.

''(4) AVERAGE WEEKLY HOURS.—The term 'average weekly hours' means the average hours worked by a worker (excluding overtime) in the employment from which the worker has been or claims to have been separated in the 52 weeks (excluding weeks during which the worker was on leave for purposes of vacation, sickness, maternity, military service, or any other employer-authorized leave) preceding the week specified in paragraph (5)(B)(ii).

''(5) AVERAGE WEEKLY WAGE.—

''(A) IN GENERAL.—The term 'average weekly wage' means 1/13 of the total wages paid to an individual in the high quarter.

''(B) DEFINITIONS.—For purposes of computing the average weekly wage—

''(i) the term 'high quarter' means the quarter in which the individual's total wages were highest among the first 4 of the last 5 completed calendar quarters immediately preceding the quarter in which occurs the week with respect to which the computation is made; and

''(ii) the term 'week' means the week in which total separation occurred, or, in cases where partial separation is claimed, an appropriate week, as defined in regulations prescribed by the Secretary.

''(6) BENEFIT PERIOD.—The term 'benefit period' means, with respect to an individual, the following:

''(A) STATE LAW.—The benefit year and any ensuing period, as determined under applicable State law, during which the individual is eligible for regular compensation, additional compensation, or extended compensation.

''(B) FEDERAL LAW.—The equivalent to the benefit year or ensuing period provided for under the applicable Federal unemployment insurance law.

''(7) BENEFIT YEAR.—The term 'benefit year' has the same meaning given that term in the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

''(8) CONTRIBUTED IMPORTANTLY.—The term 'contributed importantly' means a cause that is important but not necessarily more important than any other cause.

''(9) COOPERATING STATE.—The term 'cooperating State' means any State that has entered into an agreement with the Secretary under section 222.

''(10) CUSTOMIZED TRAINING.—The term 'customized training' means training that is designed to meet the special requirements of an employer (including a group of employers) and that is conducted with a commitment by the employer to employ an individual on successful completion of the training.

''(11) DOWNSTREAM PRODUCER.—The term 'downstream producer' means a firm that performs additional, value-added production processes for a firm or subdivision, including a firm that performs final assembly or finishing, directly for another firm (or subdivision), for articles that were the basis for a certification of eligibility under section 231(a)(1) of a group of workers employed by such other firm, if the certification of eligibility under section 231(a)(1) is based on an increase in imports from, or a shift in production to, Canada or Mexico.

''(12) EXTENDED COMPENSATION.—The term 'extended compensation' has the meaning given that term in section 205(4) of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

''(13) JOB FINDING CLUB.—The term 'job finding club' means a job search workshop which includes a period of structured, supervised activity in which participants attempt to obtain jobs.

''(14) JOB SEARCH PROGRAM.—The term 'job search program' means a job search workshop or job finding club.

''(15) JOB SEARCH WORKSHOP.—The term 'job search workshop' means a short (1- to 3-day) seminar, covering subjects such as labor market information, résumé writing, interviewing techniques, and techniques for finding job openings, that is designed to provide participants with knowledge that will enable the participants to find jobs.

''(16) ON-THE-JOB TRAINING.—The term 'on-the-job training' has the same meaning as that term has in section 101(31) of the Workforce Investment Act.

''(17) PARTIAL SEPARATION.—A partial separation shall be considered to exist with respect to an individual if—

''(A) the individual has had a 20-percent or greater reduction in the average weekly hours worked by that individual in adversely affected employment; and

''(B) the individual has had a 20-percent or greater reduction in the average weekly wage of the individual with respect to adversely affected employment.

''(18) REGULAR COMPENSATION.—The term 'regular compensation' has the meaning given that term in section 205(2) of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

''(19) REGULAR STATE UNEMPLOYMENT.—The term 'regular State unemployment' means unemployment insurance benefits other than an extension of unemployment insurance by a State using its own funds beyond either the 26-week period mandated by Federal law or any additional period provided for under the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

''(20) SECRETARY.—The term 'Secretary' means the Secretary of Labor.

''(21) STATE.—The term 'State' includes each State of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

''(22) STATE AGENCY.—The term 'State agency' means the agency of the State that administers the State law.

''(23) STATE LAW.—The term 'State law' means the unemployment insurance law of the State approved by the Secretary under section 3304 of the Internal Revenue Code of 1986.

''(24) SUPPLIER.—The term 'supplier' means a firm that produces and supplies directly to another firm (or subdivision) component parts for articles that were the basis for a certification of eligibility under section 231(a)(1) of a group of workers employed by such other firm.

''(25) TOTAL SEPARATION.—The term 'total separation' means the layoff or severance of an individual from employment with a firm in which or in a subdivision of which, adversely affected employment exists.

''(26) UNEMPLOYMENT INSURANCE.—The term 'unemployment insurance' means the unemployment compensation payable to an individual under any State law or Federal unemployment compensation law, including chapter 85 of title 5, United States Code, and the Railroad Unemployment Insurance Act (45 U.S.C. 351 et seq.).

''(27) WEEK.—Except as provided in paragraph 5(B)(ii), the term 'week' means a week as defined in the applicable State law.

''(28) WEEK OF UNEMPLOYMENT.—The term 'week of unemployment' means a week of total, part-total, or partial unemployment as determined under the applicable State law or Federal unemployment insurance law.

"SEC. 222. AGREEMENTS WITH STATES.

''(a) IN GENERAL.—The Secretary is authorized on behalf of the United States to enter into an agreement with any State or with any State agency (referred to in this chapter as 'cooperating State' and 'cooperating State agency', respectively) to facilitate the provision of services under this chapter.

''(b) PROVISIONS OF AGREEMENTS.—Under an agreement entered into under subsection (a)—

''(1) the cooperating State agency as an agent of the United States shall—

''(A) facilitate the early filing of petitions under section 231(b) for any group of workers that the State considers is likely to be eligible for benefits under this chapter;

''(B) assist the Secretary in the review of any petition submitted from that State by verifying the information and providing other assistance as the Secretary may request;

''(C) advise each worker who applies for unemployment insurance of the available benefits under this chapter and the procedures and deadlines for applying for those benefits and of the worker's potential eligibility for assistance with health care coverage through the trade adjustment assistance health insurance credit under section 6429 of the Internal Revenue Code of 1986 or under funds made available to the State to carry out section 173(f) of the Workforce Investment Act of 1998;

''(D) receive applications for services under this chapter;

''(E) provide payments on the basis provided for in this chapter;

''(F) advise each adversely affected worker to apply for training under section 240, and of the deadlines for benefits related to enrollment in training under this chapter;

''(G) ensure that the State employees with responsibility for carrying out an agreement entered into under subsection (a)—

''(i) inform adversely affected workers covered by a certification issued under section 231(c) of the workers' (and individual member's of the worker's family) potential eligibility for—

''(I) medical assistance under the medicaid program established under title XIX of the Social Security Act (42 U.S.C. 1396a et seq.);

''(II) child health assistance under the State children's health insurance program established under title XXI of that Act (42 U.S.C. 1397aa et seq.);

''(III) child care services for which assistance is provided under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.);

''(IV) the trade adjustment assistance health insurance credit under section 6429 of the Internal Revenue Code of 1986 and health care coverage assistance under funds made available to the State to carry out section 173(f) of the Workforce Investment Act of 1998; and

''(V) other Federal- and State-funded health care, child care, transportation, and assistance programs for which the workers may be eligible; and

''(ii) provide such workers with information regarding how to apply for such assistance, services, and programs, including notification that the election period for COBRA continuation may be extended for certain workers under section 603 of the Trade Adjustment Assistance Reform Act of 2002;

''(H) provide adversely affected workers referral to training services approved under title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.), and any other appropriate Federal or State program designed to assist dislocated workers or unemployed individuals, consistent with the requirements of subsection (b)(2);

''(I) collect and transmit to the Secretary any data as the Secretary shall reasonably require to

assist the Secretary in assuring the effective and efficient performance of the programs carried out under this chapter; and

''(J) otherwise actively cooperate with the Secretary and with other Federal and State agencies in providing payments and services under this chapter, including participation in the performance measurement system established by the Secretary under section 224.

''(2) the cooperating State shall—

''(A) arrange for the provision of services under this chapter through the one-stop delivery system established in section 134(c) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(c)) where available;

''(B) provide to adversely affected workers statewide rapid response activities under section 134(a)(2)(A) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(a)(2)(A)) in the same manner and to the same extent as any other worker eligible for those activities;

''(C) afford adversely affected workers the services provided under section 134(d) of the Workforce Investment Act of 1998 (29 U.S.C. 92864(d)) in the same manner and to the same extent as any other worker eligible for those services; and

''(D) provide training services under this chapter using training providers approved under title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.) which may include community colleges, and other effective providers of training services.

''(c) OTHER PROVISIONS.—

''(1) APPROVAL OF TRAINING PROVIDERS.—The Secretary shall ensure that the training services provided by cooperating States are provided by organizations approved by the Secretary to effectively assist workers eligible for assistance under this chapter.

''(2) AMENDMENT, SUSPENSION, OR TERMINATION OF AGREEMENTS.—Each agreement entered into under this section shall provide the terms and conditions upon which the agreement may be amended, suspended, or terminated.

''(3) EFFECT ON UNEMPLOYMENT INSURANCE.—Each agreement entered into under this section shall provide that unemployment insurance otherwise payable to any adversely affected worker will not be denied or reduced for any week by reason of any right to payments under this chapter.

''(4) COORDINATION OF WORKFORCE INVESTMENT ACTIVITIES.—In order to promote the coordination of Workforce Investment Act activities in each State with activities carried out under this chapter, each agreement entered into under this section shall provide that the State shall submit to the Secretary, in such form as the Secretary may require, the description and information described in paragraphs (8) and (14) of section 112(b) of the Workforce Investment Act of 1998 (29 U.S.C. 2822(b) (8) and (14)).

''(d) REVIEW OF STATE DETERMINATIONS.—

''(1) IN GENERAL.—A determination by a cooperating State regarding entitlement to program benefits under this chapter is subject to review in the same manner and to the same extent as determinations under the applicable State law.

''(2) APPEAL.—A review undertaken by a cooperating State under paragraph (1) may be appealed to the Secretary pursuant to such regulations as the Secretary may prescribe.

''SEC. 223. ADMINISTRATION ABSENT STATE AGREEMENT.

''(a) IN GENERAL.—In any State in which there is no agreement in force under section 222, the Secretary shall arrange, under regulations prescribed by the Secretary, for the performance of all necessary functions under this chapter, including providing a hearing for any worker whose application for payment is denied.

''(b) FINALITY OF DETERMINATION.—A final determination under subsection (a) regarding entitlement to program benefits under this chapter is subject to review by the courts in the same manner and to the same extent as is provided by section 205(g) of the Social Security Act (42 U.S.C. 405(g)).

''SEC. 224. DATA COLLECTION; EVALUATIONS; REPORTS.

''(a) DATA COLLECTION.—The Secretary shall, pursuant to regulations prescribed by the Secretary, collect any data necessary to meet the requirements of this chapter.

''(b) PERFORMANCE EVALUATIONS.—The Secretary shall establish an effective performance measuring system to evaluate the following:

''(1) PROGRAM PERFORMANCE.—

''(A) speed of petition processing;

''(B) quality of petition processing;

''(C) cost of training programs;

''(D) coordination of programs under this title with programs under the Workforce Investment Act (29 U.S.C. 2801 et seq.);

''(E) length of time participants take to enter and complete training programs;

''(F) the effectiveness of individual contractors in providing appropriate retraining information;

''(G) the effectiveness of individual approved training programs in helping workers obtain employment;

''(H) best practices related to the provision of benefits and retraining; and

''(I) other data to evaluate how individual States are implementing the requirements of this title.

''(2) PARTICIPANT OUTCOMES.—

''(A) reemployment rates;

''(B) types of jobs in which displaced workers have been placed;

''(C) wage and benefit maintenance results;

''(D) training completion rates; and

''(E) other data to evaluate how effective programs under this chapter are for participants, taking into consideration current economic conditions in the State.

''(3) PROGRAM PARTICIPATION DATA.—

''(A) the number of workers receiving benefits and the type of benefits being received;

''(B) the number of workers enrolled in, and the duration of, training by major types of training;

''(C) earnings history of workers that reflects wages before separation and wages in any job obtained after receiving benefits under this Act;

''(D) the cause of dislocation identified in each certified petition;

''(E) the number of petitions filed and workers certified in each United States congressional district; and

''(F) the number of workers who received waivers under each category identified in section 235(c)(1) and the average duration of such waivers.

''(c) STATE PARTICIPATION.—The Secretary shall ensure, to the extent practicable, through oversight and effective internal control measures the following:

''(1) STATE PARTICIPATION.—Participation by each State in the performance measurement system established under subsection (b).

''(2) MONITORING.—Monitoring by each State of internal control measures with respect to performance measurement data collected by each State.

''(3) RESPONSE.—The quality and speed of the rapid response provided by each State under section 134(a)(2)(A) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(a)(2)(A)).

''(d) REPORTS.—

''(1) REPORTS BY THE SECRETARY.—

''(A) INITIAL REPORT.—Not later than 6 months after the date of enactment of the Trade Adjustment Assistance Reform Act of 2002, the Secretary shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report that—

''(i) describes the performance measurement system established under subsection (b);

''(ii) includes analysis of data collected through the system established under subsection (b);

''(iii) includes information identifying the number of workers who received waivers under section 235(c) and the average duration of those during the preceding year;

''(iv) describes and analyzes State participation in the system;

''(v) analyzes the quality and speed of the rapid response provided by each State under section 134(a)(2)(A) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(a)(2)(A)); and

''(vi) provides recommendations for program improvements.

''(B) ANNUAL REPORT.—Not later than 1 year after the date the report is submitted under subparagraph (A), and annually thereafter, the Secretary shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report that includes the information collected under clauses (ii) through (v) of subparagraph (A).

''(2) STATE REPORTS.—Pursuant to regulations prescribed by the Secretary, each State shall submit to the Secretary a report that details its participation in the programs established under this chapter, and that contains the data necessary to allow the Secretary to submit the report required under paragraph (1).

''(3) PUBLICATION.—The Secretary shall make available to each State, and other public and private organizations as determined by the Secretary, the data gathered and evaluated through the performance measurement system established under paragraph (1).

''SEC. 225. STUDY BY SECRETARY OF LABOR WHEN INTERNATIONAL TRADE COMMISSION BEGINS INVESTIGATION.

''(a) NOTIFICATION OF INVESTIGATION.—Whenever the International Trade Commission begins an investigation under section 202 with respect to an industry, the Commission shall immediately notify the Secretary of that investigation, and the Secretary shall immediately begin a study of—

''(1) the number of workers in the domestic industry producing the like or directly competitive article who have been or are likely to be certified as eligible for adjustment assistance under this chapter; and

''(2) the extent to which the adjustment of those workers to the import competition may be facilitated through the use of existing programs.

''(b) REPORT.—

''(1) IN GENERAL.—The Secretary shall provide a report based on the study conducted under subsection (a) to the President not later than 15 days after the day on which the Commission makes its report under section 202(f).

''(2) PUBLICATION.—The Secretary shall promptly make public the report provided to the President under paragraph (1) (with the exception of information which the Secretary determines to be confidential) and shall have a summary of the report published in the Federal Register.

''SEC. 226. REPORT BY SECRETARY OF LABOR ON LIKELY IMPACT OF TRADE AGREEMENTS.

''(a) IN GENERAL.—At least 90 calendar days before the day on which the President enters into a trade agreement under section 2103(b) of the Bipartisan Trade Promotion Authority Act of 2002, the President shall provide the Secretary with details of the agreement as it exists at that time and direct the Secretary to prepare and submit the assessment described in subsection (b). Between the time the President instructs the Secretary to prepare the assessment under this section and the time the Secretary submits the assessment to Congress, the President shall keep the Secretary current with respect to the details of the agreement.

''(b) ASSESSMENT.—Not later than 90 calendar days after the President enters into the agreement, the Secretary shall submit to the President, the Committee on Finance of the Senate, the Committee on Ways and Means of the House of Representatives, and the Committees on Appropriations of the Senate and the House of

Representatives, a report assessing the likely impact of the agreement on employment in the United States economy as a whole and in specific industrial sectors, including the extent of worker dislocations likely to result from implementation of the agreement. The report shall include an estimate of the financial and administrative resources necessary to provide trade adjustment assistance to all potentially adversely affected workers.

"Subchapter B—Certifications

"SEC. 231. CERTIFICATION AS ADVERSELY AFFECTED WORKERS.

''(a) ELIGIBILITY FOR CERTIFICATION.—

''(1) GENERAL RULE.—A group of workers (including workers in any agricultural firm or subdivision of an agricultural firm) shall be certified by the Secretary as adversely affected workers and eligible for trade adjustment assistance benefits under this chapter pursuant to a petition filed under subsection (b) if the Secretary determines that a significant number or proportion of the workers in the workers' firm or an appropriate subdivision of the firm have become totally or partially separated, or are threatened to become totally or partially separated, and that either—

''(A)(i) the sales or production, or both, of such firm or subdivision have decreased absolutely;

''(ii) the value or volume of imports of articles like or directly competitive with articles produced by that firm or subdivision have increased; and

''(iii) the increase in the value or volume of imports described in clause (ii) contributed importantly to the workers' separation or threat of separation and to the decline in the sales or production of such firm or subdivision; or

''(B) there has been a shift in production by the workers' firm or subdivision to a foreign country of articles like or directly competitive with articles which are produced by that firm or subdivision and the shift in production contributed importantly to the workers' separation or threat of separation.

''(2) ADVERSELY AFFECTED SECONDARY WORKER.—A group of workers (including workers in any agricultural firm or subdivision of an agricultural firm) shall be certified by the Secretary as adversely affected and eligible for trade adjustment assistance benefits under this chapter pursuant to a petition filed under subsection (b) if the Secretary determines that—

''(A) a significant number or proportion of the workers in the workers' firm or an appropriate subdivision of the firm have become totally or partially separated, or are threatened to become totally or partially separated;

''(B) the workers' firm (or subdivision) is a supplier or downstream producer to a firm (or subdivision) that employed a group of workers who received a certification of eligibility under paragraph (1), and such supply or production is related to the article that was the basis for such certification (as defined in section 221 (11) and (24)); and

''(C) a loss of business by the workers' firm with the firm (or subdivision) described in subparagraph (B) contributed importantly to the workers' separation or threat of separation determined under subparagraph (A).

''(3) SPECIAL RULE FOR SECONDARY WORKERS.—Notwithstanding paragraph (2), the Secretary may, pursuant to standards established by the Secretary and for good cause shown, certify as eligible for trade adjustment assistance under this chapter a group of workers who meet the requirements for certification as adversely affected secondary workers in paragraph (2), except that the Secretary has not received a petition under paragraph (1) on behalf of workers at a firm to which the petitioning workers' firm is a supplier or downstream producer as defined in section 221 (11) and (24).

''(4) SPECIAL PROVISIONS.—

''(A) OIL AND NATURAL GAS PRODUCERS.—For purposes of this section, any firm, or appropriate subdivision of a firm, that engages in exploration or drilling for oil or natural gas shall be considered to be a firm producing oil or natural gas.

''(B) OIL AND NATURAL GAS IMPORTS.—For purposes of this section, any firm, or appropriate subdivision of a firm, that engages in exploration or drilling for oil or natural gas, or otherwise produces oil or natural gas, shall be considered to be producing articles directly competitive with imports of oil and with imports of natural gas.

''(C) TACONITE.—For purposes of this section, taconite pellets produced in the United States shall be considered to be an article that is like or directly competitive with imports of semi-finished steel slab.

''(b) PETITIONS.—

''(1) IN GENERAL.—A petition for certification of eligibility for trade adjustment assistance under this chapter for a group of adversely affected workers shall be filed simultaneously with the Secretary and with the Governor of the State in which the firm or subdivision of the firm employing the workers is located.

''(2) PERSONS WHO MAY FILE A PETITION.—A petition under paragraph (1) may be filed by any of the following:

''(A) WORKERS.—A group of workers (including workers in an agricultural firm or subdivision of any agricultural firm).

''(B) WORKER REPRESENTATIVES.—The certified or recognized union or other duly appointed representative of the workers.

''(C) WORKER ADJUSTMENT AND RETRAINING NOTIFICATION.—Any entity to which notice of a plant closing or mass layoff must be given under section 3 of the Worker Adjustment and Retraining Notification Act (29 U.S.C. 2102).

''(D) OTHER.—Employers of workers described in subparagraph (A), one-stop operators or one-stop partners (as defined in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801)), or State employment agencies, on behalf of the workers.

''(E) REQUEST TO INITIATE CERTIFICATION.—The President, or the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives (by resolution), may petition the Secretary to initiate a certification process under this chapter to determine the eligibility for trade adjustment assistance of a group of workers.

''(3) ACTIONS BY GOVERNOR.—

''(A) COOPERATING STATE.—Upon receipt of a petition, the Governor of a cooperating State shall ensure that the requirements of the agreement entered into under section 222 are met.

''(B) OTHER STATES.—Upon receipt of a petition, the Governor of a State that has not entered into an agreement under section 222 shall coordinate closely with the Secretary to ensure that workers covered by a petition are—

''(i) provided with all available services, including rapid response activities under section 134 of the Workforce Investment Act (29 U.S.C. 2864);

''(ii) informed of the workers' (and individual member's of the worker's family) potential eligibility for—

''(I) medical assistance under the medicaid program established under title XIX of the Social Security Act (42 U.S.C. 1396a et seq.);

''(II) child health assistance under the State children's health insurance program established under title XXI of that Act (42 U.S.C. 1397aa et seq.);

''(III) child care services for which assistance is provided under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.);

''(IV) the trade adjustment assistance health insurance credit under section 6429 of the Internal Revenue Code of 1986 and health care coverage assistance under funds made available to the State to carry out section 173(f) of the Workforce Investment Act of 1998; and

''(V) other Federal and State funded health care, child care, transportation, and assistance programs that the workers may be eligible for; and

''(iii) provided with information regarding how to apply for the assistance, services, and programs described in clause (ii).

''(c) ACTIONS BY SECRETARY.—

''(1) IN GENERAL.—As soon as possible after the date on which a petition is filed under subsection (b), but not later than 40 days after that date, the Secretary shall determine whether the petitioning group meets the requirements of subsection (a), and if warranted, shall issue a certification of eligibility for trade adjustment assistance pursuant to this subchapter. In making the determination, the Secretary shall consult with all petitioning entities.

''(2) PUBLICATION OF DETERMINATION.—Upon making a determination under paragraph (1), the Secretary shall promptly publish a summary of the determination in the Federal Register together with the reasons for making that determination.

''(3) DATE SPECIFIED IN CERTIFICATION.—Each certification made under this subsection shall specify the date on which the total or partial separation began or threatened to begin with respect to a group of certified workers.

''(4) PROJECTED TRAINING NEEDS.—The Secretary shall inform the State Workforce Investment Board or equivalent agency, and other public or private agencies, institutions, employers, and labor organizations, as appropriate, of each certification issued under section 231 and of projections, if available, of the need for training under section 240 as a result of that certification.

''(d) SCOPE OF CERTIFICATION.—

''(1) IN GENERAL.—A certification issued under subsection (c) shall cover adversely affected workers in any group that meets the requirements of subsection (a), whose total or partial separation occurred on or after the date on which the petition was filed under subsection (b).

''(2) WORKERS SEPARATED PRIOR TO CERTIFICATION.—A certification issued under subsection (c) shall cover adversely affected workers whose total or partial separation occurred not more than 1 year prior to the date on which the petition was filed under subsection (b).

''(e) TERMINATION OF CERTIFICATION.—

''(1) IN GENERAL.—If the Secretary determines, with respect to any certification of eligibility, that workers separated from a firm or subdivision covered by a certification of eligibility are no longer adversely affected workers, the Secretary shall terminate the certification.

''(2) PUBLICATION OF TERMINATION.—The Secretary shall promptly publish notice of any termination made under paragraph (1) in the Federal Register together with the reasons for making that determination.

''(3) APPLICATION.—Any determination made under paragraph (1) shall apply only to total or partial separations occurring after the termination date specified by the Secretary.

"SEC. 232. BENEFIT INFORMATION TO WORKERS.

''(a) IN GENERAL.—The Secretary shall, in accordance with the provisions of section 222 or 223, as appropriate, provide prompt and full information to adversely affected workers covered by a certification issued under section 231(c), including information regarding—

''(1) benefit allowances, training, and other employment services available under this chapter;

''(2) petition and application procedures under this chapter;

''(3) appropriate filing dates for the allowances, training, and services available under this chapter; and

''(4) procedures for applying for and receiving all other Federal benefits and services available to separated workers during a period of unemployment.

''(b) ASSISTANCE TO GROUPS OF WORKERS.—

''(1) IN GENERAL.—The Secretary shall provide any necessary assistance to enable groups of

workers to prepare petitions or applications for program benefits.

''(2) ASSISTANCE FROM STATES.—The Secretary shall ensure that cooperating States fully comply with the agreements entered into under section 222 and shall periodically review that compliance.

''(c) NOTICE.—

''(1) IN GENERAL.—Not later that 15 days after a certification is issued under section 231 (or as soon as practicable after separation), the Secretary shall provide written notice of the benefits available under this chapter to each worker whom the Secretary has reason to believe is covered by the certification.

''(2) PUBLICATION OF NOTICE.—The Secretary shall publish notice of the benefits available under this chapter to workers covered by each certification made under section 231 in newspapers of general circulation in the areas in which those workers reside.

''(3) NOTICE TO OTHER PARTIES AFFECTED BY THESE PROVISIONS REGARDING HEALTH ASSISTANCE.—The Secretary shall notify each provider of health insurance within the meaning of section 7527 of the Internal Revenue Code of 1986 of the availability of health care coverage assistance under title VI of the Trade Adjustment Assistance Reform Act of 2002 and of the temporary extension of the election period for COBRA continuation coverage for certain workers under section 603 of that Act.

"Subchapter C—Program Benefits

"PART I—GENERAL PROVISIONS

"SEC. 234. COMPREHENSIVE ASSISTANCE.

''Workers covered by a certification issued by the Secretary under section 231 shall be eligible for the following:

''(1) Trade adjustment allowances as described in sections 235 through 238.

''(2) Employment services as described in section 239.

''(3) Training as described in section 240.

''(4) Job search allowances as described in section 241.

''(5) Relocation allowances as described in section 242.

''(6) Supportive services and wage insurance as described in section 243.

''(7) Health care coverage assistance under title VI of the Trade Adjustment Assistance Reform Act of 2002.

"PART II—TRADE ADJUSTMENT ALLOWANCES

"SEC. 235. QUALIFYING REQUIREMENTS FOR WORKERS.

''(a) IN GENERAL.—Payment of a trade adjustment allowance shall be made to an adversely affected worker covered by a certification under section 231 who files an application for the allowance for any week of unemployment that begins more than 60 days after the date on which the petition that resulted in the certification was filed under section 231, if the following conditions are met:

''(1) TIME OF TOTAL OR PARTIAL SEPARATION FROM EMPLOYMENT.—The adversely affected worker's total or partial separation before the worker's application under this chapter occurred—

''(A) within the period specified in either section 231 (d) (1) or (2);

''(B) before the expiration of the 2-year period beginning on the date on which the certification under section 231 was issued; and

''(C) before the termination date (if any) determined pursuant to section 231(e).

''(2) EMPLOYMENT REQUIRED.—

''(A) IN GENERAL.—The adversely affected worker had, in the 52-week period ending with the week in which the total or partial separation occurred, at least 26 weeks of employment at wages of $30 or more a week with a single firm or subdivision of a firm.

''(B) UNAVAILABILITY OF DATA.—If data with respect to weeks of employment with a firm are not available, the worker had equivalent amounts of employment computed under regulations prescribed by the Secretary.

''(C) WEEK OF EMPLOYMENT.—For the purposes of this paragraph any week shall be treated as a week of employment at wages of $30 or more, if an adversely affected worker—

''(i) is on employer-authorized leave for purposes of vacation, sickness, injury, or maternity, or inactive duty training or active duty for training in the Armed Forces of the United States;

''(ii) does not work because of a disability that is compensable under a workmen's compensation law or plan of a State or the United States;

''(iii) had employment interrupted in order to serve as a full-time representative of a labor organization in that firm or subdivision; or

''(iv) is on call-up for purposes of active duty in a reserve status in the Armed Forces of the United States, provided that active duty is 'Federal service' as defined in section 8521(a)(1) of title 5, United States Code.

''(D) EXCEPTIONS.—

''(i) In the case of weeks described in clause (i) or (iii) of subparagraph (C), or both, not more than 7 weeks may be treated as weeks of employment under subparagraph (C).

''(ii) In the case of weeks described in clause (ii) or (iv) of subparagraph (C), not more than 26 weeks may be treated as weeks of employment under subparagraph (C).

''(3) UNEMPLOYMENT COMPENSATION.—The adversely affected worker meets all of the following requirements:

''(A) ENTITLEMENT TO UNEMPLOYMENT INSURANCE.—The worker was entitled to (or would be entitled to if the worker applied for) unemployment insurance for a week within the benefit period—

''(i) in which total or partial separation took place; or

''(ii) which began (or would have begun) by reason of the filing of a claim for unemployment insurance by the worker after total or partial separation.

''(B) EXHAUSTION OF UNEMPLOYMENT INSURANCE.—The worker has exhausted all rights to any regular State unemployment insurance to which the worker was entitled (or would be entitled if the worker had applied for any regular State unemployment insurance).

''(C) NO UNEXPIRED WAITING PERIOD.—The worker does not have an unexpired waiting period applicable to the worker for any unemployment insurance.

''(4) EXTENDED UNEMPLOYMENT COMPENSATION.—The adversely affected worker, with respect to a week of unemployment, would not be disqualified for extended compensation payable under the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note) by reason of the work acceptance and job search requirements in section 202(a)(3) of that Act.

''(5) TRAINING.—The adversely affected worker is enrolled in a training program approved by the Secretary under section 240(a), and the enrollment occurred not later than the latest of the periods described in subparagraph (A), (B), or (C).

''(A) 16 WEEKS.—The worker enrolled not later than the last day of the 16th week after the worker's most recent total separation that meets the requirements of paragraphs (1) and (2).

''(B) 8 WEEKS.—The worker enrolled not later than the last day of the 8th week after the week in which the Secretary issues a certification covering the worker.

''(C) EXTENUATING CIRCUMSTANCES.—Notwithstanding subparagraphs (A) and (B), the adversely affected worker is eligible for trade adjustment assistance if the worker enrolled not later than 45 days after the later of the dates specified in subparagraph (A) or (B), and the Secretary determines there are extenuating circumstances that justify an extension in the enrollment period.

''(b) FAILURE TO PARTICIPATE IN TRAINING.—

''(1) IN GENERAL.—Until the adversely affected worker begins or resumes participation in a training program approved under section 240(a), no trade adjustment allowance may be paid under subsection (a) to an adversely affected worker for any week or any succeeding week in which—

''(A) the Secretary determines that—

''(i) the adversely affected worker—

''(I) has failed to begin participation in a training program the enrollment in which meets the requirement of subsection (a)(5); or

''(II) has ceased to participate in such a training program before completing the training program; and

''(ii) there is no justifiable cause for the failure or cessation; or

''(B) the waiver issued to that worker under subsection (c)(1) is revoked under subsection (c)(2).

''(2) EXCEPTION.—The provisions of subsection (a)(5) and paragraph (1) shall not apply with respect to any week of unemployment that begins before the first week following the week in which the certification is issued under section 231.

''(c) WAIVERS OF TRAINING REQUIREMENTS.—

''(1) ISSUANCE OF WAIVERS.—The Secretary may issue a written statement to an adversely affected worker waiving the requirement to be enrolled in training described in subsection (a) if the Secretary determines that the training requirement is not feasible or appropriate for the worker, because of 1 or more of the following reasons:

''(A) RECALL.—The worker has been notified that the worker will be recalled by the firm from which the separation occurred.

''(B) MARKETABLE SKILLS.—The worker possesses marketable skills for suitable employment (as determined pursuant to an assessment of the worker, which may include the profiling system under section 303(j) of the Social Security Act (42 U.S.C. 503(j)), carried out in accordance with guidelines issued by the Secretary) and there is a reasonable expectation of employment at equivalent wages in the foreseeable future.

''(C) RETIREMENT.—The worker is within 2 years of meeting all requirements for entitlement to either—

''(i) old-age insurance benefits under title II of the Social Security Act (42 U.S.C. 401 et seq.) (except for application therefore); or

''(ii) a private pension sponsored by an employer or labor organization.

''(D) HEALTH.—The worker is unable to participate in training due to the health of the worker, except that a waiver under this subparagraph shall not be construed to exempt a worker from requirements relating to the availability for work, active search for work, or refusal to accept work under Federal or State unemployment compensation laws.

''(E) ENROLLMENT UNAVAILABLE.—The first available enrollment date for the approved training of the worker is within 60 days after the date of the determination made under this paragraph, or, if later, there are extenuating circumstances for the delay in enrollment, as determined pursuant to guidelines issued by the Secretary.

''(F) TRAINING NOT AVAILABLE.—Training approved by the Secretary is not reasonably available to the worker from either governmental agencies or private sources (which may include area vocational education schools, as defined in section 3 of the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2302), and employers), no training that is suitable for the worker is available at a reasonable cost, or no training funds are available.

''(G) OTHER.—The Secretary may, at his discretion, issue a waiver if the Secretary determines that a worker has set forth in writing reasons other than those provided for in subparagraphs (A) through (F) justifying the grant of such waiver.

''(2) DURATION OF WAIVERS.—

''(A) IN GENERAL.—A waiver issued under paragraph (1) shall be effective for not more than 6 months after the date on which the waiver is issued, unless the Secretary determines otherwise.

''(B) REVOCATION.—The Secretary shall revoke a waiver issued under paragraph (1) if the Secretary determines that the basis of a waiver is no longer applicable to the worker.

''(3) AMENDMENTS UNDER SECTION 222.—

''(A) ISSUANCE BY COOPERATING STATES.—Pursuant to an agreement under section 222, the Secretary may authorize a cooperating State to issue waivers as described in paragraph (1).

''(B) SUBMISSION OF STATEMENTS.—An agreement under section 222 shall include a requirement that the cooperating State submit to the Secretary the written statements provided under paragraph (1) and a statement of the reasons for the waiver.

''SEC. 236. WEEKLY AMOUNTS.

''(a) IN GENERAL.—Subject to subsections (b) and (c), the trade adjustment allowance payable to an adversely affected worker for a week of total unemployment shall be an amount equal to the most recent weekly benefit amount of the unemployment insurance payable to the worker for a week of total unemployment preceding the worker's first exhaustion of unemployment insurance (as determined for purposes of section 235(a)(3)(B)) reduced (but not below zero) by—

''(1) any training allowance deductible under subsection (c); and

''(2) any income that is deductible from unemployment insurance under the disqualifying income provisions of the applicable State law or Federal unemployment insurance law.

''(b) ADJUSTMENT FOR WORKERS RECEIVING TRAINING.—

''(1) IN GENERAL.—Any adversely affected worker who is entitled to a trade adjustment allowance and who is receiving training approved by the Secretary, shall receive for each week in which the worker is undergoing that training, a trade adjustment allowance in an amount (computed for such week) equal to the greater of—

''(A) the amount computed under subsection (a); or

''(B) the amount of any weekly allowance for that training to which the worker would be entitled under any other Federal law for the training of workers, if the worker applied for that allowance.

''(2) ALLOWANCE PAID IN LIEU OF.—Any trade adjustment allowance calculated under paragraph (1) shall be paid in lieu of any training allowance to which the worker would be entitled under any other Federal law.

''(3) COORDINATION WITH UNEMPLOYMENT INSURANCE.—Any week in which a worker undergoing training approved by the Secretary receives payments from unemployment insurance shall be subtracted from the total number of weeks for which a worker may receive trade adjustment allowance under this chapter.

''(c) ADJUSTMENT FOR WORKERS RECEIVING ALLOWANCES UNDER OTHER FEDERAL LAW.—

''(1) REDUCTION IN WEEKS FOR WHICH ALLOWANCE WILL BE PAID.—If a training allowance under any Federal law (other than this Act) is paid to an adversely affected worker for any week of unemployment with respect to which the worker would be entitled (determined without regard to any disqualification under section 235(b)) to a trade adjustment allowance if the worker applied for that allowance, each week of unemployment shall be deducted from the total number of weeks of trade adjustment allowance otherwise payable to that worker under section 235(a) when the worker applies for a trade adjustment allowance and is determined to be entitled to the allowance.

''(2) PAYMENT OF DIFFERENCE.—If the training allowance paid to a worker for any week of unemployment is less than the amount of the trade adjustment allowance to which the worker would be entitled if the worker applied for the trade adjustment allowance, the worker shall receive, when the worker applies for a trade adjustment allowance and is determined to be entitled to the allowance, a trade adjustment allowance for that week equal to the difference between the training allowance and the trade adjustment allowance computed under subsection (b).

''SEC. 237. LIMITATIONS ON TRADE ADJUSTMENT ALLOWANCES.

''(a) AMOUNT PAYABLE.—The maximum amount of trade adjustment allowance payable to an adversely affected worker, with respect to the period covered by any certification, shall be the amount that is the product of 104 multiplied by the trade adjustment allowance payable to the worker for a week of total unemployment (as determined under section 236) reduced by the total sum of the regular State unemployment insurance to which the worker was entitled (or would have been entitled if the worker had applied for unemployment insurance) in the worker's first benefit period described in section 235(a)(3)(A).

''(b) DURATION OF PAYMENTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), a trade adjustment allowance shall not be paid for any week occurring after the close of the 104-week period that begins with the first week following the week in which the adversely affected worker was most recently totally separated—

''(A) within the period that is described in section 235(a)(1); and

''(B) with respect to which the worker meets the requirements of section 235(a)(2).

''(2) SPECIAL RULES.—

''(A) BREAK IN TRAINING.—For purposes of this chapter, a worker shall be treated as participating in a training program approved by the Secretary under section 240(a) during any week that is part of a break in a training that does not exceed 30 days if—

''(i) the worker was participating in a training program approved under section 240(a) before the beginning of the break in training; and

''(ii) the break is provided under the training program.

''(B) ON-THE-JOB TRAINING.—No trade adjustment allowance shall be paid to a worker under this chapter for any week during which the worker is receiving on-the-job training, except that a trade adjustment allowance shall be paid if a worker is enrolled in a non-paid customized training program.

''(C) SMALL BUSINESS ADMINISTRATION PILOT PROGRAM.—An adversely affected worker who is participating in a self-employment training program established by the Director of the Small Business Administration pursuant to section 102 of the Trade Adjustment Assistance Reform Act of 2002, shall not be ineligible to receive benefits under this chapter.

''(D) ADDITIONAL WEEKS FOR REMEDIAL EDUCATION.—Notwithstanding any other provision of this section, in order to assist an adversely affected worker to complete training approved for the worker under section 240, if the program is a program of remedial education in accordance with regulations prescribed by the Secretary, payments may be made as trade adjustment allowances for up to 26 additional weeks in the 26-week period that follows the last week of entitlement to trade adjustment allowances otherwise payable under this chapter.

''(c) ADJUSTMENT OF AMOUNTS PAYABLE.—Amounts payable to an adversely affected worker under this chapter shall be subject to adjustment on a week-to-week basis as may be required by section 236.

''(d) YEAR-END ADJUSTMENT.—

''(1) IN GENERAL.—Notwithstanding any other provision of this Act or any other provision of law, if the benefit year of a worker ends within an extended benefit period, the number of weeks of extended benefits that the worker would, but for this subsection, be entitled to in that extended benefit period shall not be reduced by the number of weeks for which the worker was entitled, during that benefit year, to trade adjustment allowances under this part.

''(2) EXTENDED BENEFITS PERIOD.—For the purpose of this section the term 'extended benefit period' has the same meaning given that term in the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

''SEC. 238. APPLICATION OF STATE LAWS.

''(a) IN GENERAL.—Except where inconsistent with the provisions of this chapter and subject to such regulations as the Secretary may prescribe, the availability and disqualification provisions of the State law under which an adversely affected worker is entitled to unemployment insurance (whether or not the worker has filed a claim for such insurance), or, if the worker is not so entitled to unemployment insurance, of the State in which the worker was totally or partially separated, shall apply to a worker that files an application for trade adjustment assistance.

''(b) DURATION OF APPLICABILITY.—The State law determined to be applicable with respect to a separation of an adversely affected worker shall remain applicable for purposes of subsection (a), with respect to a separation until the worker becomes entitled to unemployment insurance under another State law (whether or not the worker has filed a claim for that insurance).

''PART III—EMPLOYMENT SERVICES, TRAINING, AND OTHER ALLOWANCES

''SEC. 239. EMPLOYMENT SERVICES.

''The Secretary shall, in accordance with section 222 or 223, as applicable, make every reasonable effort to secure for adversely affected workers covered by a certification under section 231, counseling, testing, placement, and other services provided for under any other Federal law.

''SEC. 240. TRAINING.

''(a) APPROVED TRAINING PROGRAMS.—

''(1) IN GENERAL.—The Secretary shall approve training programs that include—

''(A) on-the-job training or customized training;

''(B) any employment or training activity provided through a one-stop delivery system under chapter 5 of subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2861 et seq.);

''(C) any program of adult education;

''(D) any training program (other than a training program described in paragraph (3)) for which all, or any portion, of the costs of training the worker are paid—

''(i) under any Federal or State program other than this chapter; or

''(ii) from any source other than this section; and

''(E) any other training program that the Secretary determines is acceptable to meet the needs of an adversely affected worker.

In making the determination under subparagraph (E), the Secretary shall consult with interested parties.

''(2) TRAINING AGREEMENTS.—Before approving any training to which subsection (f)(1)(C) may apply, the Secretary may require that the adversely affected worker enter into an agreement with the Secretary under which the Secretary will not be required to pay under subsection (b) the portion of the costs of the training that the worker has reason to believe will be paid under the program, or by the source, described in clause (i) or (ii) of subsection (f)(1)(C).

''(3) LIMITATION ON APPROVALS.—The Secretary shall not approve a training program if all of the following apply:

''(A) PAYMENT BY PLAN.—Any portion of the costs of the training program are paid under any nongovernmental plan or program.

''(B) RIGHT TO OBTAIN.—The adversely affected worker has a right to obtain training or funds for training under that plan or program.

''(C) REIMBURSEMENT.—The plan or program requires the worker to reimburse the plan or program from funds provided under this chapter, or from wages paid under the training program, for any portion of the costs of that training program paid under the plan or program.

''(b) PAYMENT OF TRAINING COSTS.—

''(1) IN GENERAL.—Upon approval of a training program under subsection (a), and subject to the limitations imposed by this section, an adversely affected worker covered by a certification issued under section 231 may be eligible to have payment of the costs of that training, including any costs of an approved training program incurred by a worker before a certification was issued under section 231, made on behalf of the worker by the Secretary directly or through a voucher system.

''(2) ON-THE-JOB TRAINING AND CUSTOMIZED TRAINING.—

''(A) PROVISION OF TRAINING ON THE JOB OR CUSTOMIZED TRAINING.—If the Secretary approves training under subsection (a), the Secretary shall, insofar as possible, provide or assure the provision of that training on the job or customized training, and any training on the job or customized training that is approved by the Secretary under subsection (a) shall include related education necessary for the acquisition of skills needed for a position within a particular occupation.

''(B) MONTHLY INSTALLMENTS.—If the Secretary approves payment of any on-the-job training or customized training under subsection (a), the Secretary shall pay the costs of that training in equal monthly installments.

''(C) LIMITATIONS.—The Secretary may pay the costs of on-the-job training or customized training only if—

''(i) no employed worker is displaced by the adversely affected worker (including partial displacement such as a reduction in the hours of nonovertime work, wages, or employment benefits);

''(ii) the training does not impair contracts for services or collective bargaining agreements;

''(iii) in the case of training that would affect a collective bargaining agreement, the written concurrence of the labor organization concerned has been obtained;

''(iv) no other individual is on layoff from the same, or any substantially equivalent, job for which the adversely affected worker is being trained;

''(v) the employer has not terminated the employment of any regular employee or otherwise reduced the workforce of the employer with the intention of filling the vacancy so created by hiring the adversely affected worker;

''(vi) the job for which the adversely affected worker is being trained is not being created in a promotional line that will infringe in any way upon the promotional opportunities of employed individuals;

''(vii) the training is not for the same occupation from which the worker was separated and with respect to which the worker's group was certified pursuant to section 231;

''(viii) the employer is provided reimbursement of not more than 50 percent of the wage rate of the participant, for the cost of providing the training and additional supervision related to the training;

''(ix) the employer has not received payment under subsection (b)(1) with respect to any other on-the-job training provided by the employer or customized training that failed to meet the requirements of clauses (i) through (vi); and

''(x) the employer has not taken, at any time, any action that violated the terms of any certification described in clause (viii) made by that employer with respect to any other on-the-job training provided by the employer or customized training for which the Secretary has made a payment under paragraph (1).

''(c) CERTAIN WORKERS ELIGIBLE FOR TRAINING BENEFITS.—An adversely affected worker covered by a certification issued under section 231, who is not qualified to receive a trade adjustment allowance under section 235, may be eligible to have payment of the costs of training made under this section, if the worker enters a training program approved by the Secretary not later than 6 months after the date on which the certification that covers the worker is issued or the Secretary determines that one of the following applied:

''(1) Funding was not available at the time at which the adversely affected worker was required to enter training under paragraph (1).

''(2) The adversely affected worker was covered by a waiver issued under section 235(c).

''(d) EXHAUSTION OF UNEMPLOYMENT INSURANCE NOT REQUIRED.—The Secretary may approve training, and pay the costs thereof, for any adversely affected worker who is a member of a group certified under section 231 at any time after the date on which the group is certified, without regard to whether the worker has exhausted all rights to any unemployment insurance to which the worker is entitled.

''(e) SUPPLEMENTAL ASSISTANCE.—

''(1) IN GENERAL.—Subject to paragraphs (2) and (3), when training is provided under a training program approved by the Secretary under subsection (a) in facilities that are not within commuting distance of a worker's regular place of residence, the Secretary may authorize supplemental assistance to defray reasonable transportation and subsistence expenses for separate maintenance.

''(2) TRANSPORTATION EXPENSES.—The Secretary may not authorize payments for travel expenses exceeding the prevailing mileage rate authorized under the Federal travel regulations.

''(3) SUBSISTENCE EXPENSES.—The Secretary may not authorize payments for subsistence that exceed the lesser of—

''(A) the actual per diem expenses for subsistence of the worker; or

''(B) an amount equal to 50 percent of the prevailing per diem allowance rate authorized under Federal travel regulations.

''(f) SPECIAL PROVISIONS; LIMITATIONS.—

''(1) LIMITATION ON MAKING PAYMENTS.—

''(A) DISALLOWANCE OF OTHER PAYMENT.—If the costs of training an adversely affected worker are paid by the Secretary under subsection (b), no other payment for those training costs may be made under any other provision of Federal law.

''(B) NO PAYMENT OF REIMBURSABLE COSTS.—No payment for the costs of approved training may be made under subsection (b) if those costs—

''(i) have already been paid under any other provision of Federal law; or

''(ii) are reimbursable under any other provision of Federal law and a portion of those costs has already been paid under that other provision of Federal law.

''(C) NO PAYMENT OF COSTS PAID ELSEWHERE.—The Secretary is not required to pay the costs of any training approved under subsection (a) to the extent that those costs are paid under any Federal or State program other than this chapter.

''(D) EXCEPTION.—The provisions of this paragraph shall not apply to, or take into account, any funds provided under any other provision of Federal law that are used for any purpose other than the direct payment of the costs incurred in training a particular adversely affected worker, even if the use of those funds has the effect of indirectly paying for or reducing any portion of the costs involved in training the adversely affected worker.

''(2) UNEMPLOYMENT ELIGIBILITY.—A worker may not be determined to be ineligible or disqualified for unemployment insurance or program benefits under this subchapter because the individual is in training approved under subsection (a), because of leaving work which is not suitable employment to enter the training, or because of the application to any week in training of provisions of State law or Federal unemployment insurance law relating to availability for work, active search for work, or refusal to accept work.

''(3) DEFINITION.—For purposes of this section the term 'suitable employment' means, with respect to a worker, work of a substantially equal or higher skill level than the worker's past adversely affected employment, and wages for such work at not less than 80 percent of the worker's average weekly wage.

''(4) PAYMENTS AFTER REEMPLOYMENT.—

''(A) IN GENERAL.—In the case of an adversely affected worker who secures reemployment, the Secretary may approve and pay the costs of training (or shall continue to pay the costs of training previously approved) for that adversely affected worker, for the completion of the training program or up to 26 weeks, whichever is less, after the date the adversely affected worker becomes reemployed.

''(B) TRADE ADJUSTMENT ALLOWANCE.—An adversely affected worker who is reemployed and is undergoing training approved by the Secretary pursuant to subparagraph (A) may continue to receive a trade adjustment allowance, subject to the income offsets provided for in the worker's State unemployment compensation law in accordance with the provisions of section 237.

''(5) FUNDING.—The total amount of payments that may be made under this section for any fiscal year shall not exceed $300,000,000.

"SEC. 240A. JOB TRAINING PROGRAMS.

''(a) GRANT PROGRAM AUTHORIZED.—The Secretary is authorized to award grants to community colleges (as defined in section 202 of the Tech-Prep Education Act (20 U.S.C. 2371)) on a competitive basis to establish job training programs for adversely affected workers.

''(b) APPLICATION.—

''(1) SUBMISSION.—To receive a grant under this section, a community college shall submit an application to the Secretary at such time and in such manner as the Secretary shall require.

''(2) CONTENTS.—The application submitted under paragraph (1) shall provide a description of—

''(A) the population to be served with grant funds received under this section;

''(B) how grant funds received under this section will be expended; and

''(C) the job training programs that will be established with grant funds received under this section, including a description of how such programs relate to workforce needs in the area where the community college is located.

''(c) ELIGIBILITY.—To be eligible to receive a grant under this section, a community college shall be located in an eligible community (as defined in section 271).

''(d) DECISION ON APPLICATIONS.—Not later than 30 days after submission of an application under subsection (b), the Secretary shall approve or disapprove the application.

''(e) USE OF FUNDS.—A community college that receives a grant under this section shall use the grant funds to establish job training programs for adversely affected workers.

"SEC. 241. JOB SEARCH ALLOWANCES.

''(a) JOB SEARCH ALLOWANCE AUTHORIZED.—

''(1) IN GENERAL.—An adversely affected worker covered by a certification issued under section 231 may file an application with the Secretary for payment of a job search allowance.

''(2) APPROVAL OF APPLICATIONS.—The Secretary may grant an allowance pursuant to an application filed under paragraph (1) when all of the following apply:

''(A) ASSIST ADVERSELY AFFECTED WORKER.—The allowance is paid to assist an adversely affected worker who has been totally separated in securing a job within the United States.

''(B) LOCAL EMPLOYMENT NOT AVAILABLE.—The Secretary determines that the worker cannot reasonably be expected to secure suitable employment in the commuting area in which the worker resides.

''(C) APPLICATION.—The worker has filed an application for the allowance with the Secretary before—

''(i) the later of—

''(I) the 365th day after the date of the certification under which the worker is certified as eligible; or

''(II) the 365th day after the date of the worker's last total separation; or

''(ii) the date that is the 182d day after the date on which the worker concluded training, unless the worker received a waiver under section 235(c).

''(b) AMOUNT OF ALLOWANCE.—

''(1) IN GENERAL.—An allowance granted under subsection (a) shall provide reimbursement to the worker of 90 percent of the cost of necessary job search expenses as prescribed by the Secretary in regulations.

''(2) MAXIMUM ALLOWANCE.—Reimbursement under this subsection may not exceed $1,250 for any worker.

''(3) ALLOWANCE FOR SUBSISTENCE AND TRANSPORTATION.—Reimbursement under this subsection may not be made for subsistence and transportation expenses at levels exceeding those allowable under section 240(e).

''(c) EXCEPTION.—Notwithstanding subsection (b), the Secretary shall reimburse any adversely affected worker for necessary expenses incurred by the worker in participating in a job search program approved by the Secretary.

''SEC. 242. RELOCATION ALLOWANCES.

''(a) RELOCATION ALLOWANCE AUTHORIZED.—

''(1) IN GENERAL.—Any adversely affected worker covered by a certification issued under section 231 may file an application for a relocation allowance with the Secretary, and the Secretary may grant the relocation allowance, subject to the terms and conditions of this section.

''(2) CONDITIONS FOR GRANTING ALLOWANCE.—A relocation allowance may be granted if all of the following terms and conditions are met:

''(A) ASSIST AN ADVERSELY AFFECTED WORKER.—The relocation allowance will assist an adversely affected worker in relocating within the United States.

''(B) LOCAL EMPLOYMENT NOT AVAILABLE.—The Secretary determines that the worker cannot reasonably be expected to secure suitable employment in the commuting area in which the worker resides.

''(C) TOTAL SEPARATION.—The worker is totally separated from employment at the time relocation commences.

''(D) SUITABLE EMPLOYMENT OBTAINED.—The worker—

''(i) has obtained suitable employment affording a reasonable expectation of long-term duration in the area in which the worker wishes to relocate; or

''(ii) has obtained a bona fide offer of such employment.

''(E) APPLICATION.—The worker filed an application with the Secretary before—

''(i) the later of—

''(I) the 425th day after the date of the certification under section 231; or

''(II) the 425th day after the date of the worker's last total separation; or

''(ii) the date that is the 182d day after the date on which the worker concluded training, unless the worker received a waiver under section 235(c).

''(b) AMOUNT OF ALLOWANCE.—The relocation allowance granted to a worker under subsection (a) includes—

''(1) 90 percent of the reasonable and necessary expenses (including, but not limited to, subsistence and transportation expenses at levels not exceeding those allowable under section 240(e)) specified in regulations prescribed by the Secretary, incurred in transporting the worker, the worker's family, and household effects; and

''(2) a lump sum equivalent to 3 times the worker's average weekly wage, up to a maximum payment of $1,250.

''(c) LIMITATIONS.—A relocation allowance may not be granted to a worker unless—

''(1) the relocation occurs within 182 days after the filing of the application for relocation assistance; or

''(2) the relocation occurs within 182 days after the conclusion of training, if the worker entered a training program approved by the Secretary under section 240(a).

''SEC. 243. SUPPORTIVE SERVICES; WAGE INSURANCE.

''(a) SUPPORTIVE SERVICES.—

''(1) APPLICATION.—

''(A) IN GENERAL.—The State may, on behalf of any adversely affected worker or group of workers covered by a certification issued under section 231—

''(i) file an application with the Secretary for services under section 173 of the Workforce Investment Act of 1998 (relating to National Emergency Grants); and

''(ii) provide other services under title I of the Workforce Investment Act of 1998.

''(B) SERVICES.—The services available under this paragraph include transportation, child care, and dependent care that are necessary to enable a worker to participate in activities authorized under this chapter.

''(2) CONDITIONS.—The Secretary may approve an application filed under paragraph (1)(A)(i) and provide supportive services to an adversely affected worker only if the Secretary determines that all of the following apply:

''(A) NECESSITY.—Providing services is necessary to enable the worker to participate in or complete training.

''(B) CONSISTENT WITH WORKFORCE INVESTMENT ACT.—The services are consistent with the supportive services provided to participants under the provisions relating to dislocated worker employment and training activities set forth in chapter 5 of subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2861 et seq.).

''(b) WAGE INSURANCE PROGRAM.—

''(1) IN GENERAL.—Not later than 1 year after the date of enactment of the Trade Adjustment Assistance Reform Act of 2002, the Secretary shall establish, and the States shall implement, a Wage Insurance Program under which a State shall use the funds provided to the State for trade adjustment allowances to pay to an adversely affected worker certified under section 231 a wage subsidy of up to 50 percent of the difference between the wages received by the adversely affected worker from reemployment and the wages received by the adversely affected worker at the time of separation for a period not to exceed 2 years.

''(2) AMOUNT OF PAYMENT.—

''(A) WAGES UNDER $40,000.—If the wages the worker receives from reemployment are less than $40,000 a year, the wage subsidy shall be 50 percent of the difference between the amount of the wages received by the worker from reemployment and the amount of the wages received by the worker at the time of separation.

''(B) WAGES BETWEEN $40,000 AND $50,000.—If the wages received by the worker from reemployment are greater than $40,000 a year but less than $50,000 a year, the wage subsidy shall be 25 percent of the difference between the amount of the wages received by the worker from reemployment and the amount of the wages received by the worker at the time of separation.

''(3) ELIGIBILITY.—An adversely affected worker may be eligible to receive a wage subsidy under this subsection if the worker—

''(A) enrolls in the Wage Insurance Program;

''(B) obtains reemployment not more than 26 weeks after the date of separation from the adversely affected employment;

''(C) is at least 50 years of age;

''(D) earns not more than $50,000 a year in wages from reemployment;

''(E) is employed on a full-time basis as defined by State law in the State in which the worker is employed; and

''(F) does not return to the employment from which the worker was separated.

''(4) AMOUNT OF PAYMENTS.—The payments made under paragraph (1) to an adversely affected worker may not exceed $5,000 a year for each year of the 2-year period.

''(5) LIMITATION ON OTHER BENEFITS.—At the time a worker begins to receive a wage subsidy under this subsection the worker shall not be eligible to receive any benefits under this Act other than the wage subsidy unless the Secretary determines, pursuant to standards established by the Secretary, that the worker has shown circumstances that warrant eligibility for training benefits under section 240.

''(6) FUNDING.—The total amount of payments that may be made under this subsection for any fiscal year shall not exceed $50,000,000.

''(7) TERMINATION.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), no payments may be made under this subsection after the date that is 2 years after the date on which the program under this subsection is implemented in the State under paragraph (1).

''(B) EXCEPTION.—Notwithstanding subparagraph (A), a worker receiving payments under this subsection on the date described in subparagraph (A) shall continue to receive such payments for as long as the worker meets the eligibility requirements of this subsection.

''(c) STUDIES OF ASSISTANCE AVAILABLE TO ECONOMICALLY DISTRESSED WORKERS.—

''(1) STUDY BY THE GENERAL ACCOUNTING OFFICE.—

''(A) IN GENERAL.—The Comptroller General of the United States shall conduct a study of all assistance provided by the Federal Government for workers facing job loss and economic distress.

''(B) REPORT.—Not later than 1 year after the date of enactment of the Trade Adjustment Assistance Reform Act of 2002, the Comptroller General shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report on the study conducted under subparagraph (A). The report shall include a description of—

''(i) all Federal programs designed to assist workers facing job loss and economic distress, including all benefits and services;

''(ii) eligibility requirements for each of the programs; and

''(iii) procedures for applying for and receiving benefits and services under each of the programs.

''(C) DISTRIBUTION OF GAO REPORT.—The report described in subparagraph (B) shall be distributed to all one-stop partners authorized under the Workforce Investment Act of 1998.

''(2) STUDIES BY THE STATES.—

''(A) IN GENERAL.—Each State may conduct a study of its assistance programs for workers facing job loss and economic distress.

''(B) GRANTS.—The Secretary may award to each State a grant, not to exceed $50,000, to enable the State to conduct the study described in subparagraph (A). Each study shall be undertaken in consultation with affected parties.

''(C) REPORT.—Not later than 1 year after the date of the grant, each State that receives a grant under subparagraph (B) shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives the report described in subparagraph (A).

''(D) DISTRIBUTION OF STATE REPORTS.—A report prepared by a State under this paragraph shall be distributed to all the one-stop partners in the State.

''Subchapter D—Payment and Enforcement Provisions

''SEC. 244. PAYMENTS TO STATES.

''(a) IN GENERAL.—The Secretary, from time to time, shall certify to the Secretary of the Treasury for payment to each cooperating State, the sums necessary to enable that State as agent of the United States to make payments provided for by this chapter.

''(b) LIMITATION ON USE OF FUNDS.—

''(1) IN GENERAL.—All money paid to a cooperating State under this section shall be used solely for the purposes for which it is paid.

''(2) RETURN OF FUNDS NOT SO USED.—Money paid that is not used for the purpose for which it is paid under subsection (a) shall be returned to the Secretary of the Treasury at the time specified in the agreement entered into under section 222.

''(c) SURETY BOND.—Any agreement under section 222 may require any officer or employee of the cooperating State certifying payments or disbursing funds under the agreement or otherwise participating in the performance of the agreement, to give a surety bond to the United States in an amount the Secretary deems necessary, and may provide for the payment of the cost of that bond from funds for carrying out the purposes of this chapter.

''SEC. 245. LIABILITIES OF CERTIFYING AND DISBURSING OFFICERS.

''(a) LIABILITY OF CERTIFYING OFFICIALS.—No person designated by the Secretary, or designated pursuant to an agreement entered into under section 222, as a certifying officer, in the absence of gross negligence or intent to defraud the United States, shall be liable with respect to any payment certified by that person under this chapter.

''(b) LIABILITY OF DISBURSING OFFICERS.—No disbursing officer, in the absence of gross negligence or intent to defraud the United States, shall be liable with respect to any payment by that officer under this chapter if the payment was based on a voucher signed by a certifying officer designated according to subsection (a).

''SEC. 246. FRAUD AND RECOVERY OF OVERPAYMENTS.

''(a) IN GENERAL.—

''(1) OVERPAYMENT.—If a cooperating State, the Secretary, or a court of competent jurisdiction determines that any person has received any payment under this chapter to which the person was not entitled, including a payment referred to in subsection (b), that person shall be liable to repay that amount to the cooperating State or the Secretary, as the case may be.

''(2) EXCEPTION.—The cooperating State or the Secretary may waive repayment if the cooperating State or the Secretary determines, in accordance with guidelines prescribed by the Secretary, that all of the following apply:

''(A) NO FAULT.—The payment was made without fault on the part of the person.

''(B) REPAYMENT CONTRARY TO EQUITY.—Requiring repayment would be contrary to equity and good conscience.

''(3) PROCEDURE FOR RECOVERY.—

''(A) RECOVERY FROM OTHER ALLOWANCES AUTHORIZED.—Unless an overpayment is otherwise recovered or waived under paragraph (2), the cooperating State or the Secretary shall recover the overpayment by deductions from any sums payable to that person under this chapter, under any Federal unemployment compensation law administered by the cooperating State or the Secretary, or under any other Federal law administered by the cooperating State or the Secretary that provides for the payment of assistance or an allowance with respect to unemployment.

''(B) RECOVERY FROM STATE ALLOWANCES AUTHORIZED.—Notwithstanding any other provision of Federal or State law, the Secretary may require a cooperating State to recover any overpayment under this chapter by deduction from any unemployment insurance payable to that person under State law, except that no single deduction under this paragraph shall exceed 50 percent of the amount otherwise payable.

''(b) INELIGIBILITY FOR FURTHER PAYMENTS.—Any person, in addition to any other penalty provided by law, shall be ineligible for any further payments under this chapter if a cooperating State, the Secretary, or a court of competent jurisdiction determines that one of the following applies:

''(1) FALSE STATEMENT.—The person knowingly made, or caused another to make, a false statement or representation of a material fact, and as a result of the false statement or representation, the person received any payment under this chapter to which the person was not entitled.

''(2) FAILURE TO DISCLOSE.—The person knowingly failed, or caused another to fail, to disclose a material fact, and as a result of the nondisclosure, the person received any payment under this chapter to which the person was not entitled.

''(c) HEARING.—Except for overpayments determined by a court of competent jurisdiction, no repayment may be required, and no deduction may be made, under this section until a determination under subsection (a) by the cooperating State or the Secretary, as the case may be, has been made, notice of the determination and an opportunity for a fair hearing has been given to the person concerned, and the determination has become final.

''(d) RECOVERED FUNDS.—Any amount recovered under this section shall be returned to the Treasury of the United States.

''SEC. 247. CRIMINAL PENALTIES.

''Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, for the purpose of obtaining or increasing for that person or for any other person any payment authorized to be furnished under this chapter or pursuant to an agreement under section 222 shall be fined not more than $10,000, imprisoned for not more than 1 year, or both.

''SEC. 248. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to the Department of Labor, for the period beginning October 1, 2001, and ending September 30, 2007, such sums as may be necessary to carry out the purposes of this chapter, including such additional sums for administrative expenses as may be necessary for the department to meet the increased workload created by the Trade Adjustment Assistance Reform Act of 2002, provided that funding provided for training services shall not be used for expenses of administering the trade adjustment assistance for workers program. Amounts appropriated under this section shall remain available until expended.

''SEC. 249. REGULATIONS.

''The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this chapter.

''SEC. 250. SUBPOENA POWER.

''(a) IN GENERAL.—The Secretary may require by subpoena the attendance of witnesses and the production of evidence necessary to make a determination under the provisions of this chapter.

''(b) COURT ORDER.—If a person refuses to obey a subpoena issued under subsection (a), a competent United States district court, upon petition by the Secretary, may issue an order requiring compliance with such subpoena.''.

SEC. 112. DISPLACED WORKER SELF-EMPLOYMENT TRAINING PILOT PROGRAM.

(a) ESTABLISHMENT.—Not later than 6 months after the date of enactment of this Act, the Administrator of the Small Business Administration (in this section referred to as the ''Administrator'') shall establish a self-employment training program (in this section referred to as the ''Program'') for adversely affected workers (as defined in chapter 2 of title II of the Trade Act of 1974), to be administered by the Small Business Administration.

(b) ELIGIBILITY FOR ASSISTANCE.—If an adversely affected worker seeks or receives assistance through the Program, such action shall not affect the eligibility of that worker to receive benefits under chapter 2 of title II of the Trade Act of 1974.

(c) TRAINING ASSISTANCE.—The Program shall include, at a minimum, training in—

(1) pre-business startup planning;

(2) awareness of basic credit practices and credit requirements; and

(3) developing business plans, financial packages, and credit applications.

(d) OUTREACH.—The Program should include outreach to adversely affected workers and counseling and lending partners of the Small Business Administration.

(e) REPORTS TO CONGRESS.—Beginning not later than 180 days after the date of enactment of this Act, the Administrator shall submit quarterly reports to the Committee on Finance and the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Ways and Means and the Committee on Small Business of the House of Representatives regarding the implementation of the Program, including Program delivery, staffing, and administrative expenses related to such implementation.

(f) GUIDELINES.—Not later than 180 days after the date of enactment of this Act, the Administrator shall issue such guidelines as the Administrator determines to be necessary to carry out the Program.

(g) EFFECTIVE DATE.—The Program shall terminate 3 years after the date of final publication of guidelines under subsection (f).

TITLE II—TRADE ADJUSTMENT ASSISTANCE FOR FIRMS

SEC. 201. REAUTHORIZATION OF PROGRAM.

(a) IN GENERAL.—Section 256(b) of chapter 3 of title II of the Trade Act of 1974 (19 U.S.C. 2346(b)) is amended to read as follows:

''(b) There are authorized to be appropriated to the Secretary $16,000,000 for each of fiscal years 2002 through 2007, to carry out the Secretary's functions under this chapter in connection with furnishing adjustment assistance to firms. Amounts appropriated under this subsection shall remain available until expended.''.

(b) ELIGIBILITY CRITERIA.—Section 251(c) of chapter 3 of title II of the Trade Act of 1974 (19 U.S.C. 2341(c)) is amended—

(1) by amending paragraph (1) to read as follows:

''(1) The Secretary shall certify a firm (including any agricultural firm) as eligible to apply for adjustment assistance under this chapter if the Secretary determines that a significant number or proportion of the workers in such firm have become totally or partially separated, or are threatened to become totally or partially separated, and that either—

''(A)(i)(I) sales or production, or both, of the firm have decreased absolutely, or

''(II) sales or production, or both, of an article that accounted for not less than 25 percent of the total production or sales of the firm during the 12-month period for which data are available have decreased absolutely; and

''(ii) increases in the value or volume of imports of articles like or directly competitive with articles which are produced by such firm contributed importantly to such total or partial separation, or threat thereof, and to such decline in sales or production; or

''(B) a shift in production by the workers' firm or subdivision to a foreign country of articles like or directly competitive with articles which are produced by that firm or subdivision contributed importantly to the workers' separation or threat of separation.''; and

(2) in paragraph (2), by striking ''paragraph (1)(C)'' and inserting ''paragraph (1)''.

TITLE III—TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITIES

SEC. 301. PURPOSE.

The purpose of this title is to assist communities with economic adjustment through the integration of political and economic organizations, the coordination of Federal, State, and local resources, the creation of community-based development strategies, and the provision of economic transition assistance.

SEC. 302. TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITIES.

Chapter 4 of title II of the Trade Act of 1974 (19 U.S.C. 2371 et seq.) is amended to read as follows:

"CHAPTER 4—COMMUNITY ECONOMIC ADJUSTMENT

"SEC. 271. DEFINITIONS.

''In this chapter:

''(1) CIVILIAN LABOR FORCE.—The term 'civilian labor force' has the meaning given that term in regulations prescribed by the Secretary of Labor.

''(2) COMMUNITY.—The term 'community' means a county or equivalent political subdivision of a State.

''(A) RURAL COMMUNITY.—The term 'rural community' means a community that has a rural-urban continuum code of 4 through 9.

''(B) URBAN COMMUNITY.—The term 'urban community' means a community that has a rural-urban continuum code of 0 through 3.

''(3) COMMUNITY ECONOMIC DEVELOPMENT COORDINATING COMMITTEE.—The term 'Community Economic Development Coordinating Committee' means a community group established under section 274 that consists of major groups significantly affected by an increase in imports or a shift in production, including local, regional, tribal, and State governments, regional councils of governments and economic development, and business, labor, education, health, religious, and other community-based organizations.

''(4) DIRECTOR.—The term 'Director' means the Director of the Office of Community Trade Adjustment.

''(5) ELIGIBLE COMMUNITY.—The term 'eligible community' means a community certified under section 273 as eligible for assistance under this chapter.

''(6) JOB LOSS.—The term 'job loss' means the total or partial separation of an individual, as those terms are defined in section 221.

''(7) OFFICE.—The term 'Office' means the Office of Community Trade Adjustment established under section 272.

''(8) RURAL-URBAN CONTINUUM CODE.—The term 'rural-urban continuum code' means a code assigned to a community according to the rural-urban continuum code system, as defined by the Economic Research Service of the Department of Agriculture.

''(9) SECRETARY.—The term 'Secretary' means the Secretary of Commerce.

"SEC. 272. OFFICE OF COMMUNITY TRADE ADJUSTMENT.

''(a) ESTABLISHMENT.—Within 6 months of the date of enactment of the Trade Adjustment Assistance Reform Act of 2002, there shall be established in the Office of Economic Adjustment of the Economic Development Administration of the Department of Commerce an Office of Community Trade Adjustment.

''(b) PERSONNEL.—The Office shall be headed by a Director, and shall have such staff as may be necessary to carry out the responsibilities described in this chapter.

''(c) COORDINATION OF FEDERAL RESPONSE.—The Office shall—

''(1) provide leadership, support, and coordination for a comprehensive management program to address economic dislocation in eligible communities;

''(2) establish an easily accessible, one-stop clearinghouse for States and eligible communities to obtain information regarding economic development assistance available under Federal law;

''(3) coordinate the Federal response to an eligible community—

''(A) by identifying all Federal, State, and local resources that are available to assist the eligible community in recovering from economic distress;

''(B) by ensuring that all Federal agencies offering assistance to an eligible community do so in a targeted, integrated manner that ensures that an eligible community has access to all available Federal assistance;

''(C) by assuring timely consultation and cooperation between Federal, State, and regional officials concerning community economic adjustment;

''(D) by identifying and strengthening existing agency mechanisms designed to assist communities in economic adjustment and workforce reemployment;

''(E) by applying consistent policies, practices, and procedures in the administration of Federal programs that are used to assist communities adversely impacted by an increase in imports or a shift in production;

''(F) by creating, maintaining, and using a uniform economic database to analyze community adjustment activities; and

''(G) by assigning a community economic adjustment advisor to work with each eligible community;

''(4) provide comprehensive technical assistance to any eligible community in the efforts of that community to—

''(A) identify serious economic problems in the community that result from an increase in imports or shift in production;

''(B) integrate the major groups and organizations significantly affected by the economic adjustment;

''(C) organize a Community Economic Development Coordinating Committee;

''(D) access Federal, State, and local resources designed to assist in economic development and trade adjustment assistance;

''(E) diversify and strengthen the community economy; and

''(F) develop a community-based strategic plan to address workforce dislocation and economic development;

''(5) establish specific criteria for submission and evaluation of a strategic plan submitted under section 276(d);

''(6) administer the grant programs established under sections 276 and 277; and

''(7) establish an interagency Trade Adjustment Assistance Working Group, consisting of the representatives of any Federal department or agency with responsibility for economic adjustment assistance, including the Department of Agriculture, the Department of Defense, the Department of Education, the Department of Labor, the Department of Housing and Urban Development, the Department of Health and Human Services, the Small Business Administration, the Department of the Treasury, the Department of Commerce, the Office of the United States Trade Representative, and the National Economic Council.

''(d) WORKING GROUP.—The working group established under subsection (c)(7) shall examine other options for addressing trade impacts on communities, such as:

''(1) Seeking legislative language directing the Foreign Trade Zone ('FTZ') Board to expedite consideration of FTZ applications from communities or businesses that have been found eligible for trade adjustment assistance.

''(2) Seeking legislative language to make new markets tax credits available in communities impacted by trade.

''(3) Seeking legislative language to make work opportunity tax credits available for hiring unemployed workers who are certified eligible for trade adjustment assistance.

''(4) Examining ways to assist trade impacted rural communities and industries take advantage of the Department of Agriculture's rural development program.

"SEC. 273. NOTIFICATION AND CERTIFICATION AS AN ELIGIBLE COMMUNITY.

''(a) NOTIFICATION.—The Secretary of Labor, not later than 15 days after making a determination that a group of workers is eligible for trade adjustment assistance under section 231, shall notify the Governor of the State in which the community in which the worker's firm is located and the Director, of the Secretary's determination.

''(b) CERTIFICATION.—Not later than 30 days after notification by the Secretary of Labor described in subsection (a), the Director shall certify as eligible for assistance under this chapter a community in which both of the following conditions applies:

''(1) NUMBER OF JOB LOSSES.—The Director finds that—

''(A) in an urban community, at least 500 workers have been certified for assistance under section 231 in the most recent 36-month period preceding the date of certification under this section for which data are available; or

''(B) in a rural community, at least 300 workers have been certified for assistance under section 231 in the most recent 36-month period preceding the date of certification under this section for which data are available.

''(2) PERCENT OF WORKFORCE UNEMPLOYED.—The Director finds that the unemployment rate for the community is at least 1 percent greater than the national unemployment rate for the most recent 12-month period for which data are available.

''(c) NOTIFICATION TO ELIGIBLE COMMUNITIES.—Not later than 15 days after the Director certifies a community as eligible under subsection (b), the Director shall notify the community—

''(1) of its determination under subsection (b);

''(2) of the provisions of this chapter;

''(3) how to access the clearinghouse established under section 272(c)(2); and

''(4) how to obtain technical assistance provided under section 272(c)(4).

"SEC. 274. COMMUNITY ECONOMIC DEVELOPMENT COORDINATING COMMITTEE.

''(a) ESTABLISHMENT.—In order to apply for and receive benefits under this chapter, an eligible community shall establish a Community Economic Development Coordinating Committee certified by the Director as meeting the requirements of subsection (b)(1).

''(b) COMPOSITION OF THE COMMITTEE.—

''(1) LOCAL PARTICIPATION.—The Community Economic Development Coordinating Committee established by an eligible community under subsection (a) shall include representatives of those groups significantly affected by economic dislocation, such as local, regional, tribal, and State governments, regional councils of governments and economic development, business, labor, education, health organizations, religious, and other community-based groups providing assistance to workers, their families, and communities.

''(2) FEDERAL PARTICIPATION.—Pursuant to section 275(b)(3), the community economic adjustment advisor, assigned by the Director to assist an eligible community, shall serve as an ex officio member of the Community Economic Development Coordinating Committee, and shall arrange for participation by representatives of other Federal agencies on that Committee as necessary.

''(3) EXISTING ORGANIZATION.—An eligible community may designate an existing organization in that community as the Community Economic Development Coordinating Committee if that organization meets the requirements of paragraph (1) for the purposes of this chapter.

''(c) DUTIES.—The Community Economic Development Coordinating Committee shall—

''(1) ascertain the severity of the community economic adjustment required as a result of the increase in imports or shift in production;

''(2) assess the capacity of the community to respond to the required economic adjustment and the needs of the community as it undertakes economic adjustment, taking into consideration such factors as the number of jobs lost, the size of the community, the diversity of industries, the skills of the labor force, the condition of the current labor market, the availability of financial resources, the quality and availability of educational facilities, the adequacy and availability of public services, and the existence of a basic and advanced infrastructure in the community;

''(3) facilitate a dialogue between concerned interests in the community, represent the impacted community, and ensure all interests in the community work collaboratively toward collective goals without duplication of effort or resources;

''(4) oversee the development of a strategic plan for community economic development, taking into consideration the factors mentioned under paragraph (2), and consistent with the criteria established by the Secretary for the strategic plan developed under section 276;

''(5) create an executive council of members of the Community Economic Development Coordinating Committee to promote the strategic plan within the community and ensure coordination and cooperation among all stakeholders; and

''(6) apply for any grant, loan, or loan guarantee available under Federal law to develop or implement the strategic plan, and be an eligible recipient for funding for economic adjustment for that community.

''SEC. 275. COMMUNITY ECONOMIC ADJUSTMENT ADVISORS.

''(a) IN GENERAL.—Pursuant to section 272(c)(3)(G), the Director shall assign a community economic adjustment advisor to each eligible community.

''(b) DUTIES.—The community economic adjustment advisor shall—

''(1) provide technical assistance to the eligible community, assist in the development and implementation of a strategic plan, including applying for any grant available under this or any other Federal law to develop or implement that plan;

''(2) at the local and regional level, coordinate the response of all Federal agencies offering assistance to the eligible community;

''(3) serve as an ex officio member of the Community Economic Development Coordinating Committee established by an eligible community under section 274;

''(4) act as liaison between the Community Economic Development Coordinating Committee established by the eligible community and all other Federal agencies that offer assistance to eligible communities, including the Department of Agriculture, the Department of Defense, the Department of Education, the Department of Labor, the Department of Housing and Urban Development, the Department of Health and Human Services, the Small Business Administration, the Department of the Treasury, the National Economic Council, and other offices or agencies of the Department of Commerce;

''(5) report regularly to the Director regarding the progress of development activities in the community to which the community economic adjustment advisor is assigned; and

''(6) perform other duties as directed by the Secretary or the Director.

''SEC. 276. STRATEGIC PLANS.

''(a) IN GENERAL.—With the assistance of the community economic adjustment advisor, an eligible community may develop a strategic plan for community economic adjustment and diversification.

''(b) REQUIREMENTS FOR STRATEGIC PLAN.—A strategic plan shall contain, at a minimum, the following:

''(1) A description and justification of the capacity for economic adjustment, including the method of financing to be used, the anticipated management structure of the Community Economic Development Coordinating Committee, and the commitment of the community to the strategic plan over the long term.

''(2) A description of, and a plan to accomplish, the projects to be undertaken by the eligible community.

''(3) A description of how the plan and the projects to be undertaken by the eligible community will lead to job creation and job retention in the community.

''(4) A description of any alternative development plans that were considered, particularly less costly alternatives, and why those plans were rejected in favor of the proposed plan.

''(5) A description of any additional steps the eligible community will take to achieve economic adjustment and diversification, including how the plan and the projects will contribute to establishing or maintaining a level of public services necessary to attract and retain economic investment.

''(6) A description and justification for the cost and timing of proposed basic and advanced infrastructure improvements in the eligible community.

''(7) A description of the occupational and workforce conditions in the eligible community, including but not limited to existing levels of workforce skills and competencies, and educational programs available for workforce training and future employment needs.

''(8) A description of how the plan will adapt to changing markets, business cycles, and other variables.

''(9) A graduation strategy through which the eligible community demonstrates that the community will terminate the need for Federal assistance.

''(c) GRANTS TO DEVELOP STRATEGIC PLANS.—

''(1) IN GENERAL.—The Director, upon receipt of an application from a Community Economic Development Coordinating Committee on behalf of an eligible community, shall award a grant to that community to be used to develop the strategic plan.

''(2) AMOUNT.—The amount of a grant made under paragraph (1) shall be determined by the Secretary, but may not exceed $50,000 to each community.

''(3) LIMIT.—Each community can only receive 1 grant under this subsection for the purpose of developing a strategic plan in any 5-year period.

''(d) SUBMISSION OF PLAN.—A strategic plan developed under subsection (a) shall be submitted to the Director for evaluation and approval.

''SEC. 277. GRANTS FOR ECONOMIC DEVELOPMENT.

''The Director, upon receipt of an application from the Community Economic Development Coordinating Committee on behalf of an eligible community, may award a grant to that community to carry out any project or program included in the strategic plan approved under section 276(d) that—

''(1) will be located in, or will create or preserve high-wage jobs, in that eligible community; and

''(2) implements the strategy of that eligible community to create high-wage jobs in sectors that are expected to expand, including projects that—

''(A) encourage industries to locate in that eligible community, if such funds are not used to encourage the relocation of any employer in a manner that causes the dislocation of employees of that employer at another facility in the United States;

''(B) leverage resources to create or improve Internet or telecommunications capabilities to make the community more attractive for business;

''(C) establish a funding pool for job creation through entrepreneurial activities;

''(D) assist existing firms in that community to restructure or retool to become more competitive in world markets and prevent job loss; or

''(E) assist the community in acquiring the resources and providing the level of public services necessary to meet the objectives set out in the strategic plan.

''SEC. 278. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to the Department of Commerce, for the period beginning October 1, 2001, and ending September 30, 2007, such sums as may be necessary to carry out the purposes of this chapter.

''SEC. 279. GENERAL PROVISIONS.

''(a) REPORT BY THE DIRECTOR.—Not later than 6 months after the date of enactment of the Trade Adjustment Assistance Reform Act of 2002, and annually thereafter, the Director shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report regarding the programs established under this title.

''(b) REGULATIONS.—The Secretary shall prescribe such regulations as are necessary to carry out the provisions of this chapter.

''(c) SUPPLEMENT NOT SUPPLANT.—Funds appropriated under this chapter shall be used to supplement and not supplant other Federal, State, and local public funds expended to provide economic development assistance for communities.''.

TITLE IV—TRADE ADJUSTMENT ASSISTANCE FOR FARMERS

SEC. 401. TRADE ADJUSTMENT ASSISTANCE FOR FARMERS.

(a) IN GENERAL.—Title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.) is amended by adding at the end the following new chapter:

''CHAPTER 6—ADJUSTMENT ASSISTANCE FOR FARMERS

''SEC. 291. DEFINITIONS.

''In this chapter:

''(1) AGRICULTURAL COMMODITY.—The term 'agricultural commodity' means any agricultural commodity (including livestock), except fish as defined in section 299(1) of this Act, in its raw or natural state.

''(2) AGRICULTURAL COMMODITY PRODUCER.—The term 'agricultural commodity producer' has the same meaning as the term 'person' as prescribed by regulations promulgated under section 1001(5) of the Food Security Act of 1985 (7 U.S.C. 1308(5)). The term does not include any person described in section 299(2) of this Act.

''(3) CONTRIBUTED IMPORTANTLY.—

''(A) IN GENERAL.—The term 'contributed importantly' means a cause which is important but not necessarily more important than any other cause.

''(B) DETERMINATION OF CONTRIBUTED IMPORTANTLY.—The determination of whether imports of articles like or directly competitive with an agricultural commodity with respect to which a petition under this chapter was filed contributed importantly to a decline in the price of the agricultural commodity shall be made by the Secretary.

''(4) DULY AUTHORIZED REPRESENTATIVE.—The term 'duly authorized representative' means an association of agricultural commodity producers.

''(5) NATIONAL AVERAGE PRICE.—The term 'national average price' means the national average price paid to an agricultural commodity producer for an agricultural commodity in a marketing year as determined by the Secretary.

''(6) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

''SEC. 292. PETITIONS; GROUP ELIGIBILITY.

''(a) IN GENERAL.—A petition for a certification of eligibility to apply for adjustment assistance under this chapter may be filed with the Secretary by a group of agricultural commodity producers or by their duly authorized representative. Upon receipt of the petition, the Secretary shall promptly publish notice in the Federal Register that the Secretary has received the petition and initiated an investigation.

''(b) HEARINGS.—If the petitioner, or any other person found by the Secretary to have a substantial interest in the proceedings, submits not later than 10 days after the date of the Secretary's publication under subsection (a) a request for a hearing, the Secretary shall provide for a public hearing and afford such interested person an opportunity to be present, to produce evidence, and to be heard.

''(c) GROUP ELIGIBILITY REQUIREMENTS.—The Secretary shall certify a group of agricultural commodity producers as eligible to apply for adjustment assistance under this chapter if the Secretary determines—

''(1) that the national average price for the agricultural commodity, or a class of goods within the agricultural commodity, produced by the group for the most recent marketing year for which the national average price is available is

less than 80 percent of the average of the national average price for such agricultural commodity, or such class of goods, for the 5 marketing years preceding the most recent marketing year; and

''(2) that increases in imports of articles like or directly competitive with the agricultural commodity, or class of goods within the agricultural commodity, produced by the group contributed importantly to the decline in price described in paragraph (1).

''(d) SPECIAL RULE FOR QUALIFIED SUBSEQUENT YEARS.—A group of agricultural commodity producers certified as eligible under section 293 shall be eligible to apply for assistance under this chapter in any qualified year after the year the group is first certified, if the Secretary determines that—

''(1) the national average price for the agricultural commodity, or class of goods within the agricultural commodity, produced by the group for the most recent marketing year for which the national average price is available is equal to or less than the price determined under subsection (c)(1); and

''(2) the requirements of subsection (c)(2) are met.

''(e) DETERMINATION OF QUALIFIED YEAR AND COMMODITY.—In this chapter:

''(1) QUALIFIED YEAR.—The term 'qualified year', with respect to a group of agricultural commodity producers certified as eligible under section 293, means each consecutive year after the year in which the group is certified that the Secretary makes the determination under subsection (c) or (d), as the case may be.

''(2) CLASSES OF GOODS WITHIN A COMMODITY.—In any case in which there are separate classes of goods within an agricultural commodity, the Secretary shall treat each class as a separate commodity in determining group eligibility, the national average price, and level of imports under this section and section 296.

''SEC. 293. DETERMINATIONS BY SECRETARY OF AGRICULTURE.

''(a) IN GENERAL.—As soon as practicable after the date on which a petition is filed under section 292, but in any event not later than 40 days after that date, the Secretary shall determine whether the petitioning group meets the requirements of section 292 (c) or (d), as the case may be, and shall, if the group meets the requirements, issue a certification of eligibility to apply for assistance under this chapter covering agricultural commodity producers in any group that meets the requirements. Each certification shall specify the date on which eligibility under this chapter begins.

''(b) NOTICE.—Upon making a determination on a petition, the Secretary shall promptly publish a summary of the determination in the Federal Register, together with the Secretary's reasons for making the determination.

''(c) TERMINATION OF CERTIFICATION.—Whenever the Secretary determines, with respect to any certification of eligibility under this chapter, that the decline in price for the agricultural commodity covered by the certification is no longer attributable to the conditions described in section 292, the Secretary shall terminate such certification and promptly cause notice of such termination to be published in the Federal Register, together with the Secretary's reasons for making such determination.

''SEC. 294. STUDY BY SECRETARY OF AGRICULTURE WHEN INTERNATIONAL TRADE COMMISSION BEGINS INVESTIGATION.

''(a) IN GENERAL.—Whenever the International Trade Commission (in this chapter referred to as the 'Commission') begins an investigation under section 202 with respect to an agricultural commodity, the Commission shall immediately notify the Secretary of the investigation. Upon receipt of the notification, the Secretary shall immediately conduct a study of—

''(1) the number of agricultural commodity producers producing a like or directly competitive agricultural commodity who have been or are likely to be certified as eligible for adjustment assistance under this chapter, and

''(2) the extent to which the adjustment of such producers to the import competition may be facilitated through the use of existing programs.

''(b) REPORT.—Not later than 15 days after the day on which the Commission makes its report under section 202(f), the Secretary shall submit a report to the President setting forth the findings of the study described in subsection (a). Upon making the report to the President, the Secretary shall also promptly make the report public (with the exception of information which the Secretary determines to be confidential) and shall have a summary of the report published in the Federal Register.

''SEC. 295. BENEFIT INFORMATION TO AGRICULTURAL COMMODITY PRODUCERS.

''(a) IN GENERAL.—The Secretary shall provide full information to producers about the benefit allowances, training, and other employment services available under this title and about the petition and application procedures, and the appropriate filing dates, for such allowances, training, and services. The Secretary shall provide whatever assistance is necessary to enable groups to prepare petitions or applications for program benefits under this title.

''(b) NOTICE OF BENEFITS.—

''(1) IN GENERAL.—The Secretary shall mail written notice of the benefits available under this chapter to each agricultural commodity producer that the Secretary has reason to believe is covered by a certification made under this chapter.

''(2) OTHER NOTICE.—The Secretary shall publish notice of the benefits available under this chapter to agricultural commodity producers that are covered by each certification made under this chapter in newspapers of general circulation in the areas in which such producers reside.

''(3) OTHER FEDERAL ASSISTANCE.—The Secretary shall also provide information concerning procedures for applying for and receiving all other Federal assistance and services available to workers facing economic distress.

''SEC. 296. QUALIFYING REQUIREMENTS FOR AGRICULTURAL COMMODITY PRODUCERS.

''(a) IN GENERAL.—

''(1) REQUIREMENTS.—Payment of a trade adjustment allowance shall be made to an adversely affected agricultural commodity producer covered by a certification under this chapter who files an application for such allowance within 90 days after the date on which the Secretary makes a determination and issues a certification of eligibility under section 293, if the following conditions are met:

''(A) The producer submits to the Secretary sufficient information to establish the amount of agricultural commodity covered by the application filed under subsection (a) that was produced by the producer in the most recent year.

''(B) The producer certifies that the producer has not received cash benefits under any provision of this title other than this chapter.

''(C) The producer's net farm income (as determined by the Secretary) for the most recent year is less than the producer's net farm income for the latest year in which no adjustment assistance was received by the producer under this chapter.

''(D) The producer certifies that the producer has met with an Extension Service employee or agent to obtain, at no cost to the producer, information and technical assistance that will assist the producer in adjusting to import competition with respect to the adversely affected agricultural commodity, including—

''(i) information regarding the feasibility and desirability of substituting 1 or more alternative commodities for the adversely affected agricultural commodity; and

''(ii) technical assistance that will improve the competitiveness of the production and marketing of the adversely affected agricultural commodity by the producer, including yield and marketing improvements.

''(2) LIMITATION.—

''(A) IN GENERAL.—Notwithstanding any other provision of this chapter, an agricultural commodity producer shall not be eligible for assistance under this chapter in any year in which the average adjusted gross income of the producer exceeds $2,500,000.

''(B) CERTIFICATION.—To comply with the limitation under subparagraph (A), an individual or entity shall provide to the Secretary—

''(i) a certification by a certified public accountant or another third party that is acceptable to the Secretary that the average adjusted gross income of the producer does not exceed $2,500,000; or

''(ii) information and documentation regarding the adjusted gross income of the producer through other procedures established by the Secretary.

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

''(i) ADJUSTED GROSS INCOME.—The term 'adjusted gross income' means adjusted gross income of an agricultural commodity producer—

''(I) as defined in section 62 of the Internal Revenue Code of 1986 and implemented in accordance with procedures established by the Secretary; and

''(II) that is earned directly or indirectly from all agricultural and nonagricultural sources of an individual or entity for a fiscal or corresponding crop year.

''(ii) AVERAGE ADJUSTED GROSS INCOME.—

''(I) IN GENERAL.—The term 'average adjusted gross income' means the average adjusted gross income of a producer for each of the 3 preceding taxable years.

''(II) EFFECTIVE ADJUSTED GROSS INCOME.—In the case of a producer that does not have an adjusted gross income for each of the 3 preceding taxable years, the Secretary shall establish rules that provide the producer with an effective adjusted gross income for the applicable year.

''(b) AMOUNT OF CASH BENEFITS.—

''(1) IN GENERAL.—Subject to the provisions of section 298, an adversely affected agricultural commodity producer described in subsection (a) shall be entitled to adjustment assistance under this chapter in an amount equal to the product of—

''(A) one-half of the difference between—

''(i) an amount equal to 80 percent of the average of the national average price of the agricultural commodity covered by the application described in subsection (a) for the 5 marketing years preceding the most recent marketing year, and

''(ii) the national average price of the agricultural commodity for the most recent marketing year, and

''(B) the amount of the agricultural commodity produced by the agricultural commodity producer in the most recent marketing year.

''(2) SPECIAL RULE FOR SUBSEQUENT QUALIFIED YEARS.—The amount of cash benefits for a qualified year shall be determined in the same manner as cash benefits are determined under paragraph (1) except that the average national price of the agricultural commodity shall be determined under paragraph (1)(A)(i) by using the 5-marketing-year period used to determine the amount of cash benefits for the first certification.

''(c) MAXIMUM AMOUNT OF CASH ASSISTANCE.—The maximum amount of cash benefits an agricultural commodity producer may receive in any 12-month period shall not exceed $10,000.

''(d) LIMITATIONS ON OTHER ASSISTANCE.—An agricultural commodity producer entitled to receive a cash benefit under this chapter—

''(1) shall not be eligible for any other cash benefit under this title, and

''(2) shall be entitled to employment services and training benefits under part III of subchapter C of chapter 2.

''SEC. 297. FRAUD AND RECOVERY OF OVERPAYMENTS.

''(a) IN GENERAL.—

''(1) REPAYMENT.—If the Secretary, or a court of competent jurisdiction, determines that any person has received any payment under this chapter to which the person was not entitled, such person shall be liable to repay such amount to the Secretary, except that the Secretary may waive such repayment if the Secretary determines, in accordance with guidelines prescribed by the Secretary, that—

''(A) the payment was made without fault on the part of such person; and

''(B) requiring such repayment would be contrary to equity and good conscience.

''(2) RECOVERY OF OVERPAYMENT.—Unless an overpayment is otherwise recovered, or waived under paragraph (1), the Secretary shall recover the overpayment by deductions from any sums payable to such person under this chapter.

''(b) FALSE STATEMENT.—A person shall, in addition to any other penalty provided by law, be ineligible for any further payments under this chapter—

''(1) if the Secretary, or a court of competent jurisdiction, determines that the person—

''(A) knowingly has made, or caused another to make, a false statement or representation of a material fact; or

''(B) knowingly has failed, or caused another to fail, to disclose a material fact; and

''(2) as a result of such false statement or representation, or of such nondisclosure, such person has received any payment under this chapter to which the person was not entitled.

''(c) NOTICE AND DETERMINATION.—Except for overpayments determined by a court of competent jurisdiction, no repayment may be required, and no deduction may be made, under this section until a determination under subsection (a)(1) by the Secretary has been made, notice of the determination and an opportunity for a fair hearing thereon has been given to the person concerned, and the determination has become final.

''(d) PAYMENT TO TREASURY.—Any amount recovered under this section shall be returned to the Treasury of the United States.

''(e) PENALTIES.—Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, for the purpose of obtaining or increasing for himself or for any other person any payment authorized to be furnished under this chapter shall be fined not more than $10,000 or imprisoned for not more than 1 year, or both.

''SEC. 298. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—There are authorized to be appropriated and there are appropriated to the Department of Agriculture not to exceed $90,000,000 for each of the fiscal years 2002 through 2007 to carry out the purposes of this chapter.

''(b) PROPORTIONATE REDUCTION.—If in any year, the amount appropriated under this chapter is insufficient to meet the requirements for adjustment assistance payable under this chapter, the amount of assistance payable under this chapter shall be reduced proportionately.''.

(b) EFFECTIVE DATE.—The amendments made by this title shall take effect on the date that is 180 days after the date of enactment of this Act.

TITLE V—TRADE ADJUSTMENT ASSISTANCE FOR FISHERMEN

SEC. 501. TRADE ADJUSTMENT ASSISTANCE FOR FISHERMEN.

(a) IN GENERAL.—Title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.), as amended by title IV of this Act, is amended by adding at the end the following new chapter:

''CHAPTER 7—ADJUSTMENT ASSISTANCE FOR FISHERMEN

''SEC. 299. DEFINITIONS.

''In this chapter:

''(1) COMMERCIAL FISHING, FISH, FISHERY, FISHING, FISHING VESSEL, PERSON, AND UNITED STATES FISH PROCESSOR.—The terms 'commercial fishing', 'fish', 'fishery', 'fishing', 'fishing vessel', 'person', and 'United States fish processor' have the same meanings as such terms have in the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802).

''(2) PRODUCER.—The term 'producer' means any person who—

''(A) is engaged in commercial fishing; or

''(B) is a United States fish processor.

''(3) CONTRIBUTED IMPORTANTLY.—

''(A) IN GENERAL.—The term 'contributed importantly' means a cause which is important but not necessarily more important than any other cause.

''(B) DETERMINATION OF CONTRIBUTED IMPORTANTLY.—The determination of whether imports of articles like or directly competitive with a fish caught through commercial fishing or processed by a United States fish processor with respect to which a petition under this chapter was filed contributed importantly to a decline in the price of the fish shall be made by the Secretary.

''(4) DULY AUTHORIZED REPRESENTATIVE.—The term 'duly authorized representative' means an association of producers.

''(5) NATIONAL AVERAGE PRICE.—The term 'national average price' means the national average price paid to a producer for fish in a marketing year as determined by the Secretary.

''(6) SECRETARY.—The term 'Secretary' means the Secretary of Commerce.

''(7) TRADE ADJUSTMENT ASSISTANCE CENTER.—The term 'Trade Adjustment Assistance Center' shall have the same meaning as such term has in section 253.

''SEC. 299A. PETITIONS; GROUP ELIGIBILITY.

''(a) IN GENERAL.—A petition for a certification of eligibility to apply for adjustment assistance under this chapter may be filed with the Secretary by a group of producers or by their duly authorized representative. Upon receipt of the petition, the Secretary shall promptly publish notice in the Federal Register that the Secretary has received the petition and initiated an investigation.

''(b) HEARINGS.—If the petitioner, or any other person found by the Secretary to have a substantial interest in the proceedings, submits not later than 10 days after the date of the Secretary's publication under subsection (a) a request for a hearing, the Secretary shall provide for a public hearing and afford such interested person an opportunity to be present, to produce evidence, and to be heard.

''(c) GROUP ELIGIBILITY REQUIREMENTS.—The Secretary shall certify a group of producers as eligible to apply for adjustment assistance under this chapter if the Secretary determines—

''(1) that the national average price for the fish, or a class of fish, produced by the group for the most recent marketing year for which the national average price is available is less than 80 percent of the average of the national average price for such fish, or such class of fish, for the 5 marketing years preceding the most recent marketing year; and

''(2) that increases in imports of articles like or directly competitive with the fish, or class of fish, produced by the group contributed importantly to the decline in price described in paragraph (1).

''(d) SPECIAL RULE FOR QUALIFIED SUBSEQUENT YEARS.—A group of producers certified as eligible under section 299B shall be eligible to apply for assistance under this chapter in any qualified year after the year the group is first certified, if the Secretary determines that—

''(1) the national average price for the fish, or class of fish, produced by the group for the most recent marketing year for which the national average price is available is equal to or less than the price determined under subsection (c)(1); and

''(2) the requirements of subsection (c)(2) are met.

''(e) DETERMINATION OF QUALIFIED YEAR AND COMMODITY.—In this chapter:

''(1) QUALIFIED YEAR.—The term 'qualified year', with respect to a group of producers certified as eligible under section 299B, means each consecutive year after the year in which the group is certified that the Secretary makes the determination under subsection (c) or (d), as the case may be.

''(2) CLASSES OF GOODS WITHIN A COMMODITY.—In any case in which there are separate classes of fish, the Secretary shall treat each class as a separate commodity in determining group eligibility, the national average price, and level of imports under this section and section 299E.

''SEC. 299B. DETERMINATIONS BY SECRETARY.

''(a) IN GENERAL.—As soon as practicable after the date on which a petition is filed under section 299A, but in any event not later than 40 days after that date, the Secretary shall determine whether the petitioning group meets the requirements of section 299A (c) or (d), as the case may be, and shall, if the group meets the requirements, issue a certification of eligibility to apply for assistance under this chapter covering producers in any group that meets the requirements. Each certification shall specify the date on which eligibility under this chapter begins.

''(b) NOTICE.—Upon making a determination on a petition, the Secretary shall promptly publish a summary of the determination in the Federal Register, together with the Secretary's reasons for making the determination.

''(c) TERMINATION OF CERTIFICATION.—Whenever the Secretary determines, with respect to any certification of eligibility under this chapter, that the decline in price for the fish covered by the certification is no longer attributable to the conditions described in section 299A, the Secretary shall terminate such certification and promptly cause notice of such termination to be published in the Federal Register, together with the Secretary's reasons for making such determination.

''SEC. 299C. STUDY BY SECRETARY WHEN INTERNATIONAL TRADE COMMISSION BEGINS INVESTIGATION.

''(a) IN GENERAL.—Whenever the International Trade Commission (in this chapter referred to as the 'Commission') begins an investigation under section 202 with respect to a fish, the Commission shall immediately notify the Secretary of the investigation. Upon receipt of the notification, the Secretary shall immediately conduct a study of—

''(1) the number of producers producing a like or directly competitive agricultural commodity who have been or are likely to be certified as eligible for adjustment assistance under this chapter, and

''(2) the extent to which the adjustment of such producers to the import competition may be facilitated through the use of existing programs.

''(b) REPORT.—Not later than 15 days after the day on which the Commission makes its report under section 202(f), the Secretary shall submit a report to the President setting forth the findings of the study under subsection (a). Upon making his report to the President, the Secretary shall also promptly make the report public (with the exception of information which the Secretary determines to be confidential) and shall have a summary of it published in the Federal Register.

''SEC. 299D. BENEFIT INFORMATION TO PRODUCERS.

''(a) IN GENERAL.—The Secretary shall provide full information to producers about the benefit allowances, training, and other employment services available under this title and about the petition and application procedures, and the appropriate filing dates, for such allowances, training, and services. The Secretary shall provide whatever assistance is necessary to enable groups to prepare petitions or applications for program benefits under this title.

''(b) NOTICE OF BENEFITS.—

''(1) IN GENERAL.—The Secretary shall mail written notice of the benefits available under

this chapter to each producer that the Secretary has reason to believe is covered by a certification made under this chapter.

''(2) OTHER NOTICE.—The Secretary shall publish notice of the benefits available under this chapter to producers that are covered by each certification made under this chapter in newspapers of general circulation in the areas in which such producers reside.

"SEC. 299E. QUALIFYING REQUIREMENTS FOR PRODUCERS.

''(a) IN GENERAL.—Payment of a trade adjustment allowance shall be made to an adversely affected producer covered by a certification under this chapter who files an application for such allowance within 90 days after the date on which the Secretary makes a determination and issues a certification of eligibility under section 299B, if the following conditions are met:

''(1) The producer submits to the Secretary sufficient information to establish the amount of fish covered by the application filed under subsection (a) that was produced by the producer in the most recent year.

''(2) The producer certifies that the producer has not received cash benefits under any provision of this title other than this chapter.

''(3) The producer's net fishing or processing income (as determined by the Secretary) for the most recent year is less than the producer's net fishing or processing income for the latest year in which no adjustment assistance was received by the producer under this chapter.

''(4) The producer certifies that—

''(A) the producer has met with an employee or agent from a Trade Adjustment Assistance Center to obtain, at no cost to the producer, information and technical assistance that will assist the producer in adjusting to import competition with respect to the adversely affected fish, including—

''(i) information regarding the feasibility and desirability of substituting 1 or more alternative fish for the adversely affected fish; and

''(ii) technical assistance that will improve the competitiveness of the production and marketing of the adversely affected fish by the producer, including yield and marketing improvements; and

''(B) none of the benefits will be used to purchase, lease, or finance any new fishing vessel, add capacity to any fishery, or otherwise add to the overcapitalization of any fishery.

''(b) AMOUNT OF CASH BENEFITS.—

''(1) IN GENERAL.—Subject to the provisions of section 299G, an adversely affected producer described in subsection (a) shall be entitled to adjustment assistance under this chapter in an amount equal to the product of—

''(A) one-half of the difference between—

''(i) an amount equal to 80 percent of the average of the national average price of the fish covered by the application described in subsection (a) for the 5 marketing years preceding the most recent marketing year; and

''(ii) the national average price of the fish for the most recent marketing year; and

''(B) the amount of the fish produced by the producer in the most recent marketing year.

''(2) SPECIAL RULE FOR SUBSEQUENT QUALIFIED YEARS.—The amount of cash benefits for a qualified year shall be determined in the same manner as cash benefits are determined under paragraph (1) except that the average national price of the fish shall be determined under paragraph (1)(A)(i) by using the 5-marketing-year period used to determine the amount of cash benefits for the first certification. A producer shall only be eligible for benefits for subsequent qualified years if the Secretary or his designee determines that sufficient progress has been made implementing the plans developed under section 299E(a)(4) of this title.

''(c) MAXIMUM AMOUNT OF CASH ASSISTANCE.—The maximum amount of cash benefits a producer may receive in any 12-month period shall not exceed $10,000.

''(d) LIMITATIONS ON OTHER ASSISTANCE.—A producer entitled to receive a cash benefit under this chapter—

''(1) shall not be eligible for any other cash benefit under this title, and

''(2) shall be entitled to employment services and training benefits under part III of subchapter C of chapter 2.

"SEC. 299F. FRAUD AND RECOVERY OF OVERPAYMENTS.

''(a) IN GENERAL.—

''(1) REPAYMENT.—If the Secretary, or a court of competent jurisdiction, determines that any person has received any payment under this chapter to which the person was not entitled, such person shall be liable to repay such amount to the Secretary, except that the Secretary may waive such repayment if the Secretary determines, in accordance with guidelines prescribed by the Secretary, that—

''(A) the payment was made without fault on the part of such person; and

''(B) requiring such repayment would be contrary to equity and good conscience.

''(2) RECOVERY OF OVERPAYMENT.—Unless an overpayment is otherwise recovered, or waived under paragraph (1), the Secretary shall recover the overpayment by deductions from any sums payable to such person under this chapter.

''(b) FALSE STATEMENT.—A person shall, in addition to any other penalty provided by law, be ineligible for any further payments under this chapter—

''(1) if the Secretary, or a court of competent jurisdiction, determines that the person—

''(A) knowingly has made, or caused another to make, a false statement or representation of a material fact; or

''(B) knowingly has failed, or caused another to fail, to disclose a material fact; and

''(2) as a result of such false statement or representation, or of such nondisclosure, such person has received any payment under this chapter to which the person was not entitled.

''(c) NOTICE AND DETERMINATION.—Except for overpayments determined by a court of competent jurisdiction, no repayment may be required, and no deduction may be made, under this section until a determination under subsection (a)(1) by the Secretary has been made, notice of the determination and an opportunity for a fair hearing thereon has been given to the person concerned, and the determination has become final.

''(d) PAYMENT TO TREASURY.—Any amount recovered under this section shall be returned to the Treasury of the United States.

''(e) PENALTIES.—Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, for the purpose of obtaining or increasing for himself or for any other person any payment authorized to be furnished under this chapter shall be fined not more than $10,000 or imprisoned for not more than 1 year, or both.

"SEC. 299G. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—There are authorized to be appropriated and there are appropriated to the Department of Commerce not to exceed $10,000,000 for each of the fiscal years 2002 through 2007 to carry out the purposes of this chapter.

''(b) PROPORTIONATE REDUCTION.—If in any year, the amount appropriated under this chapter is insufficient to meet the requirements for adjustment assistance payable under this chapter, the amount of assistance payable under this chapter shall be reduced proportionately.''.

(b) EFFECTIVE DATE.—The amendments made by this title shall take effect on the date that is 180 days after the date of enactment of this Act.

TITLE VI—HEALTH CARE COVERAGE OPTIONS FOR WORKERS ELIGIBLE FOR TRADE ADJUSTMENT ASSISTANCE

SEC. 601. TRADE ADJUSTMENT ASSISTANCE HEALTH INSURANCE CREDIT.

(a) IN GENERAL.—Subchapter B of chapter 65 of the Internal Revenue Code of 1986 (relating to abatements, credits, and refunds) is amended by inserting after section 6428 the following new section:

"SEC. 6429. TRADE ADJUSTMENT ASSISTANCE HEALTH INSURANCE CREDIT.

''(a) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by subtitle A an amount equal to 70 percent of the amount paid during the taxable year for coverage for the taxpayer, the taxpayer's spouse, and dependents of the taxpayer under qualified health insurance during eligible coverage months.

''(b) ELIGIBLE COVERAGE MONTH.—For purposes of this section—

''(1) IN GENERAL.—The term 'eligible coverage month' means any month if, as of the first day of such month—

''(A) the taxpayer is an eligible individual,

''(B) the taxpayer is covered by qualified health insurance,

''(C) the premium for coverage under such insurance for such month is paid by the taxpayer, and

''(D) the taxpayer does not have other specified coverage.

''(2) SPECIAL RULES.—

''(A) JOINT RETURNS.—In the case of a joint return, the requirements of paragraph (1) shall be treated as met if at least 1 spouse satisfies such requirements.

''(B) EXCLUSION OF MONTHS IN WHICH INDIVIDUAL IS IMPRISONED.—Such term shall not include any month with respect to an individual if, as of the first day of such month, such individual is imprisoned under Federal, State, or local authority.

''(3) OTHER SPECIFIED COVERAGE.—For purposes of this subsection, an individual has other specified coverage for any month if, as of the first day of such month—

''(A) SUBSIDIZED COVERAGE.—

''(i) IN GENERAL.—Such individual is covered under any qualified health insurance under which at least 50 percent of the cost of coverage (determined under section 4980B) is paid or incurred by an employer (or former employer) of the taxpayer or the taxpayer's spouse.

''(ii) TREATMENT OF CAFETERIA PLANS AND FLEXIBLE SPENDING ACCOUNTS.—For purposes of clause (i), the cost of benefits—

''(I) which are chosen under a cafeteria plan (as defined in section 125(d)), or provided under a flexible spending or similar arrangement, of such an employer, and

''(II) which are not includible in gross income under section 106,

shall be treated as borne by such employer.

''(B) COVERAGE UNDER MEDICARE, MEDICAID, OR SCHIP.—Such individual—

''(i) is entitled to benefits under part A of title XVIII of the Social Security Act or is enrolled under part B of such title, or

''(ii) is enrolled in the program under title XIX or XXI of such Act (other than under section 1928).

''(C) CERTAIN OTHER COVERAGE.—Such individual—

''(i) is enrolled in a health benefits plan under chapter 89 of title 5, United States Code,

''(ii) is entitled to receive benefits under chapter 55 of title 10, United States Code,

''(iii) is entitled to receive benefits under chapter 17 of title 38, United States Code, or

''(iv) is eligible for benefits under the Indian Health Care Improvement Act.

''(4) SPECIAL RULE.—For purposes of this subsection, an individual does not have other specified coverage for any month if such coverage is under a qualified long-term care insurance contract (as defined in section 7702B(b)(1)).

''(c) ELIGIBLE INDIVIDUAL.—For purposes of this section, the term 'eligible individual' means an individual who is qualified to receive payment of a trade adjustment allowance under section 235 of the Trade Act of 1974, as amended by section 111 of the Trade Adjustment Assistance Reform Act of 2002.

''(d) QUALIFIED HEALTH INSURANCE.—For purposes of this section, the term 'qualified health insurance' means health insurance coverage described under section 173(f) of the Workforce Investment Act of 1998 (29 U.S.C. 2918(f)).

''(e) COORDINATION WITH ADVANCE PAYMENTS OF CREDIT.—

''(1) RECAPTURE OF EXCESS ADVANCE PAYMENTS.—If any payment is made by the Secretary under section 7527 during any calendar year to a provider of qualified health insurance for an individual, then the tax imposed by this chapter for the individual's last taxable year beginning in such calendar year shall be increased by the aggregate amount of such payments.

''(2) RECONCILIATION OF PAYMENTS ADVANCED AND CREDIT ALLOWED.—Any increase in tax under paragraph (1) shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit (other than the credit allowed by subsection (a)) allowable under part IV of subchapter A of chapter 1.

''(f) SPECIAL RULES.—

''(1) COORDINATION WITH OTHER DEDUCTIONS.—Amounts taken into account under subsection (a) shall not be taken into account in determining any deduction allowed under section 162(l) or 213.

''(2) MSA DISTRIBUTIONS.—Amounts distributed from an Archer MSA (as defined in section 220(d)) shall not be taken into account under subsection (a).

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

''(4) CREDIT TREATED AS REFUNDABLE CREDIT.—For purposes of this title, the credit allowed under this section shall be treated as a credit allowable under subpart C of part IV of subchapter A of chapter 1.

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

''(6) REGULATIONS.—The Secretary may prescribe such regulations and other guidance as may be necessary or appropriate to carry out this section and section 7527.''.

(b) INFORMATION REPORTING.—

(1) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 of the Internal Revenue Code of 1986 (relating to information concerning transactions with other persons) is amended by inserting after section 6050S the following new section:

''SEC. 6050T. RETURNS RELATING TO TRADE ADJUSTMENT ASSISTANCE HEALTH INSURANCE CREDIT.

''(a) REQUIREMENT OF REPORTING.—Every person—

''(1) who, in connection with a trade or business conducted by such person, receives payments during any calendar year from any individual for coverage of such individual or any other individual under qualified health insurance (as defined in section 6429(d)), and

''(2) who claims a reimbursement for an advance credit amount,

shall, at such time as the Secretary may prescribe, make the return described in subsection (b) with respect to each individual from whom such payments were received or for whom such a reimbursement is claimed.

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

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

''(2) contains—

''(A) the name, address, and TIN of each individual referred to in subsection (a),

''(B) the aggregate of the advance credit amounts provided to such individual and for which reimbursement is claimed,

''(C) the number of months for which such advance credit amounts are so provided, and

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

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

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

''(2) the information required to be shown on the return with respect to such individual.

The written statement required under the preceding sentence shall be furnished on or before January 31 of the year following the calendar year for which the return under subsection (a) is required to be made.

''(d) ADVANCE CREDIT AMOUNT.—For purposes of this section, the term 'advance credit amount' means an amount for which the person can claim a reimbursement pursuant to a program established by the Secretary under section 7527.''.

(2) ASSESSABLE PENALTIES.—

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

''(xi) section 6050T (relating to returns relating to trade adjustment assistance health insurance credit),''.

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

''(BB) section 6050T (relating to returns relating to trade adjustment assistance health insurance credit).''.

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

''Sec. 6050T. Returns relating to trade adjustment assistance health insurance credit.''.

(c) CRIMINAL PENALTY FOR FRAUD.—

(1) IN GENERAL.—Subchapter B of chapter 75 of the Internal Revenue Code of 1986 (relating to other offenses) is amended by adding at the end the following:

''SEC. 7276. PENALTIES FOR OFFENSES RELATING TO TRADE ADJUSTMENT ASSISTANCE HEALTH INSURANCE CREDIT.

''Any person who knowingly misuses Department of the Treasury names, symbols, titles, or initials to convey the false impression of association with, or approval or endorsement by, the Department of the Treasury of any insurance products or group health coverage in connection with the credit for trade adjustment assistance health insurance under section 6429 shall on conviction thereof be fined not more than $10,000, or imprisoned not more than 1 year, or both.''.

(2) The table of sections for subchapter B of chapter 75 of such Code is amended by adding at the end the following:

''Sec. 7276. Penalties for offenses relating to trade adjustment assistance health insurance credit.''.

(d) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period '', or from section 6429 of such Code''.

(2) The table of sections for subchapter B of chapter 65 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''Sec. 6429. Trade adjustment assistance health insurance credit.''.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2001, without regard to whether final regulations to carry out such amendments have been promulgated by such date.

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

SEC. 602. ADVANCE PAYMENT OF TRADE ADJUSTMENT ASSISTANCE HEALTH INSURANCE CREDIT.

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

''SEC. 7527. ADVANCE PAYMENT OF TRADE ADJUSTMENT ASSISTANCE HEALTH INSURANCE CREDIT.

''(a) GENERAL RULE.—The Secretary shall establish a program for making payments on behalf of eligible individuals (as defined in section 6429(c)) to providers of health insurance for such individuals for whom a qualified health insurance credit eligibility certificate is in effect.

''(b) QUALIFIED HEALTH INSURANCE CREDIT ELIGIBILITY CERTIFICATE.—For purposes of this section, a qualified health insurance credit eligibility certificate is a statement certified by a designated local agency (as defined in section 51(d)(11)) (or by any other entity designated by the Secretary) which—

''(1) certifies that the individual was an eligible individual (as defined in section 6429(c)) as of the first day of any month, and

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

(b) CLERICAL AMENDMENT.—The table of sections for chapter 77 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''Sec. 7527. Advance payment of trade adjustment assistance health insurance credit.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, without regard to whether final regulations to carry out such amendments have been promulgated by such date.

SEC. 603. HEALTH INSURANCE COVERAGE FOR ELIGIBLE INDIVIDUALS.

(a) ELIGIBILITY FOR GRANTS.—Section 173(a) of the Workforce Investment Act of 1998 (29 U.S.C. 2918(a)) is amended—

(1) in paragraph (2), by striking ''and'' at the end;

(2) in paragraph (3) by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(4) from funds appropriated under section 174(c)—

''(A) to a State to provide the assistance described in subsection (f) to any eligible worker (as defined in subsection (f)(4)(B)); and

''(B) to a State to provide the assistance described in subsection (g) to any eligible worker (as defined in subsection (g)(5)).''.

(b) USE OF FUNDS FOR HEALTH INSURANCE COVERAGE.—Section 173 of the Workforce Investment Act of 1998 (29 U.S.C. 2918) is amended by adding at the end the following:

''(f) HEALTH INSURANCE COVERAGE ASSISTANCE FOR ELIGIBLE WORKERS.—

''(1) IN GENERAL.—Funds made available to a State under paragraph (4)(A) of subsection (a) may be used by the State for the following:

''(A) HEALTH INSURANCE COVERAGE.—To assist an eligible worker (as defined in paragraph (4)(B)) in enrolling in health insurance coverage through—

''(i) COBRA continuation coverage;

''(ii) State-based continuation coverage provided by the State under a State law that requires such coverage even though the coverage would not otherwise be required under the provisions of law referred to in paragraph (4)(A);

''(iii) the enrollment of the eligible worker and the eligible worker's spouse and dependents in health insurance coverage offered through a qualified State high risk pool or other comparable State-based health insurance coverage alternative;

''(iv) the enrollment of the eligible worker and the eligible worker's spouse and dependents in the health insurance program offered for State employees;

''(v) the enrollment of the eligible worker and the eligible worker's spouse and dependents in a State-based health insurance program that is comparable to the health insurance program offered for State employees;

''(vi) a direct payment arrangement entered into by the State and a group health plan (including a multiemployer plan as defined in section 3(37) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(37))), an issuer of health insurance coverage, an administrator, or an employer, as appropriate, on behalf of the eligible worker and the eligible worker's spouse and dependents;

''(vii) the enrollment of the eligible worker and the eligible worker's spouse and dependents in a State-operated, State-funded health plan;

''(viii) the enrollment of the eligible worker and the eligible worker's spouse and dependents in health insurance coverage offered through a State arrangement with a private sector health care coverage purchasing pool; or

''(ix) in the case of an eligible worker who was enrolled in individual health insurance coverage during the 6-month period that ends on the date on which the worker became unemployed, enrollment in such individual health insurance coverage.

''(B) ESTABLISHMENT OF HEALTH INSURANCE COVERAGE MECHANISMS.—To establish or administer—

''(i) a qualified State high risk pool for the purpose of providing health insurance coverage to an eligible worker and the eligible worker's spouse and dependents;

''(ii) a State-based program for the purpose of providing health insurance coverage to an eligible worker and the eligible worker's spouse and dependents that is comparable to the State health insurance program for State employees; or

''(iii) a program under which the State enters into arrangements described in subparagraph (A)(vi).

''(C) ADMINISTRATIVE EXPENSES.—To pay the administrative expenses related to the enrollment of eligible workers and the eligible workers spouses and dependents in health insurance coverage described in subparagraph (A), including—

''(i) eligibility verification activities;

''(ii) the notification of eligible workers of available health insurance coverage options;

''(iii) processing qualified health insurance credit eligibility certificates provided for under section 7527 of the Internal Revenue Code of 1986;

''(iv) providing assistance to eligible workers in enrolling in health insurance coverage;

''(v) the development or installation of necessary data management systems; and

''(vi) any other expenses determined appropriate by the Secretary.

''(2) REQUIREMENTS RELATING TO HEALTH INSURANCE COVERAGE.—With respect to health insurance coverage provided to eligible workers under any of clauses (ii) through (viii) of paragraph (1)(A), the State shall ensure that—

''(A) enrollment is guaranteed for workers who provide a qualified health insurance credit eligibility certificate described in section 7527 of the Internal Revenue Code of 1986 and who pay the remainder of the premium for such enrollment;

''(B) no pre-existing condition limitations are imposed with respect to such eligible workers;

''(C) the worker is not required (as a condition of enrollment or continued enrollment under the coverage) to pay a premium or contribution that is greater than the premium or contribution for a similarly situated individual who is not an eligible worker;

''(D) benefits under the coverage are the same as (or substantially similar to) the benefits provided to similarly situated individuals who are not eligible workers;

''(E) the standard loss ratio for the coverage is not less than 65 percent;

''(F) in the case of coverage provided under paragraph (1)(A)(v), the premiums and benefits are comparable to the premiums and benefits applicable to State employees; and

''(G) such coverage otherwise meets requirements established by the Secretary.

''(3) AVAILABILITY OF FUNDS.—

''(A) EXPEDITED PROCEDURES.—With respect to applications submitted by States for grants under this subsection, the Secretary shall—

''(i) not later than 15 days after the date on which the Secretary receives a completed application from a State, notify the State of the determination of the Secretary with respect to the approval or disapproval of such application;

''(ii) in the case of a State application that is disapproved by the Secretary, provide technical assistance, at the request of the State, in a timely manner to enable the State to submit an approved application; and

''(iii) develop procedures to expedite the provision of funds to States with approved applications.

''(B) AVAILABILITY AND DISTRIBUTION OF FUNDS.—The Secretary shall ensure that funds made available under section 174(c)(1)(A) to carry out subsection (a)(4)(A) are available to States throughout the period described in section 174(c)(2)(A).

''(4) DEFINITIONS.—For purposes of this subsection:

''(A) COBRA CONTINUATION COVERAGE.—The term 'COBRA continuation coverage' means coverage under a group health plan provided by an employer pursuant to title XXII of the Public Health Service Act, section 4980B of the Internal Revenue Code of 1986, part 6 of subtitle B of title I of the Employee Retirement Income Security Act of 1974, or section 8905a of title 5, United States Code.

''(B) ELIGIBLE WORKER.—The term 'eligible worker' means an individual who—

''(i) is qualified to receive payment of a trade adjustment allowance under section 235 of the Trade Act of 1974, as amended by section 111 of the Trade Adjustment Assistance Reform Act of 2002;

''(ii) does not have other specified coverage; and

''(iii) is not imprisoned under Federal, State, or local authority.

''(C) OTHER SPECIFIED COVERAGE.—With respect to any individual, the term 'other specified coverage' means—

''(i) SUBSIDIZED COVERAGE.—

''(I) IN GENERAL.—Such individual is covered under any health insurance coverage under which at least 50 percent of the cost of coverage (determined under section 4980B of the Internal Revenue Code of 1986) is paid or incurred by an employer (or former employer) of the individual or the individual's spouse.

''(II) TREATMENT OF CAFETERIA PLANS AND FLEXIBLE SPENDING ACCOUNTS.—For purposes of subclause (I), the cost of benefits which are chosen under a cafeteria plan (as defined in section 125(d) of such Code), or provided under a flexible spending or similar arrangement, of such an employer, and which are not includible in gross income under section 106 of such Code, shall be treated as borne by such employer.

''(ii) COVERAGE UNDER MEDICARE, MEDICAID, OR SCHIP.—Such individual—

''(I) is entitled to benefits under part A of title XVIII of the Social Security Act or is enrolled under part B of such title, or

''(II) is enrolled in the program under title XIX or XXI of such Act (other than under section 1928).

''(iii) CERTAIN OTHER COVERAGE.—Such individual—

''(I) is enrolled in a health benefits plan under chapter 89 of title 5, United States Code;

''(II) is entitled to receive benefits under chapter 55 of title 10, United States Code;

''(III) is entitled to receive benefits under chapter 17 of title 38, United States Code; or

''(IV) is eligible for benefits under the Indian Health Care Improvement Act.

Such term does not include coverage under a qualified long-term care insurance contract (as defined in section 7702B(b)(1) of the Internal Revenue Code of 1986).

''(D) GROUP HEALTH PLAN.—The term 'group health plan' has the meaning given that term in section 2791(a) of the Public Health Service Act (42 U.S.C. 300gg–91(a)), section 607(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1167(1)), and section 4980B(g)(2) of the Internal Revenue Code of 1986.

''(E) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' has the meaning given that term in section 2791(b)(1) of the Public Health Service Act (42 U.S.C. 300gg–91(b)(1)) (other than insurance if substantially all of its coverage is of excepted benefits described in section 2791(c) of such Act (42 U.S.C. 300gg–91(c)).

''(F) INDIVIDUAL HEALTH INSURANCE COVERAGE.—The term 'individual health insurance coverage' means health insurance coverage offered to individuals other than in connection with a group health plan. Such term does not include Federal- or State-based health insurance coverage.

''(G) QUALIFIED STATE HIGH RISK POOL.—The term 'qualified State high risk pool' has the meaning given that term in section 2744(c)(2) of the Public Health Service Act.

''(H) STANDARD LOSS RATIO.—The term 'standard loss ratio', with respect to the pool of insured individuals under coverage described in clauses (ii) through (viii) of subparagraph (A) for a year, means—

''(i) the amount of claims incurred with respect to the pool of insured individuals in each such type of coverage for such year; divided by

''(ii) the premiums paid for enrollment in each such coverage for such year.

''(g) INTERIM HEALTH AND OTHER ASSISTANCE.—

''(1) IN GENERAL.—Funds made available to a State under paragraph (4)(B) of subsection (a) may be used by the State to provide assistance and support services to eligible workers, including health care coverage, transportation, child care, dependent care, and income assistance.

''(2) INCOME SUPPORT.—With respect to any income assistance provided to an eligible worker with such funds, such assistance shall supplement and not supplant other income support or assistance provided under chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.) (as in effect on the day before the effective date of the Trade Adjustment Assistance Reform Act of 2002) or the unemployment compensation laws of the State where the eligible worker resides.

''(3) HEALTH CARE COVERAGE.—With respect to any health care coverage assistance provided to an eligible worker with such funds, the following rules shall apply:

''(A) The State may provide assistance in obtaining health care coverage to the eligible worker and to the eligible worker's spouse and dependents.

''(B) Such assistance shall supplement and may not supplant any other State or local funds used to provide health care coverage and may not be included in determining the amount of non-Federal contributions required under any program.

''(4) AVAILABILITY OF FUNDS.—

''(A) EXPEDITED PROCEDURES.—With respect to applications submitted by States for grants under this subsection, the Secretary shall—

''(i) not later than 15 days after the date on which the Secretary receives a completed application from a State, notify the State of the determination of the Secretary with respect to the approval or disapproval of such application;

''(ii) in the case of a State application that is disapproved by the Secretary, provide technical assistance, at the request of the State, in a timely manner to enable the State to submit an approved application; and

''(iii) develop procedures to expedite the provision of funds to States with approved applications.

''(B) AVAILABILITY AND DISTRIBUTION OF FUNDS.—The Secretary shall ensure that funds made available under section 174(c)(1)(B) to carry out subsection (a)(4)(B) are available to States throughout the period described in section 174(c)(2)(B).

''(5) DEFINITION OF ELIGIBLE WORKER.—In this subsection, the term 'eligible worker' means an individual who is a member of a group of workers certified after April 1, 2002 under chapter 2 of title II of the Trade Act of 1974 (as in effect on the day before the effective date of the Trade Adjustment Assistance Reform Act of 2002) and who is determined to be qualified to receive payment of a trade adjustment allowance under such chapter (as so in effect).''.

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 174 of the Workforce Investment Act of 1998 (29 U.S.C. 2919) is amended by adding at the end the following:

''(c) ASSISTANCE FOR ELIGIBLE WORKERS.—

''(1) IN GENERAL.—There are authorized to be appropriated—

''(A) to carry out subsection (a)(4)(A) of section 173—

''(i) $10,000,000 for fiscal year 2002; and

''(ii) $60,000,000 for each of fiscal years 2003 through 2007; and

''(B) to carry out subsection (a)(4)(B) of section 173—

''(i) $50,000,000 for fiscal year 2002;

''(ii) $100,000,000 for fiscal year 2003; and

''(iii) $50,000,000 for fiscal year 2004.

''(2) AVAILABILITY OF FUNDS.—Funds appropriated under—

''(A) paragraph (1)(A) for each fiscal year shall, notwithstanding section 189(g), remain available for obligation during the pendency of any outstanding claim under the Trade Act of 1974, as amended by the Trade Adjustment Assistance Reform Act of 2002; and

''(B) paragraph (1)(B), for each fiscal year shall, notwithstanding section 189(g), remain available during the period that begins on the date of enactment of the Trade Adjustment Assistance Reform Act of 2002 and ends on September 30, 2004.''.

(d) CONFORMING AMENDMENT.—Section 132(a)(2)(A) of the Workforce Investment Act of 1998 (29 U.S.C. 2862(a)(2)(A)) is amended by inserting '', other than under subsection (a)(4), (f), and (g)'' after ''grants''.

(e) TEMPORARY EXTENSION OF COBRA ELECTION PERIOD FOR CERTAIN INDIVIDUALS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the election period for COBRA continuation coverage (as defined in section 6429(d)(2) of the Internal Revenue Code of 1986) with respect to any eligible individual (as defined in section 6429(c) of such Code) for whom such period has expired as of the date of the enactment of this Act, shall not end before the date that is 60 days after the date the individual becomes such an eligible individual.

(2) PREEXISTING CONDITIONS.—If an individual becomes such an eligible individual, any period before the date of such eligibility shall be disregarded for purposes of determining the 63-day periods referred to in section 701(c)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1181(c)(2)), section 2701(c)(2) of the Public Health Service Act (42 U.S.C. 300gg(c)(2)), and section 9801(c)(2) of the Internal Revenue Code of 1986.

TITLE VII—CONFORMING AMENDMENTS AND EFFECTIVE DATE

SEC. 701. CONFORMING AMENDMENTS.

(a) AMENDMENTS TO THE TRADE ACT OF 1974.—

(1) ASSISTANCE TO INDUSTRIES.—Section 265 of the Trade Act of 1974 (19 U.S.C. 2355) is amended by striking ''certified as eligible to apply for adjustment assistance under sections 231 or 251'', and inserting ''certified as eligible for trade adjustment assistance benefits under section 231, or as eligible to apply for adjustment assistance under section 251''.

(2) GENERAL ACCOUNTING OFFICE REPORT.—Section 280 of the Trade Act of 1974 (19 U.S.C. 2391) is amended to read as follows:

''SEC. 280. GENERAL ACCOUNTING OFFICE REPORT.

''(a) STUDY AND REPORT.—The Comptroller General of the United States shall conduct a study of the adjustment assistance programs established under chapters 2, 3, 4, 6, and 7 of this title and shall report the results of such study to the Congress no later than January 31, 2005. Such report shall include an evaluation of—

''(1) the effectiveness of such programs in aiding workers, farmers, fishermen, firms, and communities to adjust to changed economic conditions resulting from changes in the patterns of international trade; and

''(2) the coordination of the administration of such programs and other Government programs which provide unemployment compensation and relief to depressed areas.

''(b) ASSISTANCE OF OTHER DEPARTMENTS AND AGENCIES.—In carrying out his responsibilities under this section, the Comptroller General shall, to the extent practical, avail himself of the assistance of the Departments of Labor, Commerce, and Agriculture and the Small Business Administration. The Secretaries of Labor, Commerce, and Agriculture and the Administrator of the Small Business Administration shall make available to the Comptroller General any assistance necessary for an effective evaluation of the adjustment assistance programs established under this title.''.

(3) COORDINATION.—Section 281 of the Trade Act of 1974 (19 U.S.C. 2392) is amended by striking ''Departments of Labor and Commerce'' and inserting ''Departments of Labor, Commerce, and Agriculture''.

(4) TRADE MONITORING SYSTEM.—Section 282 of the Trade Act of 1974 (19 U.S.C. 2393) is amended by striking ''The Secretary of Commerce and the Secretary of Labor'' and inserting ''The Secretaries of Commerce, Labor, and Agriculture''.

(5) JUDICIAL REVIEW.—

(A) Section 284(a) of the Trade Act of 1974 (19 U.S.C. 2395(a)) is amended by striking ''under section 223 or section 250(c)'' and all that follows through ''the Secretary of Commerce under section 271'' and inserting ''under section 231, a firm or its representative, or any other interested domestic party aggrieved by a final determination of the Secretary of Commerce under section 251, an agricultural commodity producer (as defined in section 291(2)) aggrieved by a determination of the Secretary of Agriculture under section 293, or a producer (as defined in section 299(2)) aggrieved by a determination of the Secretary of Commerce under section 299B''.

(B) Section 284 of such Trade Act of 1974 is amended in the second sentence of subsection (a) and in subsections (b) and (c), by inserting ''or the Secretary of Agriculture'' after ''Secretary of Commerce'' each place it appears.

(6) TERMINATION.—Section 285 of the Trade Act of 1974 is amended to read as follows:

''SEC. 285. TERMINATION.

''(a) ASSISTANCE FOR WORKERS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), trade adjustment assistance, vouchers, allowances, and other payments or benefits may not be provided under chapter 2 after September 30, 2007.

''(2) EXCEPTION.—Notwithstanding paragraph (1), a worker shall continue to receive trade adjustment assistance benefits and other benefits under chapter 2 for any week for which the worker meets the eligibility requirements of that chapter, if on or before September 30, 2007, the worker is—

''(A) certified as eligible for trade adjustment assistance benefits under section 231; and

''(B) otherwise eligible to receive trade adjustment assistance benefits under chapter 2.

''(b) OTHER ASSISTANCE.—

''(1) ASSISTANCE FOR FIRMS.—Technical assistance may not be provided under chapter 3 after September 30, 2007.

''(2) ASSISTANCE FOR COMMUNITIES.—Technical assistance and other payments may not be provided under chapter 4 after September 30, 2007.

''(3) ASSISTANCE FOR FARMERS AND FISHERMEN.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), adjustment assistance, vouchers, allowances, and other payments or benefits may not be provided under chapter 6 or 7 after September 30, 2007.

''(B) EXCEPTION.—Notwithstanding subparagraph (A), an agricultural commodity producer (as defined in section 291(2)) or producer (as defined in section 299(2)), shall continue to receive adjustment assistance benefits and other benefits under chapter 6 or 7, whichever applies, for any week for which the agricultural commodity producer or producer meets the eligibility requirements of chapter 6 or 7, whichever applies, if on or before September 30, 2007, the agricultural commodity producer or producer is—

''(i) certified as eligible for adjustment assistance benefits under chapter 6 or 7, whichever applies; and

''(ii) is otherwise eligible to receive adjustment assistance benefits under such chapter 6 or 7.''.

(6) TABLE OF CONTENTS.—

(A) IN GENERAL.—The table of contents for chapters 2, 3, and 4 of title II of the Trade Act of 1974 is amended to read as follows:

''CHAPTER 2—ADJUSTMENT ASSISTANCE FOR WORKERS

''SUBCHAPTER A—GENERAL PROVISIONS

''Sec. 221. Definitions.
''Sec. 222. Agreements with States.
''Sec. 223. Administration absent State agreement.
''Sec. 224. Data collection; evaluations; reports.
''Sec. 225. Study by Secretary of Labor when International Trade Commission begins investigation.
''Sec. 226. Report by Secretary of Labor on likely impact of trade agreements.

''SUBCHAPTER B—CERTIFICATIONS

''Sec. 231. Certification as adversely affected workers.
''Sec. 232. Benefit information to workers.

''SUBCHAPTER C—PROGRAM BENEFITS

''PART I—GENERAL PROVISIONS

''Sec. 234. Comprehensive assistance.

''PART II—TRADE ADJUSTMENT ALLOWANCES

''Sec. 235. Qualifying requirements for workers.
''Sec. 236. Weekly amounts.
''Sec. 237. Limitations on trade adjustment allowances.
''Sec. 238. Application of State laws.

''PART III—EMPLOYMENT SERVICES, TRAINING, AND OTHER ALLOWANCES

''Sec. 239. Employment services.
''Sec. 240. Training.
''Sec. 240A. Job training programs.
''Sec. 241. Job search allowances.
''Sec. 242. Relocation allowances.
''Sec. 243. Supportive services; wage insurance.

''SUBCHAPTER D—PAYMENT AND ENFORCEMENT PROVISIONS

''Sec. 244. Payments to States.
''Sec. 245. Liabilities of certifying and disbursing officers.
''Sec. 246. Fraud and recovery of overpayments.
''Sec. 247. Criminal penalties.
''Sec. 248. Authorization of appropriations.
''Sec. 249. Regulations.
''Sec. 250. Subpoena power.

''CHAPTER 3—TRADE ADJUSTMENT ASSISTANCE FOR FIRMS

''Sec. 251. Petitions and determinations.
''Sec. 252. Approval of adjustment proposals.
''Sec. 253. Technical assistance.
''Sec. 254. Financial assistance.
''Sec. 255. Conditions for financial assistance.
''Sec. 256. Delegation of functions to Small Business Administration; authorization of appropriations.
''Sec. 257. Administration of financial assistance.
''Sec. 258. Protective provisions.
''Sec. 259. Penalties.
''Sec. 260. Suits.
''Sec. 261. Definition of firm.
''Sec. 262. Regulations.
''Sec. 264. Study by Secretary of Commerce when International Trade Commission begins investigation; action where there is affirmative finding.
''Sec. 265. Assistance to industries.

''CHAPTER 4—COMMUNITY ECONOMIC ADJUSTMENT

''Sec. 271. Definitions.
''Sec. 272. Office of Community Trade Adjustment.
''Sec. 273. Notification and certification as an eligible community.
''Sec. 274. Community Economic Development Coordinating Committee.
''Sec. 275. Community economic adjustment advisors.
''Sec. 276. Strategic plans.
''Sec. 277. Grants for economic development.
''Sec. 278. Authorization of appropriations.
''Sec. 279. General provisions.''.

(B) CHAPTERS 6 AND 7.—The table of contents for title II of the Trade Act of 1974, as amended by subparagraph (A), is amended by inserting after the items relating to chapter 5 the following:

''CHAPTER 6—ADJUSTMENT ASSISTANCE FOR FARMERS

''Sec. 291. Definitions.
''Sec. 292. Petitions; group eligibility.
''Sec. 293. Determinations by Secretary of Agriculture.
''Sec. 294. Study by Secretary of Agriculture when International Trade Commission begins investigation.
''Sec. 295. Benefit information to agricultural commodity producers.
''Sec. 296. Qualifying requirements for agricultural commodity producers.
''Sec. 297. Fraud and recovery of overpayments.
''Sec. 298. Authorization of appropriations.

''CHAPTER 7—ADJUSTMENT ASSISTANCE FOR FISHERMEN

''Sec. 299. Definitions.
''Sec. 299A. Petitions; group eligibility.
''Sec. 299B. Determinations by Secretary.
''Sec. 299C. Study by Secretary when International Trade Commission begins investigation.
''Sec. 299D. Benefit information to producers.
''Sec. 299E. Qualifying requirements for producers.
''Sec. 299F. Fraud and recovery of overpayments.
''Sec. 299G. Authorization of appropriations.''.

(b) INTERNAL REVENUE CODE.—

(1) ADJUSTED GROSS INCOME.—Section 62(a)(12) of the Internal Revenue Code of 1986 (relating to the definition of adjusted gross income) is amended by striking ''trade readjustment allowances under section 231 or 232'' and inserting ''trade adjustment allowances under section 235 or 236''.

(2) FEDERAL UNEMPLOYMENT.—

(A) IN GENERAL.—Section 3304(a)(8) of the Internal Revenue Code of 1986 (relating to the approval of State unemployment insurance laws) is amended to read as follows:

''(8) compensation shall not be denied to an individual for any week because the individual is in training with the approval of the State agency, or in training approved by the Secretary of Labor pursuant to chapter 2 of title II of the Trade Act of 1974 (or because of the application, to any such week in training, of State law provisions relating to availability for work, active search for work, or refusal to accept work);''.

(B) EFFECTIVE DATE.—

(i) IN GENERAL.—Except as provided in clause (ii), the amendments made by this paragraph shall apply in the case of compensation paid for weeks beginning on or after the date that is 90 days after the date of enactment of this Act.

(ii) MEETING OF STATE LEGISLATURE.—

(I) IN GENERAL.—If the Secretary of Labor identifies a State as requiring a change to its statutes or regulations in order to comply with the amendments made by subparagraph (A), the amendments made by subparagraph (A) shall apply in the case of compensation paid for weeks beginning after the earlier of—

(aa) the date the State changes its statutes or regulations in order to comply with the amendments made by this section; or

(bb) the end of the first session of the State legislature which begins after the date of enactment of this Act or which began prior to such date and remained in session for at least 25 calendar days after such date;

except that in no case shall the amendments made by this Act apply before the date described in clause (i).

(II) SESSION DEFINED.—In this clause, the term ''session'' means a regular, special, budget, or other session of a State legislature.

(c) AMENDMENTS TO TITLE 28.—

(1) CIVIL ACTIONS AGAINST THE UNITED STATES.—Section 1581(d) of title 28, United States Code, is amended—

(A) in paragraph (1), by striking ''section 223'' and inserting ''section 231'';

(B) in paragraph (2), by striking ''and''; and

(C) by striking paragraph (3), and inserting the following:

''(3) any final determination of the Secretary of Agriculture under section 293 of the Trade Act of 1974 with respect to the eligibility of an agricultural commodity producer (as defined in section 291(2)) for adjustment assistance under such Act; and

''(4) any final determination of the Secretary of Commerce under section 299B of the Trade Act of 1974 with respect to the eligibility of a producer (as defined in section 299(2)) for adjustment assistance under such Act.''.

(2) PERSONS ENTITLED TO COMMENCE A CIVIL ACTION.—Section 2631 of title 28, United States Code, is amended—

(A) by amending subsection (d)(1) to read as follows:

''(d)(1) A civil action to review any final determination of the Secretary of Labor under section 231 of the Trade Act of 1974 with respect to the certification of workers as adversely affected and eligible for trade adjustment assistance under that Act may be commenced by a worker, a group of workers, a certified or recognized union, or an authorized representative of such worker or group, that petitions for certification under that Act or is aggrieved by the final determination.'';

(B) by striking paragraph (3), and inserting the following:

''(3) A civil action to review any final determination of the Secretary of Agriculture under section 293 of the Trade Act of 1974 with respect to the eligibility of an agricultural commodity producer for adjustment assistance may be commenced in the Court of International Trade by an agricultural commodity producer that applies for assistance under such Act and is aggrieved by such final determination, or by any other interested party that is aggrieved by such final determination.''; and

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

''(4) A civil action to review any final determination of the Secretary of Commerce under section 299B of the Trade Act of 1974 with respect to the eligibility of an producer (as defined in section 299(2)) for adjustment assistance may be commenced in the Court of International Trade by a producer that applies for assistance under such Act and is aggrieved by such final determination, or by any other interested party that is aggrieved by such final determination.''.

(3) TIME FOR COMMENCEMENT OF ACTION.—Section 2636(d) of title 28, United States Code, is amended by striking ''under section 223 of the Trade Act of 1974 or a final determination of the Secretary of Commerce under section 251 or section 271 of such Act'' and inserting ''under section 231 of the Trade Act of 1974, a final determination of the Secretary of Commerce under section 251 of that Act, a final determination of the Secretary of Agriculture under section 293 of that Act, or a final determination of the Secretary of Commerce under section 299B of that Act''.

(4) SCOPE AND STANDARD OF REVIEW.—Section 2640(c) of title 28, United States Code, is amended by striking ''under section 223 of the Trade Act of 1974 or any final determination of the Secretary of Commerce under section 251 or section 271 of such Act'' and inserting ''under section 231 of the Trade Act of 1974, a final determination of the Secretary of Commerce under section 251 of that Act, a final determination of the Secretary of Agriculture under section 293 of that Act, or a final determination of the Secretary of Commerce under section 299B of that Act''.

(5) RELIEF.—Section 2643(c)(2) of title 28, United States Code, is amended by striking ''under section 223 of the Trade Act of 1974 or any final determination of the Secretary of Commerce under section 251 or section 271 of such Act'' and inserting ''under section 231 of the Trade Act of 1974, a final determination of the Secretary of Commerce under section 251 of that Act, a final determination of the Secretary of Agriculture under section 293 of that Act, or a final determination of the Secretary of Commerce under section 299B of that Act''.

(d) AMENDMENT TO THE FOOD STAMP ACT OF 1977.—Section 6(o)(1)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2015(o)(1)(B)) is amended by striking ''section 236'' and inserting ''section 240''.

TITLE VIII—SAVINGS PROVISIONS AND EFFECTIVE DATE

SEC. 801. SAVINGS PROVISIONS.

(a) PROCEEDINGS NOT AFFECTED.—

(1) IN GENERAL.—The provisions of this division shall not affect any petition for certification for benefits under chapter 2 of title II of the Trade Act of 1974 that was in effect on September 30, 2001. Determinations shall be issued, appeals shall be taken therefrom, and payments shall be made under those determinations, as if this division had not been enacted, and orders issued in any proceeding shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law.

(2) MODIFICATION OR DISCONTINUANCE.—Nothing in this subsection shall be deemed to prohibit the discontinuance or modification of any

proceeding under the same terms and conditions and to the same extent that the proceeding could have been discontinued or modified if this division had not been enacted.

(b) SUITS NOT AFFECTED.—The provisions of this division shall not affect any suit commenced before October 1, 2001, and in all those suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this division had not been enacted.

(c) NONABATEMENT OF ACTIONS.—No suit, action, or other proceeding commenced by or against the Federal Government, or by or against any individual in the official capacity of that individual as an officer of the Federal Government, shall abate by reason of enactment of this Act.

SEC. 802. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise provided in sections 401(b), 501(b), and 701(b)(2)(B), titles IX, X, and XI, and subsections (b), (c), and (d) of this section, the amendments made by this division shall apply to—

(1) petitions for certification filed under chapter 2 or 3 of title II of the Trade Act of 1974 on or after the date that is 90 days after the date of enactment of this Act; and

(2) certifications for assistance under chapter 4 of title II of the Trade Act of 1974 issued on or after the date that is 90 days after the date of enactment of this Act.

(b) WORKERS CERTIFIED AS ELIGIBLE BEFORE EFFECTIVE DATE.—Notwithstanding subsection (a), a worker shall continue to receive (or be eligible to receive) trade adjustment assistance and other benefits under chapter 2 of title II of the Trade Act of 1974, as in effect on September 30, 2001, for any week for which the worker meets the eligibility requirements of such chapter 2 as in effect on such date, if on or before such date, the worker—

(1) was certified as eligible for trade adjustment assistance benefits under such chapter as in effect on such date; and

(2) would otherwise be eligible to receive trade adjustment assistance benefits under such chapter as in effect on such date.

(c) WORKERS WHO BECAME ELIGIBLE DURING QUALIFIED PERIOD.—

(1) IN GENERAL.—Notwithstanding subsection (a) or any other provision of law, including section 285 of the Trade Act of 1974, any worker who would have been eligible to receive trade adjustment assistance or other benefits under chapter 2 of title II of the Trade Act if 1974 during the qualified period if such chapter 2 had been in effect during such period, shall be eligible to receive trade adjustment assistance and other benefits under chapter 2 of title II of the Trade Act of 1974, as in effect on September 30, 2001, for any week during the qualified period for which the worker meets the eligibility requirements of such chapter 2 as in effect on September 30, 2001.

(2) QUALIFIED PERIOD.—For purposes of this subsection, the term ''qualified period'' means the period beginning on January 11, 2002 and ending on the date that is 90 days after the date of enactment of this Act.

(d) ADJUSTMENT ASSISTANCE FOR FIRMS.—

(1) IN GENERAL.—Notwithstanding subsection (a) or any other provision of law, including section 285 of the Trade Act of 1974, and except as provided in paragraph (2) any firm that would have been eligible to receive adjustment assistance under chapter 3 of title II of the Trade Act if 1974 during the qualified period if such chapter 3 had been in effect during such period, shall be eligible to receive adjustment assistance under chapter 3 of title II of the Trade Act of 1974, as in effect on September 30, 2001, for any week during the qualified period for which the firm meets the eligibility requirements of such chapter 3 as in effect on September 30, 2001.

(2) QUALIFIED PERIOD.—For purposes of this subsection, the term ''qualified period'' means the period beginning on October 1, 2001 and ending on the date that is 90 days after the date of enactment of this Act.

TITLE IX—REVENUE PROVISIONS

SEC. 901. CUSTOM USER FEES.

Section 13031(j)(3) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3)) is amended by striking ''September 30, 2003'' and inserting ''December 31, 2010''.

TITLE X—MISCELLANEOUS PROVISIONS

SEC. 1001. COUNTRY OF ORIGIN LABELING OF FISH AND SHELLFISH PRODUCTS.

(a) DEFINITIONS.—In this section:

(1) COVERED COMMODITY.—The term ''covered commodity'' means—

(A) a perishable agricultural commodity; and

(B) any fish or shellfish, and any fillet, steak, nugget, or any other flesh from fish or shellfish, whether fresh, chilled, frozen, canned, smoked, or otherwise preserved.

(2) FOOD SERVICE ESTABLISHMENT.—The term ''food service establishment'' means a restaurant, cafeteria, lunch room, food stand, saloon, tavern, bar, lounge, or other similar facility operated as an enterprise engaged in the business of selling food to the public.

(3) PERISHABLE AGRICULTURAL COMMODITY; RETAILER.—The terms ''perishable agricultural commodity'' and ''retailer'' have the meanings given the terms in section 1(b) of the Perishable Agricultural Commodities Act, 1930 (7 U.S.C. 499a(b)).

(4) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture, acting through the Agricultural Marketing Service.

(b) NOTICE OF COUNTRY OF ORIGIN.—

(1) REQUIREMENT.—Except as provided in paragraph (3), a retailer of a covered commodity shall inform consumers, at the final point of sale of the covered commodity to consumers, of the country of origin of the covered commodity.

(2) UNITED STATES COUNTRY OF ORIGIN.—A retailer of a covered commodity may designate the covered commodity as having a United States country of origin only if the covered commodity is exclusively harvested and processed in the United States, or in the case of farm-raised fish and shellfish, is hatched, raised, harvested, and processed in the United States.

(3) EXEMPTION FOR FOOD SERVICE ESTABLISHMENTS.—Paragraph (1) shall not apply to a covered commodity if the covered commodity is prepared or served in a food service establishment, and—

(A) offered for sale or sold at the food service establishment in normal retail quantities; or

(B) served to consumers at the food service establishment.

(c) METHOD OF NOTIFICATION.—

(1) IN GENERAL.—The information required by subsection (b) may be provided to consumers by means of a label, stamp, mark, placard, or other clear and visible sign on the covered commodity or on the package, display, holding unit, or bin containing the covered commodity at the final point of sale to consumers.

(2) LABELED COMMODITIES.—If the covered commodity is already individually labeled for retail sale regarding country of origin, the retailer shall not be required to provide any additional information to comply with this section.

(d) AUDIT VERIFICATION SYSTEM.—The Secretary may require that any person that prepares, stores, handles, or distributes a covered commodity for retail sale maintain a verifiable recordkeeping audit trail that will permit the Secretary to ensure compliance with the regulations promulgated under subsection (g).

(e) INFORMATION.—Any person engaged in the business of supplying a covered commodity to a retailer shall provide information to the retailer indicating the country of origin of the covered commodity.

(f) ENFORCEMENT.—

(1) IN GENERAL.—Each Federal agency having jurisdiction over retailers of covered commodities shall, at such time as the necessary regulations are adopted under subsection (g), adopt measures intended to ensure that the requirements of this section are followed by affected retailers.

(2) VIOLATION.—A violation of subsection (b) shall be treated as a violation under the Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq.).

(g) REGULATIONS.—

(1) IN GENERAL.—The Secretary may promulgate such regulations as are necessary to carry out this section within 1 year after the date of enactment of this Act.

(2) PARTNERSHIPS WITH STATES.—In promulgating the regulations, the Secretary shall, to the maximum extent practicable, enter into partnerships with States that have the enforcement infrastructure necessary to carry out this section.

(h) APPLICATION.—This section shall apply to the retail sale of a covered commodity beginning on the date that is 180 days after the date of enactment of this Act.

SEC. 1002. SUGAR POLICY.

(a) FINDINGS.—Congress finds that—

(1) the tariff-rate quotas imposed on imports of sugar, syrups and sugar-containing products under chapters 17, 18, 19, and 21 of the Harmonized Tariff Schedule of the United States are an essential element of United States sugar policy;

(2) circumvention of the tariff-rate quotas will, if unchecked, make it impossible to achieve the objectives of United States sugar policy;

(3) the tariff-rate quotas have been circumvented frequently, defeating the purposes of United States sugar policy and causing disruption to the United States market for sweeteners, injury to domestic growers, refiners, and processors of sugar, and adversely affecting legitimate exporters of sugar to the United States;

(4) it is essential to United States sugar policy that the tariff-rate quotas be enforced and that deceptive practices be prevented, including the importation of products with no commercial use and failure to disclose all relevant information to the United States Customs Service; and

(5) unless action is taken to prevent circumvention, circumvention of the tariff-rate quotas will continue and will ultimately destroy United States sugar policy.

(b) POLICY.—It is the policy of the United States to maintain the integrity of the tariff-rate quotas on sugars, syrups, and sugar-containing products by stopping circumvention as soon as it becomes apparent. It is also the policy of the United States that products not used to circumvent the tariff-rate quotas, such as molasses used for animal feed or for rum, not be affected by any action taken pursuant to this Act.

(c) IDENTIFICATION OF IMPORTS.—

(1) IDENTIFICATION.—Not later than 30 days after the date of enactment of this Act, and on a regular basis thereafter, the Secretary of Agriculture shall—

(A) identify imports of articles that are circumventing tariff-rate quotas on sugars, syrups, or sugar-containing products imposed under chapter 17, 18, 19, or 21 of the Harmonized Tariff Schedule of the United States; and

(B) report to the President the articles found to be circumventing the tariff-rate quotas.

(2) ACTION BY PRESIDENT.—Upon receiving the report from the Secretary of Agriculture, the President shall, by proclamation, include any article identified by the Secretary in the appropriate tariff-rate quota provision of the Harmonized Tariff Schedule.

TITLE XI—CUSTOMS REAUTHORIZATION

SEC. 1101. SHORT TITLE.

This title may be cited as the ''Customs Border Security Act of 2002''.

Subtitle A—United States Customs Service

CHAPTER 1—DRUG ENFORCEMENT AND OTHER NONCOMMERCIAL AND COMMERCIAL OPERATIONS

SEC. 1111. AUTHORIZATION OF APPROPRIATIONS FOR NONCOMMERCIAL OPERATIONS, COMMERCIAL OPERATIONS, AND AIR AND MARINE INTERDICTION.

(a) NONCOMMERCIAL OPERATIONS.—Section 301(b)(1) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)) is amended—

(1) in subparagraph (A) to read as follows:

''(A) $886,513,000 for fiscal year 2003.''; and

(2) in subparagraph (B) to read as follows:

''(B) $909,471,000 for fiscal year 2004.''.

(b) COMMERCIAL OPERATIONS.—

(1) IN GENERAL.—Section 301(b)(2)(A) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(2)(A)) is amended—

(A) in clause (i) to read as follows:

''(i) $1,603,482,000 for fiscal year 2003.''; and

(B) in clause (ii) to read as follows:

''(ii) $1,645,009,000 for fiscal year 2004.''.

(2) AUTOMATED COMMERCIAL ENVIRONMENT COMPUTER SYSTEM.—Of the amount made available for each of fiscal years 2003 and 2004 under section 301(b)(2)(A) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(2)(A)), as amended by paragraph (1), $308,000,000 shall be available until expended for each such fiscal year for the development, establishment, and implementation of the Automated Commercial Environment computer system.

(3) REPORTS.—Not later than 90 days after the date of enactment of this Act, and not later than each subsequent 90-day period, the Commissioner of Customs shall prepare and submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report demonstrating that the development and establishment of the Automated Commercial Environment computer system is being carried out in a cost-effective manner and meets the modernization requirements of title VI of the North American Free Trade Agreements Implementation Act.

(c) AIR AND MARINE INTERDICTION.—Section 301(b)(3) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(3)) is amended—

(1) in subparagraph (A) to read as follows:

''(A) $181,860,000 for fiscal year 2003.''; and

(2) in subparagraph (B) to read as follows:

''(B) $186,570,000 for fiscal year 2004.''.

(d) SUBMISSION OF OUT-YEAR BUDGET PROJECTIONS.—Section 301(a) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(a)) is amended by adding at the end the following:

''(3) By not later than the date on which the President submits to Congress the budget of the United States Government for a fiscal year, the Commissioner of Customs shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate the projected amount of funds for the succeeding fiscal year that will be necessary for the operations of the Customs Service as provided for in subsection (b).''.

SEC. 1112. ANTITERRORIST AND ILLICIT NARCOTICS DETECTION EQUIPMENT FOR THE UNITED STATES-MEXICO BORDER, UNITED STATES-CANADA BORDER, AND FLORIDA AND THE GULF COAST SEAPORTS.

(a) FISCAL YEAR 2003.—Of the amounts made available for fiscal year 2003 under section 301(b)(1)(A) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(A)), as amended by section 1111(a) of this title, $90,244,000 shall be available until expended for acquisition and other expenses associated with implementation and deployment of antiterrorist and illicit narcotics detection equipment along the United States-Mexico border, the United States-Canada border, and Florida and the Gulf Coast seaports, as follows:

(1) UNITED STATES-MEXICO BORDER.—For the United States-Mexico border, the following:

(A) $6,000,000 for 8 Vehicle and Container Inspection Systems (VACIS).

(B) $11,200,000 for 5 mobile truck x-rays with transmission and backscatter imaging.

(C) $13,000,000 for the upgrade of 8 fixed-site truck x-rays from the present energy level of 450,000 electron volts to 1,000,000 electron volts (1–MeV).

(D) $7,200,000 for 8 1–MeV pallet x-rays.

(E) $1,000,000 for 200 portable contraband detectors (busters) to be distributed among ports where the current allocations are inadequate.

(F) $600,000 for 50 contraband detection kits to be distributed among all southwest border ports based on traffic volume.

(G) $500,000 for 25 ultrasonic container inspection units to be distributed among all ports receiving liquid-filled cargo and to ports with a hazardous material inspection facility.

(H) $2,450,000 for 7 automated targeting systems.

(I) $360,000 for 30 rapid tire deflator systems to be distributed to those ports where port runners are a threat.

(J) $480,000 for 20 portable Treasury Enforcement Communications Systems (TECS) terminals to be moved among ports as needed.

(K) $1,000,000 for 20 remote watch surveillance camera systems at ports where there are suspicious activities at loading docks, vehicle queues, secondary inspection lanes, or areas where visual surveillance or observation is obscured.

(L) $1,254,000 for 57 weigh-in-motion sensors to be distributed among the ports with the greatest volume of outbound traffic.

(M) $180,000 for 36 AM traffic information radio stations, with 1 station to be located at each border crossing.

(N) $1,040,000 for 260 inbound vehicle counters to be installed at every inbound vehicle lane.

(O) $950,000 for 38 spotter camera systems to counter the surveillance of customs inspection activities by persons outside the boundaries of ports where such surveillance activities are occurring.

(P) $390,000 for 60 inbound commercial truck transponders to be distributed to all ports of entry.

(Q) $1,600,000 for 40 narcotics vapor and particle detectors to be distributed to each border crossing.

(R) $400,000 for license plate reader automatic targeting software to be installed at each port to target inbound vehicles.

(2) UNITED STATES-CANADA BORDER.—For the United States-Canada border, the following:

(A) $3,000,000 for 4 Vehicle and Container Inspection Systems (VACIS).

(B) $8,800,000 for 4 mobile truck x-rays with transmission and backscatter imaging.

(C) $3,600,000 for 4 1–MeV pallet x-rays.

(D) $250,000 for 50 portable contraband detectors (busters) to be distributed among ports where the current allocations are inadequate.

(E) $300,000 for 25 contraband detection kits to be distributed among ports based on traffic volume.

(F) $240,000 for 10 portable Treasury Enforcement Communications Systems (TECS) terminals to be moved among ports as needed.

(G) $400,000 for 10 narcotics vapor and particle detectors to be distributed to each border crossing based on traffic volume.

(3) FLORIDA AND GULF COAST SEAPORTS.—For Florida and the Gulf Coast seaports, the following:

(A) $4,500,000 for 6 Vehicle and Container Inspection Systems (VACIS).

(B) $11,800,000 for 5 mobile truck x-rays with transmission and backscatter imaging.

(C) $7,200,000 for 8 1–MeV pallet x-rays.

(D) $250,000 for 50 portable contraband detectors (busters) to be distributed among ports where the current allocations are inadequate.

(E) $300,000 for 25 contraband detection kits to be distributed among ports based on traffic volume.

(b) FISCAL YEAR 2004.—Of the amounts made available for fiscal year 2004 under section 301(b)(1)(B) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(B)), as amended by section 1111(a) of this title, $9,000,000 shall be available until expended for the maintenance and support of the equipment and training of personnel to maintain and support the equipment described in subsection (a).

(c) ACQUISITION OF TECHNOLOGICALLY SUPERIOR EQUIPMENT; TRANSFER OF FUNDS.—

(1) IN GENERAL.—The Commissioner of Customs may use amounts made available for fiscal year 2003 under section 301(b)(1)(A) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(A)), as amended by section 1111(a) of this title, for the acquisition of equipment other than the equipment described in subsection (a) if such other equipment—

(A)(i) is technologically superior to the equipment described in subsection (a); and

(ii) will achieve at least the same results at a cost that is the same or less than the equipment described in subsection (a); or

(B) can be obtained at a lower cost than the equipment described in subsection (a).

(2) TRANSFER OF FUNDS.—Notwithstanding any other provision of this section, the Commissioner of Customs may reallocate an amount not to exceed 10 percent of—

(A) the amount specified in any of subparagraphs (A) through (R) of subsection (a)(1) for equipment specified in any other of such subparagraphs (A) through (R);

(B) the amount specified in any of subparagraphs (A) through (G) of subsection (a)(2) for equipment specified in any other of such subparagraphs (A) through (G); and

(C) the amount specified in any of subparagraphs (A) through (E) of subsection (a)(3) for equipment specified in any other of such subparagraphs (A) through (E).

SEC. 1113. COMPLIANCE WITH PERFORMANCE PLAN REQUIREMENTS.

As part of the annual performance plan for each of the fiscal years 2003 and 2004 covering each program activity set forth in the budget of the United States Customs Service, as required under section 1115 of title 31, United States Code, the Commissioner of Customs shall establish performance goals, performance indicators, and comply with all other requirements contained in paragraphs (1) through (6) of subsection (a) of such section with respect to each of the activities to be carried out pursuant to sections 1121 of this title.

CHAPTER 2—CHILD CYBER-SMUGGLING CENTER OF THE CUSTOMS SERVICE

SEC. 1121. AUTHORIZATION OF APPROPRIATIONS FOR PROGRAM TO PREVENT CHILD PORNOGRAPHY/CHILD SEXUAL EXPLOITATION.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Customs Service $10,000,000 for fiscal year 2003 to carry out the program to prevent child pornography/child sexual exploitation established by the Child Cyber-Smuggling Center of the Customs Service.

(b) USE OF AMOUNTS FOR CHILD PORNOGRAPHY CYBER TIPLINE.—Of the amount appropriated under subsection (a), the Customs Service shall provide 3.75 percent of such amount to the National Center for Missing and Exploited Children for the operation of the child pornography cyber tipline of the Center and for increased public awareness of the tipline.

CHAPTER 3—MISCELLANEOUS PROVISIONS

SEC. 1131. ADDITIONAL CUSTOMS SERVICE OFFICERS FOR UNITED STATES-CANADA BORDER.

Of the amount made available for fiscal year 2003 under paragraphs (1) and (2)(A) of section 301(b) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)), as

amended by section 1111 of this title, $25,000,000 shall be available until expended for the Customs Service to hire approximately 285 additional Customs Service officers to address the needs of the offices and ports along the United States-Canada border.

SEC. 1132. STUDY AND REPORT RELATING TO PERSONNEL PRACTICES OF THE CUSTOMS SERVICE.

(a) STUDY.—The Commissioner of Customs shall conduct a study of current personnel practices of the Customs Service, including an overview of performance standards and the effect and impact of the collective bargaining process on drug interdiction efforts of the Customs Service and a comparison of duty rotation policies of the Customs Service and other Federal agencies that employ similarly-situated personnel.

(b) REPORT.—Not later than 120 days after the date of enactment of this Act, the Commissioner of Customs shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report containing the results of the study conducted under subsection (a).

SEC. 1133. STUDY AND REPORT RELATING TO ACCOUNTING AND AUDITING PROCEDURES OF THE CUSTOMS SERVICE.

(a) STUDY.—(1) The Commissioner of Customs shall conduct a study of actions by the Customs Service to ensure that appropriate training is being provided to Customs Service personnel who are responsible for financial auditing of importers.

(2) In conducting the study, the Commissioner—

(A) shall specifically identify those actions taken to comply with provisions of law that protect the privacy and trade secrets of importers, such as section 552(b) of title 5, United States Code, and section 1905 of title 18, United States Code; and

(B) shall provide for public notice and comment relating to verification of the actions described in subparagraph (A).

(b) REPORT.—Not later than 6 months after the date of enactment of this Act, the Commissioner of Customs shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report containing the results of the study conducted under subsection (a).

SEC. 1134. ESTABLISHMENT AND IMPLEMENTATION OF COST ACCOUNTING SYSTEM; REPORTS.

(a) ESTABLISHMENT AND IMPLEMENTATION.—

(1) IN GENERAL.—Not later than September 30, 2003, the Commissioner of Customs shall, in accordance with the audit of the Customs Service's fiscal years 2000 and 1999 financial statements (as contained in the report of the Office of the Inspector General of the Department of the Treasury issued on February 23, 2001), establish and implement a cost accounting system for expenses incurred in both commercial and noncommercial operations of the Customs Service.

(2) ADDITIONAL REQUIREMENT.—The cost accounting system described in paragraph (1) shall provide for an identification of expenses based on the type of operation, the port at which the operation took place, the amount of time spent on the operation by personnel of the Customs Service, and an identification of expenses based on any other appropriate classification necessary to provide for an accurate and complete accounting of the expenses.

(b) REPORTS.—Beginning on the date of enactment of this Act and ending on the date on which the cost accounting system described in subsection (a) is fully implemented, the Commissioner of Customs shall prepare and submit to Congress on a quarterly basis a report on the progress of implementing the cost accounting system pursuant to subsection (a).

SEC. 1135. STUDY AND REPORT RELATING TO TIMELINESS OF PROSPECTIVE RULINGS.

(a) STUDY.—The Comptroller General shall conduct a study on the extent to which the Office of Regulations and Rulings of the Customs Service has made improvements to decrease the amount of time to issue prospective rulings from the date on which a request for the ruling is received by the Customs Service.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Comptroller General shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report containing the results of the study conducted under subsection (a).

(c) DEFINITION.—In this section, the term ''prospective ruling'' means a ruling that is requested by an importer on goods that are proposed to be imported into the United States and that relates to the proper classification, valuation, or marking of such goods.

SEC. 1136. STUDY AND REPORT RELATING TO CUSTOMS USER FEES.

(a) STUDY.—The Comptroller General shall conduct a study on the extent to which the amount of each customs user fee imposed under section 13031(a) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(a)) is commensurate with the level of services provided by the Customs Service relating to the fee so imposed.

(b) REPORT.—Not later than 120 days after the date of enactment of this Act, the Comptroller General shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report in classified form containing—

(1) the results of the study conducted under subsection (a); and

(2) recommendations for the appropriate amount of the customs user fees if such results indicate that the fees are not commensurate with the level of services provided by the Customs Service.

SEC. 1137. AUTHORIZATION OF APPROPRIATIONS FOR CUSTOMS STAFFING.

There are authorized to be appropriated to the Department of Treasury such sums as may be necessary to provide an increase in the annual rate of basic pay—

(1) for all journeyman Customs inspectors and Canine Enforcement Officers who have completed at least one year's service and are receiving an annual rate of basic pay for positions at GS–9 of the General Schedule under section 5332 of title 5, United States Code, from the annual rate of basic pay payable for positions at GS–9 of the General Schedule under section 5332, to an annual rate of basic pay payable for positions at GS–11 of the General Schedule under such section 5332; and

(2) for the support staff associated with the personnel described in subparagraph (A), at the appropriate GS level of the General Schedule under such section 5332.

CHAPTER 4—ANTITERRORISM PROVISIONS

SEC. 1141. EMERGENCY ADJUSTMENTS TO OFFICES, PORTS OF ENTRY, OR STAFFING OF THE CUSTOMS SERVICE.

Section 318 of the Tariff Act of 1930 (19 U.S.C. 1318) is amended—

(1) by striking ''Whenever the President'' and inserting ''(a) Whenever the President''; and

(2) by adding at the end the following:

''(b)(1) Notwithstanding any other provision of law, the Secretary of the Treasury, when necessary to respond to a national emergency declared under the National Emergencies Act (50 U.S.C. 1601 et seq.) or to a specific threat to human life or national interests, is authorized to take the following actions on a temporary basis:

''(A) Eliminate, consolidate, or relocate any office or port of entry of the Customs Service.

''(B) Modify hours of service, alter services rendered at any location, or reduce the number of employees at any location.

''(C) Take any other action that may be necessary to directly respond to the national emergency or specific threat.

''(2) Notwithstanding any other provision of law, the Commissioner of Customs, when necessary to respond to a specific threat to human life or national interests, is authorized to close temporarily any Customs office or port of entry or take any other lesser action that may be necessary to respond to the specific threat.

''(3) The Secretary of the Treasury or the Commissioner of Customs, as the case may be, shall notify the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate not later than 72 hours after taking any action under paragraph (1) or (2).''.

SEC. 1142. MANDATORY ADVANCED ELECTRONIC INFORMATION FOR CARGO AND PASSENGERS.

(a) CARGO INFORMATION.—

(1) IN GENERAL.—Section 431(b) of the Tariff Act of 1930 (19 U.S.C. 1431(b)) is amended—

(A) in the first sentence, by striking ''Any manifest'' and inserting ''(1) Any manifest''; and

(B) by adding at the end the following:

''(2) In addition to any other requirement under this section, for each land, air, or vessel carrier required to make entry or obtain clearance under the customs laws of the United States, the pilot, the master, operator, or owner of such carrier (or the authorized agent of such operator or owner) shall provide by electronic transmission cargo manifest information in advance of such entry or clearance in such manner, time, and form as prescribed under regulations by the Secretary. The Secretary may exclude any class of land, air, or vessel carrier for which the Secretary concludes the requirements of this subparagraph are not necessary.''.

(2) CONFORMING AMENDMENTS.—Subparagraphs (A) and (C) of section 431(d)(1) of such Act are each amended by inserting before the semicolon ''or subsection (b)(2)''.

(b) PASSENGER INFORMATION.—Part II of title IV of the Tariff Act of 1930 (19 U.S.C. 1431 et seq.) is amended by inserting after section 431 the following:

''SEC. 432. PASSENGER AND CREW MANIFEST INFORMATION REQUIRED FOR LAND, AIR, OR VESSEL CARRIERS.

''(a) IN GENERAL.—For every person arriving or departing on a land, air, or vessel carrier required to make entry or obtain clearance under the customs laws of the United States, the pilot, the master, operator, or owner of such carrier (or the authorized agent of such operator or owner) shall provide by electronic transmission manifest information described in subsection (b) in advance of such entry or clearance in such manner, time, and form as prescribed under regulations by the Secretary.

''(b) INFORMATION DESCRIBED.—The information described in this subsection shall include for each person described in subsection (a), the person's—

''(1) full name;

''(2) date of birth and citizenship;

''(3) gender;

''(4) passport number and country of issuance;

''(5) United States visa number or resident alien card number, as applicable;

''(6) passenger name record; and

''(7) such additional information that the Secretary, by regulation, determines is reasonably necessary to ensure aviation and maritime safety pursuant to the laws enforced or administered by the Customs Service.''.

(c) DEFINITION.—Section 401 of the Tariff Act of 1930 (19 U.S.C. 1401) is amended by adding at the end the following:

''(t) The term 'land, air, or vessel carrier' means a land, air, or vessel carrier, as the case may be, that transports goods or passengers for payment or other consideration, including money or services rendered.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect beginning 45 days after the date of enactment of this Act.

SEC. 1143. BORDER SEARCH AUTHORITY FOR CERTAIN CONTRABAND IN OUTBOUND MAIL.

(a) IN GENERAL.—The Tariff Act of 1930 is amended by inserting after section 582 the following:

"SEC. 583. EXAMINATION OF OUTBOUND MAIL.

''(a) EXAMINATION.—

''(1) IN GENERAL.—For purposes of ensuring compliance with the Customs laws of the United States and other laws enforced by the Customs Service, including the provisions of law described in paragraph (2), a Customs officer may, subject to the provisions of this section, stop and search at the border, without a search warrant, mail of domestic origin transmitted for export by the United States Postal Service and foreign mail transiting the United States that is being imported or exported by the United States Postal Service.

''(2) PROVISIONS OF LAW DESCRIBED.—The provisions of law described in this paragraph are the following:

''(A) Section 5316 of title 31, United States Code (relating to reports on exporting and importing monetary instruments).

''(B) Sections 1461, 1463, 1465, and 1466, and chapter 110 of title 18, United States Code (relating to obscenity and child pornography).

''(C) Section 1003 of the Controlled Substances Import and Export Act (relating to exportation of controlled substances) (21 U.S.C. 953).

''(D) The Export Administration Act of 1979 (50 U.S.C. App. 2401 et seq.).

''(E) Section 38 of the Arms Export Control Act (22 U.S.C. 2778).

''(F) The International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).

''(b) SEARCH OF MAIL NOT SEALED AGAINST INSPECTION AND OTHER MAIL.—Mail not sealed against inspection under the postal laws and regulations of the United States, mail which bears a Customs declaration, and mail with respect to which the sender or addressee has consented in writing to search, may be searched by a Customs officer.

''(c) SEARCH OF MAIL SEALED AGAINST INSPECTION WEIGHING IN EXCESS OF 16 OUNCES.—

''(1) IN GENERAL.—Mail weighing in excess of 16 ounces sealed against inspection under the postal laws and regulations of the United States may be searched by a Customs officer, subject to paragraph (2), if there is reasonable cause to suspect that such mail contains one or more of the following:

''(A) Monetary instruments, as defined in section 1956 of title 18, United States Code.

''(B) A weapon of mass destruction, as defined in section 2332a(b) of title 18, United States Code.

''(C) A drug or other substance listed in schedule I, II, III, or IV in section 202 of the Controlled Substances Act (21 U.S.C. 812).

''(D) National defense and related information transmitted in violation of any of sections 793 through 798 of title 18, United States Code.

''(E) Merchandise mailed in violation of section 1715 or 1716 of title 18, United States Code.

''(F) Merchandise mailed in violation of any provision of chapter 71 (relating to obscenity) or chapter 110 (relating to sexual exploitation and other abuse of children) of title 18, United States Code.

''(G) Merchandise mailed in violation of the Export Administration Act of 1979 (50 U.S.C. App. 2401 et seq.).

''(H) Merchandise mailed in violation of section 38 of the Arms Export Control Act (22 U.S.C. 2778).

''(I) Merchandise mailed in violation of the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).

''(J) Merchandise mailed in violation of the Trading with the Enemy Act (50 U.S.C. App. 1 et seq.).

''(K) Merchandise subject to any other law enforced by the Customs Service.

''(2) LIMITATION.—No person acting under the authority of paragraph (1) shall read, or authorize any other person to read, any correspondence contained in mail sealed against inspection unless prior to so reading—

''(A) a search warrant has been issued pursuant to rule 41 of the Federal Rules of Criminal Procedure; or

''(B) the sender or addressee has given written authorization for such reading.

''(d) SEARCH OF MAIL SEALED AGAINST INSPECTION WEIGHING 16 OUNCES OR LESS.—Notwithstanding any other provision of this section, subsection (a)(1) shall not apply to mail weighing 16 ounces or less sealed against inspection under the postal laws and regulations of the United States.''.

(b) CERTIFICATION BY SECRETARY.—Not later than 3 months after the date of enactment of this section, the Secretary of State shall determine whether the application of section 583 of the Tariff Act of 1930 to foreign mail transiting the United States that is imported or exported by the United States Postal Service is being handled in a manner consistent with international law and any international obligation of the United States. Section 583 of such Act shall not apply to such foreign mail unless the Secretary certifies to Congress that the application of such section 583 is consistent with international law and any international obligation of the United States.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), this section and the amendments made by this section shall take effect on the date of enactment of this Act.

(2) CERTIFICATION WITH RESPECT TO FOREIGN MAIL.—The provisions of section 583 of the Tariff Act of 1930 relating to foreign mail transiting the United States that is imported or exported by the United States Postal Service shall not take effect until the Secretary of State certifies to Congress, pursuant to subsection (b), that the application of such section 583 is consistent with international law and any international obligation of the United States.

SEC. 1144. AUTHORIZATION OF APPROPRIATIONS FOR REESTABLISHMENT OF CUSTOMS OPERATIONS IN NEW YORK CITY.

(a) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated for the reestablishment of operations of the Customs Service in New York, New York, such sums as may be necessary for fiscal year 2003.

(2) OPERATIONS DESCRIBED.—The operations referred to in paragraph (1) include, but are not limited to, the following:

(A) Operations relating to the Port Director of New York City, the New York Customs Management Center (including the Director of Field Operations), and the Special Agent-In-Charge for New York.

(B) Commercial operations, including textile enforcement operations and salaries and expenses of—

(i) trade specialists who determine the origin and value of merchandise;

(ii) analysts who monitor the entry data into the United States of textiles and textile products; and

(iii) Customs officials who work with foreign governments to examine textile makers and verify entry information.

(b) AVAILABILITY.—Amounts appropriated pursuant to the authorization of appropriations under subsection (a) are authorized to remain available until expended.

CHAPTER 5—TEXTILE TRANSSHIPMENT PROVISIONS

SEC. 1151. GAO AUDIT OF TEXTILE TRANSSHIPMENT MONITORING BY CUSTOMS SERVICE.

(a) GAO AUDIT.—The Comptroller General of the United States shall conduct an audit of the system established and carried out by the Customs Service to monitor textile transshipment.

(b) REPORT.—Not later than 9 months after the date of enactment of this Act, the Comptroller General shall submit to the Committee on Ways and Means of the House of Representatives and Committee on Finance of the Senate a report that contains the results of the study conducted under subsection (a), including recommendations for improvements to the transshipment monitoring system if applicable.

(c) TRANSSHIPMENT DESCRIBED.—Transshipment within the meaning of this section has occurred when preferential treatment under any provision of law has been claimed for a textile or apparel article on the basis of material false information concerning the country of origin, manufacture, processing, or assembly of the article or any of its components. For purposes of the preceding sentence, false information is material if disclosure of the true information would mean or would have meant that the article is or was ineligible for preferential treatment under the provision of law in question.

SEC. 1152. AUTHORIZATION OF APPROPRIATIONS FOR TEXTILE TRANSSHIPMENT ENFORCEMENT OPERATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated for textile transshipment enforcement operations of the Customs Service $9,500,000 for fiscal year 2003.

(2) AVAILABILITY.—Amounts appropriated pursuant to the authorization of appropriations under paragraph (1) are authorized to remain available until expended.

(b) USE OF FUNDS.—Of the amount appropriated pursuant to the authorization of appropriations under subsection (a), the following amounts are authorized to be made available for the following purposes:

(1) IMPORT SPECIALISTS.—$1,463,000 for 21 Customs import specialists to be assigned to selected ports for documentation review to support detentions and exclusions and 1 additional Customs import specialist assigned to the Customs headquarters textile program to administer the program and provide oversight.

(2) INSPECTORS.—$652,080 for 10 Customs inspectors to be assigned to selected ports to examine targeted high-risk shipments.

(3) INVESTIGATORS.—(A) $1,165,380 for 10 investigators to be assigned to selected ports to investigate instances of smuggling, quota and trade agreement circumvention, and use of counterfeit visas to enter inadmissible goods.

(B) $149,603 for 1 investigator to be assigned to Customs headquarters textile program to coordinate and ensure implementation of textile production verification team results from an investigation perspective.

(4) INTERNATIONAL TRADE SPECIALISTS.—$226,500 for 3 international trade specialists to be assigned to Customs headquarters to be dedicated to illegal textile transshipment policy issues and other free trade agreement enforcement issues.

(5) PERMANENT IMPORT SPECIALISTS FOR HONG KONG.—$500,000 for 2 permanent import specialist positions and $500,000 for 2 investigators to be assigned to Hong Kong to work with Hong Kong and other government authorities in Southeast Asia to assist such authorities pursue proactive enforcement of bilateral trade agreements.

(6) VARIOUS PERMANENT TRADE POSITIONS.—$3,500,000 for the following:

(A) 2 permanent positions to be assigned to the Customs attaché office in Central America to address trade enforcement issues for that region.

(B) 2 permanent positions to be assigned to the Customs attaché office in South Africa to address trade enforcement issues pursuant to the African Growth and Opportunity Act (title I of Public Law 106–200).

(C) 4 permanent positions to be assigned to the Customs attaché office in Mexico to address the threat of illegal textile transshipment through Mexico and other related issues under the North American Free Trade Agreement Act.

(D) 2 permanent positions to be assigned to the Customs attaché office in Seoul, South Korea, to address the trade issues in the geographic region.

(E) 2 permanent positions to be assigned to the proposed Customs attaché office in New Delhi, India, to address the threat of illegal textile transshipment and other trade enforcement issues.

(F) 2 permanent positions to be assigned to the Customs attaché office in Rome, Italy, to address trade enforcement issues in the geographic region, including issues under free trade agreements with Jordan and Israel.

(7) ATTORNEYS.—$179,886 for 2 attorneys for the Office of the Chief Counsel of the Customs Service to pursue cases regarding illegal textile transshipment.

(8) AUDITORS.—$510,000 for 6 Customs auditors to perform internal control reviews and document and record reviews of suspect importers.

(9) ADDITIONAL TRAVEL FUNDS.—$250,000 for deployment of additional textile production verification teams to sub-Saharan Africa.

(10) TRAINING.—(A) $75,000 for training of Customs personnel.

(B) $200,000 for training for foreign counterparts in risk management analytical techniques and for teaching factory inspection techniques, model law Development, and enforcement techniques.

(11) OUTREACH.—$60,000 for outreach efforts to United States importers.

SEC. 1153. IMPLEMENTATION OF THE AFRICAN GROWTH AND OPPORTUNITY ACT.

Of the amount made available for fiscal year 2003 under section 301(b)(2)(A) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(2)(A)), as amended by section 1111(b)(1) of this title, $1,317,000 shall be available until expended for the Customs Service to provide technical assistance to help sub-Saharan Africa countries develop and implement effective visa and anti-transshipment systems as required by the African Growth and Opportunity Act (title I of Public Law 106–200), as follows:

(1) TRAVEL FUNDS.—$600,000 for import specialists, special agents, and other qualified Customs personnel to travel to sub-Saharan Africa countries to provide technical assistance in developing and implementing effective visa and anti-transshipment systems.

(2) IMPORT SPECIALISTS.—$266,000 for 4 import specialists to be assigned to Customs headquarters to be dedicated to providing technical assistance to sub-Saharan African countries for developing and implementing effective visa and anti-transshipment systems.

(3) DATA RECONCILIATION ANALYSTS.—$151,000 for 2 data reconciliation analysts to review apparel shipments.

(4) SPECIAL AGENTS.—$300,000 for 2 special agents to be assigned to Customs headquarters to be available to provide technical assistance to sub-Saharan African countries in the performance of investigations and other enforcement initiatives.

Subtitle B—Office of the United States Trade Representative

SEC. 1161. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 141(g)(1) of the Trade Act of 1974 (19 U.S.C. 2171(g)(1)) is amended—

(1) in subparagraph (A)—

(A) in the matter preceding clause (i), by striking ''not to exceed'';

(B) in clause (i) to read as follows:

''(i) $30,000,000 for fiscal year 2003.''; and

(C) in clause (ii) to read as follows:

''(ii) $31,000,000 for fiscal year 2004.''; and

(2) in subparagraph (B)—

(A) in clause (i), by adding ''and'' at the end;

(B) by striking clause (ii); and

(C) by redesignating clause (iii) as clause (ii).

(b) SUBMISSION OF OUT-YEAR BUDGET PROJECTIONS.—Section 141(g) of the Trade Act of 1974 (19 U.S.C. 2171(g)) is amended by adding at the end the following:

''(3) By not later than the date on which the President submits to Congress the budget of the United States Government for a fiscal year, the United States Trade Representative shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate the projected amount of funds for the succeeding fiscal year that will be necessary for the Office to carry out its functions.''.

(c) ADDITIONAL STAFF FOR OFFICE OF ASSISTANT U.S. TRADE REPRESENTATIVE FOR CONGRESSIONAL AFFAIRS.—

(1) IN GENERAL.—There is authorized to be appropriated such sums as may be necessary for fiscal year 2003 for the salaries and expenses of two additional legislative specialist employee positions within the Office of the Assistant United States Trade Representative for Congressional Affairs.

(2) AVAILABILITY.—Amounts appropriated pursuant to the authorization of appropriations under paragraph (1) are authorized to remain available until expended.

Subtitle C—United States International Trade Commission

SEC. 1171. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 330(e)(2)(A) of the Tariff Act of 1930 (19 U.S.C. 1330(e)(2)) is amended—

(1) in clause (i) to read as follows:

''(i) $51,400,000 for fiscal year 2003.''; and

(2) in clause (ii) to read as follows:

''(ii) $53,400,000 for fiscal year 2004.''.

(b) SUBMISSION OF OUT-YEAR BUDGET PROJECTIONS.—Section 330(e) of the Tariff Act of 1930 (19 U.S.C. 1330(e)(2)) is amended by adding at the end the following:

''(4) By not later than the date on which the President submits to Congress the budget of the United States Government for a fiscal year, the Commission shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate the projected amount of funds for the succeeding fiscal year that will be necessary for the Commission to carry out its functions.''.

Subtitle D—Other Trade Provisions

SEC. 1181. INCREASE IN AGGREGATE VALUE OF ARTICLES EXEMPT FROM DUTY ACQUIRED ABROAD BY UNITED STATES RESIDENTS.

(a) IN GENERAL.—Subheading 9804.00.65 of the Harmonized Tariff Schedule of the United States is amended in the article description column by striking ''$400'' and inserting ''$800''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect 90 days after the date of enactment of this Act.

SEC. 1182. REGULATORY AUDIT PROCEDURES.

Section 509(b) of the Tariff Act of 1930 (19 U.S.C. 1509(b)) is amended by adding at the end the following:

''(6)(A) If during the course of any audit concluded under this subsection, the Customs Service identifies overpayments of duties or fees or over-declarations of quantities or values that are within the time period and scope of the audit that the Customs Service has defined, then in calculating the loss of revenue or monetary penalties under section 592, the Customs Service shall treat the overpayments or over-declarations on finally liquidated entries as an offset to any underpayments or underdeclarations also identified on finally liquidated entries if such overpayments or over-declarations were not made by the person being audited for the purpose of violating any provision of law.

''(B) Nothing in this paragraph shall be construed to authorize a refund not otherwise authorized under section 520.''.

Subtitle E—Sense of Senate

SEC. 1191. SENSE OF SENATE.

It is the sense of the Senate that fees collected for certain customs services (commonly referred to as ''customs user fees'') provided for in section 13031 of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c) may be used only for the operations and programs of the United States Customs Service.

DIVISION B—BIPARTISAN TRADE PROMOTION AUTHORITY

TITLE XXI—TRADE PROMOTION AUTHORITY

SEC. 2101. SHORT TITLE; FINDINGS.

(a) SHORT TITLE.—This title may be cited as the ''Bipartisan Trade Promotion Authority Act of 2002''.

(b) FINDINGS.—Congress makes the following findings:

(1) The expansion of international trade is vital to the national security of the United States. Trade is critical to the economic growth and strength of the United States and to its leadership in the world. Stable trading relationships promote security and prosperity. Trade agreements today serve the same purposes that security pacts played during the Cold War, binding nations together through a series of mutual rights and obligations. Leadership by the United States in international trade fosters open markets, democracy, and peace throughout the world.

(2) The national security of the United States depends on its economic security, which in turn is founded upon a vibrant and growing industrial base. Trade expansion has been the engine of economic growth. Trade agreements maximize opportunities for the critical sectors and building blocks of the economy of the United States, such as information technology, telecommunications and other leading technologies, basic industries, capital equipment, medical equipment, services, agriculture, environmental technology, and intellectual property. Trade will create new opportunities for the United States and preserve the unparalleled strength of the United States in economic, political, and military affairs. The United States, secured by expanding trade and economic opportunities, will meet the challenges of the twenty-first century.

(3) Support for continued trade expansion requires that dispute settlement procedures under international trade agreements not add to or diminish the rights and obligations provided in such agreements. Nevertheless, in several cases, dispute settlement panels and the WTO Appellate Body have added to obligations and diminished rights of the United States under WTO Agreements. In particular, dispute settlement panels and the Appellate Body have—

(A) given insufficient deference to the expertise and fact-finding of the Department of Commerce and the United States International Trade Commission;

(B) imposed an obligation concerning the causal relationship between increased imports into the United States and serious injury to domestic industry necessary to support a safeguard measure that is different from the obligation set forth in the applicable WTO Agreements;

(C) imposed an obligation concerning the exclusion from safeguards measures of products imported from countries party to a free trade agreement that is different from the obligation set forth in the applicable WTO Agreements;

(D) imposed obligations on the Department of Commerce with respect to the use of facts available in antidumping investigations that are different from the obligations set forth in the applicable WTO Agreements; and

(E) accorded insufficient deference to the Department of Commerce's methodology for adjusting countervailing duties following the privatization of a subsidized foreign producer.

SEC. 2102. TRADE NEGOTIATING OBJECTIVES.

(a) OVERALL TRADE NEGOTIATING OBJECTIVES.—The overall trade negotiating objectives of the United States for agreements subject to the provisions of section 2103 are—

(1) to obtain more open, equitable, and reciprocal market access;

(2) to obtain the reduction or elimination of barriers and distortions that are directly related to trade and that decrease market opportunities for United States exports or otherwise distort United States trade;

(3) to further strengthen the system of international trading disciplines and procedures, including dispute settlement;

(4) to foster economic growth, raise living standards, and promote full employment in the United States and to enhance the global economy;

(5) to ensure that trade and environmental policies are mutually supportive and to seek to protect and preserve the environment and enhance the international means of doing so, while optimizing the use of the world's resources;

(6) to promote respect for worker rights and the rights of children consistent with core labor standards of the International Labor Organization (as defined in section 2113(2)) and an understanding of the relationship between trade and worker rights;

(7) to seek provisions in trade agreements under which parties to those agreements strive to ensure that they do not weaken or reduce the protections afforded in domestic environmental and labor laws as an encouragement fortrade; and

(8) to ensure that trade agreements afford small businesses equal access to international markets, equitable trade benefits, expanded export market opportunities, and provide for the reduction or elimination of trade barriers that disproportionately impact small business.

(b) PRINCIPAL TRADE NEGOTIATING OBJECTIVES.—

(1) TRADE BARRIERS AND DISTORTIONS.—The principal negotiating objectives of the United States regarding trade barriers and other trade distortions are—

(A) to expand competitive market opportunities for United States exports including motor vehicles and vehicle parts and to obtain fairer and more open conditions of trade by reducing or eliminating tariff and nontariff barriers and policies and practices of foreign governments directly related to trade that decrease market opportunities for United States exports or otherwise distort United States trade; and

(B) to obtain reciprocal tariff and nontariff barrier elimination agreements, with particular attention to those tariff categories covered in section 111(b) of the Uruguay Round Agreements Act (19 U.S.C. 3521(b)).

(2) TRADE IN SERVICES.—The principal negotiating objective of the United States regarding trade in services is to reduce or eliminate barriers to international trade in services, including regulatory and other barriers that deny national treatment and market access or unreasonably restrict the establishment or operations of service suppliers.

(3) FOREIGN INVESTMENT.—Recognizing that United States law on the whole provides a high level of protection for investment, consistent with or greater than the level required by international law, the principal negotiating objectives of the United States regarding foreign investment are to reduce or eliminate artificial or trade-distorting barriers to trade-related foreign investment, while ensuring that foreign investors in the United States are not accorded greater rights than United States investors in the United States, and to secure for investors important rights comparable to those that would be available under United States legal principles and practice, by—

(A) reducing or eliminating exceptions to the principle of national treatment;

(B) freeing the transfer of funds relating to investments;

(C) reducing or eliminating performance requirements, forced technology transfers, and other unreasonable barriers to the establishment and operation of investments;

(D) seeking to establish standards for expropriation and compensation for expropriation, consistent with United States legal principles and practice;

(E) seeking to establish standards for fair and equitable treatment consistent with United States legal principles and practice, including the principle of due process;

(F) providing meaningful procedures for resolving investment disputes;

(G) seeking to improve mechanisms used to resolve disputes between an investor and a government through—

(i) mechanisms to eliminate frivolous claims and to deter the filing of frivolous claims;

(ii) procedures to ensure the efficient selection of arbitrators and the expeditious disposition of claims;

(iii) procedures to enhance opportunities for public input into the formulation of government positions; and

(iv) establishment of a single appellate body to review decisions in investor-to-government disputes and thereby provide coherence to the interpretations of investment provisions in trade agreements; and

(H) ensuring the fullest measure of transparency in the dispute settlement mechanism, to the extent consistent with the need to protect information that is classified or business confidential, by—

(i) ensuring that all requests for dispute settlement are promptly made public;

(ii) ensuring that—

(I) all proceedings, submissions, findings, and decisions are promptly made public;

(II) all hearings are open to the public; and

(iii) establishing a mechanism for acceptance of amicus curiae submissions from businesses, unions, and nongovernmental organizations.

(4) INTELLECTUAL PROPERTY.—The principal negotiating objectives of the United States regarding trade-related intellectual property are—

(A) to further promote adequate and effective protection of intellectual property rights, including through—

(i)(I) ensuring accelerated and full implementation of the Agreement on Trade-Related Aspects of Intellectual Property Rights referred to in section 101(d)(15) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(15)), particularly with respect to meeting enforcement obligations under that agreement; and

(II) ensuring that the provisions of any multilateral or bilateral trade agreement governing intellectual property rights that is entered into by the United States reflect a standard of protection similar to that found in United States law;

(ii) providing strong protection for new and emerging technologies and new methods of transmitting and distributing products embodying intellectual property;

(iii) preventing or eliminating discrimination with respect to matters affecting the availability, acquisition, scope, maintenance, use, and enforcement of intellectual property rights;

(iv) ensuring that standards of protection and enforcement keep pace with technological developments, and in particular ensuring that rightholders have the legal and technological means to control the use of their works through the Internet and other global communication media, and to prevent the unauthorized use of their works; and

(v) providing strong enforcement of intellectual property rights, including through accessible, expeditious, and effective civil, administrative, and criminal enforcement mechanisms;

(B) to secure fair, equitable, and nondiscriminatory market access opportunities for United States persons that rely upon intellectual property protection; and

(C) to respect the Declaration on the TRIPS Agreement and Public Health, adopted by the World Trade Organization at the Fourth Ministerial Conference at Doha, Qatar on November 14, 2001.

(5) TRANSPARENCY.—The principal negotiating objective of the United States with respect to transparency is to obtain wider and broader application of the principle of transparency through—

(A) increased and more timely public access to information regarding trade issues and the activities of international trade institutions;

(B) increased openness at the WTO and other international trade fora by increasing public access to appropriate meetings, proceedings, and submissions, including with regard to dispute settlement and investment; and

(C) increased and more timely public access to all notifications and supporting documentation submitted by parties to the WTO.

(6) ANTI-CORRUPTION.—The principal negotiating objectives of the United States with respect to the use of money or other things of value to influence acts, decisions, or omissions of foreign governments or officials or to secure any improper advantage in a manner affecting trade are—

(A) to obtain high standards and appropriate domestic enforcement mechanisms applicable to persons from all countries participating in the applicable trade agreement that prohibit such attempts to influence acts, decisions, or omissions of foreign governments; and

(B) to ensure that such standards do not place United States persons at a competitive disadvantage in international trade.

(7) IMPROVEMENT OF THE WTO AND MULTILATERAL TRADE AGREEMENTS.—The principal negotiating objectives of the United States regarding the improvement of the World Trade Organization, the Uruguay Round Agreements, and other multilateral and bilateral trade agreements are—

(A) to achieve full implementation and extend the coverage of the World Trade Organization and such agreements to products, sectors, and conditions of trade not adequately covered; and

(B) to expand country participation in and enhancement of the Information Technology Agreement and other trade agreements.

(8) REGULATORY PRACTICES.—The principal negotiating objectives of the United States regarding the use of government regulation or other practices by foreign governments to provide a competitive advantage to their domestic producers, service providers, or investors and thereby reduce market access for United States goods, services, and investments are—

(A) to achieve increased transparency and opportunity for the participation of affected parties in the development of regulations;

(B) to require that proposed regulations be based on sound science, cost-benefit analysis, risk assessment, or other objective evidence;

(C) to establish consultative mechanisms among parties to trade agreements to promote increased transparency in developing guidelines, rules, regulations, and laws for government procurement and other regulatory regimes; and

(D) to achieve the elimination of government measures such as price controls and reference pricing which deny full market access for United States products.

(9) ELECTRONIC COMMERCE.—The principal negotiating objectives of the United States with respect to electronic commerce are—

(A) to ensure that current obligations, rules, disciplines, and commitments under the World Trade Organization apply to electronic commerce;

(B) to ensure that—

(i) electronically delivered goods and services receive no less favorable treatment under trade rules and commitments than like products delivered in physical form; and

(ii) the classification of such goods and services ensures the most liberal trade treatment possible;

(C) to ensure that governments refrain from implementing trade-related measures that impede electronic commerce;

(D) where legitimate policy objectives require domestic regulations that affect electronic commerce, to obtain commitments that any such regulations are the least restrictive on trade, nondiscriminatory, and transparent, and promote an open market environment; and

(E) to extend the moratorium of the World Trade Organization on duties on electronic transmissions.

(10) RECIPROCAL TRADE IN AGRICULTURE.—

(A) IN GENERAL.—The principal negotiating objective of the United States with respect to agriculture is to obtain competitive opportunities for United States exports of agricultural commodities in foreign markets substantially equivalent to the competitive opportunities afforded foreign exports in United States markets and to achieve fairer and more open conditions of trade in bulk, specialty crop, and value-added commodities by—

(i) reducing or eliminating, by a date certain, tariffs or other charges that decrease market opportunities for United States exports—

(I) giving priority to those products that are subject to significantly higher tariffs or subsidy regimes of major producing countries; and

(II) providing reasonable adjustment periods for United States import-sensitive products, in close consultation with the Congress on such products before initiating tariff reduction negotiations;

(ii) reducing tariffs to levels that are the same as or lower than those in the United States;

(iii) seeking to eliminate all export subsidies on agricultural commodities while maintaining bona fide food aid and preserving United States agricultural market development and export credit programs that allow the United States to compete with other foreign export promotion efforts;

(iv) allowing the preservation of programs that support family farms and rural communities but do not distort trade;

(v) developing disciplines for domestic support programs, so that production that is in excess of domestic food security needs is sold at world prices;

(vi) eliminating Government policies that create price-depressing surpluses;

(vii) eliminating state trading enterprises whenever possible;

(viii) developing, strengthening, and clarifying rules and effective dispute settlement mechanisms to eliminate practices that unfairly decrease United States market access opportunities or distort agricultural markets to the detriment of the United States, particularly with respect to import-sensitive products, including—

(I) unfair or trade-distorting activities of state trading enterprises and other administrative mechanisms, with emphasis on requiring price transparency in the operation of state trading enterprises and such other mechanisms in order to end cross subsidization, price discrimination, and price undercutting;

(II) unjustified trade restrictions or commercial requirements, such as labeling, that affect new technologies, including biotechnology;

(III) unjustified sanitary or phytosanitary restrictions, including those not based on scientific principles in contravention of the Uruguay Round Agreements;

(IV) other unjustified technical barriers to trade; and

(V) restrictive rules in the administration of tariff rate quotas;

(ix) eliminating practices that adversely affect trade in perishable or cyclical products, while improving import relief mechanisms to recognize the unique characteristics of perishable and cyclical agriculture;

(x) ensuring that the use of import relief mechanisms for perishable and cyclical agriculture are as accessible and timely to growers in the United States as those mechanisms that are used by other countries;

(xi) taking into account whether a party to the negotiations has failed to adhere to the provisions of already existing trade agreements with the United States or has circumvented obligations under those agreements;

(xii) taking into account whether a product is subject to market distortions by reason of a failure of a major producing country to adhere to the provisions of already existing trade agreements with the United States or by the circumvention by that country of its obligations under those agreements;

(xiii) otherwise ensuring that countries that accede to the World Trade Organization have made meaningful market liberalization commitments in agriculture;

(xiv) taking into account the impact that agreements covering agriculture to which the United States is a party, including the North American Free Trade Agreement, have on the United States agricultural industry;

(xv) maintaining bona fide food assistance programs and preserving United States market development and export credit programs; and

(xvi) strive to complete a general multilateral round in the World Trade Organization by January 1, 2005, and seek the broadest market access possible in multilateral, regional, and bilateral negotiations, recognizing the effect that simultaneous sets of negotiations may have on United States import-sensitive commodities (including those subject to tariff-rate quotas).

(B) CONSULTATION.—

(i) BEFORE COMMENCING NEGOTIATIONS.—Before commencing negotiations with respect to agriculture, the United States Trade Representative, in consultation with the Congress, shall seek to develop a position on the treatment of seasonal and perishable agricultural products to be employed in the negotiations in order to develop an international consensus on the treatment of seasonal or perishable agricultural products in investigations relating to dumping and safeguards and in any other relevant area.

(ii) DURING NEGOTIATIONS.—During any negotiations on agricultural subsidies, the United States Trade Representative shall seek to establish the common base year for calculating the Aggregated Measurement of Support (as defined in the Agreement on Agriculture) as the end of each country's Uruguay Round implementation period, as reported in each country's Uruguay Round market access schedule.

(iii) SCOPE OF OBJECTIVE.—The negotiating objective provided in subparagraph (A) applies with respect to agricultural matters to be addressed in any trade agreement entered into under section 2103 (a) or (b), including any trade agreement entered into under section 2103 (a) or (b) that provides for accession to a trade agreement to which the United States is already a party, such as the North American Free Trade Agreement and the United States-Canada Free Trade Agreement.

(11) LABOR AND THE ENVIRONMENT.—The principal negotiating objectives of the United States with respect to labor and the environment are—

(A) to ensure that a party to a trade agreement with the United States does not fail to effectively enforce its environmental or labor laws, through a sustained or recurring course of action or inaction, in a manner affecting trade between the United States and that party after entry into force of a trade agreement between those countries;

(B) to recognize that parties to a trade agreement retain the right to exercise discretion with respect to investigatory, prosecutorial, regulatory, and compliance matters and to make decisions regarding the allocation of resources to enforcement with respect to other labor or environmental matters determined to have higher priorities, and to recognize that a country is effectively enforcing its laws if a course of action or inaction reflects a reasonable exercise of such discretion, or results from a bona fide decision regarding the allocation of resources and no retaliation may be authorized based on the exercise of these rights or the right to establish domestic labor standards and levels of environmental protection;

(C) to strengthen the capacity of United States trading partners to promote respect for core labor standards (as defined in section 2113(2));

(D) to strengthen the capacity of United States trading partners to protect the environment through the promotion of sustainable development;

(E) to reduce or eliminate government practices or policies that unduly threaten sustainable development;

(F) to seek market access, through the elimination of tariffs and nontariff barriers, for United States environmental technologies, goods, and services; and

(G) to ensure that labor, environmental, health, or safety policies and practices of the parties to trade agreements with the United States do not arbitrarily or unjustifiably discriminate against United States exports or serve as disguised barriers to trade.

(12) HUMAN RIGHTS AND DEMOCRACY.—The principal negotiating objective regarding human rights and democracy is to obtain provisions in trade agreements that require parties to those agreements to strive to protect internationally recognized civil, political, and human rights.

(13) DISPUTE SETTLEMENT AND ENFORCEMENT.—The principal negotiating objectives of the United States with respect to dispute settlement and enforcement of trade agreements are—

(A) to seek provisions in trade agreements providing for resolution of disputes between governments under those trade agreements in an effective, timely, transparent, equitable, and reasoned manner, requiring determinations based on facts and the principles of the agreements, with the goal of increasing compliance with the agreements;

(B) to seek to strengthen the capacity of the Trade Policy Review Mechanism of the World Trade Organization to review compliance with commitments;

(C) to seek improved adherence by panels convened under the WTO Understanding on Rules and Procedures Governing the Settlement of Disputes and by the WTO Appellate Body to the standard of review applicable under the WTO Agreement involved in the dispute, including greater deference, where appropriate, to the fact finding and technical expertise of national investigating authorities;

(D) to seek provisions encouraging the early identification and settlement of disputes through consultation;

(E) to seek provisions to encourage the provision of trade-expanding compensation if a party to a dispute under the agreement does not come into compliance with its obligations under the agreement;

(F) to seek provisions to impose a penalty upon a party to a dispute under the agreement that—

(i) encourages compliance with the obligations of the agreement;

(ii) is appropriate to the parties, nature, subject matter, and scope of the violation; and

(iii) has the aim of not adversely affecting parties or interests not party to the dispute while maintaining the effectiveness of the enforcement mechanism; and

(G) to seek provisions that treat United States principal negotiating objectives equally with respect to—

(i) the ability to resort to dispute settlement under the applicable agreement;

(ii) the availability of equivalent dispute settlement procedures; and

(iii) the availability of equivalent remedies.

(14) BORDER TAXES.—The principal negotiating objective of the United States regarding border taxes is to obtain a revision of the WTO rules with respect to the treatment of border adjustments for internal taxes to redress the disadvantage to countries relying primarily on direct taxes for revenue rather than indirect taxes.

(15) WTO EXTENDED NEGOTIATIONS.—The principal negotiating objectives of the United

States regarding trade in civil aircraft are those set forth in section 135(c) of the Uruguay Round Agreements Act (19 U.S.C. 3355(c)) and regarding rules of origin are the conclusion of an agreement described in section 132 of that Act (19 U.S.C. 3552).

(16) TEXTILE NEGOTIATIONS.—

(A) IN GENERAL.—The principal negotiating objectives of the United States with respect to trade in textiles and apparel articles is to obtain competitive opportunities for United States exports of textiles and apparel in foreign markets substantially equivalent to the competitive opportunities afforded foreign exports in United States markets and to achieve fairer and more open conditions of trade in textiles and apparel by—

(i) reducing to levels that are the same as, or lower than, those in the United States, or eliminating, by a date certain, tariffs or other charges that decrease market opportunities for United States exports of textiles and apparel;

(ii) eliminating by a date certain non-tariff barriers that decrease market opportunities for United States textile and apparel articles;

(iii) reducing or eliminating subsidies that decrease market opportunities for United States exports or unfairly distort textile and apparel markets to the detriment of the United States;

(iv) developing, strengthening, and clarifying rules to eliminate practices that unfairly decrease United States market access opportunities or distort textile and apparel markets to the detriment of the United States;

(v) taking into account whether a party to the negotiations has failed to adhere to the provisions of already existing trade agreements with the United States or has circumvented obligations under those agreements;

(vi) taking into account whether a product is subject to market distortions by reason of a failure of a major producing country to adhere to the provisions of already existing trade agreements with the United States or by the circumvention by that country of its obligations under those agreements;

(vii) otherwise ensuring that countries that accede to the World Trade Organization have made meaningful market liberalization commitments in textiles and apparel; and

(viii) taking into account the impact that agreements covering textiles and apparel trade to which the United States is already a party are having on the United States textile and apparel industry.

(B) SCOPE OF OBJECTIVE.—The negotiating objectives set forth in subparagraph (A) apply with respect to trade in textile and apparel articles to be addressed in any trade agreement entered into under section 2103 (a) or (b), including any trade agreement entered under section 2103 (a) or (b) that provides for accession to a trade agreement to which the United States is already a party.

(17) WORST FORMS OF CHILD LABOR.—The principal negotiating objectives of the United States regarding the trade-related aspects of the worst forms of child labor are—

(A) to prevent distortions in the conduct of international trade caused by the use of the worst forms of child labor, in whole or in part, in the production of goods for export in international commerce; and

(B) to redress unfair and illegitimate competition based upon the use of the worst forms of child labor, in whole or in part, in the production of goods for export in international commerce, including through—

(i) promoting universal ratification and full compliance by all trading nations with ILO Convention No. 182 Concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labor, particularly with respect to meeting enforcement obligations under that Convention and related international agreements;

(ii) pursuing action under Article XX of GATT 1994 to allow WTO members to restrict imports of goods found to be produced with the worst forms of child labor;

(iii) seeking commitments by parties to any multilateral or bilateral trade agreement that is entered into by the United States to ensure that national laws reflect international standards regarding prevention of the use of the worst forms of child labor, especially in the conduct of international trade; and

(iv) seeking commitments by trade agreement parties to vigorously enforce laws prohibiting the use of the worst forms of child labor, especially in the conduct of international trade, through accessible, expeditious, and effective civil, administrative, and criminal enforcement mechanisms.

(c) PROMOTION OF CERTAIN PRIORITIES.—In order to address and maintain United States competitiveness in the global economy, the President shall—

(1) seek greater cooperation between the WTO and the ILO;

(2) seek to establish consultative mechanisms among parties to trade agreements to strengthen the capacity of United States trading partners to promote respect for core labor standards (as defined in section 2113(2)), and report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the content and operation of such mechanisms;

(3) seek to establish consultative mechanisms among parties to trade agreements to strengthen the capacity of United States trading partners to develop and implement standards for the protection of the environment and human health based on sound science, and report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the content and operation of such mechanisms;

(4) conduct environmental reviews of future trade and investment agreements, consistent with Executive Order 13141 of November 16, 1999 and the relevant guidelines, and report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on such reviews;

(5) review the impact of future trade agreements on United States employment, modeled after Executive Order 13141, taking into account the impact on job security, the level of compensation of new jobs and existing jobs, the displacement of employment, and the regional distribution of employment, utilizing experience from previous trade agreements and alternative models of employment analysis, report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on such review, and make that report available to the public;

(6) take into account other legitimate United States domestic objectives including, but not limited to, the protection of legitimate health or safety, essential security, and consumer interests and the law and regulations related thereto;

(7) have the Secretary of Labor consult with any country seeking a trade agreement with the United States concerning that country's labor laws and provide technical assistance to that country if needed;

(8) in connection with any trade negotiations entered into under this Act, the President shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a meaningful labor rights report of the country, or countries, with respect to which the President is negotiating, on a time frame determined in accordance with section 2107(b)(2)(E);

(9)(A) preserve the ability of the United States to enforce rigorously its trade laws, including the antidumping, countervailing duty, and safeguard laws, and avoid agreements that lessen the effectiveness of domestic and international disciplines on unfair trade, especially dumping and subsidies, or that lessen the effectiveness of domestic and international safeguard provisions, in order to ensure that United States workers, agricultural producers, and firms can compete fully on fair terms and enjoy the benefits of reciprocal trade concessions; and

(B) address and remedy market distortions that lead to dumping and subsidization, including overcapacity, cartelization, and market-access barriers.

(10) continue to promote consideration of multilateral environmental agreements and consult with parties to such agreements regarding the consistency of any such agreement that includes trade measures with existing environmental exceptions under Article XX of the GATT 1994;

(11) report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate, not later than 12 months after the imposition of a penalty or remedy by the United States permitted by a trade agreement to which this title applies, on the effectiveness of the penalty or remedy applied under United States law in enforcing United States rights under the trade agreement; and

(12) seek to establish consultative mechanisms among parties to trade agreements to examine the trade consequences of significant and unanticipated currency movements and to scrutinize whether a foreign government engaged in a pattern of manipulating its currency to promote a competitive advantage in international trade.

The report required under paragraph (11) shall address whether the penalty or remedy was effective in changing the behavior of the targeted party and whether the penalty or remedy had any adverse impact on parties or interests not party to the dispute.

(d) CONSULTATIONS.—

(1) CONSULTATIONS WITH CONGRESSIONAL ADVISERS.—In the course of negotiations conducted under this title, the United States Trade Representative shall consult closely and on a timely basis with, and keep fully apprised of the negotiations, the Congressional Oversight Group convened under section 2107 and all committees of the House of Representatives and the Senate with jurisdiction over laws that would be affected by a trade agreement resulting from the negotiations.

(2) CONSULTATION BEFORE AGREEMENT INITIALED.—In the course of negotiations conducted under this title, the United States Trade Representative shall—

(A) consult closely and on a timely basis (including immediately before initialing an agreement) with, and keep fully apprised of the negotiations, the congressional advisers for trade policy and negotiations appointed under section 161 of the Trade Act of 1974 (19 U.S.C. 2211), the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and the Congressional Oversight Group convened under section 2107; and

(B) with regard to any negotiations and agreement relating to agricultural trade, also consult closely and on a timely basis (including immediately before initialing an agreement) with, and keep fully apprised of the negotiations, the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(e) ADHERENCE TO OBLIGATIONS UNDER URUGUAY ROUND AGREEMENTS.—In determining whether to enter into negotiations with a particular country, the President shall take into account the extent to which that country has implemented, or has accelerated the implementation of, its obligations under the Uruguay Round Agreements.

SEC. 2103. TRADE AGREEMENTS AUTHORITY.

(a) AGREEMENTS REGARDING TARIFF BARRIERS.—

(1) IN GENERAL.—Whenever the President determines that one or more existing duties or other import restrictions of any foreign country or the United States are unduly burdening and

restricting the foreign trade of the United States and that the purposes, policies, priorities, and objectives of this title will be promoted thereby, the President—

(A) may enter into trade agreements with foreign countries before—

(i) June 1, 2005; or

(ii) June 1, 2007, if trade authorities procedures are extended under subsection (c); and

(B) may, subject to paragraphs (2) and (3), proclaim—

(i) such modification or continuance of any existing duty,

(ii) such continuance of existing duty-free or excise treatment, or

(iii) such additional duties,

as the President determines to be required or appropriate to carry out any such trade agreement.

The President shall notify the Congress of the President's intention to enter into an agreement under this subsection.

(2) LIMITATIONS.—No proclamation may be made under paragraph (1) that—

(A) reduces any rate of duty (other than a rate of duty that does not exceed 5 percent ad valorem on the date of the enactment of this Act) to a rate of duty which is less than 50 percent of the rate of such duty that applies on such date of enactment;

(B) reduces the rate of duty below that applicable under the Uruguay Round Agreements, on any import sensitive agricultural product; or

(C) increases any rate of duty above the rate that applied on the date of the enactment of this Act.

(3) AGGREGATE REDUCTION; EXEMPTION FROM STAGING.—

(A) AGGREGATE REDUCTION.—Except as provided in subparagraph (B), the aggregate reduction in the rate of duty on any article which is in effect on any day pursuant to a trade agreement entered into under paragraph (1) shall not exceed the aggregate reduction which would have been in effect on such day if—

(i) a reduction of 3 percent ad valorem or a reduction of one-tenth of the total reduction, whichever is greater, had taken effect on the effective date of the first reduction proclaimed under paragraph (1) to carry out such agreement with respect to such article; and

(ii) a reduction equal to the amount applicable under clause (i) had taken effect at 1-year intervals after the effective date of such first reduction.

(B) EXEMPTION FROM STAGING.—No staging is required under subparagraph (A) with respect to a duty reduction that is proclaimed under paragraph (1) for an article of a kind that is not produced in the United States. The United States International Trade Commission shall advise the President of the identity of articles that may be exempted from staging under this subparagraph.

(4) ROUNDING.—If the President determines that such action will simplify the computation of reductions under paragraph (3), the President may round an annual reduction by an amount equal to the lesser of—

(A) the difference between the reduction without regard to this paragraph and the next lower whole number; or

(B) one-half of 1 percent ad valorem.

(5) OTHER LIMITATIONS.—A rate of duty reduction that may not be proclaimed by reason of paragraph (2) may take effect only if a provision authorizing such reduction is included within an implementing bill provided for under section 2105 and that bill is enacted into law.

(6) OTHER TARIFF MODIFICATIONS.—Notwithstanding paragraphs (1)(B), (2)(A), (2)(C), and (3) through (5), and subject to the consultation and layover requirements of section 115 of the Uruguay Round Agreements Act, the President may proclaim the modification of any duty or staged rate reduction of any duty set forth in Schedule XX, as defined in section 2102(5) of that Act, if the United States agrees to such modification or staged rate reduction in a negotiation for the reciprocal elimination or harmonization of duties under the auspices of the World Trade Organization.

(7) AUTHORITY UNDER URUGUAY ROUND AGREEMENTS ACT NOT AFFECTED.—Nothing in this subsection shall limit the authority provided to the President under section 111(b) of the Uruguay Round Agreements Act (19 U.S.C. 3521(b)).

(b) AGREEMENTS REGARDING TARIFF AND NONTARIFF BARRIERS.—

(1) IN GENERAL.—

(A) DETERMINATION BY PRESIDENT.—Whenever the President determines that—

(i) one or more existing duties or any other import restriction of any foreign country or the United States or any other barrier to, or other distortion of, international trade unduly burdens or restricts the foreign trade of the United States or adversely affects the United States economy; or

(ii) the imposition of any such barrier or distortion is likely to result in such a burden, restriction, or effect;

and that the purposes, policies, priorities, and objectives of this title will be promoted thereby, the President may enter into a trade agreement described in subparagraph (B) during the period described in subparagraph (C).

(B) AGREEMENT TO REDUCE OR ELIMINATE CERTAIN DISTORTION.—The President may enter into a trade agreement under subparagraph (A) with foreign countries providing for—

(i) the reduction or elimination of a duty, restriction, barrier, or other distortion described in subparagraph (A), or

(ii) the prohibition of, or limitation on the imposition of, such barrier or other distortion.

(C) TIME PERIOD.—The President may enter into a trade agreement under this paragraph before—

(i) June 1, 2005; or

(ii) June 1, 2007, if trade authorities procedures are extended under subsection (c).

(2) CONDITIONS.—A trade agreement may be entered into under this subsection only if such agreement makes progress in meeting the applicable objectives described in section 2102 (a) and (b) and the President satisfies the conditions set forth in section 2104.

(3) BILLS QUALIFYING FOR TRADE AUTHORITIES PROCEDURES.—

(A) APPLICATION OF EXPEDITED PROCEDURES.—The provisions of section 151 of the Trade Act of 1974 (in this title referred to as ''trade authorities procedures'') apply to a bill of either House of Congress which contains provisions described in subparagraph (B) to the same extent as such section 151 applies to implementing bills under that section. A bill to which this paragraph applies shall hereafter in this title be referred to as an ''implementing bill''.

(B) PROVISIONS DESCRIBED.—The provisions referred to in subparagraph (A) are—

(i) a provision approving a trade agreement entered into under this subsection and approving the statement of administrative action, if any, proposed to implement such trade agreement; and

(ii) if changes in existing laws or new statutory authority are required to implement such trade agreement or agreements, provisions, necessary or appropriate to implement such trade agreement or agreements, either repealing or amending existing laws or providing new statutory authority.

(4) LIMITATIONS ON TRADE AUTHORITIES PROCEDURES.—

(A) IN GENERAL.—Notwithstanding any other provision of law, the provisions of section 151 of the Trade Act of 1974 (trade authorities procedures) shall not apply to any provision in an implementing bill being considered by the Senate that modifies or amends, or requires a modification of, or an amendment to, any law of the United States that provides safeguards from unfair foreign trade practices to United States businesses or workers, including—

(i) imposition of countervailing and antidumping duties (title VII of the Tariff Act of 1930; 19 U.S.C. 1671 et seq.);

(ii) protection from unfair methods of competition and unfair acts in the importation of articles (section 337 of the Tariff Act of 1930; 19 U.S.C. 1337);

(iii) relief from injury caused by import competition (title II of the Trade Act of 1974; 19 U.S.C. 2251 et seq.);

(iv) relief from unfair trade practices (title III of the Trade Act of 1974; 19 U.S.C. 2411 et seq.); or

(v) national security import restrictions (section 232 of the Trade Expansion Act of 1962; 19 U.S.C. 1862).

(B) POINT OF ORDER IN SENATE.—

(i) IN GENERAL.—When the Senate is considering an implementing bill, upon a point of order being made by any Senator against any part of the implementing bill that contains material in violation of subparagraph (A), and the point of order is sustained by the Presiding Officer, the part of the implementing bill against which the point of order is sustained shall be stricken from the bill.

(ii) WAIVERS AND APPEALS.—

(I) WAIVERS.—Before the Presiding Officer rules on a point of order described in clause (i), any Senator may move to waive the point of order and the motion to waive shall not be subject to amendment. A point of order described in clause (i) is waived only by the affirmative vote of a majority of the Members of the Senate, duly chosen and sworn.

(II) APPEALS.—After the Presiding Officer rules on a point of order under this subparagraph, any Senator may appeal the ruling of the Presiding Officer on the point of order as it applies to some or all of the provisions on which the Presiding Officer ruled. A ruling of the Presiding Officer on a point of order described in clause (i) is sustained unless a majority of the Members of the Senate, duly chosen and sworn, vote not to sustain the ruling.

(III) DEBATE.—Debate on a motion to waive under subclause (I) or on an appeal of the ruling of the Presiding Officer under subclause (II) shall be limited to 1 hour. The time shall be equally divided between, and controlled by, the majority leader and the minority leader, or their designees.

(c) EXTENSION DISAPPROVAL PROCESS FOR CONGRESSIONAL TRADE AUTHORITIES PROCEDURES.—

(1) IN GENERAL.—Except as provided in section 2105(b)—

(A) the trade authorities procedures apply to implementing bills submitted with respect to trade agreements entered into under subsection (b) before July 1, 2005; and

(B) the trade authorities procedures shall be extended to implementing bills submitted with respect to trade agreements entered into under subsection (b) after June 30, 2005, and before July 1, 2007, if (and only if)—

(i) the President requests such extension under paragraph (2); and

(ii) neither House of the Congress adopts an extension disapproval resolution under paragraph (5) before June 1, 2005.

(2) REPORT TO CONGRESS BY THE PRESIDENT.—If the President is of the opinion that the trade authorities procedures should be extended to implementing bills described in paragraph (1)(B), the President shall submit to the Congress, not later than March 1, 2005, a written report that contains a request for such extension, together with—

(A) a description of all trade agreements that have been negotiated under subsection (b) and the anticipated schedule for submitting such agreements to the Congress for approval;

(B) a description of the progress that has been made in negotiations to achieve the purposes, policies, priorities, and objectives of this title, and a statement that such progress justifies the continuation of negotiations; and

(C) a statement of the reasons why the extension is needed to complete the negotiations.

(3) OTHER REPORTS TO CONGRESS.—

(A) REPORT BY THE ADVISORY COMMITTEE.—The President shall promptly inform the Advisory Committee for Trade Policy and Negotiations established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155) of the President's decision to submit a report to the Congress under paragraph (2). The Advisory Committee shall submit to the Congress as soon as practicable, but not later than May 1, 2005, a written report that contains—

(i) its views regarding the progress that has been made in negotiations to achieve the purposes, policies, priorities, and objectives of this title; and

(ii) a statement of its views, and the reasons therefor, regarding whether the extension requested under paragraph (2) should be approved or disapproved.

(B) REPORT BY ITC.—The President shall promptly inform the International Trade Commission of the President's decision to submit a report to the Congress under paragraph (2). The International Trade Commission shall submit to the Congress as soon as practicable, but not later than May 1, 2005, a written report that contains a review and analysis of the economic impact on the United States of all trade agreements implemented between the date of enactment of this Act and the date on which the President decides to seek an extension requested under paragraph (2).

(4) STATUS OF REPORTS.—The reports submitted to the Congress under paragraphs (2) and (3), or any portion of such reports, may be classified to the extent the President determines appropriate.

(5) EXTENSION DISAPPROVAL RESOLUTIONS.—

(A) DEFINITION.—For purposes of paragraph (1), the term ''extension disapproval resolution'' means a resolution of either House of the Congress, the sole matter after the resolving clause of which is as follows: ''That the _____ disapproves the request of the President for the extension, under section 2103(c)(1)(B)(i) of the Bipartisan Trade Promotion Authority Act of 2002, of the trade authorities procedures under that Act to any implementing bill submitted with respect to any trade agreement entered into under section 2103(b) of that Act after June 30, 2005.'', with the blank space being filled with the name of the resolving House of the Congress.

(B) INTRODUCTION.—Extension disapproval resolutions—

(i) may be introduced in either House of the Congress by any member of such House; and

(ii) shall be referred, in the House of Representatives, to the Committee on Ways and Means and, in addition, to the Committee on Rules.

(C) APPLICATION OF SECTION 152 OF THE TRADE ACT OF 1974.—The provisions of section 152 (d) and (e) of the Trade Act of 1974 (19 U.S.C. 2192 (d) and (e)) (relating to the floor consideration of certain resolutions in the House and Senate) apply to extension disapproval resolutions.

(D) LIMITATIONS.—It is not in order for—

(i) the Senate to consider any extension disapproval resolution not reported by the Committee on Finance;

(ii) the House of Representatives to consider any extension disapproval resolution not reported by the Committee on Ways and Means and, in addition, by the Committee on Rules; or

(iii) either House of the Congress to consider an extension disapproval resolution after June 30, 2005.

(d) COMMENCEMENT OF NEGOTIATIONS.—In order to contribute to the continued economic expansion of the United States, the President shall commence negotiations covering tariff and nontariff barriers affecting any industry, product, or service sector, and expand existing sectoral agreements to countries that are not parties to those agreements, in cases where the President determines that such negotiations are feasible and timely and would benefit the United States. Such sectors include agriculture, commercial services, intellectual property rights, industrial and capital goods, government procurement, information technology products, environmental technology and services, medical equipment and services, civil aircraft, and infrastructure products. In so doing, the President shall take into account all of the principal negotiating objectives set forth in section 2102(b).

SEC. 2104. CONSULTATIONS AND ASSESSMENT.

(a) NOTICE AND CONSULTATION BEFORE NEGOTIATION.—The President, with respect to any agreement that is subject to the provisions of section 2103(b), shall—

(1) provide, at least 90 calendar days before initiating negotiations, written notice to the Congress of the President's intention to enter into the negotiations and set forth therein the date the President intends to initiate such negotiations, the specific United States objectives for the negotiations, and whether the President intends to seek an agreement, or changes to an existing agreement;

(2) before and after submission of the notice, consult regarding the negotiations with the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives, such other committees of the House and Senate as the President deems appropriate, and the Congressional Oversight group convened under section 2107; and

(3) upon the request of a majority of the members of the Congressional Oversight Group under section 2107(c), meet with the Congressional Oversight Group before initiating the negotiations or at any other time concerning the negotiations.

(b) NEGOTIATIONS REGARDING AGRICULTURE AND FISHING INDUSTRY.—

(1) IN GENERAL.—Before initiating or continuing negotiations the subject matter of which is directly related to the subject matter under section 2102(b)(10)(A)(i) with any country, the President shall assess whether United States tariffs on agricultural products that were bound under the Uruguay Round Agreements are lower than the tariffs bound by that country. In addition, the President shall consider whether the tariff levels bound and applied throughout the world with respect to imports from the United States are higher than United States tariffs and whether the negotiation provides an opportunity to address any such disparity. The President shall consult with the Committee on Ways and Means and the Committee on Agriculture of the House of Representatives and the Committee on Finance and the Committee on Agriculture, Nutrition, and Forestry of the Senate concerning the results of the assessment, whether it is appropriate for the United States to agree to further tariff reductions based on the conclusions reached in the assessment, and how all applicable negotiating objectives will be met.

(2) SPECIAL CONSULTATIONS ON IMPORT SENSITIVE PRODUCTS.—

(A) IN GENERAL.—Before initiating negotiations with regard to agriculture, and, with respect to the Free Trade Area for the Americas and negotiations with regard to agriculture under the auspices of the World Trade Organization, as soon as practicable after the enactment of this Act, the United States Trade Representative shall—

(i) identify those agricultural products subject to tariff-rate quotas on the date of enactment of this Act, and agricultural products subject to tariff reductions by the United States as a result of the Uruguay Round Agreements, for which the rate of duty was reduced on January 1, 1995, to a rate which was not less than 97.5 percent of the rate of duty that applied to such article on December 31, 1994;

(ii) consult with the Committee on Ways and Means and the Committee on Agriculture of the House of Representatives and the Committee on Finance and the Committee on Agriculture, Nutrition, and Forestry of the Senate concerning—

(I) whether any further tariff reductions on the products identified under clause (i) should be appropriate, taking into account the impact of any such tariff reduction on the United States industry producing the product concerned;

(II) whether the products so identified face unjustified sanitary or phytosanitary restrictions, including those not based on scientific principles in contravention of the Uruguay Round Agreements; and

(III) whether the countries participating in the negotiations maintain export subsidies or other programs, policies, or practices that distort world trade in such products and the impact of such programs, policies, and practices on United States producers of the products;

(iii) request that the International Trade Commission prepare an assessment of the probable economic effects of any such tariff reduction on the United States industry producing the product concerned and on the United States economy as a whole; and

(iv) upon complying with clauses (i), (ii), and (iii), notify the Committee on Ways and Means and the Committee on Agriculture of the House of Representatives and the Committee on Finance and the Committee on Agriculture, Nutrition, and Forestry of the Senate of those products identified under clause (i) for which the Trade Representative intends to seek tariff liberalization in the negotiations and the reasons for seeking such tariff liberalization.

(B) IDENTIFICATION OF ADDITIONAL AGRICULTURAL PRODUCTS.—If, after negotiations described in subparagraph (A) are commenced—

(i) the United States Trade Representative identifies any additional agricultural product described in subparagraph (A)(i) for tariff reductions which were not the subject of a notification under subparagraph (A)(iv), or

(ii) any additional agricultural product described in subparagraph (A)(i) is the subject of a request for tariff reductions by a party to the negotiations,

the Trade Representative shall, as soon as practicable, notify the committees referred to in subparagraph (A)(iv) of those products and the reasons for seeking such tariff reductions.

(3) NEGOTIATIONS REGARDING THE FISHING INDUSTRY.—Before initiating, or continuing, negotiations which directly relate to fish or shellfish trade with any country, the President shall consult with the Committee on Ways and Means and the Committee on Resources of the House of Representatives, and the Committee on Finance and the Committee on Commerce, Science, and Transportation of the Senate, and shall keep the Committees apprised of negotiations on an ongoing and timely basis.

(c) NEGOTIATIONS REGARDING TEXTILES.—Before initiating or continuing negotiations the subject matter of which is directly related to textiles and apparel products with any country, the President shall assess whether United States tariffs on textile and apparel products that were bound under the Uruguay Round Agreements are lower than the tariffs bound by that country and whether the negotiation provides an opportunity to address any such disparity. The President shall consult with the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate concerning the results of the assessment, whether it is appropriate for the United States to agree to further tariff reductions based on the conclusions reached in the assessment, and how all applicable negotiating objectives will be met.

(d) CONSULTATION WITH CONGRESS BEFORE AGREEMENTS ENTERED INTO.—

(1) CONSULTATION.—Before entering into any trade agreement under section 2103(b), the President shall consult with—

(A) the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate;

(B) each other committee of the House and the Senate, and each joint committee of the Congress, which has jurisdiction over legislation involving subject matters which would be affected by the trade agreement; and

(C) the Congressional Oversight Group convened under section 2107.

(2) SCOPE.—The consultation described in paragraph (1) shall include consultation with respect to—

(A) the nature of the agreement;

(B) how and to what extent the agreement will achieve the applicable purposes, policies, priorities, and objectives of this title; and

(C) the implementation of the agreement under section 2105, including the general effect of the agreement on existing laws.

(3) REPORT REGARDING UNITED STATES TRADE REMEDY LAWS.—

(A) CHANGES IN CERTAIN TRADE LAWS.—The President, at least 90 calendar days before the day on which the President enters into a trade agreement, shall notify the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate in writing of any amendments to title VII of the Tariff Act of 1930 or chapter 1 of title II of the Trade Act of 1974 that the President proposes to include in a bill implementing such trade agreement.

(B) EXPLANATION.—On the date that the President transmits the notification, the President also shall transmit to the Committees a report explaining—

(i) the President's reasons for believing that amendments to title VII of the Tariff Act of 1930 or to chapter 1 of title II of the Trade Act of 1974 are necessary to implement the trade agreement; and

(ii) the President's reasons for believing that such amendments are consistent with the purposes, policies, and objectives described in section 2102(c)(9).

(C) REPORT TO HOUSE.—Not later than 60 calendar days after the date on which the President transmits the notification described in subparagraph (A), the Chairman and ranking member of the Ways and Means Committee of the House of Representatives, based on consultations with the members of that Committee, shall issue to the House of Representatives a report stating whether the proposed amendments described in the President's notification are consistent with the purposes, policies, and objectives described in section 2102(c)(9). In the event that the Chairman and ranking member disagree with respect to one or more conclusions, the report shall contain the separate views of the Chairman and ranking member.

(D) REPORT TO SENATE.—Not later than 60 calendar days after the date on which the President transmits the notification described in subparagraph (A), the Chairman and ranking member of the Finance Committee of the Senate, based on consultations with the members of that Committee, shall issue to the Senate a report stating whether the proposed amendments described in the President's report are consistent with the purposes, policies, and objectives described in section 2102(c)(9). In the event that the Chairman and ranking member disagree with respect to one or more conclusions, the report shall contain the separate views of the Chairman and ranking member.

(e) ADVISORY COMMITTEE REPORTS.—The report required under section 135(e)(1) of the Trade Act of 1974 regarding any trade agreement entered into under section 2103 (a) or (b) of this title shall be provided to the President, the Congress, and the United States Trade Representative not later than 30 days after the date on which the President notifies the Congress under section 2103(a)(1) or 2105(a)(1)(A) of the President's intention to enter into the agreement.

(f) ITC ASSESSMENT.—

(1) IN GENERAL.—The President, at least 90 calendar days before the day on which the President enters into a trade agreement under section 2103(b), shall provide the International Trade Commission (referred to in this subsection as ''the Commission'') with the details of the agreement as it exists at that time and request the Commission to prepare and submit an assessment of the agreement as described in paragraph (2). Between the time the President makes the request under this paragraph and the time the Commission submits the assessment, the President shall keep the Commission current with respect to the details of the agreement.

(2) ITC ASSESSMENT.—Not later than 90 calendar days after the President enters into the agreement, the Commission shall submit to the President and the Congress a report assessing the likely impact of the agreement on the United States economy as a whole and on specific industry sectors, including the impact the agreement will have on the gross domestic product, exports and imports, aggregate employment and employment opportunities, the production, employment, and competitive position of industries likely to be significantly affected by the agreement, and the interests of United States consumers.

(3) REVIEW OF EMPIRICAL LITERATURE.—In preparing the assessment, the Commission shall review available economic assessments regarding the agreement, including literature regarding any substantially equivalent proposed agreement, and shall provide in its assessment a description of the analyses used and conclusions drawn in such literature, and a discussion of areas of consensus and divergence between the various analyses and conclusions, including those of the Commission regarding the agreement.

SEC. 2105. IMPLEMENTATION OF TRADE AGREEMENTS.

(a) IN GENERAL.—

(1) NOTIFICATION AND SUBMISSION.—Any agreement entered into under section 2103(b) shall enter into force with respect to the United States if (and only if)—

(A) the President, at least 90 calendar days before the day on which the President enters into an agreement—

(i) notifies the House of Representatives and the Senate of the President's intention to enter into the agreement, and promptly thereafter publishes notice of such intention in the Federal Register; and

(ii) transmits to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate the notification and report described in section 2104(d)(3) (A) and (B);

(B) within 60 days after entering into the agreement, the President submits to the Congress a description of those changes to existing laws that the President considers would be required in order to bring the United States into compliance with the agreement;

(C) after entering into the agreement, the President submits to the Congress, on a day on which both Houses of Congress are in session, a copy of the final legal text of the agreement, together with—

(i) a draft of an implementing bill described in section 2103(b)(3);

(ii) a statement of any administrative action proposed to implement the trade agreement; and

(iii) the supporting information described in paragraph (2); and

(D) the implementing bill is enacted into law.

(2) SUPPORTING INFORMATION.—The supporting information required under paragraph (1)(C)(iii) consists of—

(A) an explanation as to how the implementing bill and proposed administrative action will change or affect existing law; and

(B) a statement—

(i) asserting that the agreement makes progress in achieving the applicable purposes, policies, priorities, and objectives of this title; and

(ii) setting forth the reasons of the President regarding—

(I) how and to what extent the agreement makes progress in achieving the applicable purposes, policies, and objectives referred to in clause (i);

(II) whether and how the agreement changes provisions of an agreement previously negotiated;

(III) how the agreement serves the interests of United States commerce;

(IV) how the implementing bill meets the standards set forth in section 2103(b)(3);

(V) how and to what extent the agreement makes progress in achieving the applicable purposes, policies, and objectives referred to in section 2102(c) regarding the promotion of certain priorities; and

(VI) in the event that the reports described in section 2104(b)(3) (C) and (D) contain any findings that the proposed amendments are inconsistent with the purposes, policies, and objectives described in section 2102(c)(9), an explanation as to why the President believes such findings to be incorrect.

(3) RECIPROCAL BENEFITS.—In order to ensure that a foreign country that is not a party to a trade agreement entered into under section 2103(b) does not receive benefits under the agreement unless the country is also subject to the obligations under the agreement, the implementing bill submitted with respect to the agreement shall provide that the benefits and obligations under the agreement apply only to the parties to the agreement, if such application is consistent with the terms of the agreement. The implementing bill may also provide that the benefits and obligations under the agreement do not apply uniformly to all parties to the agreement, if such application is consistent with the terms of the agreement.

(4) DISCLOSURE OF COMMITMENTS.—Any agreement or other understanding with a foreign government or governments (whether oral or in writing) that—

(A) relates to a trade agreement with respect to which Congress enacts implementing legislation under trade authorities procedures, and

(B) is not disclosed to Congress before legislation implementing that agreement is introduced in either House of Congress,

shall not be considered to be part of the agreement approved by Congress and shall have no force and effect under United States law or in any dispute settlement body.

(b) LIMITATIONS ON TRADE AUTHORITIES PROCEDURES.—

(1) FOR LACK OF NOTICE OR CONSULTATIONS.—

(A) IN GENERAL.—The trade authorities procedures shall not apply to any implementing bill submitted with respect to a trade agreement or trade agreements entered into under section 2103(b) if during the 60-day period beginning on the date that one House of Congress agrees to a procedural disapproval resolution for lack of notice or consultations with respect to such trade agreement or agreements, the other House separately agrees to a procedural disapproval resolution with respect to such trade agreement or agreements.

(B) PROCEDURAL DISAPPROVAL RESOLUTION.—(i) For purposes of this paragraph, the term ''procedural disapproval resolution'' means a resolution of either House of Congress, the sole matter after the resolving clause of which is as follows: ''That the President has failed or refused to notify or consult in accordance with the Bipartisan Trade Promotion Authority Act of 2002 on negotiations with respect to _____ and, therefore, the trade authorities procedures under that Act shall not apply to any implementing bill submitted with respect to such trade agreement or agreements.'', with the blank space being filled with a description of the trade agreement or agreements with respect to which the President is considered to have failed or refused to notify or consult.

(ii) For purposes of clause (i), the President has ''failed or refused to notify or consult in accordance with the Bipartisan Trade Promotion

Authority Act of 2002'' on negotiations with respect to a trade agreement or trade agreements if—

(I) the President has failed or refused to consult (as the case may be) in accordance with section 2104 or 2105 with respect to the negotiations, agreement, or agreements;

(II) guidelines under section 2107(b) have not been developed or met with respect to the negotiations, agreement, or agreements;

(III) the President has not met with the Congressional Oversight Group pursuant to a request made under section 2107(c) with respect to the negotiations, agreement, or agreements; or

(IV) the agreement or agreements fail to make progress in achieving the purposes, policies, priorities, and objectives of this title.

(C) PROCEDURES FOR CONSIDERING RESOLUTIONS.—(i) Procedural disapproval resolutions—

(I) in the House of Representatives—

(aa) may be introduced by any Member of the House;

(bb) shall be referred to the Committee on Ways and Means and, in addition, to the Committee on Rules; and

(cc) may not be amended by either Committee; and

(II) in the Senate—

(aa) may be introduced by any Member of the Senate.

(bb) shall be referred to the Committee on Finance; and

(cc) may not be amended.

(ii) The provisions of section 152 (d) and (e) of the Trade Act of 1974 (19 U.S.C. 2192 (d) and (e)) (relating to the floor consideration of certain resolutions in the House and Senate) apply to a procedural disapproval resolution introduced with respect to a trade agreement if no other procedural disapproval resolution with respect to that trade agreement has previously been considered under such provisions of section 152 of the Trade Act of 1974 in that House of Congress during that Congress.

(iii) It is not in order for the House of Representatives to consider any procedural disapproval resolution not reported by the Committee on Ways and Means and, in addition, by the Committee on Rules.

(iv) It is not in order for the Senate to consider any procedural disapproval resolution not reported by the Committee on Finance.

(2) FOR FAILURE TO MEET OTHER REQUIREMENTS.—Prior to December 31, 2002, the Secretary of Commerce shall transmit to Congress a report setting forth the strategy of the United States for correcting instances in which dispute settlement panels and the Appellate Body of the WTO have added to obligations or diminished rights of the United States, as described in section 2101(b)(3). Trade authorities procedures shall not apply to any implementing bill with respect to an agreement negotiated under the auspices of the WTO, unless the Secretary of Commerce has issued such report in a timely manner.

(c) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—Subsection (b) of this section and section 2103(c) are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such are deemed a part of the rules of each House, respectively, and such procedures supersede other rules only to the extent that they are inconsistent with such other rules; and

(2) with the full recognition of the constitutional right of either House to change the rules (so far as relating to the procedures of that House) at any time, in the same manner, and to the same extent as any other rule of that House.

SEC. 2106. TREATMENT OF CERTAIN TRADE AGREEMENTS FOR WHICH NEGOTIATIONS HAVE ALREADY BEGUN.

(a) CERTAIN AGREEMENTS.—Notwithstanding the prenegotiation notification and consultation requirement described in section 2104(a), if an agreement to which section 2103(b) applies—

(1) is entered into under the auspices of the World Trade Organization,

(2) is entered into with Chile,

(3) is entered into with Singapore, or

(4) establishes a Free Trade Area for the Americas,

and results from negotiations that were commenced before the date of the enactment of this Act, subsection (b) shall apply.

(b) TREATMENT OF AGREEMENTS.—In the case of any agreement to which subsection (a) applies—

(1) the applicability of the trade authorities procedures to implementing bills shall be determined without regard to the requirements of section 2104(a) (relating only to 90 days notice prior to initiating negotiations), and any procedural disapproval resolution under section 2105(b)(1)(B) shall not be in order on the basis of a failure or refusal to comply with the provisions of section 2104(a); and

(2) the President shall, as soon as feasible after the enactment of this Act—

(A) notify the Congress of the negotiations described in subsection (a), the specific United States objectives in the negotiations, and whether the President is seeking a new agreement or changes to an existing agreement; and

(B) before and after submission of the notice, consult regarding the negotiations with the committees referred to in section 2104(a)(2) and the Congressional Oversight Group.

SEC. 2107. CONGRESSIONAL OVERSIGHT GROUP.

(a) MEMBERS AND FUNCTIONS.—

(1) IN GENERAL.—By not later than 60 days after the date of the enactment of this Act, and not later than 30 days after the convening of each Congress, the chairman of the Committee on Ways and Means of the House of Representatives and the chairman of the Committee on Finance of the Senate shall convene the Congressional Oversight Group.

(2) MEMBERSHIP FROM THE HOUSE.—In each Congress, the Congressional Oversight Group shall be comprised of the following Members of the House of Representatives:

(A) The chairman and ranking member of the Committee on Ways and Means, and 3 additional members of such Committee (not more than 2 of whom are members of the same political party).

(B) The chairman and ranking member, or their designees, of the committees of the House of Representatives which would have, under the Rules of the House of Representatives, jurisdiction over provisions of law affected by a trade agreement negotiations for which are conducted at any time during that Congress and to which this title would apply.

(3) MEMBERSHIP FROM THE SENATE.—In each Congress, the Congressional Oversight Group shall also be comprised of the following members of the Senate:

(A) The chairman and ranking Member of the Committee on Finance and 3 additional members of such Committee (not more than 2 of whom are members of the same political party).

(B) The chairman and ranking member, or their designees, of the committees of the Senate which would have, under the Rules of the Senate, jurisdiction over provisions of law affected by a trade agreement negotiations for which are conducted at any time during that Congress and to which this title would apply.

(4) ACCREDITATION.—Each member of the Congressional Oversight Group described in paragraph (2)(A) and (3)(A) shall be accredited by the United States Trade Representative on behalf of the President as official advisers to the United States delegation in negotiations for any trade agreement to which this title applies. Each member of the Congressional Oversight Group described in paragraph (2)(B) and (3)(B) shall be accredited by the United States Trade Representative on behalf of the President as official advisers to the United States delegation in the negotiations by reason of which the member is in the Congressional Oversight Group. The Congressional Oversight Group shall consult with and provide advice to the Trade Representative regarding the formulation of specific objectives, negotiating strategies and positions, the development of the applicable trade agreement, and compliance and enforcement of the negotiated commitments under the trade agreement.

(5) CHAIR.—The Congressional Oversight Group shall be chaired by the Chairman of the Committee on Ways and Means of the House of Representatives and the Chairman of the Committee on Finance of the Senate.

(b) GUIDELINES.—

(1) PURPOSE AND REVISION.—The United States Trade Representative, in consultation with the chairmen and ranking minority members of the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate—

(A) shall, within 120 days after the date of the enactment of this Act, develop written guidelines to facilitate the useful and timely exchange of information between the Trade Representative and the Congressional Oversight Group established under this section; and

(B) may make such revisions to the guidelines as may be necessary from time to time.

(2) CONTENT.—The guidelines developed under paragraph (1) shall provide for, among other things—

(A) regular, detailed briefings of the Congressional Oversight Group regarding negotiating objectives, including the promotion of certain priorities referred to in section 2102(c), and positions and the status of the applicable negotiations, beginning as soon as practicable after the Congressional Oversight Group is convened, with more frequent briefings as trade negotiations enter the final stage;

(B) access by members of the Congressional Oversight Group, and staff with proper security clearances, to pertinent documents relating to the negotiations, including classified materials;

(C) the closest practicable coordination between the Trade Representative and the Congressional Oversight Group at all critical periods during the negotiations, including at negotiation sites;

(D) after the applicable trade agreement is concluded, consultation regarding ongoing compliance and enforcement of negotiated commitments under the trade agreement; and

(E) the time frame for submitting the report required under section 2102(c)(8).

(c) REQUEST FOR MEETING.—Upon the request of a majority of the Congressional Oversight Group, the President shall meet with the Congressional Oversight Group before initiating negotiations with respect to a trade agreement, or at any other time concerning the negotiations.

SEC. 2108. ADDITIONAL IMPLEMENTATION AND ENFORCEMENT REQUIREMENTS.

(a) IN GENERAL.—At the time the President submits to the Congress the final text of an agreement pursuant to section 2105(a)(1)(C), the President shall also submit a plan for implementing and enforcing the agreement. The implementation and enforcement plan shall include the following:

(1) BORDER PERSONNEL REQUIREMENTS.—A description of additional personnel required at border entry points, including a list of additional customs and agricultural inspectors.

(2) AGENCY STAFFING REQUIREMENTS.—A description of additional personnel required by Federal agencies responsible for monitoring and implementing the trade agreement, including personnel required by the Office of the United States Trade Representative, the Department of Commerce, the Department of Agriculture (including additional personnel required to implement sanitary and phytosanitary measures in order to obtain market access for United States exports), the Department of the Treasury, and such other agencies as may be necessary.

(3) CUSTOMS INFRASTRUCTURE REQUIREMENTS.—A description of the additional equipment and facilities needed by the United States Customs Service.

(4) IMPACT ON STATE AND LOCAL GOVERNMENTS.—A description of the impact the trade agreement will have on State and local governments as a result of increases in trade.

(5) COST ANALYSIS.—An analysis of the costs associated with each of the items listed in paragraphs (1) through (4).

(b) BUDGET SUBMISSION.—The President shall include a request for the resources necessary to support the plan described in subsection (a) in the first budget that the President submits to the Congress after the submission of the plan.

SEC. 2109. COMMITTEE STAFF.

The grant of trade promotion authority under this title is likely to increase the activities of the primary committees of jurisdiction in the area of international trade. In addition, the creation of the Congressional Oversight Group under section 2107 will increase the participation of a broader number of Members of Congress in the formulation of United States trade policy and oversight of the international trade agenda for the United States. The primary committees of jurisdiction should have adequate staff to accommodate these increases in activities.

SEC. 2110. CONFORMING AMENDMENTS.

(a) IN GENERAL.—Title I of the Trade Act of 1974 (19 U.S.C. 2111 et seq.) is amended as follows:

(1) IMPLEMENTING BILL.—

(A) Section 151(b)(1) (19 U.S.C. 2191(b)(1)) is amended by striking ''section 1103(a)(1) of the Omnibus Trade and Competitiveness Act of 1988, or section 282 of the Uruguay Round Agreements Act'' and inserting ''section 282 of the Uruguay Round Agreements Act, or section 2105(a)(1) of the Bipartisan Trade Promotion Authority Act of 2002''.

(B) Section 151(c)(1) (19 U.S.C. 2191(c)(1)) is amended by striking ''or section 282 of the Uruguay Round Agreements Act'' and inserting '', section 282 of the Uruguay Round Agreements Act, or section 2105(a)(1) of the Bipartisan Trade Promotion Authority Act of 2002''.

(2) ADVICE FROM INTERNATIONAL TRADE COMMISSION.—Section 131 (19 U.S.C. 2151) is amended—

(A) in subsection (a)—

(i) in paragraph (1), by striking ''section 123 of this Act or section 1102 (a) or (c) of the Omnibus Trade and Competitiveness Act of 1988,'' and inserting ''section 123 of this Act or section 2103 (a) or (b) of the Bipartisan Trade Promotion Authority Act of 2002,''; and

(ii) in paragraph (2), by striking ''section 1102 (b) or (c) of the Omnibus Trade and Competitiveness Act of 1988'' and inserting ''section 2103(b) of the Bipartisan Trade Promotion Authority Act of 2002'';

(B) in subsection (b), by striking ''section 1102(a)(3)(A)'' and inserting ''section 2103(a)(3)(A) of the Bipartisan Trade Promotion Authority Act of 2002''; and

(C) in subsection (c), by striking ''section 1102 of the Omnibus Trade and Competitiveness Act of 1988,'' and inserting ''section 2103 of the Bipartisan Trade Promotion Authority Act of 2002,''.

(3) HEARINGS AND ADVICE.—Sections 132, 133(a), and 134(a) (19 U.S.C. 2152, 2153(a), and 2154(a)) are each amended by striking ''section 1102 of the Omnibus Trade and Competitiveness Act of 1988,'' each place it appears and inserting ''section 2103 of the Bipartisan Trade Promotion Authority Act of 2002,''.

(4) PREREQUISITES FOR OFFERS.—Section 134(b) (19 U.S.C. 2154(b)) is amended by striking ''section 1102 of the Omnibus Trade and Competitiveness Act of 1988'' and inserting ''section 2103 of the Bipartisan Trade Promotion Authority Act of 2002''.

(5) ADVICE FROM PRIVATE AND PUBLIC SECTORS.—Section 135 (19 U.S.C. 2155) is amended—

(A) in subsection (a)(1)(A), by striking ''section 1102 of the Omnibus Trade and Competitiveness Act of 1988'' and inserting ''section 2103 of the Bipartisan Trade Promotion Authority Act of 2002'';

(B) in subsection (e)(1)—

(i) by striking ''section 1102 of the Omnibus Trade and Competitiveness Act of 1988'' each place it appears and inserting ''section 2103 of the Bipartisan Trade Promotion Authority Act of 2002''; and

(ii) by striking ''not later than the date on which the President notifies the Congress under section 1103(a)(1)(A) of such Act of 1988 of his intention to enter into that agreement'' and inserting ''not later than the date that is 30 days after the date on which the President notifies the Congress under section 5(a)(1)(A) of the Bipartisan Trade Promotion Authority Act of 2002 of the President's intention to enter into that agreement''; and

(C) in subsection (e)(2), by striking ''section 1101 of the Omnibus Trade and Competitiveness Act of 1988'' and inserting ''section 2102 of the Bipartisan Trade Promotion Authority Act of 2002''.

(6) TRANSMISSION OF AGREEMENTS TO CONGRESS.—Section 162(a) (19 U.S.C. 2212(a)) is amended by striking ''or under section 1102 of the Omnibus Trade and Competitiveness Act of 1988'' and inserting ''or under section 2103 of the Bipartisan Trade Promotion Authority Act of 2002''.

(b) APPLICATION OF CERTAIN PROVISIONS.—For purposes of applying sections 125, 126, and 127 of the Trade Act of 1974 (19 U.S.C. 2135, 2136(a), and 2137)—

(1) any trade agreement entered into under section 2103 shall be treated as an agreement entered into under section 101 or 102, as appropriate, of the Trade Act of 1974 (19 U.S.C. 2111 or 2112); and

(2) any proclamation or Executive order issued pursuant to a trade agreement entered into under section 2103 shall be treated as a proclamation or Executive order issued pursuant to a trade agreement entered into under section 102 of the Trade Act of 1974.

SEC. 2111. REPORT ON IMPACT OF TRADE PROMOTION AUTHORITY.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the International Trade Commission shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives regarding the economic impact on the United States of the trade agreements described in subsection (b).

(b) AGREEMENTS.—The trade agreements described in this subsection are:

(1) The United States-Israel Free Trade Agreement.

(2) The United States-Canada Free Trade Agreement.

(3) The North American Free Trade Agreement.

(4) The Uruguay Round Agreements.

(5) The Tokyo Round of Multilateral Trade Negotiations.

SEC. 2112. IDENTIFICATION OF SMALL BUSINESS ADVOCATE AT WTO.

(a) IN GENERAL.—The United States Trade Representative shall pursue the identification of a small business advocate at the World Trade Organization Secretariat to examine the impact of WTO agreements on the interests of small- and medium-sized enterprises, address the concerns of small- and medium-sized enterprises, and recommend ways to address those interests in trade negotiations involving the World Trade Organization.

(b) ASSISTANT TRADE REPRESENTATIVE.—The Assistant United States Trade Representative for Industry and Telecommunications shall be responsible for ensuring that the interests of small business are considered in all trade negotiations in accordance with the objective described in section 2102(a)(8). It is the sense of Congress that the small business functions should be reflected in the title of the Assistant United States Trade Representative assigned the responsibility for small business.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, and annually thereafter, the United States Trade Representative shall prepare and submit a report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives on the steps taken by the United States Trade Representative to pursue the identification of a small business advocate at the World Trade Organization.

SEC. 2113. DEFINITIONS.

In this title:

(1) AGREEMENT ON AGRICULTURE.—The term ''Agreement on Agriculture'' means the agreement referred to in section 101(d)(2) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(2)).

(2) CORE LABOR STANDARDS.—The term ''core labor standards'' means—

(A) the right of association;

(B) the right to organize and bargain collectively;

(C) a prohibition on the use of any form of forced or compulsory labor;

(D) a minimum age for the employment of children; and

(E) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health.

(3) GATT 1994.—The term ''GATT 1994'' has the meaning given that term in section 2 of the Uruguay Round Agreements Act (19 U.S.C. 3501).

(4) ILO.—The term ''ILO'' means the International Labor Organization.

(5) IMPORT SENSITIVE AGRICULTURAL PRODUCT.—The term ''import sensitive agricultural product'' means an agricultural product with respect to which, as a result of the Uruguay Round Agreements—

(A) the rate of duty was the subject of tariff reductions by the United States, and pursuant to such Agreements, was reduced on January 1, 1995, to a rate which was not less than 97.5 percent of the rate of duty that applied to such article on December 31, 1994; or

(B) became subject to a tariff-rate quota on or after January 1, 1995.

(6) UNITED STATES PERSON.—The term ''United States person'' means—

(A) a United States citizen;

(B) a partnership, corporation, or other legal entity organized under the laws of the United States; and

(C) a partnership, corporation, or other legal entity that is organized under the laws of a foreign country and is controlled by entities described in subparagraph (B) or United States citizens, or both.

(7) URUGUAY ROUND AGREEMENTS.—The term ''Uruguay Round Agreements'' has the meaning given that term in section 2(7) of the Uruguay Round Agreements Act (19 U.S.C. 3501(7)).

(8) WORLD TRADE ORGANIZATION; WTO.—The terms ''World Trade Organization'' and ''WTO'' mean the organization established pursuant to the WTO Agreement.

(9) WTO AGREEMENT.—The term ''WTO Agreement'' means the Agreement Establishing the World Trade Organization entered into on April 15, 1994.

DIVISION C—ANDEAN TRADE PREFERENCE ACT

TITLE XXXI—ANDEAN TRADE PREFERENCE

SEC. 3101. SHORT TITLE; FINDINGS.

(a) SHORT TITLE.—This title may be cited as the ''Andean Trade Preference Expansion Act''.

(b) FINDINGS.—Congress makes the following findings:

(1) Since the Andean Trade Preference Act was enacted in 1991, it has had a positive impact

on United States trade with Bolivia, Colombia, Ecuador, and Peru. Two-way trade has doubled, with the United States serving as the leading source of imports and leading export market for each of the Andean beneficiary countries. This has resulted in increased jobs and expanded export opportunities in both the United States and the Andean region.

(2) The Andean Trade Preference Act has been a key element in the United States counter-narcotics strategy in the Andean region, promoting export diversification and broad-based economic development that provides sustainable economic alternatives to drug-crop production, strengthening the legitimate economies of Andean countries and creating viable alternatives to illicit trade in coca.

(3) Notwithstanding the success of the Andean Trade Preference Act, the Andean region remains threatened by political and economic instability and fragility, vulnerable to the consequences of the drug war and fierce global competition for its legitimate trade.

(4) The continuing instability in the Andean region poses a threat to the security interests of the United States and the world. This problem has been partially addressed through foreign aid, such as Plan Colombia, enacted by Congress in 2000. However, foreign aid alone is not sufficient. Enhancement of legitimate trade with the United States provides an alternative means for reviving and stabilizing the economies in the Andean region.

(5) The Andean Trade Preference Act constitutes a tangible commitment by the United States to the promotion of prosperity, stability, and democracy in the beneficiary countries.

(6) Renewal and enhancement of the Andean Trade Preference Act will bolster the confidence of domestic private enterprise and foreign investors in the economic prospects of the region, ensuring that legitimate private enterprise can be the engine of economic development and political stability in the region.

(7) Each of the Andean beneficiary countries is committed to conclude negotiation of a Free Trade Area of the Americas by the year 2005, as a means of enhancing the economic security of the region.

(8) Temporarily enhancing trade benefits for Andean beneficiaries countries will promote the growth of free enterprise and economic opportunity in these countries and serve the security interests of the United States, the region, and the world.

SEC. 3102. TEMPORARY PROVISIONS.

(a) IN GENERAL.—Section 204(b) of the Andean Trade Preference Act (19 U.S.C. 3203(b)) is amended to read as follows:

''(b) IMPORT-SENSITIVE ARTICLES.—

''(1) IN GENERAL.—Subject to paragraphs (2) through (5), the duty-free treatment provided under this title does not apply to—

''(A) textile and apparel articles which were not eligible articles for purposes of this title on January 1, 1994, as this title was in effect on that date;

''(B) footwear not designated at the time of the effective date of this title as eligible articles for the purpose of the generalized system of preferences under title V of the Trade Act of 1974;

''(C) tuna, prepared or preserved in any manner, in airtight containers;

''(D) petroleum, or any product derived from petroleum, provided for in headings 2709 and 2710 of the HTS;

''(E) watches and watch parts (including cases, bracelets, and straps), of whatever type including, but not limited to, mechanical, quartz digital, or quartz analog, if such watches or watch parts contain any material which is the product of any country with respect to which HTS column 2 rates of duty apply;

''(F) articles to which reduced rates of duty apply under subsection (c);

''(G) sugars, syrups, and sugar containing products subject to tariff-rate quotas; or

''(H) rum and tafia classified in subheading 2208.40 of the HTS.

''(2) TRANSITION PERIOD TREATMENT OF CERTAIN TEXTILE AND APPAREL ARTICLES.—

''(A) ARTICLES COVERED.—During the transition period, the preferential treatment described in subparagraph (B) shall apply to the following articles imported directly into the customs territory of the United States from an ATPEA beneficiary country:

''(i) APPAREL ARTICLES ASSEMBLED FROM PRODUCTS OF THE UNITED STATES AND ATPEA BENEFICIARY COUNTRIES OR PRODUCTS NOT AVAILABLE IN COMMERCIAL QUANTITIES.—Apparel articles sewn or otherwise assembled in 1 or more ATPEA beneficiary countries, or the United States, or both, exclusively from any one or any combination of the following:

''(I) Fabrics or fabric components formed, or components knit-to-shape, in the United States, from yarns wholly formed in the United States (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of the HTS and are formed in the United States), provided that apparel articles sewn or otherwise assembled from materials described in this subclause are assembled with thread formed in the United States.

''(II) Fabric components knit-to-shape in the United States from yarns wholly formed in the United States and fabric components knit-to-shape in 1 or more ATPEA beneficiary countries from yarns wholly formed in the United States.

''(III) Fabrics or fabric components formed or components knit-to-shape, in 1 or more ATPEA beneficiary countries, from yarns wholly formed in 1 or more ATPEA beneficiary countries, if such fabrics (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of the HTS and are formed in 1 or more ATPEA beneficiary countries) or components are in chief weight of llama, or alpaca.

''(IV) Fabrics or yarns that are not formed in the United States or in 1 or more ATPEA beneficiary countries, to the extent such fabrics or yarns are considered not to be widely available in commercial quantities for purposes of determining the eligibility of such apparel articles for preferential treatment under Annex 401 of the NAFTA.

''(ii) KNIT-TO-SHAPE APPAREL ARTICLES.—Apparel articles knit-to-shape (other than socks provided for in heading 6115 of the HTS) in 1 or more ATPEA beneficiary countries from yarns wholly formed in the United States.

''(iii) REGIONAL FABRIC.—

''(I) GENERAL RULE.—Knit apparel articles wholly assembled in 1 or more ATPEA beneficiary countries exclusively from fabric formed, or fabric components formed, or components knit-to-shape, or any combination thereof, in 1 or more ATPEA beneficiary countries from yarns wholly formed in the United States, in an amount not exceeding the amount set forth in subclause (II).

''(II) LIMITATION.—The amount referred to in subclause (I) is 70,000,000 square meter equivalents during the 1-year period beginning on March 1, 2002, increased by 16 percent, compounded annually, in each succeeding 1-year period through February 28, 2006.

''(iv) CERTAIN OTHER APPAREL ARTICLES.—

''(I) GENERAL RULE.—Subject to subclause (II), any apparel article classifiable under subheading 6212.10 of the HTS, if the article is both cut and sewn or otherwise assembled in the United States, or one or more of the ATPEA beneficiary countries, or both.

''(II) LIMITATION.—During the 1-year period beginning on March 1, 2003, and during each of the 2 succeeding 1-year periods, apparel articles described in subclause (I) of a producer or an entity controlling production shall be eligible for preferential treatment under subparagraph (B) only if the aggregate cost of fabric components formed in the United States that are used in the production of all such articles of that producer or entity that are entered during the preceding 1-year period is at least 75 percent of the aggregate declared customs value of the fabric contained in all such articles of that producer or entity that are entered during the preceding 1-year period.

''(III) DEVELOPMENT OF PROCEDURE TO ENSURE COMPLIANCE.—The United States Customs Service shall develop and implement methods and procedures to ensure ongoing compliance with the requirement set forth in subclause (II). If the Customs Service finds that a producer or an entity controlling production has not satisfied such requirement in a 1-year period, then apparel articles described in subclause (I) of that producer or entity shall be ineligible for preferential treatment under subparagraph (B) during any succeeding 1-year period until the aggregate cost of fabric components formed in the United States used in the production of such articles of that producer or entity that are entered during the preceding 1-year period is at least 85 percent of the aggregate declared customs value of the fabric contained in all such articles of that producer or entity that are entered during the preceding 1-year period.

''(v) APPAREL ARTICLES ASSEMBLED FROM FABRICS OR YARN NOT WIDELY AVAILABLE IN COMMERCIAL QUANTITIES.—At the request of any interested party, the President is authorized to proclaim additional fabrics and yarn as eligible for preferential treatment under clause (i)(IV) if—

''(I) the President determines that such fabrics or yarn cannot be supplied by the domestic industry in commercial quantities in a timely manner;

''(II) the President has obtained advice regarding the proposed action from the appropriate advisory committee established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155) and the United States International Trade Commission;

''(III) within 60 days after the request, the President has submitted a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate that sets forth the action proposed to be proclaimed and the reasons for such actions, and the advice obtained under subclause (II);

''(IV) a period of 60 calendar days, beginning with the first day on which the President has met the requirements of subclause (III), has expired; and

''(V) the President has consulted with such committees regarding the proposed action during the period referred to in subclause (III).

''(vi) HANDLOOMED, HANDMADE, AND FOLKLORE ARTICLES.—A handloomed, handmade, or folklore article of an ATPEA beneficiary country identified under subparagraph (C) that is certified as such by the competent authority of such beneficiary country.

''(vii) SPECIAL RULES.—

''(I) EXCEPTION FOR FINDINGS AND TRIMMINGS.—(aa) An article otherwise eligible for preferential treatment under this paragraph shall not be ineligible for such treatment because the article contains findings or trimmings of foreign origin, if such findings and trimmings do not exceed 25 percent of the cost of the components of the assembled product. Examples of findings and trimmings are sewing thread, hooks and eyes, snaps, buttons, 'bow buds', decorative lace, trim, elastic strips, zippers, including zipper tapes and labels, and other similar products. Elastic strips are considered findings or trimmings only if they are each less than 1 inch in width and are used in the production of brassieres.

''(bb) In the case of an article described in clause (i)(I) of this subparagraph, sewing thread shall not be treated as findings or trimmings under this subclause.

''(II) CERTAIN INTERLININGS.—(aa) An article otherwise eligible for preferential treatment under this paragraph shall not be ineligible for such treatment because the article contains certain interlinings of foreign origin, if the value of

such interlinings (and any findings and trimmings) does not exceed 25 percent of the cost of the components of the assembled article.

''(bb) Interlinings eligible for the treatment described in division (aa) include only a chest type plate, 'hymo' piece, or 'sleeve header', of woven or weft-inserted warp knit construction and of coarse animal hair or man-made filaments.

''(cc) The treatment described in this subclause shall terminate if the President makes a determination that United States manufacturers are producing such interlinings in the United States in commercial quantities.

''(III) DE MINIMIS RULE.—An article that would otherwise be ineligible for preferential treatment under this paragraph because the article contains yarns not wholly formed in the United States or in 1 or more ATPEA beneficiary countries shall not be ineligible for such treatment if the total weight of all such yarns is not more than 7 percent of the total weight of the good. Notwithstanding the preceding sentence, an apparel article containing elastomeric yarns shall be eligible for preferential treatment under this paragraph only if such yarns are wholly formed in the United States.

''(IV) SPECIAL ORIGIN RULE.—An article otherwise eligible for preferential treatment under clause (i) of this subparagraph shall not be ineligible for such treatment because the article contains nylon filament yarn (other than elastomeric yarn) that is classifiable under subheading 5402.10.30, 5402.10.60, 5402.31.30, 5402.31.60, 5402.32.30, 5402.32.60, 5402.41.10, 5402.41.90, 5402.51.00, or 5402.61.00 of the HTS duty-free from a country that is a party to an agreement with the United States establishing a free trade area, which entered into force before January 1, 1995.

''(V) CLARIFICATION OF CERTAIN KNIT APPAREL ARTICLES.—Notwithstanding any other provision of law, an article otherwise eligible for preferential treatment under clause (iii)(I) of this subparagraph, shall not be ineligible for such treatment because the article, or a component thereof, contains fabric formed in the United States from yarns wholly formed in the United States.

''(viii) TEXTILE LUGGAGE.—Textile luggage—

''(I) assembled in an ATPEA beneficiary country from fabric wholly formed and cut in the United States, from yarns wholly formed in the United States, that is entered under subheading 9802.00.80 of the HTS; or

''(II) assembled from fabric cut in an ATPEA beneficiary country from fabric wholly formed in the United States from yarns wholly formed in the United States.

''(B) PREFERENTIAL TREATMENT.—Except as provided in subparagraph (E), during the transition period, the articles to which subparagraph (A) applies shall enter the United States free of duty and free of any quantitative restrictions, limitations, or consultation levels.

''(C) HANDLOOMED, HANDMADE, AND FOLKLORE ARTICLES.—For purposes of subparagraph (A)(vi), the President shall consult with representatives of the ATPEA beneficiary countries concerned for the purpose of identifying particular textile and apparel goods that are mutually agreed upon as being handloomed, handmade, or folklore goods of a kind described in section 2.3(a), (b), or (c) of the Annex or Appendix 3.1.B.11 of the Annex.

''(D) PENALTIES FOR TRANSSHIPMENTS.—

''(i) PENALTIES FOR EXPORTERS.—If the President determines, based on sufficient evidence, that an exporter has engaged in transshipment with respect to textile or apparel articles from an ATPEA beneficiary country, then the President shall deny all benefits under this title to such exporter, and any successor of such exporter, for a period of 2 years.

''(ii) PENALTIES FOR COUNTRIES.—Whenever the President finds, based on sufficient evidence, that transshipment has occurred, the President shall request that the ATPEA beneficiary country or countries through whose territory the transshipment has occurred take all necessary and appropriate actions to prevent such transshipment. If the President determines that a country is not taking such actions, the President shall reduce the quantities of textile and apparel articles that may be imported into the United States from such country by the quantity of the transshipped articles multiplied by 3, to the extent consistent with the obligations of the United States under the WTO.

''(iii) TRANSSHIPMENT DESCRIBED.—Transshipment within the meaning of this subparagraph has occurred when preferential treatment under subparagraph (B) has been claimed for a textile or apparel article on the basis of material false information concerning the country of origin, manufacture, processing, or assembly of the article or any of its components. For purposes of this clause, false information is material if disclosure of the true information would mean or would have meant that the article is or was ineligible for preferential treatment under subparagraph (B).

''(E) BILATERAL EMERGENCY ACTIONS.—

''(i) IN GENERAL.—The President may take bilateral emergency tariff actions of a kind described in section 4 of the Annex with respect to any apparel article imported from an ATPEA beneficiary country if the application of tariff treatment under subparagraph (B) to such article results in conditions that would be cause for the taking of such actions under such section 4 with respect to a like article described in the same 8-digit subheading of the HTS that is imported from Mexico.

''(ii) RULES RELATING TO BILATERAL EMERGENCY ACTION.—For purposes of applying bilateral emergency action under this subparagraph—

''(I) the requirements of paragraph (5) of section 4 of the Annex (relating to providing compensation) shall not apply;

''(II) the term 'transition period' in section 4 of the Annex shall have the meaning given that term in paragraph (5)(D) of this subsection; and

''(III) the requirements to consult specified in section 4 of the Annex shall be treated as satisfied if the President requests consultations with the ATPEA beneficiary country in question and the country does not agree to consult within the time period specified under section 4.

''(3) TRANSITION PERIOD TREATMENT OF CERTAIN OTHER ARTICLES ORIGINATING IN BENEFICIARY COUNTRIES.—

''(A) EQUIVALENT TARIFF TREATMENT.—

''(i) IN GENERAL.—Subject to clauses (ii) and (iii), the tariff treatment accorded at any time during the transition period to any article referred to in any of subparagraphs (B), (D) through (F), or (H) of paragraph (1) that is an ATPEA originating good, imported directly into the customs territory of the United States from an ATPEA beneficiary country, shall be identical to the tariff treatment that is accorded at such time under Annex 302.2 of the NAFTA to an article described in the same 8-digit subheading of the HTS that is a good of Mexico and is imported into the United States.

''(ii) EXCEPTION.—Clause (i) does not apply to any article accorded duty-free treatment under U.S. Note 2(b) to subchapter II of chapter 98 of the HTS.

''(iii) CERTAIN FOOTWEAR.—

''(I) IN GENERAL.—Duties on any article described in subclause (II), that is an ATPEA originating good imported directly into the customs territory of the United States from an ATPEA beneficiary country, shall be reduced by 1/15 a year beginning on the date of enactment of the Andean Trade Preference Expansion Act.

''(II) ARTICLES DESCRIBED.—An article described in this subclause means an article described in subheading 6401.10.00, 6401.91.00, 6401.92.90, 6401.99.30, 6401.99.60, 6401.99.90, 6402.30.50, 6402.30.70, 6402.30.80, 6402.91.50, 6402.91.80, 6402.91.90, 6402.99.20, 6402.99.30, 6402.99.80, 6402.99.90, 6403.91.60, 6404.11.50, 6404.11.60, 6404.11.70, 6404.11.80, 6404.11.90, 6404.19.20, 6404.19.35, 6404.19.50, or 6404.19.70 of the HTS.

''(B) RELATIONSHIP TO SUBSECTION (C) DUTY REDUCTIONS.—If at any time during the transition period the rate of duty that would (but for action taken under subparagraph (A)(i) in regard to such period) apply with respect to any article under subsection (c) is a rate of duty that is lower than the rate of duty resulting from such action, then such lower rate of duty shall be applied for the purposes of implementing such action.

''(C) SPECIAL RULE FOR SUGARS, SYRUPS, AND SUGAR CONTAINING PRODUCTS.—Duty-free treatment under this Act shall not be extended to sugars, syrups, and sugar-containing products subject to over-quota duty rates under applicable tariff-rate quotas.

''(D) SPECIAL RULE FOR CERTAIN TUNA PRODUCTS.—

''(i) IN GENERAL.—The President may proclaim duty-free treatment under this Act for tuna that is harvested by United States vessels or ATPEA beneficiary country vessels, and is prepared or preserved in any manner, in airtight containers in an ATPEA beneficiary country. Such duty-free treatment may be proclaimed in any calendar year for a quantity of such tuna that does not exceed 20 percent of the domestic United States tuna pack in the preceding calendar year. As used in the preceding sentence, the term 'tuna pack' means tuna pack as defined by the National Marine Fisheries Service of the United States Department of Commerce for purposes of subheading 1604.14.20 of the HTS as in effect on the date of enactment of the Andean Trade Preference Expansion Act.

''(ii) UNITED STATES VESSEL.—For purposes of this subparagraph, a 'United States vessel' is a vessel having a certificate of documentation with a fishery endorsement under chapter 121 of title 46, United States Code.

''(iii) ATPEA VESSEL.—For purposes of this subparagraph, an 'ATPEA vessel' is a vessel—

''(I) which is registered or recorded in an ATPEA beneficiary country;

''(II) which sails under the flag of an ATPEA beneficiary country;

''(III) which is at least 75 percent owned by nationals of an ATPEA beneficiary country or by a company having its principal place of business in an ATPEA beneficiary country, of which the manager or managers, chairman of the board of directors or of the supervisory board, and the majority of the members of such boards are nationals of an ATPEA beneficiary country and of which, in the case of a company, at least 50 percent of the capital is owned by an ATPEA beneficiary country or by public bodies or nationals of an ATPEA beneficiary country;

''(IV) of which the master and officers are nationals of an ATPEA beneficiary country; and

''(V) of which at least 75 percent of the crew are nationals of an ATPEA beneficiary country.

''(4) CUSTOMS PROCEDURES.—

''(A) IN GENERAL.—

''(i) REGULATIONS.—Any importer that claims preferential treatment under paragraph (2) or (3) shall comply with customs procedures similar in all material respects to the requirements of Article 502(1) of the NAFTA as implemented pursuant to United States law, in accordance with regulations promulgated by the Secretary of the Treasury.

''(ii) DETERMINATION.—

''(I) IN GENERAL.—In order to qualify for the preferential treatment under paragraph (2) or (3) and for a Certificate of Origin to be valid with respect to any article for which such treatment is claimed, there shall be in effect a determination by the President that each country described in subclause (II)—

''(aa) has implemented and follows; or

''(bb) is making substantial progress toward implementing and following, procedures and requirements similar in all material respects to the relevant procedures and requirements under chapter 5 of the NAFTA.

''(II) COUNTRY DESCRIBED.—A country is described in this subclause if it is an ATPEA beneficiary country—

''(aa) from which the article is exported; or

''(bb) in which materials used in the production of the article originate or in which the article or such materials undergo production that contributes to a claim that the article is eligible for preferential treatment under paragraph (2) or (3).

''(B) CERTIFICATE OF ORIGIN.—The Certificate of Origin that otherwise would be required pursuant to the provisions of subparagraph (A) shall not be required in the case of an article imported under paragraph (2) or (3) if such Certificate of Origin would not be required under Article 503 of the NAFTA (as implemented pursuant to United States law), if the article were imported from Mexico.

''(C) REPORT BY USTR ON COOPERATION OF OTHER COUNTRIES CONCERNING CIRCUMVENTION.—The United States Commissioner of Customs shall conduct a study analyzing the extent to which each ATPEA beneficiary country—

''(i) has cooperated fully with the United States, consistent with its domestic laws and procedures, in instances of circumvention or alleged circumvention of existing quotas on imports of textile and apparel goods, to establish necessary relevant facts in the places of import, export, and, where applicable, transshipment, including investigation of circumvention practices, exchanges of documents, correspondence, reports, and other relevant information, to the extent such information is available;

''(ii) has taken appropriate measures, consistent with its domestic laws and procedures, against exporters and importers involved in instances of false declaration concerning fiber content, quantities, description, classification, or origin of textile and apparel goods; and

''(iii) has penalized the individuals and entities involved in any such circumvention, consistent with its domestic laws and procedures, and has worked closely to seek the cooperation of any third country to prevent such circumvention from taking place in that third country.

The Trade Representative shall submit to Congress, not later than October 1, 2002, a report on the study conducted under this subparagraph.

''(5) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

''(A) ANNEX.—The term 'the Annex' means Annex 300–B of the NAFTA.

''(B) ATPEA BENEFICIARY COUNTRY.—The term 'ATPEA beneficiary country' means any 'beneficiary country', as defined in section 203(a)(1) of this title, which the President designates as an ATPEA beneficiary country, taking into account the criteria contained in subsections (c) and (d) of section 203 and other appropriate criteria, including the following:

''(i) Whether the beneficiary country has demonstrated a commitment to—

''(I) undertake its obligations under the WTO, including those agreements listed in section 101(d) of the Uruguay Round Agreements Act, on or ahead of schedule; and

''(II) participate in negotiations toward the completion of the FTAA or another free trade agreement.

''(ii) The extent to which the country provides protection of intellectual property rights consistent with or greater than the protection afforded under the Agreement on Trade-Related Aspects of Intellectual Property Rights described in section 101(d)(15) of the Uruguay Round Agreements Act.

''(iii) The extent to which the country provides internationally recognized worker rights, including—

''(I) the right of association;

''(II) the right to organize and bargain collectively;

''(III) a prohibition on the use of any form of forced or compulsory labor;

''(IV) a minimum age for the employment of children; and

''(V) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health.

''(iv) Whether the country has implemented its commitments to eliminate the worst forms of child labor, as defined in section 507(6) of the Trade Act of 1974.

''(v) The extent to which the country has met the counter-narcotics certification criteria set forth in section 490 of the Foreign Assistance Act of 1961 (22 U.S.C. 2291j) for eligibility for United States assistance.

''(vi) The extent to which the country has taken steps to become a party to and implements the Inter-American Convention Against Corruption.

''(vii) The extent to which the country—

''(I) applies transparent, nondiscriminatory, and competitive procedures in government procurement equivalent to those contained in the Agreement on Government Procurement described in section 101(d)(17) of the Uruguay Round Agreements Act; and

''(II) contributes to efforts in international fora to develop and implement international rules in transparency in government procurement.

''(viii) The extent to which the country has taken steps to support the efforts of the United States to combat terrorism.

''(C) ATPEA ORIGINATING GOOD.—

''(i) IN GENERAL.—The term 'ATPEA originating good' means a good that meets the rules of origin for a good set forth in chapter 4 of the NAFTA as implemented pursuant to United States law.

''(ii) APPLICATION OF CHAPTER 4.—In applying chapter 4 of the NAFTA with respect to an ATPEA beneficiary country for purposes of this subsection—

''(I) no country other than the United States and an ATPEA beneficiary country may be treated as being a party to the NAFTA;

''(II) any reference to trade between the United States and Mexico shall be deemed to refer to trade between the United States and an ATPEA beneficiary country;

''(III) any reference to a party shall be deemed to refer to an ATPEA beneficiary country or the United States; and

''(IV) any reference to parties shall be deemed to refer to any combination of ATPEA beneficiary countries or to the United States and one or more ATPEA beneficiary countries (or any combination thereof).

''(D) TRANSITION PERIOD.—The term 'transition period' means, with respect to an ATPEA beneficiary country, the period that begins on the date of enactment, and ends on the earlier of—

''(i) February 28, 2006; or

''(ii) the date on which the FTAA or another free trade agreement that makes substantial progress in achieving the negotiating objectives set forth in section 108(b)(5) of Public Law 103–182 (19 U.S.C. 3317(b)(5)) enters into force with respect to the United States and the ATPEA beneficiary country.

''(E) ATPEA.—The term 'ATPEA' means the Andean Trade Preference Expansion Act.

''(F) FTAA.—The term 'FTAA' means the Free Trade Area of the Americas.''.

(b) DETERMINATION REGARDING RETENTION OF DESIGNATION.—Section 203(e) of the Andean Trade Preference Act (19 U.S.C. 3202(e)) is amended—

(1) in paragraph (1)—

(A) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(B) by inserting ''(A)'' after ''(1)''; and

(C) by adding at the end the following:

''(B) The President may, after the requirements of paragraph (2) have been met—

''(i) withdraw or suspend the designation of any country as an ATPEA beneficiary country; or

''(ii) withdraw, suspend, or limit the application of preferential treatment under section 204(b) (2) and (3) to any article of any country; if, after such designation, the President determines that, as a result of changed circumstances, the performance of such country is not satisfactory under the criteria set forth in section 204(b)(5)(B).''; and

(2) by adding after paragraph (2) the following new paragraph:

''(3) If preferential treatment under section 204(b) (2) and (3) is withdrawn, suspended, or limited with respect to an ATPEA beneficiary country, such country shall not be deemed to be a 'party' for the purposes of applying section 204(b)(5)(C) to imports of articles for which preferential treatment has been withdrawn, suspended, or limited with respect to such country.''.

(c) REPORTING REQUIREMENTS.—Section 203(f) of the Andean Trade Preference Act (19 U.S.C. 3202(f)) is amended to read as follows:

''(f) REPORTING REQUIREMENTS.—

''(1) IN GENERAL.—Not later than December 31, 2002, and every 2 years thereafter during the period this title is in effect, the United States Trade Representative shall submit to Congress a report regarding the operation of this title, including—

''(A) with respect to subsections (c) and (d), the results of a general review of beneficiary countries based on the considerations described in such subsections; and

''(B) the performance of each beneficiary country or ATPEA beneficiary country, as the case may be, under the criteria set forth in section 204(b)(5)(B).

''(2) PUBLIC COMMENT.—Before submitting the report described in paragraph (1), the United States Trade Representative shall publish a notice in the Federal Register requesting public comments on whether beneficiary countries are meeting the criteria listed in section 204(b)(5)(B).''.

(d) CONFORMING AMENDMENTS.—

(1) IN GENERAL.—

(A) Section 202 of the Andean Trade Preference Act (19 U.S.C. 3201) is amended by inserting ''(or other preferential treatment)'' after ''treatment''.

(B) Section 204(a)(1) of the Andean Trade Preference Act (19 U.S.C. 3203(a)(1)) is amended by inserting ''(or otherwise provided for)'' after ''eligibility''.

(C) Section 204(a)(1) of the Andean Trade Preference Act (19 U.S.C. 3203(a)(1)) is amended by inserting ''(or preferential treatment)'' after ''duty-free treatment''.

(2) DEFINITIONS.—Section 203(a) of the Andean Trade Preference Act (19 U.S.C. 3202(a)) is amended by adding at the end the following new paragraphs:

''(4) The term ''NAFTA'' means the North American Free Trade Agreement entered into between the United States, Mexico, and Canada on December 17, 1992.

''(5) The terms 'WTO' and 'WTO member' have the meanings given those terms in section 2 of the Uruguay Round Agreements Act (19 U.S.C. 3501).''.

(e) PETITIONS FOR REVIEW.—

(1) IN GENERAL.—Not later than 120 days after the date of enactment of this Act, the President shall promulgate regulations regarding the review of eligibility of articles and countries under the Andean Trade Preference Act, consistent with section 203(e) of such Act, as amended by this title.

(2) CONTENT OF REGULATIONS.—The regulations shall be similar to the regulations regarding eligibility under the Generalized System of Preferences with respect to the timetable for reviews and content, and shall include procedures for requesting withdrawal, suspension, or limitations of preferential duty treatment under the Act, conducting reviews of such requests, and implementing the results of the reviews.

SEC. 3103. TERMINATION.

(a) IN GENERAL.—Section 208(b) of the Andean Trade Preference Act (19 U.S.C. 3206(b)) is amended to read as follows:

''(b) TERMINATION OF PREFERENTIAL TREATMENT.—No preferential duty treatment extended to beneficiary countries under this Act shall remain in effect after February 28, 2006.''.

(b) RETROACTIVE APPLICATION FOR CERTAIN LIQUIDATIONS AND RELIQUIDATIONS.—

(1) IN GENERAL.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, and subject to paragraph (3), the entry—

(A) of any article to which duty-free treatment (or preferential treatment) under the Andean Trade Preference Act (19 U.S.C. 3201 et seq.) would have applied if the entry had been made on December 4, 2001,

(B) that was made after December 4, 2001, and before the date of the enactment of this Act, and

(C) to which duty-free treatment (or preferential treatment) under the Andean Trade Preference Act did not apply,

shall be liquidated or reliquidated as if such duty-free treatment (or preferential treatment) applied, and the Secretary of the Treasury shall refund any duty paid with respect to such entry.

(2) ENTRY.—As used in this subsection, the term ''entry'' includes a withdrawal from warehouse for consumption.

(3) REQUESTS.—Liquidation or reliquidation may be made under paragraph (1) with respect to an entry only if a request therefor is filed with the Customs Service, within 180 days after the date of the enactment of this Act, that contains sufficient information to enable the Customs Service—

(A) to locate the entry; or

(B) to reconstruct the entry if it cannot be located.

TITLE XXXII—MISCELLANEOUS TRADE BENEFITS

SEC. 3201. WOOL PROVISIONS.

(a) SHORT TITLE.—This section may be cited as the ''Wool Manufacturer Payment Clarification and Technical Corrections Act''.

(b) CLARIFICATION OF TEMPORARY DUTY SUSPENSION.—Heading 9902.51.13 of the Harmonized Tariff Schedule of the United States is amended by inserting ''average'' before ''diameters''.

(c) PAYMENTS TO MANUFACTURERS OF CERTAIN WOOL PRODUCTS.—

(1) PAYMENTS.—Section 505 of the Trade and Development Act of 2000 (Public Law 106–200; 114 Stat. 303) is amended as follows:

(A) Subsection (a) is amended—

(i) by striking ''In each of the calendar years'' and inserting ''For each of the calendar years''; and

(ii) by striking ''for a refund of duties'' and all that follows through the end of the subsection and inserting ''for a payment equal to an amount determined pursuant to subsection (d)(1).''.

(B) Subsection (b) is amended to read as follows:

''(b) WOOL YARN.—

''(1) IMPORTING MANUFACTURERS.—For each of the calendar years 2000, 2001, and 2002, a manufacturer of worsted wool fabrics who imports wool yarn of the kind described in heading 9902.51.13 of the Harmonized Tariff Schedule of the United States shall be eligible for a payment equal to an amount determined pursuant to subsection (d)(2).

''(2) NONIMPORTING MANUFACTURERS.—For each of the calendar years 2001 and 2002, any other manufacturer of worsted wool fabrics of imported wool yarn of the kind described in heading 9902.51.13 of the Harmonized Tariff Schedule of the United States shall be eligible for a payment equal to an amount determined pursuant to subsection (d)(2).''.

(C) Subsection (c) is amended to read as follows:

''(c) WOOL FIBER AND WOOL TOP.—

''(1) IMPORTING MANUFACTURERS.—For each of the calendar years 2000, 2001, and 2002, a manufacturer of wool yarn or wool fabric who imports wool fiber or wool top of the kind described in heading 9902.51.14 of the Harmonized Tariff Schedule of the United States shall be eligible for a payment equal to an amount determined pursuant to subsection (d)(3).

''(2) NONIMPORTING MANUFACTURERS.—For each of the calendar years 2001 and 2002, any other manufacturer of wool yarn or wool fabric of imported wool fiber or wool top of the kind described in heading 9902.51.14 of the Harmonized Tariff Schedule of the United States shall be eligible for a payment equal to an amount determined pursuant to subsection (d)(3).''.

(D) Section 505 is further amended by striking subsection (d) and inserting the following new subsections:

''(d) AMOUNT OF ANNUAL PAYMENTS TO MANUFACTURERS.—

''(1) MANUFACTURERS OF MEN'S SUITS, ETC. OF IMPORTED WORSTED WOOL FABRICS.—

''(A) ELIGIBLE TO RECEIVE MORE THAN $5,000.—Each annual payment to manufacturers described in subsection (a) who, according to the records of the Customs Service as of September 11, 2001, are eligible to receive more than $5,000 for each of the calendar years 2000, 2001, and 2002, shall be in an amount equal to one-third of the amount determined by multiplying $30,124,000 by a fraction—

''(i) the numerator of which is the amount attributable to the duties paid on eligible wool products imported in calendar year 1999 by the manufacturer making the claim, and

''(ii) the denominator of which is the total amount attributable to the duties paid on eligible wool products imported in calendar year 1999 by all the manufacturers described in subsection (a) who, according to the records of the Customs Service as of September 11, 2001, are eligible to receive more than $5,000 for each such calendar year under this section as it was in effect on that date.

''(B) ELIGIBLE WOOL PRODUCTS.—For purposes of subparagraph (A), the term 'eligible wool products' refers to imported worsted wool fabrics described in subsection (a).

''(C) OTHERS.—All manufacturers described in subsection (a), other than the manufacturers to which subparagraph (A) applies, shall each receive an annual payment in an amount equal to one-third of the amount determined by dividing $1,665,000 by the number of all such other manufacturers.

''(2) MANUFACTURERS OF WORSTED WOOL FABRICS OF IMPORTED WOOL YARN.—

''(A) IMPORTING MANUFACTURERS.—Each annual payment to an importing manufacturer described in subsection (b)(1) shall be in an amount equal to one-third of the amount determined by multiplying $2,202,000 by a fraction—

''(i) the numerator of which is the amount attributable to the duties paid on eligible wool products imported in calendar year 1999 by the importing manufacturer making the claim, and

''(ii) the denominator of which is the total amount attributable to the duties paid on eligible wool products imported in calendar year 1999 by all the importing manufacturers described in subsection (b)(1).

''(B) ELIGIBLE WOOL PRODUCTS.—For purposes of subparagraph (A), the term 'eligible wool products' refers to imported wool yarn described in subsection (b)(1).

''(C) NONIMPORTING MANUFACTURERS.—Each annual payment to a nonimporting manufacturer described in subsection (b)(2) shall be in an amount equal to one-half of the amount determined by multiplying $141,000 by a fraction—

''(i) the numerator of which is the amount attributable to the purchases of imported eligible wool products in calendar year 1999 by the nonimporting manufacturer making the claim, and

''(ii) the denominator of which is the total amount attributable to the purchases of imported eligible wool products in calendar year 1999 by all the nonimporting manufacturers described in subsection (b)(2).

''(3) MANUFACTURERS OF WOOL YARN OR WOOL FABRIC OF IMPORTED WOOL FIBER OR WOOL TOP.—

''(A) IMPORTING MANUFACTURERS.—Each annual payment to an importing manufacturer described in subsection (c)(1) shall be in an amount equal to one-third of the amount determined by multiplying $1,522,000 by a fraction—

''(i) the numerator of which is the amount attributable to the duties paid on eligible wool products imported in calendar year 1999 by the importing manufacturer making the claim, and

''(ii) the denominator of which is the total amount attributable to the duties paid on eligible wool products imported in calendar year 1999 by all the importing manufacturers described in subsection (c)(1).

''(B) ELIGIBLE WOOL PRODUCTS.—For purposes of subparagraph (A), the term 'eligible wool products' refers to imported wool fiber or wool top described in subsection (c)(1).

''(C) NONIMPORTING MANUFACTURERS.—Each annual payment to a nonimporting manufacturer described in subsection (c)(2) shall be in an amount equal to one-half of the amount determined by multiplying $597,000 by a fraction—

''(i) the numerator of which is the amount attributable to the purchases of imported eligible wool products in calendar year 1999 by the nonimporting manufacturer making the claim, and

''(ii) the denominator of which is the amount attributable to the purchases of imported eligible wool products in calendar year 1999 by all the nonimporting manufacturers described in subsection (c)(2).

''(4) LETTERS OF INTENT.—Except for the nonimporting manufacturers described in subsections (b)(2) and (c)(2) who may make claims under this section by virtue of the enactment of the Wool Manufacturer Payment Clarification and Technical Corrections Act, only manufacturers who, according to the records of the Customs Service, filed with the Customs Service before September 11, 2001, letters of intent to establish eligibility to be claimants are eligible to make a claim for a payment under this section.

''(5) AMOUNT ATTRIBUTABLE TO PURCHASES BY NONIMPORTING MANUFACTURERS.—

''(A) AMOUNT ATTRIBUTABLE.—For purposes of paragraphs (2)(C) and (3)(C), the amount attributable to the purchases of imported eligible wool products in calendar year 1999 by a nonimporting manufacturer shall be the amount the nonimporting manufacturer paid for eligible wool products in calendar year 1999, as evidenced by invoices. The nonimporting manufacturer shall make such calculation and submit the resulting amount to the Customs Service, within 45 days after the date of enactment of the Wool Manufacturer Payment Clarification and Technical Corrections Act, in a signed affidavit that attests that the information contained therein is true and accurate to the best of the affiant's belief and knowledge. The nonimporting manufacturer shall retain the records upon which the calculation is based for a period of five years beginning on the date the affidavit is submitted to the Customs Service.

''(B) ELIGIBLE WOOL PRODUCT.—For purposes of subparagraph (A)—

''(i) the eligible wool product for nonimporting manufacturers of worsted wool fabrics is wool yarn of the kind described in heading 9902.51.13 of the Harmonized Tariff Schedule of the United States purchased in calendar year 1999; and

''(ii) the eligible wool products for nonimporting manufacturers of wool yarn or wool fabric are wool fiber or wool top of the kind described in heading 9902.51.14 of such Schedule purchased in calendar year 1999.

''(6) AMOUNT ATTRIBUTABLE TO DUTIES PAID.—For purposes of paragraphs (1), (2)(A), and (3)(A), the amount attributable to the duties paid by a manufacturer shall be the amount shown on the records of the Customs Service as of September 11, 2001, under this section as then in effect.

''(7) SCHEDULE OF PAYMENTS; REALLOCATIONS.—

''(A) SCHEDULE.—Of the payments described in paragraphs (1), (2)(A), and (3)(A), the Customs Service shall make the first and second installments on or before the date that is 45 days after the date of enactment of the Wool Manufacturer Payment Clarification and Technical Corrections Act, and the third installment on or before April 15, 2003. Of the payments described in paragraphs (2)(C) and (3)(C), the Customs Service shall make the first installment on or before the date that is 45 days after the date of enactment of the Wool Manufacturer Payment Clarification and Technical Corrections Act, and the second installment on or before April 15, 2003.

''(B) REALLOCATIONS.—In the event that a manufacturer that would have received payment under subparagraph (A) or (C) of paragraph (1), (2), or (3) ceases to be qualified for such payment as such a manufacturer, the amounts otherwise payable to the remaining manufacturers under such subparagraph shall be increased on a pro rata basis by the amount of the payment such manufacturer would have received.

''(8) REFERENCE.—For purposes of paragraphs (1)(A) and (6), the 'records of the Customs Service as of September 11, 2001' are the records of the Wool Duty Unit of the Customs Service on September 11, 2001, as adjusted by the Customs Service to the extent necessary to carry out this section. The amounts so adjusted are not subject to administrative or judicial review.

''(e) AFFIDAVITS BY MANUFACTURERS.—

''(1) AFFIDAVIT REQUIRED.—A manufacturer may not receive a payment under this section for calendar year 2000, 2001, or 2002, as the case may be, unless that manufacturer has submitted to the Customs Service for that calendar year a signed affidavit that attests that, during that calendar year, the affiant was a manufacturer in the United States described in subsection (a), (b), or (c).

''(2) TIMING.—An affidavit under paragraph (1) shall be valid—

''(A) in the case of a manufacturer described in paragraph (1), (2)(A), or (3)(A) of subsection (d) filing a claim for a payment for calendar year 2000 or 2001, or both, only if the affidavit is postmarked no later than 15 days after the date of enactment of the Wool Manufacturer Payment Clarification and Technical Corrections Act; and

''(B) in the case of a claim for a payment for calendar year 2002, only if the affidavit is postmarked no later than March 1, 2003.

''(f) OFFSETS.—Notwithstanding any other provision of this section, any amount otherwise payable under subsection (d) to a manufacturer in calendar year 2001 and, where applicable, in calendar years 2002 and 2003, shall be reduced by the amount of any payment received by that manufacturer under this section before the enactment of the Wool Manufacturer Payment Clarification and Technical Corrections Act.

''(g) DEFINITION.—For purposes of this section, the manufacturer is the party that owns—

''(1) imported worsted wool fabric, of the kind described in heading 9902.51.11 or 9902.51.12 of the Harmonized Tariff Schedule of the United States, at the time the fabric is cut and sewn in the United States into men's or boys' suits, suit-type jackets, or trousers;

''(2) imported wool yarn, of the kind described in heading 9902.51.13 of such Schedule, at the time the yarn is processed in the United States into worsted wool fabric; or

''(3) imported wool fiber or wool top, of the kind described in heading 9902.51.14 of such Schedule, at the time the wool fiber or wool top is processed in the United States into wool yarn.''.

(2) FUNDING.—There is authorized to be appropriated and is appropriated, out of amounts in the General Fund of the Treasury not otherwise appropriated, $36,251,000 to carry out the amendments made by paragraph (1).

SEC. 3202. DUTY SUSPENSION ON WOOL.

(a) EXTENSION OF TEMPORARY DUTY REDUCTIONS.—

(1) HEADING 9902.51.11.— Heading 9902.51.11 of the Harmonized Tariff Schedule of the United States is amended by striking ''2003'' and inserting ''2005''.

(2) HEADING 9902.51.12.— Heading 9902.51.12 of the Harmonized Tariff Schedule of the United States is amended—

(A) by striking ''2003'' and inserting ''2005''; and

(B) by striking ''6%'' and inserting ''Free''.

(3) HEADING 9902.51.13.—Heading 9902.51.13 of the Harmonized Tariff Schedule of the United States is amended by striking ''2003'' and inserting ''2005''.

(4) HEADING 9902.51.14.—Heading 9902.51.14 of the Harmonized Tariff Schedule of the United States is amended by striking ''2003'' and inserting ''2005''.

(b) LIMITATION ON QUANTITY OF IMPORTS.—

(1) NOTE 15.—U.S. Note 15 to subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended—

(A) by striking ''from January 1 to December 31 of each year, inclusive''; and

(B) by striking '', or such other'' and inserting the following: ''in calendar year 2001, 3,500,000 square meter equivalents in calendar year 2002, and 4,500,000 square meter equivalents in calendar year 2003 and each calendar year thereafter, or such greater''.

(2) NOTE 16.—U.S. Note 16 to subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended—

(A) by striking ''from January 1 to December 31 of each year, inclusive''; and

(B) by striking '', or such other'' and inserting the following: ''in calendar year 2001, 2,500,000 square meter equivalents in calendar year 2002, and 3,500,000 square meter equivalents in calendar year 2003 and each calendar year thereafter, or such greater''.

(c) EXTENSION OF DUTY REFUNDS AND WOOL RESEARCH TRUST FUND.—

(1) IN GENERAL.—The United States Customs Service shall pay each manufacturer that receives a payment under section 505 of the Trade and Development Act of 2000 (Public Law 106–200) for calendar year 2002, and that provides an affidavit that it remains a manufacturer in the United States as of January 1 of the year of the payment, 2 additional payments, each payment equal to the payment received for calendar year 2002 as follows:

(A) The first payment to be made after January 1, 2004, but on or before April 15, 2004.

(B) The second payment to be made after January 1, 2005, but on or before April 15, 2005.

(2) CONFORMING AMENDMENT.—Section 506(f) of the Trade and Development Act of 2000 (Public Law 106–200) is amended by striking ''2004'' and inserting ''2006''.

(3) AUTHORIZATION.—There is authorized to be appropriated and is appropriated out of amounts in the general fund of the Treasury not otherwise appropriated such sums as are necessary to carry out the provisions of this subsection.

(d) EFFECTIVE DATE.—The amendment made by subsection (a)(2)(B) applies to goods entered, or withdrawn from warehouse for consumption, on or after January 1, 2002.

SEC. 3203. CEILING FANS.

(a) IN GENERAL.—Notwithstanding any other provision of law, ceiling fans classified under subheading 8414.51.00 of the Harmonized Tariff Schedule of the United States imported from Thailand shall enter duty-free and without any quantitative limitations, if duty-free treatment under title V of the Trade Act of 1974 (19 U.S.C. 2461 et seq.) would have applied to such entry had the competitive need limitation been waived under section 503(d) of such Act.

(b) APPLICABILITY.—The provisions of this section shall apply to ceiling fans described in subsection (a) that are entered, or withdrawn from warehouse for consumption—

(1) on or after the date that is 15 days after the date of enactment of this Act; and

(2) before July 30, 2002.

SEC. 3204. CERTAIN STEAM OR OTHER VAPOR GENERATING BOILERS USED IN NUCLEAR FACILITIES.

(a) IN GENERAL.—Subheading 9902.84.02 of the Harmonized Tariff Schedule of the United States is amended—

(1) by striking ''4.9%'' and inserting ''Free''; and

(2) by striking ''12/31/2003'' and inserting ''12/31/2006''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) shall apply to goods entered, or withdrawn from warehouse for consumption, on or after January 1, 2002.

(2) RETROACTIVE APPLICATION.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, and subject to paragraph (4), the entry of any article—

(A) that was made on or after January 1, 2002, and

(B) to which duty-free treatment would have applied if the amendment made by this section had been in effect on the date of such entry,

shall be liquidated or reliquidated as if such duty-free treatment applied, and the Secretary of the Treasury shall refund any duty paid with respect to such entry.

(3) ENTRY.—As used in this subsection, the term ''entry'' includes a withdrawal from warehouse for consumption.

(4) REQUESTS.—Liquidation or reliquidation may be made under paragraph (2) with respect to an entry only if a request therefor is filed with the Customs Service, within 180 days after the date of the enactment of this Act, that contains sufficient information to enable the Customs Service—

(A) to locate the entry; or

(B) to reconstruct the entry if it cannot be located.

DIVISION D—EXTENSION OF CERTAIN PREFERENTIAL TRADE TREATMENT AND OTHER PROVISIONS

TITLE XLI—EXTENSION OF GENERALIZED SYSTEM OF PREFERENCES

SEC. 4101. GENERALIZED SYSTEM OF PREFERENCES.

(a) EXTENSION OF DUTY-FREE TREATMENT UNDER SYSTEM.—Section 505 of the Trade Act of 1974 (19 U.S.C. 2465) is amended by striking ''September 30, 2001'' and inserting ''December 31, 2006''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of enactment of this Act.

(c) RETROACTIVE APPLICATION FOR CERTAIN LIQUIDATIONS AND RELIQUIDATIONS.—

(1) IN GENERAL.—

(A) ENTRY OF CERTAIN ARTICLES.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, and subject to paragraph (2), the entry—

(i) of any article to which duty-free treatment under title V of the Trade Act of 1974 would have applied if the entry had been made on September 30, 2001;

(ii) that was made after September 30, 2001, and before the date of enactment of this Act; and

(iii) to which duty-free treatment under title V of that Act did not apply,

shall be liquidated or reliquidated as free of duty, and the Secretary of the Treasury shall refund any duty paid with respect to such entry.

(B) ENTRY.—In this subsection, the term ''entry'' includes a withdrawal from warehouse for consumption.

(2) REQUESTS.—Liquidation or reliquidation may be made under paragraph (1) with respect to an entry only if a request therefor is filed

with the Customs Service, within 180 days after the date of enactment of this Act, that contains sufficient information to enable the Customs Service—

(A) to locate the entry; or

(B) to reconstruct the entry if it cannot be located.

SEC. 4102. AMENDMENTS TO GENERALIZED SYSTEM OF PREFERENCES.

(a) ELIGIBILITY FOR GENERALIZED SYSTEM OF PREFERENCES.—Section 502(b)(2)(F) of the Trade Act of 1974 (19 U.S.C. 2462(b)(2)(F)) is amended by striking the period at the end and inserting ''or such country has not taken steps to support the efforts of the United States to combat terrorism.''.

(b) DEFINITION OF INTERNATIONALLY RECOGNIZED WORKER RIGHTS.—Section 507(4) of the Trade Act of 1974 (19 U.S.C. 2467(4)) is amended—

(1) by striking ''and'' at the end of subparagraph (D);

(2) by striking the period at the end of subparagraph (E) and inserting ''; and'';

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

''(F) a prohibition on discrimination with respect to employment and occupation.''; and

(4) by amending subparagraph (D) to read as follows:

''(D) a minimum age for the employment of children, and a prohibition on the worst forms of child labor, as defined in paragraph (6);''.

TITLE XLII—OTHER PROVISIONS

SEC. 4201. TRANSPARENCY IN NAFTA TRIBUNALS.

(a) FINDINGS.—Congress makes the following findings:

(1) Chapter Eleven of the North American Free Trade Agreement (NAFTA) allows foreign investors to file claims against signatory countries that directly or indirectly nationalize or expropriate an investment, or take measures ''tantamount to nationalization or expropriation'' of such an investment.

(2) Foreign investors have filed several claims against the United States, arguing that regulatory activity has been ''tantamount to nationalization or expropriation''. Most notably, a Canadian chemical company claimed $970,000,000 in damages allegedly resulting from a California State regulation banning the use of a gasoline additive produced by that company.

(3) A claim under Chapter Eleven of the NAFTA is adjudicated by a three-member panel, whose deliberations are largely secret.

(4) While it may be necessary to protect the confidentiality of business sensitive information, the general lack of transparency of these proceedings has been excessive.

(b) PURPOSE.—The purpose of this amendment is to ensure that the proceedings of the NAFTA investor protection tribunals are as transparent as possible, consistent with the need to protect the confidentiality of business sensitive information.

(c) CHAPTER 11 OF NAFTA.—The President shall negotiate with Canada and Mexico an amendment to Chapter Eleven of the NAFTA to ensure the fullest transparency possible with respect to the dispute settlement mechanism in that Chapter, consistent with the need to protect information that is classified or confidential, by—

(1) ensuring that all requests for dispute settlement under Chapter Eleven are promptly made public;

(2) ensuring that with respect to Chapter Eleven—

(A) all proceedings, submissions, findings, and decisions are promptly made public; and

(B) all hearings are open to the public; and

(3) establishing a mechanism under that Chapter for acceptance of amicus curiae submissions from businesses, unions, and nongovernmental organizations.

(d) CERTIFICATION REQUIREMENTS.—Within one year of the date of enactment of this Act, the U.S. Trade Representative shall certify to Congress that the President has fulfilled the requirements set forth in subsection (c).

SEC. 4202. EXPRESSION OF SOLIDARITY WITH ISRAEL IN ITS FIGHT AGAINST TERRORISM.

(a) FINDINGS.—Congress makes the following findings:

(1) The United States and Israel are now engaged in a common struggle against terrorism and are on the frontlines of a conflict thrust upon them against their will.

(2) President George W. Bush declared on November 21, 2001, ''We fight the terrorists and we fight all of those who give them aid. America has a message for the nations of the world: If you harbor terrorists, you are terrorists. If you train or arm a terrorist, you are a terrorist. If you feed a terrorist or fund a terrorist, you are a terrorist, and you will be held accountable by the United States and our friends.''.

(3) The United States has committed to provide resources to states on the frontline in the war against terrorism.

(b) SENSE OF CONGRESS.—The Congress—

(1) stands in solidarity with Israel, a frontline state in the war against terrorism, as it takes necessary steps to provide security to its people by dismantling the terrorist infrastructure in the Palestinian areas;

(2) remains committed to Israel's right to self-defense;

(3) will continue to assist Israel in strengthening its homeland defenses;

(4) condemns Palestinian suicide bombings;

(5) demands that the Palestinian Authority fulfill its commitment to dismantle the terrorist infrastructure in the Palestinian areas;

(6) urges all Arab states, particularly the United States allies, Egypt and Saudi Arabia, to declare their unqualified opposition to all forms of terrorism, particularly suicide bombing, and to act in concert with the United States to stop the violence; and

(7) urges all parties in the region to pursue vigorously efforts to establish a just, lasting, and comprehensive peace in the Middle East.

SEC. 4203. LIMITATION ON USE OF CERTAIN REVENUE.

Notwithstanding any other provision of law, any revenue generated from custom user fees imposed pursuant to Section 13031(j)(3) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3)) may be used only to fund the operations of the United States Customs Service.

SEC. 4204. SENSE OF THE SENATE REGARDING THE UNITED STATES-RUSSIAN FEDERATION SUMMIT MEETING, MAY 2002.

(a) FINDINGS.—The Senate finds that—

(1) President George W. Bush will visit the Russian Federation May 23-25, 2002, to meet with his Russian counterpart, President Vladimir V. Putin;

(2) the President and President Putin, and the United States and Russian governments, continue to cooperate closely in the fight against international terrorism;

(3) the President seeks Russian cooperation in containing the war-making capabilities of Iraq, including that country's ongoing program to develop and deploy weapons of mass destruction;

(4) during his visit, the President expects to sign a treaty to significantly reduce deployed American and Russian nuclear weapons by 2012;

(5) the President and his NATO partners have further institutionalized United States-Russian security cooperation through establishment of the NATO-Russia Council, which meets for the first time on May 28, 2002, in Rome, Italy;

(6) during his visit, the President will continue to address religious freedom and human rights concerns through open and candid discussions with President Putin, with leading Russian activists, and with representatives of Russia's revitalized and diverse Jewish community; and

(7) recognizing Russia's progress on religious freedom and a broad range of other mechanisms to address remaining concerns, the President has asked the Congress to terminate application to Russian of title IV of the Trade Act of 1974 (commonly known as the ''Jackson-Vanik Amendment'') and authorize the extension of normal trade relations to the products of Russia.

(b) SENSE OF THE SENATE.—The Senate—

(1) supports the President's efforts to deepen the friendship between the American and Russian peoples;

(2) further supports the policy objectives of the President mentioned in this section with respect to the Russian Federation;

(3) supports terminating the application of title IV of the Trade Act of 1974 to Russia in an appropriate and timely manner; and

(4) looks forward to learning the results of the President's discussions with President Putin and other representatives of the Russian government and Russian society.

SEC. 4205. NO APPROPRIATIONS.

Notwithstanding any other provision of this Act, no direct appropriation may be made under this Act.

The text of the House amendment to the Senate amendment is as follows:

House amendment to Senate amendment:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Trade Act of 2002''.

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) DIVISIONS.—This Act is organized into 4 divisions as follows:

(1) DIVISION A.—Trade Adjustment Assistance.

(2) DIVISION B.—Bipartisan Trade Promotion Authority.

(3) DIVISION C.—Andean Trade Preference Act.

(4) DIVISION D.—Extension of Certain Preferential Trade Treatment and Other Provisions.

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

Sec. 1. Short title.
Sec. 2. Organization of act into divisions; table of contents.

DIVISION A—TRADE ADJUSTMENT ASSISTANCE

Sec. 101. Short title.

TITLE I—TRADE ADJUSTMENT ASSISTANCE PROGRAM

Sec. 111. Reauthorization of trade adjustment assistance program.
Sec. 112. Filing of petitions and provision of rapid response assistance; expedited review of petitions by Secretary of Labor.
Sec. 113. Group eligibility requirements.
Sec. 114. Qualifying requirements for trade readjustment allowances.
Sec. 115. Waivers of training requirements.
Sec. 116. Amendments to limitations on trade readjustment allowances.
Sec. 117. Annual total amount of payments for training.
Sec. 118. Authority of States with respect to costs of approved training and supplemental assistance.
Sec. 119. Provision of employer-based training.
Sec. 120. Coordination with title I of the Workforce Investment Act of 1998.
Sec. 121. Expenditure period.
Sec. 122. Declaration of policy; sense of Congress.

TITLE II—CREDIT FOR HEALTH INSURANCE COSTS OF ELIGIBLE INDIVIDUALS
Sec. 201. Credit for health insurance costs of individuals receiving a trade readjustment allowance or a benefit from the Pension Benefit Guaranty Corporation.
Sec. 202. Advance payment of credit for health insurance costs of eligible individuals.
TITLE III—CUSTOMS REAUTHORIZATION
Sec. 301. Short title.
Subtitle A—United States Customs Service
CHAPTER 1—DRUG ENFORCEMENT AND OTHER NONCOMMERCIAL AND COMMERCIAL OPERATIONS
Sec. 311. Authorization of appropriations for noncommercial operations, commercial operations, and air and marine interdiction.
Sec. 312. Antiterrorist and illicit narcotics detection equipment for the United States-Mexico border, United States-Canada border, and Florida and the Gulf Coast seaports.
Sec. 313. Compliance with performance plan requirements.
CHAPTER 2—CHILD CYBER-SMUGGLING CENTER OF THE CUSTOMS SERVICE
Sec. 321. Authorization of appropriations for program to prevent child pornography/child sexual exploitation.
CHAPTER 3—MISCELLANEOUS PROVISIONS
Sec. 331. Additional Customs Service officers for United States-Canada border.
Sec. 332. Study and report relating to personnel practices of the Customs Service.
Sec. 333. Study and report relating to accounting and auditing procedures of the Customs Service.
Sec. 334. Establishment and implementation of cost accounting system; reports.
Sec. 335. Study and report relating to timeliness of prospective rulings.
Sec. 336. Study and report relating to customs user fees.
Sec. 337. Fees for customs inspections at express courier facilities.
Sec. 338. National customs automation program.
CHAPTER 4—ANTITERRORISM PROVISIONS
Sec. 341. Immunity for United States officials that act in good faith.
Sec. 342. Emergency adjustments to offices, ports of entry, or staffing of the customs service.
Sec. 343. Mandatory advanced electronic information for cargo and passengers.
Sec. 344. Border search authority for certain contraband in outbound mail.
Sec. 345. Authorization of appropriations for reestablishment of customs operations in New York City.
CHAPTER 5—TEXTILE TRANSSHIPMENT PROVISIONS
Sec. 351. Gao audit of textile transshipment monitoring by customs service.
Sec. 352. Authorization of appropriations for textile transshipment enforcement operations.
Sec. 353. Implementation of the african growth and opportunity act.
Subtitle B—Office of the United States Trade Representative
Sec. 361. Authorization of appropriations.
Subtitle C—United States International Trade Commission
Sec. 371. Authorization of appropriations.
Subtitle D—Other trade provisions
Sec. 381. Increase in aggregate value of articles exempt from duty acquired abroad by United States residents.
Sec. 382. Regulatory audit procedures.
DIVISION B—BIPARTISAN TRADE PROMOTION AUTHORITY
TITLE XXI—TRADE PROMOTION AUTHORITY
Sec. 2101. Short title and findings.
Sec. 2102. Trade negotiating objectives.
Sec. 2103. Trade agreements authority.
Sec. 2104. Consultations and assessment.
Sec. 2105. Implementation of trade agreements.
Sec. 2106. Treatment of certain trade agreements for which negotiations have already begun.
Sec. 2107. Congressional oversight group.
Sec. 2108. Additional implementation and enforcement requirements.
Sec. 2109. Committee staff.
Sec. 2110. Conforming amendments.
Sec. 2111. Definitions.
DIVISION C—ANDEAN TRADE PREFERENCE ACT
TITLE XXXI—ANDEAN TRADE PREFERENCE
Sec. 3101. Short title.
Sec. 3102. Findings.
Sec. 3103. Articles eligible for preferential treatment.
Sec. 3104. Termination of preferential treatment.
Sec. 3105. Trade benefits under the Caribbean Basin Economic Recovery act.
Sec. 3106. Trade benefits under the African Growth and Opportunity Act.
DIVISION D—EXTENSION OF CERTAIN PREFERENTIAL TRADE TREATMENT AND OTHER PROVISIONS
Sec. 4101. Extension of generalized system of preferences.
Sec. 4102. Fund for WTO dispute settlements.
Sec. 4103. Payment of duties and fees.

DIVISION A—TRADE ADJUSTMENT ASSISTANCE

SEC. 101. SHORT TITLE.

This division may be cited as the ''Trade Adjustment Assistance Reform Act of 2002''.

TITLE I—TRADE ADJUSTMENT ASSISTANCE PROGRAM

SEC. 111. REAUTHORIZATION OF TRADE ADJUSTMENT ASSISTANCE PROGRAM.

(a) ASSISTANCE FOR WORKERS.—Section 245 of the Trade Act of 1974 (19 U.S.C. 2317) is amended by striking ''October 1, 1998, and ending September 30, 2001,'' each place it appears and inserting ''October 1, 2001, and ending September 30, 2004,''.

(b) ASSISTANCE FOR FIRMS.—Section 256(b) of the Trade Act of 1974 (19 U.S.C. 2346(b)) is amended by striking ''October 1, 1998, and ending September 30, 2001'' and inserting ''October 1, 2001, and ending September 30, 2004,''.

(c) TERMINATION.—Section 285(c) of the Trade Act of 1974 (19 U.S.C. 2271 note) is amended in paragraphs (1) and (2)(A) by striking ''September 30, 2001'' and inserting ''September 30, 2004''.

(d) TRAINING LIMITATION UNDER NAFTA PROGRAM.—Section 250(d)(2) of the Trade Act of 1974 (19 U.S.C. 2331(d)(2)) is amended by striking ''October 1, 1998, and ending September 30, 2001'' and inserting ''October 1, 2001, and ending September 30, 2004''.

SEC. 112. FILING OF PETITIONS AND PROVISION OF RAPID RESPONSE ASSISTANCE; EXPEDITED REVIEW OF PETITIONS BY SECRETARY OF LABOR.

(a) FILING OF PETITIONS AND PROVISION OF RAPID RESPONSE ASSISTANCE.—Section 221(a) of the Trade Act of 1974 (19 U.S.C. 2271(a)) is amended to read as follows:

''(a)(1) A petition for certification of eligibility to apply for adjustment assistance for a group of workers under this chapter may be filed with the Governor of the State in which such workers' firm or subdivision is located by any of the following:

''(A) The group of workers (including workers in an agricultural firm or subdivision of any agricultural firm).

''(B) The certified or recognized union or other duly authorized representative of such workers.

''(C) Employers of such workers, one-stop operators or one-stop partners (as defined in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801)), including State employment security agencies, or the State dislocated worker unit established under title I of such Act, on behalf of such workers.

''(2) Upon receipt of a petition filed under paragraph (1), the Governor shall—

''(A) immediately transmit the petition to the Secretary of Labor (hereinafter in this chapter referred to as the 'Secretary');

''(B) ensure that rapid response assistance, and appropriate core and intensive services (as described section 134 of the Workforce Investment Act of 1998 (29 U.S.C. 2864)) authorized under other Federal laws are made available to the workers covered by the petition to the extent authorized under such laws; and

''(C) assist the Secretary in the review of the petition by verifying such information and providing such other assistance as the Secretary may request.

''(3) Upon receipt of the petition, the Secretary shall promptly publish notice in the Federal Register that the Secretary has received the petition and initiated an investigation.''.

(b) EXPEDITED REVIEW OF PETITIONS BY SECRETARY OF LABOR.—Section 223(a) of such Act (19 U.S.C. 2273(a)) is amended in the first sentence by striking ''60 days'' and inserting ''40 days''.

SEC. 113. GROUP ELIGIBILITY REQUIREMENTS.

(a) TRADE ADJUSTMENT ASSISTANCE PROGRAM.—

(1) IN GENERAL.—Section 222 of the Trade Act of 1974 (19 U.S.C. 2272) is amended—

(A) by redesignating subsection (b) as subsection (c); and

(B) by inserting after subsection (a) the following:

''(b)(1) A group of workers (including workers in any agricultural firm or subdivision of an agricultural firm) shall be certified by the Secretary as eligible to apply for adjustment assistance benefits under this subchapter if, subject to paragraph (2), the Secretary determines that—

''(A) a significant number or proportion of the workers in the workers' firm or an appropriate subdivision of the firm have become totally or partially separated, or are threatened to become totally or partially separated;

''(B) the workers' firm (or subdivision) is a supplier to a firm (or subdivision) that employed workers covered by a certification of eligibility under subsection (a), the component parts provided to the firm by the supplier is a direct component of the article that is the basis for the certification of eligibility under subsection (a), and either the component parts have a dedicated usage for the firm and the supplier does not have another reasonably available purchaser, or the component parts add at least 25 percent of the value to the article involved; and

''(C) a loss of business with the firm (or subdivision) covered by the certification of eligibility under subsection (a) contributed importantly to the workers' separation or

threat of separation determined under subparagraph (A).

''(2) A group of workers shall be eligible for certification by the Secretary under paragraph (1) if the petition for certification is filed with the Secretary not later than 6 months after the date on which the Secretary certifies the group of workers in the firm (or subdivision of the firm) under subsection (a) with respect to which the firm involved is a supplier.''.

(2) DEFINITIONS.—Section 222(c) of such Act, as redesignated by paragraph (1)(A), is amended—

(A) in the matter preceding paragraph (1), by striking ''subsection (a)(3)'' and inserting ''this section''; and

(B) by adding at the end the following:

''(3) The term 'supplier' means a firm that produces component parts for articles produced by a firm (or subdivision) that employed a group of workers covered by a certification of eligibility under subsection (a) and with respect to which the production of such component parts constitutes not less than 50 percent of the total operations or production of the firm.''.

(b) NAFTA TRANSITIONAL ADJUSTMENT ASSISTANCE PROGRAM.—

(1) IN GENERAL.—Section 250(a) of the Trade Act of 1974 (19 U.S.C. 2331(a)) is amended—

(A) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(B) by inserting after paragraph (1) the following:

''(2) CRITERIA FOR ADVERSELY AFFECTED SECONDARY WORKERS.—(A) A group of workers (including workers in any agricultural firm or subdivision of an agricultural firm) shall be certified by the Secretary as eligible to apply for adjustment assistance benefits under this subchapter if, subject to subparagraph (B), the Secretary determines that—

''(i) a significant number or proportion of the workers in the workers' firm or an appropriate subdivision of the firm have become totally or partially separated, or are threatened to become totally or partially separated;

''(ii) the workers' firm (or subdivision) is a supplier to a firm (or subdivision) that employed workers covered by a certification of eligibility under paragraph (1), the component parts provided to the firm by the supplier is a direct component of the article that is the basis for the certification of eligibility under subsection (a), and either the component parts have a dedicated usage for the firm and the supplier does not have another reasonably available purchaser, or the component parts add at least 25 percent of the value to the article involved; and

''(iii) a loss of business with the firm (or subdivision) covered by the certification of eligibility under paragraph (1) contributed importantly to the workers' separation or threat of separation determined under clause (i).

''(B) A group of workers shall be eligible for certification by the Secretary under subparagraph (A) if the petition for certification is filed with the Secretary not later than 6 months after the date on which the Secretary certifies the group of workers in the firm (or subdivision of the firm) under paragraph (1) with respect to which the firm involved is a supplier.''.

(2) DEFINITIONS.—Section 250(a)(3) of such Act, as redesignated by paragraph (1)(A), is amended to read as follows:

''(3) DEFINITIONS.—In this section:

''(A) The term 'contributed importantly' means a cause which is important but not necessarily more important than any other cause.

''(B) The term 'supplier' means a firm that produces component parts for articles produced by a firm (or subdivision) covered by a certification of eligibility under paragraph (1) and with respect to which the production of such component parts constitutes not less than 50 percent of the total operations or production of the firm.''.

(3) REGULATIONS.—Section 250(a)(4) of such Act, as redesignated by paragraph (1)(A), is amended by striking ''paragraph (1)'' and inserting ''paragraphs (1) and (2)''.

SEC. 114. QUALIFYING REQUIREMENTS FOR TRADE READJUSTMENT ALLOWANCES.

(a) CLARIFICATION OF CERTAIN REDUCTIONS.—(1) Section 231(a)(3)(B) of the Trade Act of 1974 (19 U.S.C. 2291(a)(3)(B)) is amended by inserting after ''any unemployment insurance'' the following: '', except additional compensation that is funded by a State and is not reimbursed from any Federal funds,''.

(2) Section 233(a)(1) of the Trade Act of 1974 (19 U.S.C. 2293(a)(1)) is amended by inserting after ''any unemployment insurance'' the following: '', except additional compensation that is funded by a State and is not reimbursed from any Federal funds,''.

(b) ENROLLMENT IN TRAINING REQUIREMENT.—Section 231(a)(5)(A) of such Act (19 U.S.C. 2291(a)(5)(A)) is amended—

(1) by inserting ''(i)'' after ''(A)'';

(2) by adding ''and'' after the comma at the end; and

(3) by adding at the end the following:

''(ii) the enrollment required under clause (i) occurs no later than the latest of—

''(I) the last day of the 13th week after the worker's most recent total separation from adversely affected employment which meets the requirements of paragraphs (1) and (2);

''(II) the last day of the 8th week after the week in which the Secretary issues a certification covering the worker;

''(III) 45 days after the later of the dates specified in subclause (I) or (II), if the Secretary determines there are extenuating circumstances that justify an extension in the enrollment period; or

''(IV) the last day of a period determined by the Secretary to be approved for enrollment after the termination of a waiver issued pursuant to subsection (c).''.

SEC. 115. WAIVERS OF TRAINING REQUIREMENTS.

(a) IN GENERAL.—Section 231(c) of the Trade Act of 1974 (19 U.S.C. 2291(c)) is amended to read as follows:

''(c)(1) The Secretary may issue a written statement to a worker waiving the enrollment in the training requirement described in subsection (a)(5)(A) if the Secretary determines that such training requirement is not feasible or appropriate for the worker, as indicated by 1 or more of the following:

''(A) The worker has been provided a written notice that the worker will be recalled by the firm from which the qualifying separation occurred and that such recall will occur within 6 months of the qualifying separation.

''(B) The worker is within 2 years of meeting all requirements for entitlement to old-age insurance benefits under title II of the Social Security Act (42 U.S.C. 401 et seq.) (except for application therefore) as of the date of the most recent separation of the worker that meets the requirements of subsection (a)(1) and (2).

''(C) The worker is unable to participate in training due to the health of the worker, except that a waiver under this subparagraph shall not be construed to exempt a worker from requirements relating to the availability for work, active search for work, or refusal to accept work under Federal or State unemployment compensation laws.

''(D) The first available enrollment date for the approved training of the worker is within 45 days after the date of the determination made under this paragraph, or, if later, there are extenuating circumstances for the delay in enrollment, as determined pursuant to guidelines issued by the Secretary.

''(E) There are insufficient funds available for training under this chapter, and funds are not available for the approved training under other Federal law.

''(2) The Secretary shall specify the duration of the waiver under paragraph (1)–and shall periodically review the waiver to determine whether the basis for issuing the waiver remains applicable. If at any time the Secretary determines such basis is no longer applicable to the worker, the Secretary shall revoke the waiver.

''(3) Pursuant to the agreement under section 239, the Secretary may authorize a cooperating State or State agency to carry out activities described in paragraph (1) (except for the determination under subparagraph (E) of paragraph (1)). Such agreement shall include a requirement that the State or State agency maintain and make available to the Secretary the written statements provided pursuant to paragraph (1) and a statement of the reasons for the waiver.

''(4) The Secretary shall collect and maintain information identifying the number of workers who received waivers and the average duration of such waivers issued under this subsection during the preceding year.''.

(b) CONFORMING AMENDMENT.—Section 231(a)(5)(C) of such Act (19 U.S.C. 2291(a)(5)(C)) is amended by striking ''certified''.

SEC. 116. AMENDMENTS TO LIMITATIONS ON TRADE READJUSTMENT ALLOWANCES.

(a) INCREASE IN MAXIMUM NUMBER OF WEEKS.—Section 233(a) of the Trade Act of 1974 (19 U.S.C. 2293(a)) is amended—

(1) in paragraph (2), by inserting after ''104-week period'' the following: ''(or, in the case of an adversely affected worker who requires a program of remedial education (as described in section 236(a)(5)(D)) in order to complete training approved for the worker under section 236, the 130-week period)''; and

(2) in paragraph (3), by striking ''26'' each place it appears and inserting ''52''.

(b) SPECIAL RULE RELATING TO BREAK IN TRAINING.—Section 233(f) of the Trade Act of 1974 (19 U.S.C. 2293(f)) is amended in the matter preceding paragraph (1) by striking ''14 days'' and inserting ''30 days''.

(c) ADDITIONAL WEEKS FOR INDIVIDUALS IN NEED OF REMEDIAL EDUCATION.—Section 233 of the Trade Act of 1974 (19 U.S.C. 2293) is amended by adding at the end the following:

''(g) Notwithstanding any other provision of this section, in order to assist an adversely affected worker to complete training approved for the worker under section 236 which includes a program of remedial education (as described in section 236(a)(5)(D)), and in accordance with regulations prescribed by the Secretary, payments may be made as trade readjustment allowances for up to 26 additional weeks in the 26-week period that follows the last week of entitlement to trade readjustment allowances otherwise payable under this chapter.''.

SEC. 117. ANNUAL TOTAL AMOUNT OF PAYMENTS FOR TRAINING.

Section 236(a)(2)(A) of the Trade Act of 1974 (19 U.S.C. 2296(a)(2)(A)) is amended by striking ''$80,000,000'' and all that follows through ''$70,000,000'' and inserting ''$110,000,000''.

SEC. 118. AUTHORITY OF STATES WITH RESPECT TO COSTS OF APPROVED TRAINING AND SUPPLEMENTAL ASSISTANCE.

(a) COSTS OF APPROVED TRAINING.—Section 236(a) of the Trade Act of 1974 (19 U.S.C. 2296(a)) is amended by adding at the end the following new paragraph:

''(10) For purposes of carrying out paragraph (1)(F), the Secretary shall authorize

any cooperating State or State agency to establish, pursuant to guidelines issued by the Secretary, a uniform limit on the cost of training to be paid from funds provided under this chapter that may be approved by such State for an adversely affected worker under this section.''.

(b) SUPPLEMENTAL ASSISTANCE.—Section 236(b) of such Act (19 U.S.C. 2296(b)) is amended by inserting the following sentence after the first sentence: ''The Secretary shall authorize any cooperating State or State agency to take into account the cost of the training approved for an adversely affected worker under subsection (a) in determining the appropriate amount of supplemental assistance to be provided to such worker under this subsection.''.

SEC. 119. PROVISION OF EMPLOYER-BASED TRAINING.

(a) IN GENERAL.—Section 236(a)(5)(A) of the Trade Act of 1974 (19 U.S.C. 2296(a)(5)(A)) is amended to read as follows:

''(A) employer-based training, including—

''(i) on-the-job training, and

''(ii) customized training,''.

(b) REIMBURSEMENT.—Section 236(c)(8) of such Act (19 U.S.C. 2296(c)(8)) is amended to read as follows:

''(8) the employer is provided reimbursement of not more than 50 percent of the wage rate of the participant, for the cost of providing the training and additional supervision related to the training,''.

(c) DEFINITION.—Section 236 of such Act (19 U.S.C. 2296) is amended by adding the following new subsection:

''(f) For purposes of this section, the term 'customized training' means training that is—

''(1) designed to meet the special requirements of an employer or group of employers;

''(2) conducted with a commitment by the employer or group of employers to employ an individual upon successful completion of the training; and

''(3) for which the employer pays for a significant portion (but in no case less than 50 percent) of the cost of such training, as determined by the Secretary.''.

SEC. 120. COORDINATION WITH TITLE I OF THE WORKFORCE INVESTMENT ACT OF 1998.

(a) COORDINATION WITH ONE-STOP DELIVERY SYSTEMS IN THE PROVISION OF EMPLOYMENT SERVICES.—Section 235 of the Trade Act of 1974 (19 U.S.C. 2295) is amended by inserting before the period at the end of the first sentence the following: '', including the services provided through one-stop delivery systems described in section 134(c) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(c))''.

(b) COORDINATION WITH TITLE I OF THE WORKFORCE INVESTMENT ACT OF 1998.—

(1) IN GENERAL.—Section 239(e) of such Act (19 U.S.C. 2311(e)) is amended to read as follows:

''(e) Any agreement entered into under this section shall provide for the coordination of the administration of the provisions for employment services, training, and supplemental assistance under sections 235 and 236 of this chapter with provisions relating to dislocated worker employment and training activities (including supportive services) under chapter 5 of subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2861 et seq.) upon such terms and conditions, as established by the Secretary after consultation with the States, that are consistent with this section. Such terms and conditions shall, at a minimum, include requirements that—

''(1) adversely affected workers applying for assistance under this chapter be co-enrolled in the dislocated worker program authorized under chapter 5 of subtitle B of title I of the Workforce Investment Act of 1998;

''(2) training under section 236 shall be provided in accordance with the provisions relating to consumer choice requirements and the use of individual training accounts under subparagraphs (F) and (G) of section 134(d)(4) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(d)(4)(F) and (G)), including—

''(A) the requirement that only providers eligible under section 122 of the Workforce Investment Act of 1998 (29 U.S.C. 2842) shall be eligible to provide training; and

''(B) that the exceptions to the use of individual training accounts described in section 134(d)(4)(G)(ii) of such Act (29 U.S.C. 2864(d)(4)(G)(ii)) shall be applicable; and

''(3) common reporting systems and elements, including common elements relating to participant and performance data, shall be used by the program authorized under this chapter and the dislocated worker program authorized under chapter 5 of subtitle B of title I of such Act.''.

(2) ADDITIONAL REQUIREMENT.—Section 239(g) of such Act (19 U.S.C. 2311(g)) is amended—

(A) by inserting ''(1)'' after ''(g)''; and

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

''(2) The agreement under this section shall also provide that the cooperating State agency shall be a one-stop partner as described in subparagraphs (A) and (B)(viii) of section 121(b)(1) of the Workforce Investment Act of 1998 (29 U.S.C. 2841(b)(1)(A) and (B)(viii)) in the one-stop delivery system established under section 134(c) of such Act (29 U.S.C. 2864(c)) for the appropriate local workforce investment areas, and shall carry out the responsibilities relating to such partners.''.

(3) CONFORMING AMENDMENTS.—Section 236(a)(1) of such Act (19 U.S.C. 2296(a)(1)) is amended—

(A) in the matter preceding subparagraph (A), by inserting '', pursuant to an interview, evaluation, assessment, or case management of the worker,'' after ''Secretary determines''; and

(B) in the second sentence of such paragraph, by striking '', directly or through a voucher system'' and inserting ''through individual training accounts pursuant to the agreement under section 239(e)(2)''.

SEC. 121. EXPENDITURE PERIOD.

Section 245 of the Trade Act of 1974 (19 U.S.C. 2317), as amended by section 111(a) of this Act, is further amended—

(1) by striking ''There are authorized'' and inserting ''(a) IN GENERAL.—There are authorized''; and

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

''(b) PERIOD OF EXPENDITURE.—Funds obligated for any fiscal year to carry out activities under sections 235 through 238 may be expended by each State receiving such funds during that fiscal year and the succeeding two fiscal years.''.

SEC. 122. DECLARATION OF POLICY; SENSE OF CONGRESS.

(a) DECLARATION OF POLICY.—Congress reiterates that, under the trade adjustment assistance program under chapter 2 of title II of the Trade Act of 1974, workers are eligible for transportation, childcare, and healthcare assistance, as well as other related assistance under programs administered by the Department of Labor.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of Labor, working independently and in conjunction with the States, should, in accordance with section 225 of the Trade Act of 1974, provide more specific information about benefit allowances, training, and other employment services, and the petition and application procedures (including appropriate filing dates) for such allowances, training, and services, under the trade adjustment assistance program under chapter 2 of title II of the Trade Act of 1974 to workers who are applying for, or are certified to receive, assistance under that program, including information on all other Federal assistance available to such workers.

TITLE II—CREDIT FOR HEALTH INSURANCE COSTS OF ELIGIBLE INDIVIDUALS

SEC. 201. CREDIT FOR HEALTH INSURANCE COSTS OF INDIVIDUALS RECEIVING A TRADE READJUSTMENT ALLOWANCE OR A BENEFIT FROM THE PENSION BENEFIT GUARANTY CORPORATION.

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

''SEC. 35. HEALTH INSURANCE COSTS OF ELIGIBLE INDIVIDUALS.

''(a) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by subtitle A an amount equal to 60 percent of the amount paid by the taxpayer for coverage of the taxpayer and qualifying family members under qualified health insurance for eligible coverage months beginning in the taxable year.

''(b) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—For purposes of this section—

''(1) IN GENERAL.—Except as provided in paragraph (2), if the modified adjusted gross income of the taxpayer for the taxable year exceeds $20,000, the amount which would (but for this subsection and subsection (h)(1)) be allowed as a credit under subsection (a) shall be reduced (but not below zero) by the amount which bears the same ratio to the amount which would be so allowed as such excess bears to $20,000.

''(2) FAMILY COVERAGE.—

''(A) SEPARATE APPLICATION OF LIMITATION.—Paragraph (1) shall be applied separately with respect to—

''(i) amounts paid for eligible coverage months as of the first day of which one or more qualifying family members are covered by the qualified health insurance covering the taxpayer, and

''(ii) amounts paid for other eligible coverage months.

''(B) LIMITATION AMOUNT.—With respect to amounts described in subparagraph (A)(i), paragraph (1) shall be applied by substituting '$40,000' for '$20,000' each place it appears.

''(3) MODIFIED ADJUSTED GROSS INCOME.—The term 'modified adjusted gross income' means adjusted gross income determined without regard to sections 911, 931, and 933.

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

''(1) IN GENERAL.—The term 'eligible coverage month' means any month if—

''(A) as of the first day of such month, the taxpayer—

''(i) is an eligible individual,

''(ii) is covered by qualified health insurance, the premium for which is paid by the taxpayer, and

''(iii) does not have other specified coverage,

''(B) such month begins more than 90 days after the date of the enactment of the Trade Act of 2002, and

''(C) in the case of any eligible TAA recipient, such month is designated under paragraph (2).

''(2) DESIGNATION OF ELIGIBLE COVERAGE MONTHS.—Any eligible TAA recipient may designate, with respect to any period of 36 months, not more than 12 months of such period as eligible coverage months.

''(3) JOINT RETURNS.—In the case of a joint return, the requirements of paragraph (1)(A)

shall be treated as met with respect to any month if at least 1 spouse satisfies such requirements.

''(d) ELIGIBLE INDIVIDUAL.—For purposes of this section—

''(1) IN GENERAL.—The term 'eligible individual' means—

''(A) an eligible TAA recipient, or

''(B) an eligible PBGC pension recipient.

''(2) ELIGIBLE TAA RECIPIENT.—The term 'eligible TAA recipient' means, with respect to any month, any individual—

''(A) who is receiving for any day of such month a trade readjustment allowance under part I of subchapter B, or subchapter D, of chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2291 et seq. or 2331 et seq.) or who would be eligible to receive such allowance if section 231 of such Act (19 U.S.C. 2291) were applied without regard to subsection (a)(3)(B) of such section, and

''(B) who, with respect to such allowance, is covered under a certification issued—

''(i) under subchapter A or D of chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq. or 2331 et seq.), and

''(ii) after the date which is 90 days after the date of the enactment of the Trade Act of 2002.

An individual shall continue to be treated as an eligible TAA recipient during the first month that such individual would otherwise cease to be an eligible TAA recipient.

''(3) ELIGIBLE PBGC PENSION RECIPIENT.—The term 'eligible PBGC pension recipient' means, with respect to any month, any individual who—

''(A) has attained age 55 as of the first day of such month, and

''(B) is receiving a benefit for such month any portion of which is paid by the Pension Benefit Guaranty Corporation under title IV of the Employee Retirement Income Security Act of 1974.

''(e) QUALIFYING FAMILY MEMBER.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualifying family member' means—

''(A) the taxpayer's spouse, and

''(B) any dependent of the taxpayer with respect to whom the taxpayer is entitled to a deduction under section 151(c).

Such term does not include any individual who has other specified coverage.

''(2) SPECIAL DEPENDENCY TEST IN CASE OF DIVORCED PARENTS, ETC.—If paragraph (2) or (4) of section 152(e) applies to any child with respect to any calendar year, in the case of any taxable year beginning in such calendar year, such child shall be treated as described in paragraph (1)(B) with respect to the custodial parent (within the meaning of section 152(e)(1)) and not with respect to the noncustodial parent.

''(f) QUALIFIED HEALTH INSURANCE.—For purposes of this section, the term 'qualified health insurance' means insurance which constitutes medical care; except that such term shall not include any insurance if substantially all of its coverage is of excepted benefits described in section 9832(c).

''(g) OTHER SPECIFIED COVERAGE.—

''(1) IN GENERAL.—For purposes of this section, an individual has other specified coverage for any month if, as of the first day of such month—

''(A) SUBSIDIZED COVERAGE.—Such individual is covered under any qualified health insurance under any health plan maintained by any employer (or former employer) of the taxpayer or the taxpayer's spouse and at least 50 percent of the cost of such coverage (determined under section 4980B) is paid or incurred by the employer.

''(B) COVERAGE UNDER MEDICARE, MEDICAID, OR SCHIP.—Such individual—

''(i) is entitled to benefits under part A of title XVIII of the Social Security Act or is enrolled under part B of such title, or

''(ii) is enrolled in the program under title XIX or XXI of such Act.

''(C) CERTAIN OTHER COVERAGE.—Such individual—

''(i) is enrolled in a health benefits plan under chapter 89 of title 5, United States Code, or

''(ii) is entitled to receive benefits under chapter 55 of title 10, United States Code.

''(2) SPECIAL RULES RELATED TO SUBSIDIZED COVERAGE.—

''(A) EMPLOYER CONTRIBUTIONS TO CAFETERIA PLANS, FLEXIBLE SPENDING ARRANGEMENTS, AND MEDICAL SAVINGS ACCOUNTS.—Employer contributions to a cafeteria plan (as defined in section 125(d)), a flexible spending or similar arrangement, or a medical savings account which are excluded from gross income under section 106 shall be treated for purposes of paragraph (1)(A) as paid by the employer.

''(B) AGGREGATION OF PLANS OF EMPLOYER.—A health plan which is not otherwise described in paragraph (1)(A) shall be treated as described in such paragraph if such plan would be so described if all health plans of persons treated as a single employer under subsection (b), (c), (m), or (o) of section 414 were treated as one health plan.

''(3) IMMUNIZATIONS NOT TREATED AS MEDICAID COVERAGE.—For purposes of paragraph (1)(B), an individual shall not be treated as enrolled in the program under title XIX of the Social Security Act solely on the basis of receiving a benefit under section 1928 of such Act.

''(h) SPECIAL RULES.—

''(1) COORDINATION WITH ADVANCE PAYMENTS OF CREDIT.—With respect to any taxable year, the amount which would (but for this subsection) be allowed as a credit to the taxpayer under subsection (a) shall be reduced (but not below zero) by the aggregate amount paid on behalf of such taxpayer under section 7527 for months beginning in such taxable year.

''(2) COORDINATION WITH OTHER DEDUCTIONS.—Amounts taken into account under subsection (a) shall not be taken into account in determining any deduction allowed under section 162(l) or 213.

''(3) MSA DISTRIBUTIONS.—Amounts distributed from an Archer MSA (as defined in section 220(d)) shall not be taken into account under subsection (a).

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

''(5) MARRIED COUPLES MUST FILE JOINT RETURN.—If the taxpayer is married at the close of the taxable year, the credit shall be allowed under subsection (a) only if the taxpayer and his spouse file a joint return for the taxable year.

''(6) MARITAL STATUS; CERTAIN MARRIED INDIVIDUALS LIVING APART.—Rules similar to the rules of paragraphs (3) and (4) of section 21(e) shall apply for purposes of this section.

''(7) INSURANCE WHICH COVERS OTHER INDIVIDUALS.—For purposes of this section, rules similar to the rules of section 213(d)(6) shall apply with respect to any contract for qualified health insurance under which amounts are payable for coverage of an individual other than the taxpayer and qualifying family members.

''(8) TREATMENT OF PAYMENTS.—For purposes of this section—

''(A) PAYMENTS BY SECRETARY.—Payments made by the Secretary on behalf of any individual under section 7527 (relating to advance payment of credit for health insurance costs of eligible TAA recipients) shall be treated as having been made by the taxpayer on the first day of the month for which such payment was made.

''(B) PAYMENTS BY TAXPAYER.—Payments made by the taxpayer for eligible coverage months shall be treated as having been made by the taxpayer on the first day of the month for which such payment was made.

''(9) REGULATIONS.—The Secretary may prescribe such regulations and other guidance as may be necessary or appropriate to carry out this section, section 6050T, and section 7527.''.

(b) INCREASED ACCESS TO HEALTH INSURANCE FOR INDIVIDUALS ELIGIBLE FOR TAX CREDIT THROUGH USE OF GUARANTEED ISSUE, QUALIFIED HIGH RISK POOLS, AND OTHER APPROPRIATE STATE MECHANISMS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, in applying section 2741 of the Public Health Service Act (42 U.S.C. 300gg–41)) and any alternative State mechanism under section 2744 of such Act (42 U.S.C.300gg–44)), in determining who is an eligible individual (as defined in section 2741(b) of such Act) in the case of an individual who may be covered by insurance for which credit is allowable under section 35 of the Internal Revenue Code of 1986 for an eligible coverage month, if the individual seeks to obtain health insurance coverage under such section during an eligible coverage month under such section—

(A) paragraph (1) of such section 2741(b) shall be applied as if any reference to 18 months is deemed a reference to 12 months, and

(B) paragraphs (4) and (5) of such section 2741(b) shall not apply.

(2) PROMOTION OF STATE HIGH RISK POOLS.—Title XXVII of the Public Health Service Act is amended by inserting after section 2744 the following new section:

''SEC. 2745. PROMOTION OF QUALIFIED HIGH RISK POOLS.

''(a) SEED GRANTS TO STATES.—The Secretary shall provide from the funds appropriated under subsection (c)(1) a grant of up to $1,000,000 to each State that has not created a qualified high risk pool as of the date of the enactment of this section for the State's costs of creation and initial operation of such a pool.

''(b) MATCHING FUNDS FOR OPERATION OF POOLS.—

''(1) IN GENERAL.—In the case of a State that has established a qualified high risk pool that—

''(A) restricts premiums charged under the pool to no more than 150 percent of the premium for applicable standard risk rates;

''(B) that offers a choice of two or more coverage options through the pool; and

''(C) has in effect a mechanism reasonably designed to ensure continued funding of losses incurred by the State after the end of fiscal year 2004 in connection with operation of the pool;

the Secretary shall provide, from the funds appropriated under subsection (c)(2) and allotted to the State under paragraph (2), a grant of up to 50 percent of the losses incurred by the State in connection with the operation of the pool.

''(2) ALLOTMENT.—The amounts appropriated under subsection (c)(2) for a fiscal year shall be made available to the States in accordance with a formula that is based upon the number of uninsured individuals in the States.

''(3) CONSTRUCTION.—Nothing in this subsection shall be construed as preventing a State from supplementing the funds made available under this subsection for the support and operation of qualified high risk pools.

''(c) FUNDING.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated—

''(1) $20,000,000 for fiscal year 2003 to carry out subsection (a); and

''(2) $40,000,000 for each of fiscal years 2003 and 2004.

Funds appropriated under this subsection for a fiscal year shall remain available for obligation through the end of the following fiscal year. Nothing in this section shall be construed as providing a State with an entitlement to a grant under this section.

''(d) QUALIFIED HIGH RISK POOL AND STATE DEFINED.—For purposes of this section, the term 'qualified high risk pool' has the meaning given such term in section 2744(c)(2) and the term 'State' means any of the 50 States and the District of Columbia.''.

(3) CONSTRUCTION.—Nothing in this subsection shall be construed as affecting the ability of a State to use mechanisms, described in sections 2741(c) and 2744 of the Public Health Service Act, as an alternative to applying the guaranteed availability provisions of section 2741(a) of such Act.

(c) CONFORMING AMENDMENTS.—

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

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

''Sec. 35. Health insurance costs of eligible individuals.

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

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 202. ADVANCE PAYMENT OF CREDIT FOR HEALTH INSURANCE COSTS OF ELIGIBLE INDIVIDUALS.

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

''SEC. 7527. ADVANCE PAYMENT OF CREDIT FOR HEALTH INSURANCE COSTS OF ELIGIBLE INDIVIDUALS.

''(a) GENERAL RULE.—Not later than July 1, 2003, the Secretary shall establish a program for making payments on behalf of certified individuals to providers of qualified health insurance (as defined in section 35(f)) for such individuals.

''(b) LIMITATION ON ADVANCE PAYMENTS DURING ANY TAXABLE YEAR.—

''(1) IN GENERAL.—The Secretary may make payments under subsection (a) only to the extent that the total amount of such payments made on behalf of any individual during the taxable year does not exceed such individual's advance payment limitation amount for such year.

''(2) ADVANCE PAYMENT LIMITATION AMOUNT.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), with respect to any certified individual, the advance payment limitation amount for any taxable year shall be an amount equal to the amount that such individual would be allowed as a credit under section 35 for such taxable year if such individual's modified adjusted gross income (as defined in section 35(b)(3)) for such taxable year were an amount equal to the amount of such individual's modified adjusted gross income shown on the return for the prior taxable year.

''(B) SUBSTITUTE AMOUNT.—For purposes of this section, the Secretary may substitute an amount for an individual's advance payment limitation amount for any taxable year if the Secretary determines that such substitute amount more accurately reflects such individual's modified adjusted gross income for such taxable year.

''(c) CERTIFIED INDIVIDUAL.—For purposes of this section, the term 'certified individual' means any individual for whom a qualified health insurance costs credit eligibility certificate is in effect.

''(d) QUALIFIED HEALTH INSURANCE COSTS CREDIT ELIGIBILITY CERTIFICATE.—For purposes of this section, a qualified health insurance costs credit eligibility certificate is a statement certified by the Secretary of Labor or the Pension Benefit Guaranty Corporation (or by any other person or entity designated by the Secretary) which—

''(1) certifies that the individual was an eligible individual (within the meaning of section 35(d)) as of the first day of any month, and

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

(b) DISCLOSURE OF RETURN INFORMATION FOR PURPOSES OF CARRYING OUT A PROGRAM FOR ADVANCE PAYMENT OF CREDIT FOR HEALTH INSURANCE COSTS OF ELIGIBLE INDIVIDUALS.—

(1) IN GENERAL.—Subsection (l) of section 6103 of such Code (relating to disclosure of returns and return information for purposes other than tax administration) is amended by adding at the end the following new paragraph:

''(18) DISCLOSURE OF RETURN INFORMATION FOR PURPOSES OF CARRYING OUT A PROGRAM FOR ADVANCE PAYMENT OF CREDIT FOR HEALTH INSURANCE COSTS OF ELIGIBLE INDIVIDUALS.—The Secretary may disclose to providers of health insurance for any certified individual (as defined in section 7527(c)) return information with respect to such certified individual only to the extent necessary to carry out the program established by section 7527 (relating to advance payment of health insurance cost credit).''.

(2) PROCEDURES AND RECORDKEEPING RELATED TO DISCLOSURES.—Subsection (p) of such section is amended—

(A) in paragraph (3)(A) by striking ''or (17)'' and inserting ''(17), or (18)'', and

(B) in paragraph (4) by inserting ''or (17)'' after ''any other person described in subsection (l)(16)'' each place it appears.

(3) UNAUTHORIZED INSPECTION OF RETURNS OR RETURN INFORMATION.—Section 7213A(a)(1)(B) of such Code is amended by striking ''section 6103(n)'' and inserting ''subsection (l)(18) or (n) of section 6103''.

(c) INFORMATION REPORTING.—

(1) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 of the Internal Revenue Code of 1986 (relating to information concerning transactions with other persons) is amended by inserting after section 6050S the following new section:

''SEC. 6050T. RETURNS RELATING TO CREDIT FOR HEALTH INSURANCE COSTS OF ELIGIBLE INDIVIDUALS.

''(a) REQUIREMENT OF REPORTING.—Every person who is entitled to receive payments for any month of any calendar year under section 7527 (relating to advance payment of credit for health insurance costs of eligible individuals) with respect to any certified individual (as defined in section 7527(c)) shall, at such time as the Secretary may prescribe, make the return described in subsection (b) with respect to each such individual.

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

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

''(2) contains—

''(A) the name, address, and TIN of each individual referred to in subsection (a),

''(B) the number of months for which amounts were entitled to be received with respect to such individual under section 7527 (relating to advance payment of credit for health insurance costs of eligible individuals),

''(C) the amount entitled to be received for each such month, and

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

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

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

''(2) the information required to be shown on the return with respect to such individual.

The written statement required under the preceding sentence shall be furnished on or before January 31 of the year following the calendar year for which the return under subsection (a) is required to be made.''.

(2) ASSESSABLE PENALTIES.—

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

''(xi) section 6050T (relating to returns relating to credit for health insurance costs of eligible individuals),''.

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

''(BB) section 6050T (relating to returns relating to credit for health insurance costs of eligible individuals).''.

(d) CLERICAL AMENDMENTS.—

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

''Sec. 7527. Advance payment of credit for health insurance costs of eligible individuals.''.

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

''Sec. 6050T. Returns relating to credit for health insurance costs of eligible individuals.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

TITLE III—CUSTOMS REAUTHORIZATION

SEC. 301. SHORT TITLE.

This Act may be cited as the ''Customs Border Security Act of 2002''.

Subtitle A—United States Customs Service

CHAPTER 1—DRUG ENFORCEMENT AND OTHER NONCOMMERCIAL AND COMMERCIAL OPERATIONS

SEC. 311. AUTHORIZATION OF APPROPRIATIONS FOR NONCOMMERCIAL OPERATIONS, COMMERCIAL OPERATIONS, AND AIR AND MARINE INTERDICTION.

(a) NONCOMMERCIAL OPERATIONS.—Section 301(b)(1) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)) is amended—

(1) in subparagraph (A) to read as follows:

''(A) $899,121,000 for fiscal year 2002.'';

(2) in subparagraph (B) to read as follows:

''(B) $1,365,456,000 for fiscal year 2003.''; and

(3) by adding at the end the following:

''(C) $1,399,592,400 for fiscal year 2004.''.

(b) COMMERCIAL OPERATIONS.—

(1) IN GENERAL.—Section 301(b)(2)(A) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(2)(A)) is amended—

(A) in clause (i) to read as follows:

''(i) $1,606,068,000 for fiscal year 2002.'';

(B) in clause (ii) to read as follows:

''(ii) $1,642,602,000 for fiscal year 2003.''; and

(C) by adding at the end the following:

''(iii) $1,683,667,050 for fiscal year 2004.''.

(2) AUTOMATED COMMERCIAL ENVIRONMENT COMPUTER SYSTEM.—Of the amount made available for each of fiscal years 2002 through 2004 under section 301(b)(2)(A) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(2)(A)), as amended by paragraph (1), $308,000,000 shall be available until expended for each such fiscal year for the development, establishment, and implementation of the Automated Commercial Environment computer system.

(3) REPORTS.—Not later than 90 days after the date of the enactment of this Act, and not later than each subsequent 90-day period, the Commissioner of Customs shall prepare and submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report demonstrating that the development and establishment of the Automated Commercial Environment computer system is being carried out in a cost-effective manner and meets the modernization requirements of title VI of the North American Free Trade Agreement Implementation Act.

(c) AIR AND MARINE INTERDICTION.—Section 301(b)(3) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(3)) is amended—

(1) in subparagraph (A) to read as follows:

''(A) $177,860,000 for fiscal year 2002.'';

(2) in subparagraph (B) to read as follows:

''(B) $170,829,000 for fiscal year 2003.''; and

(3) by adding at the end the following:

''(C) $175,099,725 for fiscal year 2004.''.

(d) SUBMISSION OF OUT-YEAR BUDGET PROJECTIONS.—Section 301(a) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(a)) is amended by adding at the end the following:

''(3) By not later than the date on which the President submits to Congress the budget of the United States Government for a fiscal year, the Commissioner of Customs shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate the projected amount of funds for the succeeding fiscal year that will be necessary for the operations of the Customs Service as provided for in subsection (b).''.

SEC. 312. ANTITERRORIST AND ILLICIT NARCOTICS DETECTION EQUIPMENT FOR THE UNITED STATES-MEXICO BORDER, UNITED STATES-CANADA BORDER, AND FLORIDA AND THE GULF COAST SEAPORTS.

(a) FISCAL YEAR 2002.—Of the amounts made available for fiscal year 2002 under section 301(b)(1)(A) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(A)), as amended by section 311(a) of this Act, $90,244,000 shall be available until expended for acquisition and other expenses associated with implementation and deployment of antiterrorist and illicit narcotics detection equipment along the United States-Mexico border, the United States-Canada border, and Florida and the Gulf Coast seaports, as follows:

(1) UNITED STATES-MEXICO BORDER.—For the United States-Mexico border, the following:

(A) $6,000,000 for 8 Vehicle and Container Inspection Systems (VACIS).

(B) $11,200,000 for 5 mobile truck x-rays with transmission and backscatter imaging.

(C) $13,000,000 for the upgrade of 8 fixed-site truck x-rays from the present energy level of 450,000 electron volts to 1,000,000 electron volts (1–MeV).

(D) $7,200,000 for 8 1–MeV pallet x-rays.

(E) $1,000,000 for 200 portable contraband detectors (busters) to be distributed among ports where the current allocations are inadequate.

(F) $600,000 for 50 contraband detection kits to be distributed among all southwest border ports based on traffic volume.

(G) $500,000 for 25 ultrasonic container inspection units to be distributed among all ports receiving liquid-filled cargo and to ports with a hazardous material inspection facility.

(H) $2,450,000 for 7 automated targeting systems.

(I) $360,000 for 30 rapid tire deflator systems to be distributed to those ports where port runners are a threat.

(J) $480,000 for 20 portable Treasury Enforcement Communications Systems (TECS) terminals to be moved among ports as needed.

(K) $1,000,000 for 20 remote watch surveillance camera systems at ports where there are suspicious activities at loading docks, vehicle queues, secondary inspection lanes, or areas where visual surveillance or observation is obscured.

(L) $1,254,000 for 57 weigh-in-motion sensors to be distributed among the ports with the greatest volume of outbound traffic.

(M) $180,000 for 36 AM traffic information radio stations, with 1 station to be located at each border crossing.

(N) $1,040,000 for 260 inbound vehicle counters to be installed at every inbound vehicle lane.

(O) $950,000 for 38 spotter camera systems to counter the surveillance of customs inspection activities by persons outside the boundaries of ports where such surveillance activities are occurring.

(P) $390,000 for 60 inbound commercial truck transponders to be distributed to all ports of entry.

(Q) $1,600,000 for 40 narcotics vapor and particle detectors to be distributed to each border crossing.

(R) $400,000 for license plate reader automatic targeting software to be installed at each port to target inbound vehicles.

(2) UNITED STATES-CANADA BORDER.—For the United States-Canada border, the following:

(A) $3,000,000 for 4 Vehicle and Container Inspection Systems (VACIS).

(B) $8,800,000 for 4 mobile truck x-rays with transmission and backscatter imaging.

(C) $3,600,000 for 4 1–MeV pallet x-rays.

(D) $250,000 for 50 portable contraband detectors (busters) to be distributed among ports where the current allocations are inadequate.

(E) $300,000 for 25 contraband detection kits to be distributed among ports based on traffic volume.

(F) $240,000 for 10 portable Treasury Enforcement Communications Systems (TECS) terminals to be moved among ports as needed.

(G) $400,000 for 10 narcotics vapor and particle detectors to be distributed to each border crossing based on traffic volume.

(3) FLORIDA AND GULF COAST SEAPORTS.—For Florida and the Gulf Coast seaports, the following:

(A) $4,500,000 for 6 Vehicle and Container Inspection Systems (VACIS).

(B) $11,800,000 for 5 mobile truck x-rays with transmission and backscatter imaging.

(C) $7,200,000 for 8 1–MeV pallet x-rays.

(D) $250,000 for 50 portable contraband detectors (busters) to be distributed among ports where the current allocations are inadequate.

(E) $300,000 for 25 contraband detection kits to be distributed among ports based on traffic volume.

(b) FISCAL YEAR 2003.—Of the amounts made available for fiscal year 2003 under section 301(b)(1)(B) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(B)), as amended by section 311(a) of this Act, $9,000,000 shall be available until expended for the maintenance and support of the equipment and training of personnel to maintain and support the equipment described in subsection (a).

(c) ACQUISITION OF TECHNOLOGICALLY SUPERIOR EQUIPMENT; TRANSFER OF FUNDS.—

(1) IN GENERAL.—The Commissioner of Customs may use amounts made available for fiscal year 2002 under section 301(b)(1)(A) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(A)), as amended by section 311(a) of this Act, for the acquisition of equipment other than the equipment described in subsection (a) if such other equipment—

(A)(i) is technologically superior to the equipment described in subsection (a); and

(ii) will achieve at least the same results at a cost that is the same or less than the equipment described in subsection (a); or

(B) can be obtained at a lower cost than the equipment described in subsection (a).

(2) TRANSFER OF FUNDS.—Notwithstanding any other provision of this section, the Commissioner of Customs may reallocate an amount not to exceed 10 percent of—

(A) the amount specified in any of subparagraphs (A) through (R) of subsection (a)(1) for equipment specified in any other of such subparagraphs (A) through (R);

(B) the amount specified in any of subparagraphs (A) through (G) of subsection (a)(2) for equipment specified in any other of such subparagraphs (A) through (G); and

(C) the amount specified in any of subparagraphs (A) through (E) of subsection (a)(3) for equipment specified in any other of such subparagraphs (A) through (E).

SEC. 313. COMPLIANCE WITH PERFORMANCE PLAN REQUIREMENTS.

As part of the annual performance plan for each of the fiscal years 2002 and 2003 covering each program activity set forth in the budget of the United States Customs Service, as required under section 1115 of title 31, United States Code, the Commissioner of Customs shall establish performance goals, performance indicators, and comply with all other requirements contained in paragraphs (1) through (6) of subsection (a) of such section with respect to each of the activities to be carried out pursuant to section 312.

CHAPTER 2—CHILD CYBER-SMUGGLING CENTER OF THE CUSTOMS SERVICE

SEC. 321. AUTHORIZATION OF APPROPRIATIONS FOR PROGRAM TO PREVENT CHILD PORNOGRAPHY/CHILD SEXUAL EXPLOITATION.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Customs Service $10,000,000 for fiscal year 2002 to carry out the program to prevent child pornography/child sexual exploitation established by the Child Cyber-Smuggling Center of the Customs Service.

(b) USE OF AMOUNTS FOR CHILD PORNOGRAPHY CYBER TIPLINE.—Of the amount appropriated under subsection (a), the Customs Service shall provide 3.75 percent of such amount to the National Center for Missing and Exploited Children for the operation of the child pornography cyber tipline of the Center and for increased public awareness of the tipline.

CHAPTER 3—MISCELLANEOUS PROVISIONS

SEC. 331. ADDITIONAL CUSTOMS SERVICE OFFICERS FOR UNITED STATES-CANADA BORDER.

Of the amount made available for fiscal year 2002 under paragraphs (1) and (2)(A) of section 301(b) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)), as amended by section 311 of this Act, $28,300,000 shall be available until expended for the Customs Service to hire approximately 285 additional Customs Service officers to address the needs of the offices and ports along the United States-Canada border.

SEC. 332. STUDY AND REPORT RELATING TO PERSONNEL PRACTICES OF THE CUSTOMS SERVICE.

(a) STUDY.—The Commissioner of Customs shall conduct a study of current personnel practices of the Customs Service, including an overview of performance standards and the effect and impact of the collective bargaining process on drug interdiction efforts of the Customs Service and a comparison of duty rotation policies of the Customs Service and other Federal agencies that employ similarly-situated personnel.

(b) REPORT.—Not later than 120 days after the date of the enactment of this Act, the Commissioner of Customs shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report containing the results of the study conducted under subsection (a).

SEC. 333. STUDY AND REPORT RELATING TO ACCOUNTING AND AUDITING PROCEDURES OF THE CUSTOMS SERVICE.

(a) STUDY.—(1) The Commissioner of Customs shall conduct a study of actions by the Customs Service to ensure that appropriate training is being provided to Customs Service personnel who are responsible for financial auditing of importers.

(2) In conducting the study, the Commissioner—

(A) shall specifically identify those actions taken to comply with provisions of law that protect the privacy and trade secrets of importers, such as section 552(b) of title 5, United States Code, and section 1905 of title 18, United States Code; and

(B) shall provide for public notice and comment relating to verification of the actions described in subparagraph (A).

(b) REPORT.—Not later than 6 months after the date of the enactment of this Act, the Commissioner of Customs shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report containing the results of the study conducted under subsection (a).

SEC. 334. ESTABLISHMENT AND IMPLEMENTATION OF COST ACCOUNTING SYSTEM; REPORTS.

(a) ESTABLISHMENT AND IMPLEMENTATION.—

(1) IN GENERAL.—Not later than September 30, 2003, the Commissioner of Customs shall, in accordance with the audit of the Customs Service's fiscal years 2000 and 1999 financial statements (as contained in the report of the Office of the Inspector General of the Department of the Treasury issued on February 23, 2001), establish and implement a cost accounting system for expenses incurred in both commercial and noncommercial operations of the Customs Service.

(2) ADDITIONAL REQUIREMENT.—The cost accounting system described in paragraph (1) shall provide for an identification of expenses based on the type of operation, the port at which the operation took place, the amount of time spent on the operation by personnel of the Customs Service, and an identification of expenses based on any other appropriate classification necessary to provide for an accurate and complete accounting of the expenses.

(b) REPORTS.—Beginning on the date of the enactment of this Act and ending on the date on which the cost accounting system described in subsection (a) is fully implemented, the Commissioner of Customs shall prepare and submit to Congress on a quarterly basis a report on the progress of implementing the cost accounting system pursuant to subsection (a).

SEC. 335. STUDY AND REPORT RELATING TO TIMELINESS OF PROSPECTIVE RULINGS.

(a) STUDY.—The Comptroller General shall conduct a study on the extent to which the Office of Regulations and Rulings of the Customs Service has made improvements to decrease the amount of time to issue prospective rulings from the date on which a request for the ruling is received by the Customs Service.

(b) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Comptroller General shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report containing the results of the study conducted under subsection (a).

(c) DEFINITION.—In this section, the term ''prospective ruling'' means a ruling that is requested by an importer on goods that are proposed to be imported into the United States and that relates to the proper classification, valuation, or marking of such goods.

SEC. 336. STUDY AND REPORT RELATING TO CUSTOMS USER FEES.

(a) STUDY.—The Comptroller General shall conduct a study on the extent to which the amount of each customs user fee imposed under section 13031(a) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(a)) is commensurate with the level of services provided by the Customs Service relating to the fee so imposed.

(b) REPORT.—Not later than 120 days after the date of the enactment of this Act, the Comptroller General shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report in classified form containing—

(1) the results of the study conducted under subsection (a); and

(2) recommendations for the appropriate amount of the customs user fees if such results indicate that the fees are not commensurate with the level of services provided by the Customs Service.

SEC. 337. FEES FOR CUSTOMS INSPECTIONS AT EXPRESS COURIER FACILITIES.

(a) IN GENERAL.—Section 13031(b)(9) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(b)(9)) is amended as follows:

(1) In subparagraph (A)—

(A) in the matter preceding clause (i), by striking ''the processing of merchandise that is informally entered or released'' and inserting ''the processing of letters, documents, records, shipments, merchandise, or any other item that is valued at an amount under $2,000 (or such higher amount as the Secretary may set by regulation pursuant to section 498 of the Tariff Act of 1930), whether or not such items are informally entered or released (except items entered or released for immediate exportation),''; and

(B) in clause (ii) to read as follows:

''(ii) In the case of an express consignment carrier facility or centralized hub facility, $.66 per individual airway bill or bill of lading.''.

(2) By redesignating subparagraph (B) as subparagraph (C) and inserting after subparagraph (A) the following:

''(B)(i) For fiscal year 2004 and subsequent fiscal years, the Secretary of the Treasury may adjust (not more than once per fiscal year) the amount described in subparagraph (A)(ii) to not less than $.35 but not more than $1.00 per individual airway bill or bill of lading. The Secretary shall provide notice in the Federal Register of a proposed adjustment under the preceding sentence and the reasons therefor and shall allow for public comment on the proposed adjustment.

''(ii) The payment required by subparagraph (A)(ii) shall be the only payment required for reimbursement of the Customs Service in connection with the processing of an individual airway bill or bill of lading in accordance with such subparagraph, except that the Customs Service may charge a fee to cover expenses of the Customs Service for adequate office space, equipment, furnishings, supplies, and security.

''(iii)(I) The payment required by subparagraph (A)(ii) and clause (ii) shall be paid on a quarterly basis to the Customs Service in accordance with regulations prescribed by the Secretary of the Treasury.

''(II) 50 percent of the amount of payments received under subparagraph (A)(ii) and clause (ii) shall, in accordance with section 524 of the Tariff Act of 1930, be deposited as a refund to the appropriation for the amount paid out of that appropriation for the costs incurred in providing services to express consignment carrier facilities or centralized hub facilities. Amounts deposited in accordance with the preceding sentence shall be available until expended for the provision of customs services to express consignment carrier facilities or centralized hub facilities.

''(III) Notwithstanding section 524 of the Tariff Act of 1930, the remaining 50 percent of the amount of payments received under subparagraph (A)(ii) and clause (ii) shall be paid to the Secretary of the Treasury, which is in lieu of the payment of fees under subsection (a)(10) of this section.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) take effect on October 1, 2002.

SEC. 338. NATIONAL CUSTOMS AUTOMATION PROGRAM.

Section 411(b) of the Tariff Act of 1930 (19 U.S.C. 1411(b)) is amended by striking the second sentence and inserting the following: ''The Secretary may, by regulation, require the electronic submission of information described in subsection (a) or any other information required to be submitted to the Customs Service separately pursuant to this subpart.''.

CHAPTER 4—ANTITERRORISM PROVISIONS

SEC. 341. IMMUNITY FOR UNITED STATES OFFICIALS THAT ACT IN GOOD FAITH.

(a) IMMUNITY.—Section 3061 of the Revised Statutes (19 U.S.C. 482) is amended—

(1) by striking ''Any of the officers'' and inserting ''(a) Any of the officers''; and

(2) by adding at the end the following:

''(b) Any officer or employee of the United States conducting a search of a person pursuant to subsection (a) shall not be held liable for any civil damages as a result of such search if the officer or employee performed the search in good faith.''.

(b) REQUIREMENT TO POST POLICY AND PROCEDURES FOR SEARCHES OF PASSENGERS.—Not later than 30 days after the date of the enactment of this Act, the Commissioner of the Customs Service shall ensure that at each Customs border facility appropriate notice is posted that provides a summary of the policy and procedures of the Customs Service for searching passengers, including a statement of the policy relating to the prohibition on the conduct of profiling of passengers based on gender, race, color, religion, or ethnic background.

SEC. 342. EMERGENCY ADJUSTMENTS TO OFFICES, PORTS OF ENTRY, OR STAFFING OF THE CUSTOMS SERVICE.

Section 318 of the Tariff Act of 1930 (19 U.S.C. 1318) is amended—

(1) by striking ''Whenever the President'' and inserting ''(a) Whenever the President''; and

(2) by adding at the end the following:

''(b)(1) Notwithstanding any other provision of law, the Secretary of the Treasury, when necessary to respond to a national emergency declared under the National Emergencies Act (50 U.S.C. 1601 et seq.) or to a specific threat to human life or national interests, is authorized to take the following actions on a temporary basis:

''(A) Eliminate, consolidate, or relocate any office or port of entry of the Customs Service.

''(B) Modify hours of service, alter services rendered at any location, or reduce the number of employees at any location.

''(C) Take any other action that may be necessary to directly respond to the national emergency or specific threat.

''(2) Notwithstanding any other provision of law, the Commissioner of Customs, when necessary to respond to a specific threat to human life or national interests, is authorized to close temporarily any Customs office or port of entry or take any other lesser action that may be necessary to respond to the specific threat.

''(3) The Secretary of the Treasury or the Commissioner of Customs, as the case may be, shall notify the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate not later than 72 hours after taking any action under paragraph (1) or (2).''.

SEC. 343. MANDATORY ADVANCED ELECTRONIC INFORMATION FOR CARGO AND PASSENGERS.

(a) CARGO INFORMATION.—

(1) IN GENERAL.—Section 431(b) of the Tariff Act of 1930 (19 U.S.C. 1431(b)) is amended—

(A) in the first sentence, by striking ''Any manifest'' and inserting ''(1) Any manifest''; and

(B) by adding at the end the following:

''(2)(A) In addition to any other requirement under this section, for each land, air, or vessel carrier required to make entry under the customs laws of the United States, the pilot, the master, operator, or owner of such carrier (or the authorized agent of such operator or owner) shall provide by electronic transmission cargo manifest information in advance of such entry in such manner, time, and form as prescribed under regulations by the Secretary. The Secretary may exclude any class of land, air, or vessel carrier for which the Secretary concludes the requirements of this subparagraph are not necessary.

''(B) The Secretary shall cooperate with other appropriate Federal departments and agencies for the purpose of providing to such departments and agencies as soon as practicable cargo manifest information obtained pursuant to subparagraph (A). In carrying out the preceding sentence, the Secretary, to the maximum extent practicable, shall protect the privacy and property rights with respect to the cargo involved.''.

(2) CONFORMING AMENDMENTS.—Subparagraphs (A) and (C) of section 431(d)(1) of such Act are each amended by inserting before the semicolon ''or subsection (b)(2)''.

(b) PASSENGER INFORMATION.—Part II of title IV of the Tariff Act of 1930 (19 U.S.C. 1431 et seq.) is amended by inserting after section 431 the following:

''SEC. 432. PASSENGER AND CREW INFORMATION REQUIRED FOR LAND, AIR, OR VESSEL CARRIERS.

''(a) IN GENERAL.—For every person arriving or departing on a land, air, or vessel carrier required to make entry or obtain clearance under the customs laws of the United States, the pilot, the master, operator, or owner of such carrier (or the authorized agent of such operator or owner) shall provide by electronic transmission information described in subsection (b) in advance of such entry or clearance in such manner, time, and form as prescribed under regulations by the Secretary.

''(b) INFORMATION DESCRIBED.—The information described in this subsection shall include for each person described in subsection (a), if applicable, the person's—

''(1) full name;

''(2) date of birth and citizenship;

''(3) gender;

''(4) passport number and country of issuance;

''(5) United States visa number or resident alien card number;

''(6) passenger name record; and

''(7) such additional information that the Secretary, by regulation, determines is reasonably necessary to ensure aviation and maritime safety pursuant to the laws enforced or administered by the Customs Service.

''(c) SHARING OF INFORMATION.—The Secretary shall cooperate with other appropriate Federal departments and agencies for the purpose of providing to such departments and agencies as soon as practicable electronic transmission information obtained pursuant to subsection (a). In carrying out the preceding sentence, the Secretary, to the maximum extent practicable, shall protect the privacy rights of the person with respect to which the information relates.''.

(c) DEFINITION.—Section 401 of the Tariff Act of 1930 (19 U.S.C. 1401) is amended by adding at the end the following:

''(t) The term 'land, air, or vessel carrier' means a land, air, or vessel carrier, as the case may be, that transports goods or passengers for payment or other consideration, including money or services rendered.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect beginning 45 days after the date of the enactment of this Act.

SEC. 344. BORDER SEARCH AUTHORITY FOR CERTAIN CONTRABAND IN OUTBOUND MAIL.

The Tariff Act of 1930 is amended by inserting after section 582 the following:

''SEC. 583. EXAMINATION OF OUTBOUND MAIL.

''(a) EXAMINATION.—

''(1) IN GENERAL.—For purposes of ensuring compliance with the Customs laws of the United States and other laws enforced by the Customs Service, including the provisions of law described in paragraph (2), a Customs officer may, subject to the provisions of this section, stop and search at the border, without a search warrant, mail of domestic origin transmitted for export by the United States Postal Service and foreign mail transiting the United States that is being imported or exported by the United States Postal Service.

''(2) PROVISIONS OF LAW DESCRIBED.—The provisions of law described in this paragraph are the following:

''(A) Section 5316 of title 31, United States Code (relating to reports on exporting and importing monetary instruments).

''(B) Sections 1461, 1463, 1465, and 1466 and chapter 110 of title 18, United States Code (relating to obscenity and child pornography).

''(C) Section 1003 of the Controlled Substances Import and Export Act (21 U.S.C. 953; relating to exportation of controlled substances).

''(D) The Export Administration Act of 1979 (50 U.S.C. app. 2401 et seq.).

''(E) Section 38 of the Arms Export Control Act (22 U.S.C. 2778).

''(F) The International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).

''(b) SEARCH OF MAIL NOT SEALED AGAINST INSPECTION AND OTHER MAIL.—Mail not sealed against inspection under the postal laws and regulations of the United States, mail which bears a customs declaration, and mail with respect to which the sender or addressee has consented in writing to search, may be searched by a Customs officer.

''(c) SEARCH OF MAIL SEALED AGAINST INSPECTION.—(1) Mail sealed against inspection under the postal laws and regulations of the United States may be searched by a Customs officer, subject to paragraph (2), upon reasonable cause to suspect that such mail contains one or more of the following:

''(A) Monetary instruments, as defined in section 1956 of title 18, United States Code.

''(B) A weapon of mass destruction, as defined in section 2332a(b) of title 18, United States Code.

''(C) A drug or other substance listed in schedule I, II, III, or IV in section 202 of the Controlled Substances Act (21 U.S.C. 812).

''(D) National defense and related information transmitted in violation of any of sections 793 through 798 of title 18, United States Code.

''(E) Merchandise mailed in violation of section 1715 or 1716 of title 18, United States Code.

''(F) Merchandise mailed in violation of any provision of chapter 71 (relating to obscenity) or chapter 110 (relating to sexual exploitation and other abuse of children) of title 18, United States Code.

''(G) Merchandise mailed in violation of the Export Administration Act of 1979 (50 U.S.C. app. 2401 et seq.).

''(H) Merchandise mailed in violation of section 38 of the Arms Export Control Act (22 U.S.C. 2778).

''(I) Merchandise mailed in violation of the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).

''(J) Merchandise mailed in violation of the Trading with the Enemy Act (50 U.S.C. app. 1 et seq.).

''(K) Merchandise subject to any other law enforced by the Customs Service.

''(2) No person acting under authority of paragraph (1) shall read, or authorize any other person to read, any correspondence contained in mail sealed against inspection unless prior to so reading—

''(A) a search warrant has been issued pursuant to Rule 41, Federal Rules of Criminal Procedure; or

''(B) the sender or addressee has given written authorization for such reading.''.

SEC. 345. AUTHORIZATION OF APPROPRIATIONS FOR REESTABLISHMENT OF CUSTOMS OPERATIONS IN NEW YORK CITY.

(a) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated for the reestablishment of operations of the Customs Service in New York, New York, such sums as may be necessary for fiscal year 2002.

(2) OPERATIONS DESCRIBED.—The operations referred to in paragraph (1) include, but are not limited to, the following:

(A) Operations relating to the Port Director of New York City, the New York Customs Management Center (including the Director of Field Operations), and the Special Agent-In-Charge for New York.

(B) Commercial operations, including textile enforcement operations and salaries and expenses of—

(i) trade specialists who determine the origin and value of merchandise;

(ii) analysts who monitor the entry data into the United States of textiles and textile products; and

(iii) Customs officials who work with foreign governments to examine textile makers and verify entry information.

(b) AVAILABILITY.—Amounts appropriated pursuant to the authorization of appropriations under subsection (a) are authorized to remain available until expended.

CHAPTER 5—TEXTILE TRANSSHIPMENT PROVISIONS

SEC. 351. GAO AUDIT OF TEXTILE TRANSSHIPMENT MONITORING BY CUSTOMS SERVICE.

(a) GAO AUDIT.—The Comptroller General of the United States shall conduct an audit of the system established and carried out by the Customs Service to monitor textile transshipment.

(b) REPORT.—Not later than 9 months after the date of enactment of this Act, the Comptroller General shall submit to the Committee on Ways and Means of the House of Representatives and Committee on Finance of the Senate a report that contains the results of the study conducted under subsection (a), including recommendations for improvements to the transshipment monitoring system if applicable.

(c) TRANSSHIPMENT DESCRIBED.—Transshipment within the meaning of this section has occurred when preferential treatment under any provision of law has been claimed for a textile or apparel article on the basis of material false information concerning the country of origin, manufacture, processing, or assembly of the article or any of its components. For purposes of the preceding sentence, false information is material if disclosure of the true information would mean or would have meant that the article is or was ineligible for preferential treatment under the provision of law in question.

SEC. 352. AUTHORIZATION OF APPROPRIATIONS FOR TEXTILE TRANSSHIPMENT ENFORCEMENT OPERATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated for textile transshipment enforcement operations of the Customs Service $9,500,000 for fiscal year 2002.

(2) AVAILABILITY.—Amounts appropriated pursuant to the authorization of appropriations under paragraph (1) are authorized to remain available until expended.

(b) USE OF FUNDS.—Of the amount appropriated pursuant to the authorization of appropriations under subsection (a), the following amounts are authorized to be made available for the following purposes:

(1) IMPORT SPECIALISTS.—$1,463,000 for 21 Customs import specialists to be assigned to selected ports for documentation review to support detentions and exclusions and 1 additional Customs import specialist assigned to the Customs headquarters textile program to administer the program and provide oversight.

(2) INSPECTORS.—$652,080 for 10 Customs inspectors to be assigned to selected ports to examine targeted high-risk shipments.

(3) INVESTIGATORS.—(A) $1,165,380 for 10 investigators to be assigned to selected ports to investigate instances of smuggling, quota and trade agreement circumvention, and use of counterfeit visas to enter inadmissible goods.

(B) $149,603 for 1 investigator to be assigned to Customs headquarters textile program to coordinate and ensure implementation of textile production verification team results from an investigation perspective.

(4) INTERNATIONAL TRADE SPECIALISTS.—$226,500 for 3 international trade specialists to be assigned to Customs headquarters to be dedicated to illegal textile transshipment policy issues and other free trade agreement enforcement issues.

(5) PERMANENT IMPORT SPECIALISTS FOR HONG KONG.—$500,000 for 2 permanent import specialist positions and $500,000 for 2 investigators to be assigned to Hong Kong to work with Hong Kong and other government authorities in Southeast Asia to assist such authorities pursue proactive enforcement of bilateral trade agreements.

(6) VARIOUS PERMANENT TRADE POSITIONS.—$3,500,000 for the following:

(A) 2 permanent positions to be assigned to the Customs attaché office in Central America to address trade enforcement issues for that region.

(B) 2 permanent positions to be assigned to the Customs attaché office in South Africa to address trade enforcement issues pursuant to the African Growth and Opportunity Act (title I of Public Law 106–200).

(C) 4 permanent positions to be assigned to the Customs attaché office in Mexico to address the threat of illegal textile transshipment through Mexico and other related issues under the North American Free Trade Agreement Act.

(D) 2 permanent positions to be assigned to the Customs attaché office in Seoul, South Korea, to address the trade issues in the geographic region.

(E) 2 permanent positions to be assigned to the proposed Customs attaché office in New Delhi, India, to address the threat of illegal textile transshipment and other trade enforcement issues.

(F) 2 permanent positions to be assigned to the Customs attaché office in Rome, Italy, to address trade enforcement issues in the geographic region, including issues under free trade agreements with Jordan and Israel.

(7) ATTORNEYS.—$179,886 for 2 attorneys for the Office of the Chief Counsel of the Customs Service to pursue cases regarding illegal textile transshipment.

(8) AUDITORS.—$510,000 for 6 Customs auditors to perform internal control reviews and document and record reviews of suspect importers.

(9) ADDITIONAL TRAVEL FUNDS.—$250,000 for deployment of additional textile production verification teams to sub-Saharan Africa.

(10) TRAINING.—(A) $75,000 for training of Customs personnel.

(B) $200,000 for training for foreign counterparts in risk management analytical techniques and for teaching factory inspection techniques, model law Development, and enforcement techniques.

(11) OUTREACH.—$60,000 for outreach efforts to United States importers.

SEC. 353. IMPLEMENTATION OF THE AFRICAN GROWTH AND OPPORTUNITY ACT.

Of the amount made available for fiscal year 2002 under section 301(b)(2)(A) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(2)(A)), as amended by section 311(b)(1) of this Act, $1,317,000 shall be available until expended for the Customs Service to provide technical assistance to help sub-Saharan Africa countries develop and implement effective visa and anti-transshipment systems as required by the African Growth and Opportunity Act (title I of Public Law 106–200), as follows:

(1) TRAVEL FUNDS.—$600,000 for import specialists, special agents, and other qualified Customs personnel to travel to sub-Saharan Africa countries to provide technical assistance in developing and implementing effective visa and anti-transshipment systems.

(2) IMPORT SPECIALISTS.—$266,000 for 4 import specialists to be assigned to Customs headquarters to be dedicated to providing technical assistance to sub-Saharan African countries for developing and implementing effective visa and anti-transshipment systems.

(3) DATA RECONCILIATION ANALYSTS.—$151,000 for 2 data reconciliation analysts to review apparel shipments.

(4) SPECIAL AGENTS.—$300,000 for 2 special agents to be assigned to Customs headquarters to be available to provide technical assistance to sub-Saharan African countries in the performance of investigations and other enforcement initiatives.

Subtitle B—Office of the United States Trade Representative

SEC. 361. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 141(g)(1) of the Trade Act of 1974 (19 U.S.C. 2171(g)(1)) is amended—

(1) in subparagraph (A)—

(A) in the matter preceding clause (i), by striking ''not to exceed'';

(B) in clause (i) to read as follows:

''(i) $30,000,000 for fiscal year 2002.'';

(C) in clause (ii) to read as follows:

''(ii) $32,300,000 for fiscal year 2003.''; and

(D) by adding at the end the following:

''(iii) $33,108,000 for fiscal year 2004.''; and

(2) in subparagraph (B)—

(A) in clause (i), by adding ''and'' at the end;

(B) by striking clause (ii); and

(C) by redesignating clause (iii) as clause (ii).

(b) SUBMISSION OF OUT-YEAR BUDGET PROJECTIONS.—Section 141(g) of the Trade Act of 1974 (19 U.S.C. 2171(g)) is amended by adding at the end the following:

''(3) By not later than the date on which the President submits to Congress the budget of the United States Government for a fiscal year, the United States Trade Representative shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate the projected amount of funds for the succeeding fiscal year that will be necessary for the Office to carry out its functions.''.

(c) ADDITIONAL STAFF FOR OFFICE OF ASSISTANT U.S. TRADE REPRESENTATIVE FOR CONGRESSIONAL AFFAIRS.—

(1) IN GENERAL.—There is authorized to be appropriated such sums as may be necessary for fiscal year 2002 for the salaries and expenses of two additional legislative specialist employee positions within the Office of the Assistant United States Trade Representative for Congressional Affairs.

(2) AVAILABILITY.—Amounts appropriated pursuant to the authorization of appropriations under paragraph (1) are authorized to remain available until expended.

Subtitle C—United States International Trade Commission

SEC. 371. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 330(e)(2)(A) of the Tariff Act of 1930 (19 U.S.C. 1330(e)(2)) is amended—

(1) in clause (i) to read as follows:

''(i) $51,440,000 for fiscal year 2002.'';

(2) in clause (ii) to read as follows:

''(ii) $54,000,000 for fiscal year 2003.''; and

(3) by adding at the end the following:

''(iii) $57,240,000 for fiscal year 2004.''.

(b) SUBMISSION OF OUT-YEAR BUDGET PROJECTIONS.—Section 330(e) of the Tariff Act of 1930 (19 U.S.C. 1330(e)(2)) is amended by adding at the end the following:

''(4) By not later than the date on which the President submits to Congress the budget of the United States Government for a fiscal year, the Commission shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate the projected amount of funds for the succeeding fiscal year that will be necessary for the Commission to carry out its functions.''.

Subtitle D—Other trade provisions

SEC. 381. INCREASE IN AGGREGATE VALUE OF ARTICLES EXEMPT FROM DUTY ACQUIRED ABROAD BY UNITED STATES RESIDENTS.

(a) IN GENERAL.—Subheading 9804.00.65 of the Harmonized Tariff Schedule of the

United States is amended in the article description column by striking ''$400'' and inserting ''$800''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect 90 days after the date of the enactment of this Act.

SEC. 382. REGULATORY AUDIT PROCEDURES.

Section 509(b) of the Tariff Act of 1930 (19 U.S.C. 1509(b)) is amended by adding at the end the following:

''(6)(A) If during the course of any audit concluded under this subsection, the Customs Service identifies overpayments of duties or fees or over-declarations of quantities or values that are within the time period and scope of the audit that the Customs Service has defined, then in calculating the loss of revenue or monetary penalties under section 592, the Customs Service shall treat the overpayments or over-declarations on finally liquidated entries as an offset to any underpayments or underdeclarations also identified on finally liquidated entries if such overpayments or over-declarations were not made by the person being audited for the purpose of violating any provision of law.

''(B) Nothing in this paragraph shall be construed to authorize a refund not otherwise authorized under section 520.''.

DIVISION B—BIPARTISAN TRADE PROMOTION AUTHORITY

TITLE XXI—TRADE PROMOTION AUTHORITY

SEC. 2101. SHORT TITLE AND FINDINGS.

(a) SHORT TITLE.—This title may be cited as the ''Bipartisan Trade Promotion Authority Act of 2002''.

(b) FINDINGS.—The Congress makes the following findings:

(1) The expansion of international trade is vital to the national security of the United States. Trade is critical to the economic growth and strength of the United States and to its leadership in the world. Stable trading relationships promote security and prosperity. Trade agreements today serve the same purposes that security pacts played during the Cold War, binding nations together through a series of mutual rights and obligations. Leadership by the United States in international trade fosters open markets, democracy, and peace throughout the world.

(2) The national security of the United States depends on its economic security, which in turn is founded upon a vibrant and growing industrial base. Trade expansion has been the engine of economic growth. Trade agreements maximize opportunities for the critical sectors and building blocks of the economy of the United States, such as information technology, telecommunications and other leading technologies, basic industries, capital equipment, medical equipment, services, agriculture, environmental technology, and intellectual property. Trade will create new opportunities for the United States and preserve the unparalleled strength of the United States in economic, political, and military affairs. The United States, secured by expanding trade and economic opportunities, will meet the challenges of the twenty-first century.

(3) At the same time, the recent pattern of decisions by dispute settlement panels and the Appellate Body of the World Trade Organization to impose obligations and restrictions on the use of antidumping and countervailing measures by WTO members under the Antidumping Agreement and the Agreement on Subsidies and Countervailing Measures has raised concerns, and Congress is concerned that dispute settlement panels and the Appellate Body of the WTO appropriately apply the standard of review contained in Article 17.6 of the Antidumping Agreement, to provide deference to a permissible interpretation by a WTO member of provisions of the Antidumping Agreement, and to the evaluation by a WTO member of the facts where that evaluation is unbiased and objective and the establishment of the facts is proper.

SEC. 2102. TRADE NEGOTIATING OBJECTIVES.

(a) OVERALL TRADE NEGOTIATING OBJECTIVES.—The overall trade negotiating objectives of the United States for agreements subject to the provisions of section 2103 are—

(1) to obtain more open, equitable, and reciprocal market access;

(2) to obtain the reduction or elimination of barriers and distortions that are directly related to trade and that decrease market opportunities for United States exports or otherwise distort United States trade;

(3) to further strengthen the system of international trading disciplines and procedures, including dispute settlement;

(4) to foster economic growth, raise living standards, and promote full employment in the United States and to enhance the global economy;

(5) to ensure that trade and environmental policies are mutually supportive and to seek to protect and preserve the environment and enhance the international means of doing so, while optimizing the use of the world's resources;

(6) to promote respect for worker rights and the rights of children consistent with core labor standards of the International Labor Organization (as defined in section 2111(2)) and an understanding of the relationship between trade and worker rights; and

(7) to seek provisions in trade agreements under which parties to those agreements strive to ensure that they do not weaken or reduce the protections afforded in domestic environmental and labor laws as an encouragement for trade.

(b) PRINCIPAL TRADE NEGOTIATING OBJECTIVES.—

(1) TRADE BARRIERS AND DISTORTIONS.—The principal negotiating objectives of the United States regarding trade barriers and other trade distortions are—

(A) to expand competitive market opportunities for United States exports and to obtain fairer and more open conditions of trade by reducing or eliminating tariff and nontariff barriers and policies and practices of foreign governments directly related to trade that decrease market opportunities for United States exports or otherwise distort United States trade; and

(B) to obtain reciprocal tariff and nontariff barrier elimination agreements, with particular attention to those tariff categories covered in section 111(b) of the Uruguay Round Agreements Act (19 U.S.C. 3521(b)).

(2) TRADE IN SERVICES.—The principal negotiating objective of the United States regarding trade in services is to reduce or eliminate barriers to international trade in services, including regulatory and other barriers that deny national treatment and market access or unreasonably restrict the establishment or operations of service suppliers.

(3) FOREIGN INVESTMENT.—The principal negotiating objective of the United States regarding foreign investment is to reduce or eliminate artificial or trade-distorting barriers to trade-related foreign investment and, recognizing that United States law on the whole provides a high level of protection for investment, consistent with or greater than the level required by international law, to secure for investors important rights comparable to those that would be available under United States legal principles and practice, by—

(A) reducing or eliminating exceptions to the principle of national treatment;

(B) freeing the transfer of funds relating to investments;

(C) reducing or eliminating performance requirements, forced technology transfers, and other unreasonable barriers to the establishment and operation of investments;

(D) seeking to establish standards for expropriation and compensation for expropriation, consistent with United States legal principles and practice;

(E) providing meaningful procedures for resolving investment disputes;

(F) seeking to improve mechanisms used to resolve disputes between an investor and a government through—

(i) mechanisms to eliminate frivolous claims; and

(ii) procedures to ensure the efficient selection of arbitrators and the expeditious disposition of claims;

(G) providing an appellate or similar review mechanism to correct manifestly erroneous interpretations of law; and

(H) ensuring the fullest measure of transparency in the dispute settlement mechanism, to the extent consistent with the need to protect information that is classified or business confidential, by—

(i) ensuring that all requests for dispute settlement are promptly made public;

(ii) ensuring that—

(I) all proceedings, submissions, findings, and decisions are promptly made public; and

(II) all hearings are open to the public; and

(iii) establishing a mechanism for acceptance of amicus curiae submissions from businesses, unions, and nongovernmental organizations.

(4) INTELLECTUAL PROPERTY.—The principal negotiating objectives of the United States regarding trade-related intellectual property are—

(A) to further promote adequate and effective protection of intellectual property rights, including through—

(i)(I) ensuring accelerated and full implementation of the Agreement on Trade-Related Aspects of Intellectual Property Rights referred to in section 101(d)(15) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(15)), particularly with respect to meeting enforcement obligations under that agreement; and

(II) ensuring that the provisions of any multilateral or bilateral trade agreement governing intellectual property rights that is entered into by the United States reflect a standard of protection similar to that found in United States law;

(ii) providing strong protection for new and emerging technologies and new methods of transmitting and distributing products embodying intellectual property;

(iii) preventing or eliminating discrimination with respect to matters affecting the availability, acquisition, scope, maintenance, use, and enforcement of intellectual property rights;

(iv) ensuring that standards of protection and enforcement keep pace with technological developments, and in particular ensuring that rightholders have the legal and technological means to control the use of their works through the Internet and other global communication media, and to prevent the unauthorized use of their works; and

(v) providing strong enforcement of intellectual property rights, including through accessible, expeditious, and effective civil, administrative, and criminal enforcement mechanisms; and

(B) to secure fair, equitable, and nondiscriminatory market access opportunities for United States persons that rely upon intellectual property protection.

(5) TRANSPARENCY.—The principal negotiating objective of the United States with respect to transparency is to obtain wider and

broader application of the principle of transparency through—

(A) increased and more timely public access to information regarding trade issues and the activities of international trade institutions;

(B) increased openness at the WTO and other international trade fora by increasing public access to appropriate meetings, proceedings, and submissions, including with regard to dispute settlement and investment; and

(C) increased and more timely public access to all notifications and supporting documentation submitted by parties to the WTO.

(6) ANTI-CORRUPTION.—The principal negotiating objectives of the United States with respect to the use of money or other things of value to influence acts, decisions, or omissions of foreign governments or officials or to secure any improper advantage in a manner affecting trade are—

(A) to obtain high standards and appropriate domestic enforcement mechanisms applicable to persons from all countries participating in the applicable trade agreement that prohibit such attempts to influence acts, decisions, or omissions of foreign governments; and

(B) to ensure that such standards do not place United States persons at a competitive disadvantage in international trade.

(7) IMPROVEMENT OF THE WTO AND MULTILATERAL TRADE AGREEMENTS.—The principal negotiating objectives of the United States regarding the improvement of the World Trade Organization, the Uruguay Round Agreements, and other multilateral and bilateral trade agreements are—

(A) to achieve full implementation and extend the coverage of the World Trade Organization and such agreements to products, sectors, and conditions of trade not adequately covered; and

(B) to expand country participation in and enhancement of the Information Technology Agreement and other trade agreements.

(8) REGULATORY PRACTICES.—The principal negotiating objectives of the United States regarding the use of government regulation or other practices by foreign governments to provide a competitive advantage to their domestic producers, service providers, or investors and thereby reduce market access for United States goods, services, and investments are—

(A) to achieve increased transparency and opportunity for the participation of affected parties in the development of regulations;

(B) to require that proposed regulations be based on sound science, cost-benefit analysis, risk assessment, or other objective evidence;

(C) to establish consultative mechanisms among parties to trade agreements to promote increased transparency in developing guidelines, rules, regulations, and laws for government procurement and other regulatory regimes; and

(D) to achieve the elimination of government measures such as price controls and reference pricing which deny full market access for United States products.

(9) ELECTRONIC COMMERCE.—The principal negotiating objectives of the United States with respect to electronic commerce are—

(A) to ensure that current obligations, rules, disciplines, and commitments under the World Trade Organization apply to electronic commerce;

(B) to ensure that—

(i) electronically delivered goods and services receive no less favorable treatment under trade rules and commitments than like products delivered in physical form; and

(ii) the classification of such goods and services ensures the most liberal trade treatment possible;

(C) to ensure that governments refrain from implementing trade-related measures that impede electronic commerce;

(D) where legitimate policy objectives require domestic regulations that affect electronic commerce, to obtain commitments that any such regulations are the least restrictive on trade, nondiscriminatory, and transparent, and promote an open market environment; and

(E) to extend the moratorium of the World Trade Organization on duties on electronic transmissions.

(10) RECIPROCAL TRADE IN AGRICULTURE.—(A) The principal negotiating objective of the United States with respect to agriculture is to obtain competitive opportunities for United States exports of agricultural commodities in foreign markets substantially equivalent to the competitive opportunities afforded foreign exports in United States markets and to achieve fairer and more open conditions of trade in bulk, specialty crop, and value-added commodities by—

(i) reducing or eliminating, by a date certain, tariffs or other charges that decrease market opportunities for United States exports—

(I) giving priority to those products that are subject to significantly higher tariffs or subsidy regimes of major producing countries; and

(II) providing reasonable adjustment periods for United States import-sensitive products, in close consultation with the Congress on such products before initiating tariff reduction negotiations;

(ii) reducing tariffs to levels that are the same as or lower than those in the United States;

(iii) reducing or eliminating subsidies that decrease market opportunities for United States exports or unfairly distort agriculture markets to the detriment of the United States;

(iv) allowing the preservation of programs that support family farms and rural communities but do not distort trade;

(v) developing disciplines for domestic support programs, so that production that is in excess of domestic food security needs is sold at world prices;

(vi) eliminating Government policies that create price-depressing surpluses;

(vii) eliminating state trading enterprises whenever possible;

(viii) developing, strengthening, and clarifying rules and effective dispute settlement mechanisms to eliminate practices that unfairly decrease United States market access opportunities or distort agricultural markets to the detriment of the United States, particularly with respect to import-sensitive products, including—

(I) unfair or trade-distorting activities of state trading enterprises and other administrative mechanisms, with emphasis on requiring price transparency in the operation of state trading enterprises and such other mechanisms in order to end cross subsidization, price discrimination, and price undercutting;

(II) unjustified trade restrictions or commercial requirements, such as labeling, that affect new technologies, including biotechnology;

(III) unjustified sanitary or phytosanitary restrictions, including those not based on scientific principles in contravention of the Uruguay Round Agreements;

(IV) other unjustified technical barriers to trade; and

(V) restrictive rules in the administration of tariff rate quotas;

(ix) eliminating practices that adversely affect trade in perishable or cyclical products, while improving import relief mechanisms to recognize the unique characteristics of perishable and cyclical agriculture;

(x) ensuring that the use of import relief mechanisms for perishable and cyclical agriculture are as accessible and timely to growers in the United States as those mechanisms that are used by other countries;

(xi) taking into account whether a party to the negotiations has failed to adhere to the provisions of already existing trade agreements with the United States or has circumvented obligations under those agreements;

(xii) taking into account whether a product is subject to market distortions by reason of a failure of a major producing country to adhere to the provisions of already existing trade agreements with the United States or by the circumvention by that country of its obligations under those agreements;

(xiii) otherwise ensuring that countries that accede to the World Trade Organization have made meaningful market liberalization commitments in agriculture;

(xiv) taking into account the impact that agreements covering agriculture to which the United States is a party, including the North American Free Trade Agreement, have on the United States agricultural industry; and

(xv) maintaining bona fide food assistance programs and preserving United States market development and export credit programs.

(B)(i) Before commencing negotiations with respect to agriculture, the United States Trade Representative, in consultation with the Congress, shall seek to develop a position on the treatment of seasonal and perishable agricultural products to be employed in the negotiations in order to develop an international consensus on the treatment of seasonal or perishable agricultural products in investigations relating to dumping and safeguards and in any other relevant area.

(ii) During any negotiations on agricultural subsidies, the United States Trade Representative shall seek to establish the common base year for calculating the Aggregated Measurement of Support (as defined in the Agreement on Agriculture) as the end of each country's Uruguay Round implementation period, as reported in each country's Uruguay Round market access schedule.

(iii) The negotiating objective provided in subparagraph (A) applies with respect to agricultural matters to be addressed in any trade agreement entered into under section 2103(a) or (b), including any trade agreement entered into under section 2103(a) or (b) that provides for accession to a trade agreement to which the United States is already a party, such as the North American Free Trade Agreement and the United States-Canada Free Trade Agreement.

(11) LABOR AND THE ENVIRONMENT.—The principal negotiating objectives of the United States with respect to labor and the environment are—

(A) to ensure that a party to a trade agreement with the United States does not fail to effectively enforce its environmental or labor laws, through a sustained or recurring course of action or inaction, in a manner affecting trade between the United States and that party after entry into force of a trade agreement between those countries;

(B) to recognize that parties to a trade agreement retain the right to exercise discretion with respect to investigatory, prosecutorial, regulatory, and compliance matters and to make decisions regarding the allocation of resources to enforcement with respect to other labor or environmental matters determined to have higher priorities, and to recognize that a country is effectively enforcing its laws if a course of action or inaction reflects a reasonable exercise of such

discretion, or results from a bona fide decision regarding the allocation of resources and no retaliation may be authorized based on the exercise of these rights or the right to establish domestic labor standards and levels of environmental protection;

(C) to strengthen the capacity of United States trading partners to promote respect for core labor standards (as defined in section 2111(2));

(D) to strengthen the capacity of United States trading partners to protect the environment through the promotion of sustainable development;

(E) to reduce or eliminate government practices or policies that unduly threaten sustainable development;

(F) to seek market access, through the elimination of tariffs and nontariff barriers, for United States environmental technologies, goods, and services; and

(G) to ensure that labor, environmental, health, or safety policies and practices of the parties to trade agreements with the United States do not arbitrarily or unjustifiably discriminate against United States exports or serve as disguised barriers to trade.

(12) DISPUTE SETTLEMENT AND ENFORCEMENT.—The principal negotiating objectives of the United States with respect to dispute settlement and enforcement of trade agreements are—

(A) to seek provisions in trade agreements providing for resolution of disputes between governments under those trade agreements in an effective, timely, transparent, equitable, and reasoned manner, requiring determinations based on facts and the principles of the agreements, with the goal of increasing compliance with the agreements;

(B) to seek to strengthen the capacity of the Trade Policy Review Mechanism of the World Trade Organization to review compliance with commitments;

(C) to seek provisions encouraging the early identification and settlement of disputes through consultation;

(D) to seek provisions to encourage the provision of trade-expanding compensation if a party to a dispute under the agreement does not come into compliance with its obligations under the agreement;

(E) to seek provisions to impose a penalty upon a party to a dispute under the agreement that—

(i) encourages compliance with the obligations of the agreement;

(ii) is appropriate to the parties, nature, subject matter, and scope of the violation; and

(iii) has the aim of not adversely affecting parties or interests not party to the dispute while maintaining the effectiveness of the enforcement mechanism; and

(F) to seek provisions that treat United States principal negotiating objectives equally with respect to—

(i) the ability to resort to dispute settlement under the applicable agreement;

(ii) the availability of equivalent dispute settlement procedures; and

(iii) the availability of equivalent remedies.

(13) WTO EXTENDED NEGOTIATIONS.—The principal negotiating objectives of the United States regarding trade in civil aircraft are those set forth in section 135(c) of the Uruguay Round Agreements Act (19 U.S.C. 3355(c)) and regarding rules of origin are the conclusion of an agreement described in section 132 of that Act (19 U.S.C. 3552).

(c) PROMOTION OF CERTAIN PRIORITIES.—In order to address and maintain United States competitiveness in the global economy, the President shall—

(1) seek greater cooperation between the WTO and the ILO;

(2) seek to establish consultative mechanisms among parties to trade agreements to strengthen the capacity of United States trading partners to promote respect for core labor standards (as defined in section 2111(2)), and report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the content and operation of such mechanisms;

(3) seek to establish consultative mechanisms among parties to trade agreements to strengthen the capacity of United States trading partners to develop and implement standards for the protection of the environment and human health based on sound science, and report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the content and operation of such mechanisms;

(4) conduct environmental reviews of future trade and investment agreements, consistent with Executive Order 13141 of November 16, 1999, and its relevant guidelines, and report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on such reviews;

(5) review the impact of future trade agreements on United States employment, modeled after Executive Order 13141, and report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on such review;

(6) take into account other legitimate United States domestic objectives including, but not limited to, the protection of legitimate health or safety, essential security, and consumer interests and the law and regulations related thereto;

(7) have the Secretary of Labor consult with any country seeking a trade agreement with the United States concerning that country's labor laws and provide technical assistance to that country if needed;

(8) with respect to any trade agreement which the President seeks to implement under trade authorities procedures, submit to the Congress a report describing the extent to which the country or countries that are parties to the agreement have in effect laws governing exploitative child labor;

(9)(A) preserve the ability of the United States to enforce rigorously its trade laws, including the antidumping and countervailing duty laws, and avoid agreements which lessen the effectiveness of domestic and international disciplines on unfair trade, especially dumping and subsidies, in order to ensure that United States workers, agricultural producers, and firms can compete fully on fair terms and enjoy the benefits of reciprocal trade concessions; and

(B) ensure that United States exports are not subject to the abusive use of trade laws, including antidumping and countervailing duty laws, by other countries.

(10) continue to promote consideration of multilateral environmental agreements and consult with parties to such agreements regarding the consistency of any such agreement that includes trade measures with existing environmental exceptions under Article XX of the GATT 1994;

(11) report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate, not later than 12 months after the imposition of a penalty or remedy by the United States permitted by a trade agreement to which this title applies, on the effectiveness of the penalty or remedy applied under United States law in enforcing United States rights under the trade agreement; and

(12) seek to establish consultative mechanisms among parties to trade agreements to examine the trade consequences of significant and unanticipated currency movements and to scrutinize whether a foreign government engaged in a pattern of manipulating its currency to promote a competitive advantage in international trade.

The report under paragraph (11) shall address whether the penalty or remedy was effective in changing the behavior of the targeted party and whether the penalty or remedy had any adverse impact on parties or interests not party to the dispute.

(d) CONSULTATIONS.—

(1) CONSULTATIONS WITH CONGRESSIONAL ADVISERS.—In the course of negotiations conducted under this title, the United States Trade Representative shall consult closely and on a timely basis with, and keep fully apprised of the negotiations, the Congressional Oversight Group convened under section 2107 and all committees of the House of Representatives and the Senate with jurisdiction over laws that would be affected by a trade agreement resulting from the negotiations.

(2) CONSULTATION BEFORE AGREEMENT INITIALED.—In the course of negotiations conducted under this title, the United States Trade Representative shall—

(A) consult closely and on a timely basis (including immediately before initialing an agreement) with, and keep fully apprised of the negotiations, the congressional advisers for trade policy and negotiations appointed under section 161 of the Trade Act of 1974 (19 U.S.C. 2211), the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and the Congressional Oversight Group convened under section 2107; and

(B) with regard to any negotiations and agreement relating to agricultural trade, also consult closely and on a timely basis (including immediately before initialing an agreement) with, and keep fully apprised of the negotiations, the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(e) ADHERENCE TO OBLIGATIONS UNDER URUGUAY ROUND AGREEMENTS.—In determining whether to enter into negotiations with a particular country, the President shall take into account the extent to which that country has implemented, or has accelerated the implementation of, its obligations under the Uruguay Round Agreements.

SEC. 2103. TRADE AGREEMENTS AUTHORITY.

(a) AGREEMENTS REGARDING TARIFF BARRIERS.—

(1) IN GENERAL.—Whenever the President determines that one or more existing duties or other import restrictions of any foreign country or the United States are unduly burdening and restricting the foreign trade of the United States and that the purposes, policies, priorities, and objectives of this title will be promoted thereby, the President—

(A) may enter into trade agreements with foreign countries before—

(i) June 1, 2005; or

(ii) June 1, 2007, if trade authorities procedures are extended under subsection (c); and

(B) may, subject to paragraphs (2) and (3), proclaim—

(i) such modification or continuance of any existing duty,

(ii) such continuance of existing duty-free or excise treatment, or

(iii) such additional duties,

as the President determines to be required or appropriate to carry out any such trade agreement.

The President shall notify the Congress of the President's intention to enter into an agreement under this subsection.

(2) LIMITATIONS.—No proclamation may be made under paragraph (1) that—

(A) reduces any rate of duty (other than a rate of duty that does not exceed 5 percent ad valorem on the date of the enactment of this Act) to a rate of duty which is less than 50 percent of the rate of such duty that applies on such date of enactment;

(B) notwithstanding paragraph (6), reduces the rate of duty below that applicable under the Uruguay Round Agreements, on any agricultural product which was the subject of tariff reductions by the United States as a result of the Uruguay Round Agreements, for which the rate of duty, pursuant to such Agreements, was reduced on January 1, 1995, to a rate which was not less than 97.5 percent of the rate of duty that applied to such article on December 31, 1994; or

(C) increases any rate of duty above the rate that applied on the date of the enactment of this Act.

(3) AGGREGATE REDUCTION; EXEMPTION FROM STAGING.—

(A) AGGREGATE REDUCTION.—Except as provided in subparagraph (B), the aggregate reduction in the rate of duty on any article which is in effect on any day pursuant to a trade agreement entered into under paragraph (1) shall not exceed the aggregate reduction which would have been in effect on such day if—

(i) a reduction of 3 percent ad valorem or a reduction of one-tenth of the total reduction, whichever is greater, had taken effect on the effective date of the first reduction proclaimed under paragraph (1) to carry out such agreement with respect to such article; and

(ii) a reduction equal to the amount applicable under clause (i) had taken effect at 1-year intervals after the effective date of such first reduction.

(B) EXEMPTION FROM STAGING.—No staging is required under subparagraph (A) with respect to a duty reduction that is proclaimed under paragraph (1) for an article of a kind that is not produced in the United States. The United States International Trade Commission shall advise the President of the identity of articles that may be exempted from staging under this subparagraph.

(4) ROUNDING.—If the President determines that such action will simplify the computation of reductions under paragraph (3), the President may round an annual reduction by an amount equal to the lesser of—

(A) the difference between the reduction without regard to this paragraph and the next lower whole number; or

(B) one-half of 1 percent ad valorem.

(5) OTHER LIMITATIONS.—A rate of duty reduction that may not be proclaimed by reason of paragraph (2) may take effect only if a provision authorizing such reduction is included within an implementing bill provided for under section 5 and that bill is enacted into law.

(6) OTHER TARIFF MODIFICATIONS.—Notwithstanding paragraphs (1)(B), (2)(A), (2)(C), and (3) through (5), and subject to the consultation and layover requirements of section 115 of the Uruguay Round Agreements Act, the President may proclaim the modification of any duty or staged rate reduction of any duty set forth in Schedule XX, as defined in section 2(5) of that Act, if the United States agrees to such modification or staged rate reduction in a negotiation for the reciprocal elimination or harmonization of duties under the auspices of the World Trade Organization.

(7) AUTHORITY UNDER URUGUAY ROUND AGREEMENTS ACT NOT AFFECTED.—Nothing in this subsection shall limit the authority provided to the President under section 111(b) of the Uruguay Round Agreements Act (19 U.S.C. 3521(b)).

(b) AGREEMENTS REGARDING TARIFF AND NONTARIFF BARRIERS.—

(1) IN GENERAL.—(A) Whenever the President determines that—

(i) one or more existing duties or any other import restriction of any foreign country or the United States or any other barrier to, or other distortion of, international trade unduly burdens or restricts the foreign trade of the United States or adversely affects the United States economy; or

(ii) the imposition of any such barrier or distortion is likely to result in such a burden, restriction, or effect;

and that the purposes, policies, priorities, and objectives of this title will be promoted thereby, the President may enter into a trade agreement described in subparagraph (B) during the period described in subparagraph (C).

(B) The President may enter into a trade agreement under subparagraph (A) with foreign countries providing for—

(i) the reduction or elimination of a duty, restriction, barrier, or other distortion described in subparagraph (A), or

(ii) the prohibition of, or limitation on the imposition of, such barrier or other distortion.

(C) The President may enter into a trade agreement under this paragraph before—

(i) June 1, 2005; or

(ii) June 1, 2007, if trade authorities procedures are extended under subsection (c).

(2) CONDITIONS.—A trade agreement may be entered into under this subsection only if such agreement makes progress in meeting the applicable objectives described in section 2102(a) and (b) and the President satisfies the conditions set forth in section 2104.

(3) BILLS QUALIFYING FOR TRADE AUTHORITIES PROCEDURES.—(A) The provisions of section 151 of the Trade Act of 1974 (in this title referred to as ''trade authorities procedures'') apply to a bill of either House of Congress which contains provisions described in subparagraph (B) to the same extent as such section 151 applies to implementing bills under that section. A bill to which this paragraph applies shall hereafter in this title be referred to as an ''implementing bill''.

(B) The provisions referred to in subparagraph (A) are—

(i) a provision approving a trade agreement entered into under this subsection and approving the statement of administrative action, if any, proposed to implement such trade agreement; and

(ii) if changes in existing laws or new statutory authority are required to implement such trade agreement or agreements, provisions, necessary or appropriate to implement such trade agreement or agreements, either repealing or amending existing laws or providing new statutory authority.

(c) EXTENSION DISAPPROVAL PROCESS FOR CONGRESSIONAL TRADE AUTHORITIES PROCEDURES.—

(1) IN GENERAL.—Except as provided in section 2105(b)—

(A) the trade authorities procedures apply to implementing bills submitted with respect to trade agreements entered into under subsection (b) before July 1, 2005; and

(B) the trade authorities procedures shall be extended to implementing bills submitted with respect to trade agreements entered into under subsection (b) after June 30, 2005, and before July 1, 2007, if (and only if)—

(i) the President requests such extension under paragraph (2); and

(ii) neither House of the Congress adopts an extension disapproval resolution under paragraph (5) before June 1, 2005.

(2) REPORT TO CONGRESS BY THE PRESIDENT.—If the President is of the opinion that the trade authorities procedures should be extended to implementing bills described in paragraph (1)(B), the President shall submit to the Congress, not later than March 1, 2005, a written report that contains a request for such extension, together with—

(A) a description of all trade agreements that have been negotiated under subsection (b) and the anticipated schedule for submitting such agreements to the Congress for approval;

(B) a description of the progress that has been made in negotiations to achieve the purposes, policies, priorities, and objectives of this title, and a statement that such progress justifies the continuation of negotiations; and

(C) a statement of the reasons why the extension is needed to complete the negotiations.

(3) REPORT TO CONGRESS BY THE ADVISORY COMMITTEE.—The President shall promptly inform the Advisory Committee for Trade Policy and Negotiations established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155) of the President's decision to submit a report to the Congress under paragraph (2). The Advisory Committee shall submit to the Congress as soon as practicable, but not later than May 1, 2005, a written report that contains—

(A) its views regarding the progress that has been made in negotiations to achieve the purposes, policies, priorities, and objectives of this title; and

(B) a statement of its views, and the reasons therefor, regarding whether the extension requested under paragraph (2) should be approved or disapproved.

(4) STATUS OF REPORTS.—The reports submitted to the Congress under paragraphs (2) and (3), or any portion of such reports, may be classified to the extent the President determines appropriate.

(5) EXTENSION DISAPPROVAL RESOLUTIONS.—(A) For purposes of paragraph (1), the term ''extension disapproval resolution'' means a resolution of either House of the Congress, the sole matter after the resolving clause of which is as follows: ''That the ___ disapproves the request of the President for the extension, under section 2103(c)(1)(B)(i) of the Bipartisan Trade Promotion Authority Act of 2002, of the trade authorities procedures under that Act to any implementing bill submitted with respect to any trade agreement entered into under section 2103(b) of that Act after June 30, 2005.'', with the blank space being filled with the name of the resolving House of the Congress.

(B) Extension disapproval resolutions—

(i) may be introduced in either House of the Congress by any member of such House; and

(ii) shall be referred, in the House of Representatives, to the Committee on Ways and Means and, in addition, to the Committee on Rules.

(C) The provisions of section 152(d) and (e) of the Trade Act of 1974 (19 U.S.C. 2192(d) and (e)) (relating to the floor consideration of certain resolutions in the House and Senate) apply to extension disapproval resolutions.

(D) It is not in order for—

(i) the Senate to consider any extension disapproval resolution not reported by the Committee on Finance;

(ii) the House of Representatives to consider any extension disapproval resolution not reported by the Committee on Ways and Means and, in addition, by the Committee on Rules; or

(iii) either House of the Congress to consider an extension disapproval resolution after June 30, 2005.

(d) COMMENCEMENT OF NEGOTIATIONS.—In order to contribute to the continued economic expansion of the United States, the President shall commence negotiations covering tariff and nontariff barriers affecting any industry, product, or service sector, and

expand existing sectoral agreements to countries that are not parties to those agreements, in cases where the President determines that such negotiations are feasible and timely and would benefit the United States. Such sectors include agriculture, commercial services, intellectual property rights, industrial and capital goods, government procurement, information technology products, environmental technology and services, medical equipment and services, civil aircraft, and infrastructure products. In so doing, the President shall take into account all of the principal negotiating objectives set forth in section 2102(b).

SEC. 2104. CONSULTATIONS AND ASSESSMENT.

(a) NOTICE AND CONSULTATION BEFORE NEGOTIATION.—The President, with respect to any agreement that is subject to the provisions of section 2103(b), shall—

(1) provide, at least 90 calendar days before initiating negotiations, written notice to the Congress of the President's intention to enter into the negotiations and set forth therein the date the President intends to initiate such negotiations, the specific United States objectives for the negotiations, and whether the President intends to seek an agreement, or changes to an existing agreement;

(2) before and after submission of the notice, consult regarding the negotiations with the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives, such other committees of the House and Senate as the President deems appropriate, and the Congressional Oversight group convened under section 2107; and

(3) upon the request of a majority of the members of the Congressional Oversight Group under section 2107(c), meet with the Congressional Oversight Group before initiating the negotiations or at any other time concerning the negotiations.

(b) NEGOTIATIONS REGARDING AGRICULTURE.—

(1) IN GENERAL.—Before initiating or continuing negotiations the subject matter of which is directly related to the subject matter under section 2102(b)(10)(A)(i) with any country, the President shall assess whether United States tariffs on agricultural products that were bound under the Uruguay Round Agreements are lower than the tariffs bound by that country. In addition, the President shall consider whether the tariff levels bound and applied throughout the world with respect to imports from the United States are higher than United States tariffs and whether the negotiation provides an opportunity to address any such disparity. The President shall consult with the Committee on Ways and Means and the Committee on Agriculture of the House of Representatives and the Committee on Finance and the Committee on Agriculture, Nutrition, and Forestry of the Senate concerning the results of the assessment, whether it is appropriate for the United States to agree to further tariff reductions based on the conclusions reached in the assessment, and how all applicable negotiating objectives will be met.

(2) SPECIAL CONSULTATIONS ON IMPORT SENSITIVE PRODUCTS.—(A) Before initiating negotiations with regard to agriculture, and, with respect to the Free Trade Area for the Americas and negotiations with regard to agriculture under the auspices of the World Trade Organization, as soon as practicable after the enactment of this Act, the United States Trade Representative shall—

(i) identify those agricultural products subject to tariff reductions by the United States as a result of the Uruguay Round Agreements, for which the rate of duty was reduced on January 1, 1995, to a rate which was not less than 97.5 percent of the rate of duty that applied to such article on December 31, 1994;

(ii) consult with the Committee on Ways and Means and the Committee on Agriculture of the House of Representatives and the Committee on Finance and the Committee on Agriculture, Nutrition, and Forestry of the Senate concerning—

(I) whether any further tariff reductions on the products identified under clause (i) should be appropriate, taking into account the impact of any such tariff reduction on the United States industry producing the product concerned; and

(II) whether the products so identified face unjustified sanitary or phytosanitary restrictions, including those not based on scientific principles in contravention of the Uruguay Round Agreements;

(iii) request that the International Trade Commission prepare an assessment of the probable economic effects of any such tariff reduction on the United States industry producing the product concerned and on the United States economy as a whole; and

(iv) upon complying with clauses (i), (ii), and (iii), notify the Committee on Ways and Means and the Committee on Agriculture of the House of Representatives and the Committee on Finance and the Committee on Agriculture, Nutrition, and Forestry of the Senate of those products identified under clause (i) for which the Trade Representative intends to seek tariff liberalization in the negotiations and the reasons for seeking such tariff liberalization.

(B) If, after negotiations described in subparagraph (A) are commenced—

(i) the United States Trade Representative identifies any additional agricultural product described in subparagraph (A)(i) for tariff reductions which were not the subject of a notification under subparagraph (A)(iv), or

(ii) any additional agricultural product described in subparagraph (A)(i) is the subject of a request for tariff reductions by a party to the negotiations,

the Trade Representative shall, as soon as practicable, notify the committees referred to in subparagraph (A)(iv) of those products and the reasons for seeking such tariff reductions.

(c) NEGOTIATIONS REGARDING TEXTILES.—Before initiating or continuing negotiations the subject matter of which is directly related to textiles and apparel products with any country, the President shall assess whether United States tariffs on textile and apparel products that were bound under the Uruguay Round Agreements are lower than the tariffs bound by that country and whether the negotiation provides an opportunity to address any such disparity. The President shall consult with the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate concerning the results of the assessment, whether it is appropriate for the United States to agree to further tariff reductions based on the conclusions reached in the assessment, and how all applicable negotiating objectives will be met.

(d) CONSULTATION WITH CONGRESS BEFORE AGREEMENTS ENTERED INTO.—

(1) CONSULTATION.—Before entering into any trade agreement under section 2103(b), the President shall consult with—

(A) the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate;

(B) each other committee of the House and the Senate, and each joint committee of the Congress, which has jurisdiction over legislation involving subject matters which would be affected by the trade agreement; and

(C) the Congressional Oversight Group convened under section 2107.

(2) SCOPE.—The consultation described in paragraph (1) shall include consultation with respect to—

(A) the nature of the agreement;

(B) how and to what extent the agreement will achieve the applicable purposes, policies, priorities, and objectives of this title; and

(C) the implementation of the agreement under section 2105, including the general effect of the agreement on existing laws.

(e) ADVISORY COMMITTEE REPORTS.—The report required under section 135(e)(1) of the Trade Act of 1974 regarding any trade agreement entered into under section 2103(a) or (b) of this Act shall be provided to the President, the Congress, and the United States Trade Representative not later than 30 days after the date on which the President notifies the Congress under section 2103(a)(1) or 2105(a)(1)(A) of the President's intention to enter into the agreement.

(f) ITC ASSESSMENT.—

(1) IN GENERAL.—The President, at least 90 calendar days before the day on which the President enters into a trade agreement under section 2103(b), shall provide the International Trade Commission (referred to in this subsection as ''the Commission'') with the details of the agreement as it exists at that time and request the Commission to prepare and submit an assessment of the agreement as described in paragraph (2). Between the time the President makes the request under this paragraph and the time the Commission submits the assessment, the President shall keep the Commission current with respect to the details of the agreement.

(2) ITC ASSESSMENT.—Not later than 90 calendar days after the President enters into the agreement, the Commission shall submit to the President and the Congress a report assessing the likely impact of the agreement on the United States economy as a whole and on specific industry sectors, including the impact the agreement will have on the gross domestic product, exports and imports, aggregate employment and employment opportunities, the production, employment, and competitive position of industries likely to be significantly affected by the agreement, and the interests of United States consumers.

(3) REVIEW OF EMPIRICAL LITERATURE.—In preparing the assessment, the Commission shall review available economic assessments regarding the agreement, including literature regarding any substantially equivalent proposed agreement, and shall provide in its assessment a description of the analyses used and conclusions drawn in such literature, and a discussion of areas of consensus and divergence between the various analyses and conclusions, including those of the Commission regarding the agreement.

SEC. 2105. IMPLEMENTATION OF TRADE AGREEMENTS.

(a) IN GENERAL.—

(1) NOTIFICATION AND SUBMISSION.—Any agreement entered into under section 2103(b) shall enter into force with respect to the United States if (and only if)—

(A) the President, at least 90 calendar days before the day on which the President enters into the trade agreement, notifies the House of Representatives and the Senate of the President's intention to enter into the agreement, and promptly thereafter publishes notice of such intention in the Federal Register;

(B) within 60 days after entering into the agreement, the President submits to the Congress a description of those changes to existing laws that the President considers would be required in order to bring the

United States into compliance with the agreement;

(C) after entering into the agreement, the President submits to the Congress, on a day on which both Houses of Congress are in session, a copy of the final legal text of the agreement, together with—

(i) a draft of an implementing bill described in section 2103(b)(3);

(ii) a statement of any administrative action proposed to implement the trade agreement; and

(iii) the supporting information described in paragraph (2); and

(D) the implementing bill is enacted into law.

(2) SUPPORTING INFORMATION.—The supporting information required under paragraph (1)(C)(iii) consists of—

(A) an explanation as to how the implementing bill and proposed administrative action will change or affect existing law; and

(B) a statement—

(i) asserting that the agreement makes progress in achieving the applicable purposes, policies, priorities, and objectives of this title; and

(ii) setting forth the reasons of the President regarding—

(I) how and to what extent the agreement makes progress in achieving the applicable purposes, policies, and objectives referred to in clause (i);

(II) whether and how the agreement changes provisions of an agreement previously negotiated;

(III) how the agreement serves the interests of United States commerce;

(IV) how the implementing bill meets the standards set forth in section 2103(b)(3); and

(V) how and to what extent the agreement makes progress in achieving the applicable purposes, policies, and objectives referred to in section 2102(c) regarding the promotion of certain priorities.

(3) RECIPROCAL BENEFITS.—In order to ensure that a foreign country that is not a party to a trade agreement entered into under section 2103(b) does not receive benefits under the agreement unless the country is also subject to the obligations under the agreement, the implementing bill submitted with respect to the agreement shall provide that the benefits and obligations under the agreement apply only to the parties to the agreement, if such application is consistent with the terms of the agreement. The implementing bill may also provide that the benefits and obligations under the agreement do not apply uniformly to all parties to the agreement, if such application is consistent with the terms of the agreement.

(b) LIMITATIONS ON TRADE AUTHORITIES PROCEDURES.—

(1) FOR LACK OF NOTICE OR CONSULTATIONS.—

(A) IN GENERAL.—The trade authorities procedures shall not apply to any implementing bill submitted with respect to a trade agreement or trade agreements entered into under section 2103(b) if during the 60-day period beginning on the date that one House of Congress agrees to a procedural disapproval resolution for lack of notice or consultations with respect to such trade agreement or agreements, the other House separately agrees to a procedural disapproval resolution with respect to such trade agreement or agreements.

(B) PROCEDURAL DISAPPROVAL RESOLUTION.—(i) For purposes of this paragraph, the term ''procedural disapproval resolution'' means a resolution of either House of Congress, the sole matter after the resolving clause of which is as follows: ''That the President has failed or refused to notify or consult in accordance with the Bipartisan Trade Promotion Authority Act of 2002 on negotiations with respect to _____ and, therefore, the trade authorities procedures under that Act shall not apply to any implementing bill submitted with respect to such trade agreement or agreements.'', with the blank space being filled with a description of the trade agreement or agreements with respect to which the President is considered to have failed or refused to notify or consult.

(ii) For purposes of clause (i), the President has ''failed or refused to notify or consult in accordance with the Bipartisan Trade Promotion Authority Act of 2002'' on negotiations with respect to a trade agreement or trade agreements if—

(I) the President has failed or refused to consult (as the case may be) in accordance with section 2104 or 2105 with respect to the negotiations, agreement, or agreements;

(II) guidelines under section 2107(b) have not been developed or met with respect to the negotiations, agreement, or agreements;

(III) the President has not met with the Congressional Oversight Group pursuant to a request made under section 2107(c) with respect to the negotiations, agreement, or agreements; or

(IV) the agreement or agreements fail to make progress in achieving the purposes, policies, priorities, and objectives of this title.

(2) PROCEDURES FOR CONSIDERING RESOLUTIONS.—(A) Procedural disapproval resolutions—

(i) in the House of Representatives—

(I) may be introduced by any Member of the House;

(II) shall be referred to the Committee on Ways and Means and, in addition, to the Committee on Rules; and

(III) may not be amended by either Committee; and

(ii) in the Senate may be introduced by any Member of the Senate.

(B) The provisions of section 152(d) and (e) of the Trade Act of 1974 (19 U.S.C. 2192(d) and (e)) (relating to the floor consideration of certain resolutions in the House and Senate) apply to a procedural disapproval resolution introduced with respect to a trade agreement if no other procedural disapproval resolution with respect to that trade agreement has previously been considered under such provisions of section 152 of the Trade Act of 1974 in that House of Congress during that Congress.

(C) It is not in order for the House of Representatives to consider any procedural disapproval resolution not reported by the Committee on Ways and Means and, in addition, by the Committee on Rules.

(c) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—Subsection (b) of this section and section 2103(c) are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such are deemed a part of the rules of each House, respectively, and such procedures supersede other rules only to the extent that they are inconsistent with such other rules; and

(2) with the full recognition of the constitutional right of either House to change the rules (so far as relating to the procedures of that House) at any time, in the same manner, and to the same extent as any other rule of that House.

SEC. 2106. TREATMENT OF CERTAIN TRADE AGREEMENTS FOR WHICH NEGOTIATIONS HAVE ALREADY BEGUN.

(a) CERTAIN AGREEMENTS.—Notwithstanding section 2103(b)(2), if an agreement to which section 2103(b) applies—

(1) is entered into under the auspices of the World Trade Organization,

(2) is entered into with Chile,

(3) is entered into with Singapore, or

(4) establishes a Free Trade Area for the Americas,

and results from negotiations that were commenced before the date of the enactment of this Act, subsection (b) shall apply.

(b) TREATMENT OF AGREEMENTS.—In the case of any agreement to which subsection (a) applies—

(1) the applicability of the trade authorities procedures to implementing bills shall be determined without regard to the requirements of section 2104(a) (relating only to 90 days notice prior to initiating negotiations), and any procedural disapproval resolution under section 2105(b)(1)(B) shall not be in order on the basis of a failure or refusal to comply with the provisions of section 2104(a); and

(2) the President shall, as soon as feasible after the enactment of this Act—

(A) notify the Congress of the negotiations described in subsection (a), the specific United States objectives in the negotiations, and whether the President is seeking a new agreement or changes to an existing agreement; and

(B) before and after submission of the notice, consult regarding the negotiations with the committees referred to in section 2104(a)(2) and the Congressional Oversight Group.

SEC. 2107. CONGRESSIONAL OVERSIGHT GROUP.

(a) MEMBERS AND FUNCTIONS.—

(1) IN GENERAL.—By not later than 60 days after the date of the enactment of this Act, and not later than 30 days after the convening of each Congress, the chairman of the Committee on Ways and Means of the House of Representatives and the chairman of the Committee on Finance of the Senate shall convene the Congressional Oversight Group.

(2) MEMBERSHIP FROM THE HOUSE.—In each Congress, the Congressional Oversight Group shall be comprised of the following Members of the House of Representatives:

(A) The chairman and ranking member of the Committee on Ways and Means, and 3 additional members of such Committee (not more than 2 of whom are members of the same political party).

(B) The chairman and ranking member, or their designees, of the committees of the House of Representatives which would have, under the Rules of the House of Representatives, jurisdiction over provisions of law affected by a trade agreement negotiations for which are conducted at any time during that Congress and to which this title would apply.

(3) MEMBERSHIP FROM THE SENATE.—In each Congress, the Congressional Oversight Group shall also be comprised of the following members of the Senate:

(A) The chairman and ranking Member of the Committee on Finance and 3 additional members of such Committee (not more than 2 of whom are members of the same political party).

(B) The chairman and ranking member, or their designees, of the committees of the Senate which would have, under the Rules of the Senate, jurisdiction over provisions of law affected by a trade agreement negotiations for which are conducted at any time during that Congress and to which this title would apply.

(4) ACCREDITATION.—Each member of the Congressional Oversight Group described in paragraph (2)(A) and (3)(A) shall be accredited by the United States Trade Representative on behalf of the President as official advisers to the United States delegation in negotiations for any trade agreement to which this title applies. Each member of the Congressional Oversight Group described in paragraph (2)(B) and (3)(B) shall be accredited by the United States Trade Representative on behalf of the President as official advisers to the United States delegation in the

negotiations by reason of which the member is in the Congressional Oversight Group. The Congressional Oversight Group shall consult with and provide advice to the Trade Representative regarding the formulation of specific objectives, negotiating strategies and positions, the development of the applicable trade agreement, and compliance and enforcement of the negotiated commitments under the trade agreement.

(5) CHAIR.—The Congressional Oversight Group shall be chaired by the Chairman of the Committee on Ways and Means of the House of Representatives and the Chairman of the Committee on Finance of the Senate.

(b) GUIDELINES.—

(1) PURPOSE AND REVISION.—The United States Trade Representative, in consultation with the chairmen and ranking minority members of the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate—

(A) shall, within 120 days after the date of the enactment of this Act, develop written guidelines to facilitate the useful and timely exchange of information between the Trade Representative and the Congressional Oversight Group established under this section; and

(B) may make such revisions to the guidelines as may be necessary from time to time.

(2) CONTENT.—The guidelines developed under paragraph (1) shall provide for, among other things—

(A) regular, detailed briefings of the Congressional Oversight Group regarding negotiating objectives, including the promotion of certain priorities referred to in section 2102(c), and positions and the status of the applicable negotiations, beginning as soon as practicable after the Congressional Oversight Group is convened, with more frequent briefings as trade negotiations enter the final stage;

(B) access by members of the Congressional Oversight Group, and staff with proper security clearances, to pertinent documents relating to the negotiations, including classified materials;

(C) the closest practicable coordination between the Trade Representative and the Congressional Oversight Group at all critical periods during the negotiations, including at negotiation sites; and

(D) after the applicable trade agreement is concluded, consultation regarding ongoing compliance and enforcement of negotiated commitments under the trade agreement.

(c) REQUEST FOR MEETING.—Upon the request of a majority of the Congressional Oversight Group, the President shall meet with the Congressional Oversight Group before initiating negotiations with respect to a trade agreement, or at any other time concerning the negotiations.

SEC. 2108. ADDITIONAL IMPLEMENTATION AND ENFORCEMENT REQUIREMENTS.

(a) IN GENERAL.—At the time the President submits to the Congress the final text of an agreement pursuant to section 2105(a)(1)(C), the President shall also submit a plan for implementing and enforcing the agreement. The implementation and enforcement plan shall include the following:

(1) BORDER PERSONNEL REQUIREMENTS.—A description of additional personnel required at border entry points, including a list of additional customs and agricultural inspectors.

(2) AGENCY STAFFING REQUIREMENTS.—A description of additional personnel required by Federal agencies responsible for monitoring and implementing the trade agreement, including personnel required by the Office of the United States Trade Representative, the Department of Commerce, the Department of Agriculture (including additional personnel required to implement sanitary and phytosanitary measures in order to obtain market access for United States exports), the Department of the Treasury, and such other agencies as may be necessary.

(3) CUSTOMS INFRASTRUCTURE REQUIREMENTS.—A description of the additional equipment and facilities needed by the United States Customs Service.

(4) IMPACT ON STATE AND LOCAL GOVERNMENTS.—A description of the impact the trade agreement will have on State and local governments as a result of increases in trade.

(5) COST ANALYSIS.—An analysis of the costs associated with each of the items listed in paragraphs (1) through (4).

(b) BUDGET SUBMISSION.—The President shall include a request for the resources necessary to support the plan described in subsection (a) in the first budget that the President submits to the Congress after the submission of the plan.

SEC. 2109. COMMITTEE STAFF.

The grant of trade promotion authority under this title is likely to increase the activities of the primary committees of jurisdiction in the area of international trade. In addition, the creation of the Congressional Oversight Group under section 2107 will increase the participation of a broader number of Members of Congress in the formulation of United States trade policy and oversight of the international trade agenda for the United States. The primary committees of jurisdiction should have adequate staff to accommodate these increases in activities.

SEC. 2110. CONFORMING AMENDMENTS.

(a) IN GENERAL.—Title I of the Trade Act of 1974 (19 U.S.C. 2111 et seq.) is amended as follows:

(1) IMPLEMENTING BILL.—

(A) Section 151(b)(1) (19 U.S.C. 2191(b)(1)) is amended by striking ''section 1103(a)(1) of the Omnibus Trade and Competitiveness Act of 1988, or section 282 of the Uruguay Round Agreements Act'' and inserting ''section 282 of the Uruguay Round Agreements Act, or section 2105(a)(1) of the Bipartisan Trade Promotion Authority Act of 2002''.

(B) Section 151(c)(1) (19 U.S.C. 2191(c)(1)) is amended by striking ''or section 282 of the Uruguay Round Agreements Act'' and inserting '', section 282 of the Uruguay Round Agreements Act, or section 2105(a)(1) of the Bipartisan Trade Promotion Authority Act of 2002''.

(2) ADVICE FROM INTERNATIONAL TRADE COMMISSION.—Section 131 (19 U.S.C. 2151) is amended—

(A) in subsection (a)—

(i) in paragraph (1), by striking ''section 123 of this Act or section 1102 (a) or (c) of the Omnibus Trade and Competitiveness Act of 1988,'' and inserting ''section 123 of this Act or section 2103(a) or (b) of the Bipartisan Trade Promotion Authority Act of 2002,''; and

(ii) in paragraph (2), by striking ''section 1102 (b) or (c) of the Omnibus Trade and Competitiveness Act of 1988'' and inserting ''section 2103(b) of the Bipartisan Trade Promotion Authority Act of 2002'';

(B) in subsection (b), by striking ''section 1102(a)(3)(A)'' and inserting ''section 2103(a)(3)(A) of the Bipartisan Trade Promotion Authority Act of 2002''; and

(C) in subsection (c), by striking ''section 1102 of the Omnibus Trade and Competitiveness Act of 1988,'' and inserting ''section 2103 of the Bipartisan Trade Promotion Authority Act of 2002,''.

(3) HEARINGS AND ADVICE.—Sections 132, 133(a), and 134(a) (19 U.S.C. 2152, 2153(a), and 2154(a)) are each amended by striking ''section 1102 of the Omnibus Trade and Competitiveness Act of 1988,'' each place it appears and inserting ''section 2103 of the Bipartisan Trade Promotion Authority Act of 2002,''.

(4) PREREQUISITES FOR OFFERS.—Section 134(b) (19 U.S.C. 2154(b)) is amended by striking ''section 1102 of the Omnibus Trade and Competitiveness Act of 1988'' and inserting ''section 2103 of the Bipartisan Trade Promotion Authority Act of 2002''.

(5) ADVICE FROM PRIVATE AND PUBLIC SECTORS.—Section 135 (19 U.S.C. 2155) is amended—

(A) in subsection (a)(1)(A), by striking ''section 1102 of the Omnibus Trade and Competitiveness Act of 1988'' and inserting ''section 2103 of the Bipartisan Trade Promotion Authority Act of 2002'';

(B) in subsection (e)(1)—

(i) by striking ''section 1102 of the Omnibus Trade and Competitiveness Act of 1988'' each place it appears and inserting ''section 2103 of the Bipartisan Trade Promotion Authority Act of 2002''; and

(ii) by striking ''section 1103(a)(1)(A) of such Act of 1988'' and inserting ''section 2105(a)(1)(A) of the Bipartisan Trade Promotion Authority Act of 2002''; and

(C) in subsection (e)(2), by striking ''section 1101 of the Omnibus Trade and Competitiveness Act of 1988'' and inserting ''section 2102 of the Bipartisan Trade Promotion Authority Act of 2002''.

(6) TRANSMISSION OF AGREEMENTS TO CONGRESS.—Section 162(a) (19 U.S.C. 2212(a)) is amended by striking ''or under section 1102 of the Omnibus Trade and Competitiveness Act of 1988'' and inserting ''or under section 2103 of the Bipartisan Trade Promotion Authority Act of 2002''.

(b) APPLICATION OF CERTAIN PROVISIONS.—For purposes of applying sections 125, 126, and 127 of the Trade Act of 1974 (19 U.S.C. 2135, 2136(a), and 2137)—

(1) any trade agreement entered into under section 2103 shall be treated as an agreement entered into under section 101 or 102, as appropriate, of the Trade Act of 1974 (19 U.S.C. 2111 or 2112); and

(2) any proclamation or Executive order issued pursuant to a trade agreement entered into under section 2103 shall be treated as a proclamation or Executive order issued pursuant to a trade agreement entered into under section 102 of the Trade Act of 1974.

SEC. 2111. DEFINITIONS.

In this title:

(1) AGREEMENT ON AGRICULTURE.—The term ''Agreement on Agriculture'' means the agreement referred to in section 101(d)(2) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(2)).

(2) CORE LABOR STANDARDS.—The term ''core labor standards'' means—

(A) the right of association;

(B) the right to organize and bargain collectively;

(C) a prohibition on the use of any form of forced or compulsory labor;

(D) a minimum age for the employment of children; and

(E) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health.

(3) GATT 1994.—The term ''GATT 1994'' has the meaning given that term in section 2 of the Uruguay Round Agreements Act (19 U.S.C. 3501).

(4) ILO.—The term ''ILO'' means the International Labor Organization.

(5) UNITED STATES PERSON.—The term ''United States person'' means—

(A) a United States citizen;

(B) a partnership, corporation, or other legal entity organized under the laws of the United States; and

(C) a partnership, corporation, or other legal entity that is organized under the laws of a foreign country and is controlled by entities described in subparagraph (B) or United States citizens, or both.

(6) URUGUAY ROUND AGREEMENTS.—The term ''Uruguay Round Agreements'' has the meaning given that term in section 2(7) of the Uruguay Round Agreements Act (19 U.S.C. 3501(7)).

(7) WORLD TRADE ORGANIZATION; WTO.—The terms ''World Trade Organization'' and ''WTO'' mean the organization established pursuant to the WTO Agreement.

(8) WTO AGREEMENT.—The term ''WTO Agreement'' means the Agreement Establishing the World Trade Organization entered into on April 15, 1994.

(9) WTO MEMBER.—The term ''WTO member'' has the meaning given that term in section 2(10) of the Uruguay Round Agreements Act (19 U.S.C. 3501(10)).

(10) OTHER DEFINITIONS.—

(A) AGREEMENT ON SUBSIDIES AND COUNTERVAILING MEASURES.—The term ''Agreement on Subsidies and Countervailing Measures'' means the agreement referred to in section 101(d)(12) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(12)).

(B) ANTIDUMPING AGREEMENT.—The term ''Antidumping Agreement'' means the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 referred to in section 101(d)(7) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(7)).

DIVISION C—ANDEAN TRADE PREFERENCE ACT

TITLE XXXI—ANDEAN TRADE PREFERENCE

SEC. 3101. SHORT TITLE.

This title may be cited as the ''Andean Trade Promotion and Drug Eradication Act''.

SEC. 3102. FINDINGS.

Congress makes the following findings:

(1) Since the Andean Trade Preference Act was enacted in 1991, it has had a positive impact on United States trade with Bolivia, Colombia, Ecuador, and Peru. Two-way trade has doubled, with the United States serving as the leading source of imports and leading export market for each of the Andean beneficiary countries. This has resulted in increased jobs and expanded export opportunities in both the United States and the Andean region.

(2) The Andean Trade Preference Act has been a key element in the United States counternarcotics strategy in the Andean region, promoting export diversification and broad-based economic development that provides sustainable economic alternatives to drug-crop production, strengthening the legitimate economies of Andean countries and creating viable alternatives to illicit trade in coca.

(3) Notwithstanding the success of the Andean Trade Preference Act, the Andean region remains threatened by political and economic instability and fragility, vulnerable to the consequences of the drug war and fierce global competition for its legitimate trade.

(4) The continuing instability in the Andean region poses a threat to the security interests of the United States and the world. This problem has been partially addressed through foreign aid, such as Plan Colombia, enacted by Congress in 2000. However, foreign aid alone is not sufficient. Enhancement of legitimate trade with the United States provides an alternative means for reviving and stabilizing the economies in the Andean region.

(5) The Andean Trade Preference Act constitutes a tangible commitment by the United States to the promotion of prosperity, stability, and democracy in the beneficiary countries.

(6) Renewal and enhancement of the Andean Trade Preference Act will bolster the confidence of domestic private enterprise and foreign investors in the economic prospects of the region, ensuring that legitimate private enterprise can be the engine of economic development and political stability in the region.

(7) Each of the Andean beneficiary countries is committed to conclude negotiation of a Free Trade Area of the Americas by the year 2005, as a means of enhancing the economic security of the region.

(8) Temporarily enhancing trade benefits for Andean beneficiary countries will promote the growth of free enterprise and economic opportunity in these countries and serve the security interests of the United States, the region, and the world.

SEC. 3103. ARTICLES ELIGIBLE FOR PREFERENTIAL TREATMENT.

(a) ELIGIBILITY OF CERTAIN ARTICLES.—Section 204 of the Andean Trade Preference Act (19 U.S.C. 3203) is amended—

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

(2) by amending subsection (b) to read as follows:

''(b) EXCEPTIONS AND SPECIAL RULES.—

''(1) CERTAIN ARTICLES THAT ARE NOT IMPORT-SENSITIVE.—The President may proclaim duty-free treatment under this title for any article described in subparagraph (A), (B), (C), or (D) that is the growth, product, or manufacture of an ATPDEA beneficiary country and that meets the requirements of this section, if the President determines that such article is not import-sensitive in the context of imports from ATPDEA beneficiary countries:

''(A) Footwear not designated at the time of the effective date of this Act as eligible for the purpose of the generalized system of preferences under title V of the Trade Act of 1974.

''(B) Petroleum, or any product derived from petroleum, provided for in headings 2709 and 2710 of the HTS.

''(C) Watches and watch parts (including cases, bracelets and straps), of whatever type including, but not limited to, mechanical, quartz digital or quartz analog, if such watches or watch parts contain any material which is the product of any country with respect to which HTS column 2 rates of duty apply.

''(D) Handbags, luggage, flat goods, work gloves, and leather wearing apparel that were not designated on August 5, 1983, as eligible articles for purposes of the generalized system of preferences under title V of the Trade Act of 1974.

''(2) EXCLUSIONS.—Subject to paragraph (3), duty-free treatment under this title may not be extended to—

''(A) textiles and apparel articles which were not eligible articles for purposes of this title on January 1, 1994, as this title was in effect on that date;

''(B) rum and tafia classified in subheading 2208.40 of the HTS; or

''(C) sugars, syrups, and sugar-containing products subject to over-quota duty rates under applicable tariff-rate quotas.

''(3) APPAREL ARTICLES.—

''(A) IN GENERAL.—Apparel articles that are imported directly into the customs territory of the United States from an ATPDEA beneficiary country shall enter the United States free of duty and free of any quantitative restrictions, limitations, or consultation levels, but only if such articles are described in subparagraph (B).

''(B) COVERED ARTICLES.—The apparel articles referred to in subparagraph (A) are the following:

''(i) APPAREL ARTICLES ASSEMBLED FROM PRODUCTS OF THE UNITED STATES AND ATPDEA BENEFICIARY COUNTRIES OR PRODUCTS NOT AVAILABLE IN COMMERCIAL QUANTITIES.—Apparel articles sewn or otherwise assembled in 1 or more ATPDEA beneficiary countries, or the United States, or both, exclusively from any one or any combination of the following:

''(I) Fabrics or fabric components formed, or components knit-to-shape, in the United States, from yarns formed in the United States or 1 or more ATPDEA beneficiary countries (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of the HTS and are formed in the United States). Apparel articles shall qualify under this subclause only if all dyeing, printing, and finishing of the fabrics from which the articles are assembled, if the fabrics are knit fabrics, is carried out in the United States. Apparel articles shall qualify under this subclause only if all dyeing, printing, and finishing of the fabrics from which the articles are assembled, if the fabrics are woven fabrics, is carried out in the United States.

''(II) Fabrics or fabric components formed or components knit-to-shape, in 1 or more ATPDEA beneficiary countries, from yarns formed in 1 or more ATPDEA beneficiary countries, if such fabrics (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of the HTS and are formed in 1 or more ATPDEA beneficiary countries) or components are in chief weight of llama or alpaca.

''(III) Fabrics or yarn that is not formed in the United States or in one or more ATPDEA beneficiary countries, to the extent that apparel articles of such fabrics or yarn would be eligible for preferential treatment, without regard to the source of the fabrics or yarn, under Annex 401 of the NAFTA.

''(ii) ADDITIONAL FABRICS.—At the request of any interested party, the President is authorized to proclaim additional fabrics and yarns as eligible for preferential treatment under clause (i)(III) if—

''(I) the President determines that such fabrics or yarns cannot be supplied by the domestic industry in commercial quantities in a timely manner;

''(II) the President has obtained advice regarding the proposed action from the appropriate advisory committee established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155) and the United States International Trade Commission;

''(III) within 60 days after the request, the President has submitted a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate that sets forth the action proposed to be proclaimed and the reasons for such action, and the advice obtained under subclause (II);

''(IV) a period of 60 calendar days, beginning with the first day on which the President has met the requirements of subclause (III), has expired; and

''(V) the President has consulted with such committees regarding the proposed action during the period referred to in subclause (III).

''(iii) APPAREL ARTICLES ASSEMBLED IN 1 OR MORE ATPDEA BENEFICIARY COUNTRIES FROM REGIONAL FABRICS OR REGIONAL COMPONENTS.—(I) Subject to the limitation set forth in subclause (II), apparel articles sewn or otherwise assembled in 1 or more ATPDEA beneficiary countries from fabrics or from fabric components formed or from components knit-to-shape, in 1 or more ATPDEA beneficiary countries, from yarns formed in the United States or 1 or more ATPDEA beneficiary countries (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of the HTS and are formed in 1 or more ATPDEA beneficiary countries), whether or not the apparel articles are also made from any of the fabrics, fabric components

formed, or components knit-to-shape described in clause (i).

''(II) The preferential treatment referred to in subclause (I) shall be extended in the 1-year period beginning December 1, 2001, and in each of the 5 succeeding 1-year periods, to imports of apparel articles in an amount not to exceed the applicable percentage of the aggregate square meter equivalents of all apparel articles imported into the United States in the preceding 12-month period for which data are available.

''(III) For purposes of subclause (II), the term 'applicable percentage' means 3 percent for the 1-year period beginning December 1, 2001, increased in each of the 5 succeeding 1-year periods by equal increments, so that for the period beginning December 1, 2005, the applicable percentage does not exceed 6 percent.

''(iv) HANDLOOMED, HANDMADE, AND FOLKLORE ARTICLES.—A handloomed, handmade, or folklore article of an ATPDEA beneficiary country identified under subparagraph (C) that is certified as such by the competent authority of such beneficiary country.

''(v) SPECIAL RULES.—

''(I) EXCEPTION FOR FINDINGS AND TRIMMINGS.—An article otherwise eligible for preferential treatment under this paragraph shall not be ineligible for such treatment because the article contains findings or trimmings of foreign origin, if such findings and trimmings do not exceed 25 percent of the cost of the components of the assembled product. Examples of findings and trimmings are sewing thread, hooks and eyes, snaps, buttons, 'bow buds', decorative lace, trim, elastic strips, zippers, including zipper tapes and labels, and other similar products.

''(II) CERTAIN INTERLINING.—(aa) An article otherwise eligible for preferential treatment under this paragraph shall not be ineligible for such treatment because the article contains certain interlinings of foreign origin, if the value of such interlinings (and any findings and trimmings) does not exceed 25 percent of the cost of the components of the assembled article.

''(bb) Interlinings eligible for the treatment described in division (aa) include only a chest type plate, 'hymo' piece, or 'sleeve header', of woven or weft-inserted warp knit construction and of coarse animal hair or man-made filaments.

''(cc) The treatment described in this subclause shall terminate if the President makes a determination that United States manufacturers are producing such interlinings in the United States in commercial quantities.

''(III) DE MINIMIS RULE.—An article that would otherwise be ineligible for preferential treatment under this subparagraph because the article contains fibers or yarns not wholly formed in the United States or in one or more ATPDEA beneficiary countries shall not be ineligible for such treatment if the total weight of all such fibers or yarns is not more than 7 percent of the total weight of the good.

''(C) HANDLOOMED, HANDMADE, AND FOLKLORE ARTICLES.—For purposes of subparagraph (B)(iv), the President shall consult with representatives of the ATPDEA beneficiary countries concerned for the purpose of identifying particular textile and apparel goods that are mutually agreed upon as being handloomed, handmade, or folklore goods of a kind described in section 2.3(a), (b), or (c) of the Annex or Appendix 3.1.B.11 of the Annex.

''(D) PENALTIES FOR TRANSSHIPMENT.—

''(i) PENALTIES FOR EXPORTERS.—If the President determines, based on sufficient evidence, that an exporter has engaged in transshipment with respect to apparel articles from an ATPDEA beneficiary country, then the President shall deny all benefits under this title to such exporter, and any successor of such exporter, for a period of 2 years.

''(ii) PENALTIES FOR COUNTRIES.—Whenever the President finds, based on sufficient evidence, that transshipment has occurred, the President shall request that the ATPDEA beneficiary country or countries through whose territory the transshipment has occurred take all necessary and appropriate actions to prevent such transshipment. If the President determines that a country is not taking such actions, the President shall reduce the quantities of apparel articles that may be imported into the United States from such country by the quantity of the transshipped articles multiplied by 3, to the extent consistent with the obligations of the United States under the WTO.

''(iii) TRANSSHIPMENT DESCRIBED.—Transshipment within the meaning of this subparagraph has occurred when preferential treatment under subparagraph (A) has been claimed for an apparel article on the basis of material false information concerning the country of origin, manufacture, processing, or assembly of the article or any of its components. For purposes of this clause, false information is material if disclosure of the true information would mean or would have meant that the article is or was ineligible for preferential treatment under subparagraph (A).

''(E) BILATERAL EMERGENCY ACTIONS.—

''(i) IN GENERAL.—The President may take bilateral emergency tariff actions of a kind described in section 4 of the Annex with respect to any apparel article imported from an ATPDEA beneficiary country if the application of tariff treatment under subparagraph (A) to such article results in conditions that would be cause for the taking of such actions under such section 4 with respect to a like article described in the same 8-digit subheading of the HTS that is imported from Mexico.

''(ii) RULES RELATING TO BILATERAL EMERGENCY ACTION.—For purposes of applying bilateral emergency action under this subparagraph—

''(I) the requirements of paragraph (5) of section 4 of the Annex (relating to providing compensation) shall not apply;

''(II) the term 'transition period' in section 4 of the Annex shall mean the period ending December 31, 2006; and

''(III) the requirements to consult specified in section 4 of the Annex shall be treated as satisfied if the President requests consultations with the ATPDEA beneficiary country in question and the country does not agree to consult within the time period specified under section 4.

''(4) CUSTOMS PROCEDURES.—

''(A) IN GENERAL.—

''(i) REGULATIONS.—Any importer that claims preferential treatment under paragraph (1) or (3) shall comply with customs procedures similar in all material respects to the requirements of Article 502(1) of the NAFTA as implemented pursuant to United States law, in accordance with regulations promulgated by the Secretary of the Treasury.

''(ii) DETERMINATION.—

''(I) IN GENERAL.—In order to qualify for the preferential treatment under paragraph (1) or (3) and for a Certificate of Origin to be valid with respect to any article for which such treatment is claimed, there shall be in effect a determination by the President that each country described in subclause (II)—

''(aa) has implemented and follows; or

''(bb) is making substantial progress toward implementing and following,

procedures and requirements similar in all material respects to the relevant procedures and requirements under chapter 5 of the NAFTA.

''(II) COUNTRY DESCRIBED.—A country is described in this subclause if it is an ATPDEA beneficiary country—

''(aa) from which the article is exported; or

''(bb) in which materials used in the production of the article originate or in which the article or such materials undergo production that contributes to a claim that the article is eligible for preferential treatment under paragraph (1) or (3).

''(B) CERTIFICATE OF ORIGIN.—The Certificate of Origin that otherwise would be required pursuant to the provisions of subparagraph (A) shall not be required in the case of an article imported under paragraph (1) or (3) if such Certificate of Origin would not be required under Article 503 of the NAFTA (as implemented pursuant to United States law), if the article were imported from Mexico.

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

''(A) ANNEX.—The term 'the Annex' means Annex 300-B of the NAFTA.

''(B) ATPDEA BENEFICIARY COUNTRY.—The term 'ATPDEA beneficiary country' means any 'beneficiary country', as defined in section 203(a)(1) of this title, which the President designates as an ATPDEA beneficiary country, taking into account the criteria contained in subsections (c) and (d) of section 203 and other appropriate criteria, including the following:

''(i) Whether the beneficiary country has demonstrated a commitment to—

''(I) undertake its obligations under the WTO, including those agreements listed in section 101(d) of the Uruguay Round Agreements Act, on or ahead of schedule; and

''(II) participate in negotiations toward the completion of the FTAA or another free trade agreement.

''(ii) The extent to which the country provides protection of intellectual property rights consistent with or greater than the protection afforded under the Agreement on Trade-Related Aspects of Intellectual Property Rights described in section 101(d)(15) of the Uruguay Round Agreements Act.

''(iii) The extent to which the country provides internationally recognized worker rights, including—

''(I) the right of association;

''(II) the right to organize and bargain collectively;

''(III) a prohibition on the use of any form of forced or compulsory labor;

''(IV) a minimum age for the employment of children; and

''(V) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health;

''(iv) Whether the country has implemented its commitments to eliminate the worst forms of child labor, as defined in section 507(6) of the Trade Act of 1974.

''(v) The extent to which the country has met the counternarcotics certification criteria set forth in section 490 of the Foreign Assistance Act of 1961 (22 U.S.C. 2291j) for eligibility for United States assistance.

''(vi) The extent to which the country has taken steps to become a party to and implements the Inter-American Convention Against Corruption.

''(vii) The extent to which the country—

''(I) applies transparent, nondiscriminatory, and competitive procedures in government procurement equivalent to those contained in the Agreement on Government Procurement described in section 101(d)(17) of the Uruguay Round Agreements Act; and

''(II) contributes to efforts in international fora to develop and implement international rules in transparency in government procurement.

''(C) NAFTA.—The term 'NAFTA' means the North American Free Trade Agreement

entered into between the United States, Mexico, and Canada on December 17, 1992.

''(D) WTO.—The term 'WTO' has the meaning given that term in section 2 of the Uruguay Round Agreements Act (19 U.S.C. 3501).

''(E) ATPDEA.—The term 'ATPDEA' means the Andean Trade Promotion and Drug Eradication Act.''.

(b) DETERMINATION REGARDING RETENTION OF DESIGNATION.—Section 203(e)(1) of the Andean Trade Preference Act (19 U.S.C. 3202(e)(1)) is amended—

(1) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(2) by inserting ''(A)'' after ''(1)''; and

(3) by adding at the end the following:

''(B) The President may, after the requirements of paragraph (2) have been met—

''(i) withdraw or suspend the designation of any country as an ATPDEA beneficiary country, or

''(ii) withdraw, suspend, or limit the application of preferential treatment under section 204(b)(1) or (3) to any article of any country,

if, after such designation, the President determines that, as a result of changed circumstances, the performance of such country is not satisfactory under the criteria set forth in section 204(b)(5)(B).''.

(c) CONFORMING AMENDMENTS.—(1) Section 202 of the Andean Trade Preference Act (19 U.S.C. 3201) is amended by inserting ''(or other preferential treatment)'' after ''treatment''.

(2) Section 204(a) of the Andean Trade Preference Act (19 U.S.C. 3203(a)) is amended—

(A) in paragraph (1), by inserting ''(or otherwise provided for)'' after ''eligibility''; and

(B) in paragraph (2), by striking ''subsection (a)'' and inserting ''paragraph (1)''.

SEC. 3104. TERMINATION OF PREFERENTIAL TREATMENT.

Section 208 of the Andean Trade Preference Act (19 U.S.C. 3206) is amended to read as follows:

''SEC. 208. TERMINATION OF PREFERENTIAL TREATMENT.

''No duty-free treatment or other preferential treatment extended to beneficiary countries under this title shall remain in effect after December 31, 2006.''.

SEC. 3105. TRADE BENEFITS UNDER THE CARIBBEAN BASIN ECONOMIC RECOVERY ACT.

Section 213(b)(2)(A) of the Carribean Basin Economic Recovery Act (19 U.S.C. 2703(b)(2)(A)) is amended as follows:

(1) Clause (i) is amended—

(A) by striking the matter preceding subclause (I) and inserting the following:

''(i) APPAREL ARTICLES ASSEMBLED IN ONE OR MORE CBTPA BENEFICIARY COUNTRIES.—Apparel articles sewn or otherwise assembled in one or more CBTPA beneficiary countries from fabrics wholly formed and cut, or from components knit-to-shape, in the United States from yarns wholly formed in the United States, (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of the HTS and are wholly formed and cut in the United States) that are—''; and

(B) by adding at the end the following:

''Apparel articles shall qualify under the preceding sentence only if all dyeing, printing, and finishing of the fabrics from which the articles are assembled, if the fabrics are knit fabrics, is carried out in the United States. Apparel articles shall qualify under the first sentence of this clause only if all dyeing, printing, and finishing of the fabrics from which the articles are assembled, if the fabrics are woven fabrics, is carried out in the United States.''.

(2) Clause (ii) is amended to read as follows:

''(ii) OTHER APPAREL ARTICLES ASSEMBLED IN ONE OR MORE CBTPA BENEFICIARY COUNTRIES.—Apparel articles sewn or otherwise assembled in one or more CBTPA beneficiary countries with thread formed in the United States from fabrics wholly formed in the United States and cut in one or more CBTPA beneficiary countries from yarns wholly formed in the United States, or from components knit-to-shape in the United States from yarns wholly formed in the United States, or both (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of the HTS and are wholly formed in the United States). Apparel articles shall qualify under the preceding sentence only if all dyeing, printing, and finishing of the fabrics from which the articles are assembled, if the fabrics are knit fabrics, is carried out in the United States. Apparel articles shall qualify under the first sentence of this clause only if all dyeing, printing, and finishing of the fabrics from which the articles are assembled, if the fabrics are woven fabrics, is carried out in the United States.''.

(3) Clause (iii)(II) is amended to read as follows:

''(II) The amount referred to in subclause (I) is as follows:

''(aa) 290,000,000 square meter equivalents during the 1-year period beginning on October 1, 2001.

''(bb) 500,000,000 square meter equivalents during the 1-year period beginning on October 1, 2002.

''(cc) 850,000,000 square meter equivalents during the 1-year period beginning on October 1, 2003.

''(dd) 970,000,000 square meter equivalents in each succeeding 1-year period through September 30, 2008.''.

(4) Clause (iii)(IV) is amended to read as follows:

''(IV) The amount referred to in subclause (III) is as follows:

''(aa) 4,872,000 dozen during the 1-year period beginning on October 1, 2001.

''(bb) 9,000,000 dozen during the 1-year period beginning on October 1, 2002.

''(cc) 10,000,000 dozen during the 1-year period beginning on October 1, 2003.

''(dd) 12,000,000 dozen in each succeeding 1-year period through September 30, 2008.''.

(5) Section 213(b)(2)(A) of such Act is further amended by adding at the end the following new clause:

''(ix) APPAREL ARTICLES ASSEMBLED IN ONE OR MORE CBTPA BENEFICIARY COUNTRIES FROM UNITED STATES AND CBTPA BENEFICIARY COUNTRY COMPONENTS.—Apparel articles sewn or otherwise assembled in one or more CBTPA beneficiary countries with thread formed in the United States from components cut in the United States and in one or more CBTPA beneficiary countries from fabric wholly formed in the United States from yarns wholly formed in the United States, or from components knit-to-shape in the United States and one or more CBTPA beneficiary countries from yarns wholly formed in the United States, or both (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of the HTS).''.

SEC. 3106. TRADE BENEFITS UNDER THE AFRICAN GROWTH AND OPPORTUNITY ACT.

Section 112(b) of the African Growth and Opportunity Act (19 U.S.C. 3721(b)) is amended as follows:

(1) Paragraph (1) is amended by amending the matter preceding subparagraph (A) to read as follows:

''(1) APPAREL ARTICLES ASSEMBLED IN ONE OR MORE BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES.—Apparel articles sewn or otherwise assembled in one or more beneficiary sub-Saharan African countries from fabrics wholly formed and cut, or from components knit-to-shape, in the United States from yarns wholly formed in the United States, (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of the HTS and are wholly formed and cut in the United States) that are—''.

(2) Paragraph (2) is amended to read as follows:

''(2) OTHER APPAREL ARTICLES ASSEMBLED IN ONE OR MORE BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES.—Apparel articles sewn or otherwise assembled in one or more beneficiary sub-Saharan African countries with thread formed in the United States from fabrics wholly formed in the United States and cut in one or more beneficiary sub-Saharan African countries from yarns wholly formed in the United States, or from components knit-to-shape in the United States from yarns wholly formed in the United States, or both (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of the HTS and are wholly formed in the United States).''.

(3) Paragraph (3) is amended—

(A) by amending the matter preceding subparagraph (A) to read as follows:

''(3) APPAREL ARTICLES FROM REGIONAL FABRIC OR YARNS.—Apparel articles wholly assembled in one or more beneficiary sub-Saharan African countries from fabric wholly formed in one or more beneficiary sub-Saharan African countries from yarns originating either in the United States or one or more beneficiary sub-Saharan African countries (including fabrics not formed from yarns, if such fabrics are classified under heading 5602 or 5603 of the HTS and are wholly formed in one or more beneficiary sub-Saharan African countries), or from components knit-to-shape in one or more beneficiary sub-Saharan African countries from yarns originating either in the United States or one or more beneficiary sub-Saharan African countries, or apparel articles wholly formed on seamless knitting machines in a beneficiary sub-Saharan African country from yarns originating either in the United States or one or more beneficiary sub-Saharan African countries, subject to the following:'';

(B) in subparagraph (A)(ii)—

(i) by striking ''1.5'' and inserting ''3''; and

(ii) by striking ''3.5'' and inserting ''7''; and

(C) by amending subparagraph (B) to read as follows:

''(B) SPECIAL RULES FOR LESSER DEVELOPED COUNTRIES.—

''(i) IN GENERAL.—Subject to subparagraph (A), preferential treatment under this paragraph shall be extended through September 30, 2004, for apparel articles wholly assembled, or knit-to-shape and wholly assembled, or both, in one or more lesser developed beneficiary sub-Saharan African countries regardless of the country of origin of the fabric or the yarn used to make such articles.

''(ii) LESSER DEVELOPED BENEFICIARY SUB-SAHARAN AFRICAN COUNTRY.—For purposes of clause (i), the term 'lesser developed beneficiary sub-Saharan African country' means—

''(I) a beneficiary sub-Saharan African country that had a per capita gross national product of less than $1,500 in 1998, as measured by the International Bank for Reconstruction and Development;

''(II) Botswana; and

''(III) Namibia.''.

(4) Paragraph (4)(B) is amended by striking ''18.5'' and inserting ''21.5''.

(5) Section 112(b) of such Act is further amended by adding at the end the following new paragraph:

''(7) APPAREL ARTICLES ASSEMBLED IN ONE OR MORE BENEFICIARY SUB-SAHARAN AFRICAN

COUNTRIES FROM UNITED STATES AND BENEFICIARY SUB-SAHARAN AFRICAN COUNTRY COMPONENTS.—Apparel articles sewn or otherwise assembled in one or more beneficiary sub-Saharan African countries with thread formed in the United States from components cut in the United States and one or more beneficiary sub-Saharan African countries from fabric wholly formed in the United States from yarns wholly formed in the United States, or from components knit-to-shape in the United States and one or more beneficiary sub-Saharan African countries from yarns wholly formed in the United States, or both (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of the HTS).''.

DIVISION D—EXTENSION OF CERTAIN PREFERENTIAL TRADE TREATMENT AND OTHER PROVISIONS

SEC. 4101. EXTENSION OF GENERALIZED SYSTEM OF PREFERENCES.

(a) EXTENSION OF DUTY-FREE TREATMENT UNDER SYSTEM.—Section 505 of the Trade Act of 1974 (19 U.S.C. 2465(a)) is amended by striking ''September 30, 2001'' and inserting ''December 31, 2002''.

(b) RETROACTIVE APPLICATION FOR CERTAIN LIQUIDATIONS AND RELIQUIDATIONS.—

(1) IN GENERAL.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, and subject to paragraph (2), the entry—

(A) of any article to which duty-free treatment under title V of the Trade Act of 1974 would have applied if the entry had been made on September 30, 2001,

(B) that was made after September 30, 2001, and before the date of the enactment of this Act, and

(C) to which duty-free treatment under title V of that Act did not apply,

shall be liquidated or reliquidated as free of duty, and the Secretary of the Treasury shall refund any duty paid with respect to such entry. As used in this subsection, the term ''entry'' includes a withdrawal from warehouse for consumption.

(2) REQUESTS.—Liquidation or reliquidation may be made under paragraph (1) with respect to an entry only if a request therefor is filed with the Customs Service, within 180 days after the date of the enactment of this Act, that contains sufficient information to enable the Customs Service—

(A) to locate the entry; or

(B) to reconstruct the entry if it cannot be located.

SEC. 4102. FUND FOR WTO DISPUTE SETTLEMENTS.

(a) ESTABLISHMENT OF FUND.—There is established in the Treasury a fund for the payment of settlements under this section.

(b) AUTHORITY OF USTR TO PAY SETTLEMENTS.—Amounts in the fund established under subsection (a) shall be available, as provided in appropriations Acts, only for the payment by the United States Trade Representative of the amount of the total or partial settlement of any dispute pursuant to proceedings under the auspices of the World Trade Organization, if—

(1) in the case of a total or partial settlement in an amount of not more than $10,000,000, the Trade Representative certifies to the Secretary of the Treasury that the settlement is in the best interests of the United States; and

(2) in the case of a total or partial settlement in an amount of more than $10,000,000, the Trade Representative certifies to the Congress that the settlement is in the best interests of the United States.

(c) APPROPRIATIONS.—There are authorized to be appropriated to the fund established under subsection (a)—

(1) $50,000,000; and

(2) amounts equivalent to amounts recovered by the United States pursuant to the settlement of disputes pursuant to proceedings under the auspices of the World Trade Organization.

Amounts appropriated to the fund are authorized to remain available until expended.

(c) MANAGEMENT OF FUND.—Sections 9601 and 9602(b) of the Internal Revenue Code of 1986 shall apply to the fund established under subsection (a) to the same extent as such provisions apply to trust funds established under subchapter A of chapter 98 of such Code.

SEC. 4103. PAYMENT OF DUTIES AND FEES.

Section 505(a) of the Tariff Act of 1930 (19 U.S.C. 1505(a)) is amended—

(1) in the first sentence—

(A) by striking ''Unless the merchandise'' and inserting ''Unless the entry of merchandise is covered by an import activity summary statement, or the merchandise''; and

(B) by inserting after ''by regulation'' the following: ''(but not to exceed 10 working days after entry or release, whichever occurs first)''; and

(2) by striking the second and third sentences and inserting the following: ''If an import activity summary statement is filed, the importer or record shall deposit estimated duties and fees for entries of merchandise covered by the import activity summary statement no later than the 15th day of the month following the month in which the merchandise is entered or released, whichever occurs first.''.

APPOINTMENT OF CONFEREES

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees:

From the Committee on Ways and Means, for consideration of the House amendment and the Senate amendment, and modifications committed to conference:

Messrs. THOMAS, CRANE and RANGEL.

From the Committee on Education and the Workforce, for consideration of section 603 of the Senate amendment, and modifications committed to conference:

Messrs. BOEHNER, SAM JOHNSON of Texas and GEORGE MILLER of California.

From the Committee on Energy and Commerce, for consideration of section 603 of the Senate amendment, and modifications committed to conference:

Messrs. TAUZIN, BILIRAKIS and DINGELL.

From the Committee on Government Reform, for consideration of section 344 of the House amendment and section 1143 of the Senate amendment, and modifications committed to conference:

Messrs. BURTON of Indiana, BARR of Georgia and WAXMAN.

From the Committee on the Judiciary, for consideration of sections 111, 601, and 701 of the Senate amendment, and modifications committed to conference:

Messrs. SENSENBRENNER, COBLE and CONYERS.

From the Committee on Rules, for consideration of sections 2103, 2105, and 2106 of the House amendment and sections 2103, 2105, and 2106 of the Senate amendment, and modifications committed to conference:

Messrs. DREIER, LINDER and HASTINGS of Florida.

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will now resume proceedings on postponed questions in the following order:

H.R. 3764, by the yeas and nays; and

H.R. 3180, by the yeas and nays.

Without objection, the Chair will reduce to 5 minutes the time for each electronic vote in this series.

There was no objection.

The SPEAKER pro tempore. The votes on H. Con. Res. 424 and H.R. 3034 will be postponed until tomorrow.

SECURITIES AND EXCHANGE COMMISSION AUTHORIZATION ACT OF 2002

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 3764, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. OXLEY) that the House suspend the rules and pass the bill, H.R. 3764, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 422, nays 4, not voting 8, as follows:

[Roll No. 265]

YEAS—422

Abercrombie	Brown (FL)	Davis, Jo Ann
Ackerman	Brown (OH)	Davis, Tom
Aderholt	Brown (SC)	Deal
Akin	Bryant	DeFazio
Allen	Burr	DeGette
Andrews	Burton	Delahunt
Armey	Buyer	DeLauro
Baca	Callahan	DeLay
Bachus	Calvert	DeMint
Baird	Camp	Deutsch
Baker	Cannon	Diaz-Balart
Baldacci	Cantor	Dicks
Baldwin	Capito	Dingell
Ballenger	Capps	Doggett
Barcia	Capuano	Dooley
Barr	Cardin	Doolittle
Barrett	Carson (IN)	Doyle
Bartlett	Carson (OK)	Dreier
Barton	Castle	Duncan
Bass	Chabot	Dunn
Becerra	Chambliss	Edwards
Bentsen	Clay	Ehlers
Bereuter	Clayton	Ehrlich
Berkley	Clement	Emerson
Berman	Clyburn	Engel
Berry	Coble	English
Biggert	Collins	Eshoo
Bilirakis	Combest	Etheridge
Bishop	Condit	Evans
Blagojevich	Cooksey	Everett
Blumenauer	Costello	Farr
Blunt	Cox	Fattah
Boehlert	Coyne	Ferguson
Boehner	Cramer	Filner
Bonilla	Crane	Fletcher
Bonior	Crenshaw	Foley
Bono	Crowley	Forbes
Boozman	Cubin	Ford
Borski	Culberson	Fossella
Boswell	Cummings	Frank
Boucher	Cunningham	Frelinghuysen
Boyd	Davis (CA)	Frost
Brady (PA)	Davis (FL)	Gallegly
Brady (TX)	Davis (IL)	Ganske

Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller, Dan
Miller, Gary
Miller, George
Miller, Jeff
Mink
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pelosi
Pence
Peterson (MN)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Spratt
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sullivan
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Toomey
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins (OK)
Watson (CA)
Watt (NC)
Watts (OK)
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—4

Conyers
Flake
Paul
Souder

NOT VOTING—8

Peterson (PA)
Roukema
Shays
Simmons
Smith (MI)
Tierney
Traficant
Waxman

□ 1707

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

NEW HAMPSHIRE-VERMONT INTERSTATE SCHOOL COMPACT CONSENT ACT

The SPEAKER pro tempore (Mr. LAHOOD). The unfinished business is the question of suspending the rules and passing the bill, H.R. 3180.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and pass the bill, H.R. 3180, on which the yeas and nays are ordered.

This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 425, nays 0, not voting 9, as follows:

[Roll No. 266]

YEAS—425

Abercrombie
Ackerman
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boozman
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Everett
Farr
Fattah
Ferguson
Filner
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller, Dan
Miller, Gary
Miller, George
Miller, Jeff
Mink
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schaffer
Schakowsky
Schiff
Schrock
Scott
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sullivan
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins (OK)
Watson (CA)
Watt (NC)
Watts (OK)
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—9

Evans
Herger
Istook
Lampson
Roukema
Sensenbrenner
Smith (MI)
Traficant
Waxman

□ 1717

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT OF INTENTION TO OFFER MOTION TO INSTRUCT CONFEREES ON H.R. 3295, HELP AMERICA VOTE ACT OF 2001

Mr. LANGEVIN. Mr. Speaker, pursuant to clause 7(c) of rule XXII, I hereby announce my intention to offer a motion to instruct conferees on H.R. 3295 tomorrow.

The form of the motion is as follows:

I move that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the Senate amendments to the bill H.R. 3295 be instructed to recede from disagreement with the provisions contained in subparagraphs (A) and (B) of section 101(a)(3) of the Senate amendment to the House bill (relating to the accessibility of voting systems for individuals with disabilities).

CAPITOL POLICE RETENTION, RECRUITMENT, AND AUTHORIZATION ACT OF 2002

Mr. NEY. Mr. Speaker, I ask unanimous consent that the Committee on House Administration be discharged from further consideration of the bill (H.R. 5018) to direct the Capitol Police Board to take steps to promote the retention of current officers and members of the Capitol Police and the recruitment of new officers and members of the Capitol Police, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from Ohio?

Mr. HOYER. Mr. Speaker, reserving the right to object, and I do not intend to object, but under my reservation I yield to the gentleman from Ohio (Mr. NEY), the distinguished chairman of the Committee on House Administration.

Mr. NEY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, this is an important resolution, and I want to make sure that everybody understands and hears every word of this.

It is an honor for me to be here today to introduce with the gentleman from Maryland (Mr. HOYER) the Capitol Police Retention, Recruitment, and Authorization Act of 2002. The men and women of the United States Capitol Police Force have responded in a most professional and exceptional manner since the attacks on our country last September. Let me point out that they did their jobs before that, but the attacks in September obviously put tremendous constraints and really tested the system; so I just want to point out that they did their jobs before, but since September they have had, I think, an unusual situation here in the Nation's Capitol.

We have all been forced to look at the security and life safety issue with new eyes. Our United States Capitol Police are the frontline of that effort. They are doing an outstanding job of ensuring the safety of every person at the Capitol.

It is for this reason that we must act today to pass this legislation which will give the Capitol Police the resources they need to remain fully equipped to handle the security and life safety challenges they may encounter.

Our Capitol Police officers have responded in a tremendous way, in an unbelievable fashion to the demand placed upon them as a result of our heightened security posture. But this recognition mandates that we respond by authorizing an increase in their annual rate of basic compensation, as well as authorizing an increase in the number of full-time positions for the force. This legislation achieves that end.

Further, we need to recognize not only the hard work and hundreds of hours of overtime that the officers have already been called to work, but also the sacrifices they and their families are making as a result of this increased demand upon them. Therefore, we are authorizing changes to the Capitol Police pay regulations to allow for the eligibility of and payment for more premium pay retroactive to September 11, 2001, the day in which their lives and their workforce and their work situation changed forever.

Additionally, we recognize that since September 11 of last year, there are many new attractive opportunities for individuals who have law enforcement experience or who are interested in law enforcement careers. Because we believe that a career with the United States Capitol Police Force provides an individual with an opportunity to be a part of the very best an organization can offer, this legislation contains certain incentives to both recruit new officers to the force and also help retain veteran officers who may be looking for additional opportunities. These incentives are not only financial in nature, but are also designed to promote the quality of life for officers, both on the job and at home with their families.

I call tonight upon every Member of this House to enthusiastically support this legislation today and to send a message to the hard-working officers of our Capitol Police Force and, additionally, to those who may be considering a career with the Capitol Police Force that we are behind you all the way. More than that, we are deeply appreciative of the service and sacrifice made by all persons who make up the United States Capitol Police Force.

We all know of our two officers who, unfortunately, just within the last couple of years, were killed in the line of duty. We all know the trauma and the tragedy of that situation. So we know at any point in time lives can be lost. We know across this Nation with law enforcement and firefighters, people involved in safety services, of the sacrifice that they make every day when they make a call and they are not sure whether they will return home. So we are here to ensure that the Capitol Hill Police Force has the resources they need to continue to be the very best in enforcement.

I also want to close by saying something about our Committee on House Administration and about the Capitol Police Force. I want to thank the gentleman from Maryland (Mr. HOYER), the ranking member, and all of the members of that committee. Since 9–11, a lot of difficult decisions have had to be made, and I can tell my colleagues that the members of the committee on both sides of the aisle cooperated at 150 percent capability to allow us to continue to make sure that this floor operates as the bastion of freedom for the world.

I also want to tell my colleagues, and I actually said this to somebody last night about the gentleman from Maryland (Mr. HOYER), and that is in not one single case or not one single incident did he ever inject one ounce of politics. These are difficult decisions where somebody could have tinkered and toiled with them or done whatever they wanted to do. That never happened. We had a perfect cooperative relationship to do what was best for the safety and security of Members and visitors and, I may add, the thousands of visitors that come here to Washington to visit the people's House. I want to thank the gentleman from Maryland (Mr. HOYER) publicly for an absolutely tremendous job since 9–11, and the countless hours of the minority and majority staff who have poured in hours to make sure this happened.

I also want to thank the gentleman from Maryland (Mr. HOYER) and members of this committee for cooperating on this resolution and for bringing the idea to me, as the gentleman from Maryland did, and for making this work for what is best, and that is the people's House.

In closing, let me just also say that we all are concerned about future generations in this country. That is why we are here. We may disagree on this floor over certain issues in how we get down that path, but we are all concerned about what happens to the future generations in this country. I think that every single Capitol Hill police officer, every morning when they get up, they look in the mirror, whether it is to hopefully brush their hair or comb their hair, or brush their teeth, I should say; when they look in that mirror, what they see is a face of the human being that is morally responsible for whether this planet is going to be safe, prosperous, and peaceful for future generations. They see themselves. They have accepted that challenge to

be morally responsible, to make this a better place. They have accepted that challenge to protect this House and this Capitol to make sure that we can engage in the energetic give-and-take of public debate that makes this the greatest country and, hopefully, makes the world a better place to be in.

Mr. Speaker, I commend them, I salute them, as well as the gentleman from Maryland (Mr. HOYER) and members of the committee; and I urge the support of this measure.

Mr. HOYER. Mr. Speaker, continuing under my reservation, I thank the gentleman from Ohio (Mr. NEY) for his remarks. I want to thank him for his leadership on this bill and so many others. Before I reference the specific provisions of this bill which are very, very important, I hope all of our colleagues are pleased with the work of our Committee on House Administration, which is charged with the responsibility of working on matters that deal with Members, visitors, and staff and which deal with other issues of how this institution and our offices are maintained and operate. I hope they are pleased, because the gentleman from Ohio (Mr. NEY) and I have found a common cause in working together without political considerations, without partisanship. It is an honor and a privilege to serve with the gentleman from Ohio (Mr. NEY) on this committee. As the ranking Democratic member of a committee, sometimes one does not feel included. That has never been for one second the case on this committee, where we work as colleagues and, more than that, as partners, in most cases, in lockstep in trying to accomplish objectives that we think are good for this House and good for this country. As I say, it is an honor and a privilege to serve with the gentleman from Ohio (Mr. NEY).

Mr. Speaker, since last year's attacks, Capitol Police officers have faced extraordinary challenges. For months after the attacks, most worked 12-hour shifts, 6 days a week so Congress, the people's House, the United States Senate, and the Capitol could continue to operate. The 12-hour shifts may have eased, but Capitol Police still confront extraordinary challenges. Unfortunately for Congress, its staff and visitors, Capitol Police officers also confront extraordinary opportunities.

Now, I say that is bad news for us, because we do not want to lose them, but it is a testament to them. As trained law enforcement professionals, Capitol Police officers are always in demand by other agencies. In these times of heightened security, demand for trained personnel has probably never been higher. As a result, the Capitol Police is losing trained officers at an alarming rate.

In just the first 8 months, Mr. Speaker, of fiscal year 2002, the Capitol Police have already lost 78 officers to other law enforcement agencies and have three more departures pending. This is more than double the number lost on average to other law enforcement agencies during the last 3 years.

If this rate continues, the Capitol Police will, by fiscal year's end, have lost 122 officers to other agencies; 242 percent over the 3-year average. This does not even count separations for other reasons. This attrition comes as the police strive to raise manpower to recommended levels, to respond to heightened security concerns, and demands for their services.

One Federal agency in particular, Mr. Speaker, the new Transportation Security Agency, is attracting trained officers from the Capitol Police and elsewhere to serve as sky marshals and airport security officers. TSA offers compensation that can exceed the average Capitol Police officer's pay, and I want my colleagues to hear this and digest it: TSA is offering salaries that can exceed the average Capitol Police salary by 80 percent or more.

□ 1730

An 80 percent pay increase is tough for anybody to turn down. There is no doubt that TSA's work is vital, but the security of the Capitol is vital, as well. Congress has a duty to ensure the Capitol Police can attract and retain the people needed to make the Capitol safe.

This is why the chairman and I introduced H.R. 5018. The bill authorizes a 5 percent pay raise for fiscal year 2003 for officers through the rank of captain. Raises for higher-ranking officers will be discretionary with the Police Board. This gives officers who may be thinking of leaving a reason to stay.

We want them to stay. We are proud of the service they give. We are respectful of their training and of their abilities. We want to send a strong message that we value their service.

Mr. Speaker, the bill also increases from 6 to 8 hours the amount of annual leave earned per pay period by officers with at least 3 year service. As a matter of fairness, the bill authorizes the Board to make whole those officers adversely affected during the recent months of heavy overtime by limits on premium pay. This will restore to officers roughly $350,000 that they earned but did not receive due to these limits.

The bill also authorizes extra pay for officers in specialty assignments, as determined by the Board. It lets the Board hire experienced officers and employees at salaries above the minimum for a particular position when needed and justified.

It authorizes, as well, a tuition reimbursement program for officers taking courses on their own time leading towards a law enforcement-related degree and authorizes bonuses upon completion of such degrees. This will give officers opportunities for professional improvement, which should lead in turn, it is our hope, to a more rapid advancement.

For Congress, this will create a more educated and better Capitol Police force. The bill authorizes bonuses for officers and employees who recruit others to join the force, potentially turning the entire agency into active recruiters.

Finally, Mr. Speaker, as important as these tangible benefits are, we recognize that there are intangible aspects that make any job more interesting, helping to persuade veterans to stay and others to seek the position. The bill encourages our chief to deploy officers in innovative ways, maximizing opportunities to rotate among various posts and duties, to be cross-trained for specialty assignments, and to utilize fully the skills and talents of individuals.

More innovative management could greatly enhance the appeal and satisfaction of the job, making retention and recruitment easier. I am convinced that the chief understands that and has the skill and management capability to do just that. If done smartly, it would also make the Capitol more secure.

Mr. Speaker, in the course of developing this bill, the committee reached out in many directions for guidance. I met with the new chief, Terry Gainer, and Assistant Chief Bob Howe, who offered very solid and important ideas. We received suggestions from other senior police officials. We received valuable input from the Fraternal Order of Police, representing the rank and file, and from numerous officers. We sought guidance from the Sergeant at Arms and Police Board. We also heard from individual Members concerned about the current attrition and who wanted to see it addressed.

In addition, Mr. Speaker, both the gentleman from Ohio (Mr. NEY) and I have had the opportunity of talking to the chairman of the Subcommittee on Legislative of the Committee on Appropriations, which funds the Capitol Police, and his staff. They have also given very positive input into this process.

Mr. Speaker, this good bill would reduce Capitol Police attrition and encourage recruitment. I thank the chairman, as I said at the beginning, for his leadership on this issue. We work as a team. It is a ''we'' committee, not a ''me'' or an ''I'' committee, and it is that because of the leadership of the gentleman from Ohio (Mr. NEY). I thank him for bringing this bill to the floor, and I urge the House to support the chairman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. KERNS). Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the bill, as follows:

H.R. 5018

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 ''Capitol Police Retention, Recruitment, and Authorization Act of 2002''.

SEC. 2. INCREASE IN ANNUAL RATE OF BASIC COMPENSATION.

For fiscal year 2003, the Capitol Police Board shall increase the annual rate of basic compensation applicable for officers and members of the Capitol Police for pay periods occurring during the year by 5 percent, except that in the case of officers above the rank of captain the increase shall be made at a rate determined by the Board at its discretion (but not to exceed 5 percent).

SEC. 3. INCREASE IN RATES APPLICABLE TO NEWLY-APPOINTED MEMBERS AND EMPLOYEES.

The Capitol Police Board may compensate newly-appointed officers, members, and civilian employees of the Capitol Police at an annual rate of basic compensation in excess of the lowest rate of compensation otherwise applicable to the position to which the employee is appointed, except that in no case may such a rate be greater than the maximum annual rate of basic compensation otherwise applicable to the position.

SEC. 4. ADDITIONAL COMPENSATION FOR SPECIALTY ASSIGNMENTS.

Section 909(e) of the Emergency Supplemental Act, 2002 (40 U.S.C. 207b–2(e)), is amended—

(1) in the heading, by inserting ''AND OFFICERS HOLDING OTHER SPECIALTY ASSIGNMENTS'' after ''OFFICERS'';

(2) in paragraph (1), by inserting ''or who is assigned to another specialty assignment designated by the chief of the Capitol Police'' after ''field training officer''; and

(3) in paragraph (2), by striking ''officer,'' and inserting ''officer or to be assigned to a designated specialty assignment,''.

SEC. 5. APPLICATION OF PREMIUM PAY LIMITS ON ANNUALIZED BASIS.

(a) IN GENERAL.—Any limits on the amount of premium pay which may be earned by officers and members of the Capitol Police during emergencies (as determined by the Capitol Police Board) shall be applied by the Capitol Police Board on an annual basis and not on a pay period basis.

(b) EFFECTIVE DATE.—Subsection (a) shall apply with respect to hours of duty occurring on or after September 11, 2001.

SEC. 6. THRESHOLD FOR ELIGIBILITY FOR ADDITIONAL ANNUAL LEAVE.

The Capitol Police Board shall provide that an officer or member of the Capitol Police who completes 3 years of employment with the Capitol Police (taking into account any period occurring before, on, or after the date of the enactment of this Act) shall receive 8 hours of annual leave per pay period.

SEC. 7. FINANCIAL ASSISTANCE FOR HIGHER EDUCATION COSTS.

(a) TUITION REIMBURSEMENT.—

(1) IN GENERAL.—The Capitol Police Board shall establish a tuition reimbursement program for officers and members of the Capitol Police who are enrolled in or accepted for enrollment in a degree, certificate, or other program leading to a recognized educational credential at an institution of higher education in a course of study relating to law enforcement.

(2) ANNUAL CAP ON AMOUNT REIMBURSED.—The amount paid as a reimbursement under the program established under this subsection with respect to any individual may not exceed $3,000 during any year.

(3) APPROVAL OF REGULATIONS.—The program established under this subsection shall take effect upon the approval of the regulations promulgated by the Capitol Police Board to carry out the program by the Committee on House Administration of the House of Representatives and the Committee on Rules and Administration of the Senate.

(b) BONUS PAYMENTS FOR COMPLETION OF DEGREE.—The Capitol Police Board may make a one-time bonus payment in an amount not to exceed $500 to any officer or member who participates in the program established under subsection (a) upon the officer's or member's completion of the course of study involved.

SEC. 8. BONUS PAYMENTS FOR OFFICERS AND EMPLOYEES WHO RECRUIT NEW OFFICERS.

(a) IN GENERAL.—The Capitol Police Board may make a one-time bonus payment in an amount not to exceed $500 to any officer, member, or civilian employee of the Capitol Police who recruits another individual to serve as an officer or member of the Capitol Police.

(b) EXEMPTION OF RECRUITMENT OFFICERS.—No payment may be made under subsection (a) to any officer, member, or civilian employee who carries out recruiting activities for the Capitol Police as part of the individual's official responsibilities.

(c) TIMING.—No payment may be made under subsection (a) with respect to an individual recruited to serve as an officer or member of the Capitol Police until the individual completes the training required for new officers or members and is sworn in as an officer or member.

SEC. 9. DEPOSIT OF CERTAIN FUNDS RELATING TO THE CAPITOL POLICE.

(a) IN GENERAL.—

(1) DISPOSAL OF PROPERTY.—Any funds from the proceeds of the disposal of property of the Capitol Police shall be deposited in the United States Treasury for credit to the appropriation for ''GENERAL EXPENSES'' under the heading ''CAPITOL POLICE BOARD'', or ''SECURITY ENHANCEMENTS'' under the heading ''CAPITOL POLICE BOARD''.

(2) COMPENSATION.—Any funds for compensation for damage to, or loss of, property of the Capitol Police, including any insurance payment or payment made by an officer or civilian employee of the Capitol Police for such compensation, shall be deposited in the United States Treasury for credit to the appropriation for ''GENERAL EXPENSES'' under the heading ''CAPITOL POLICE BOARD''.

(3) REIMBURSEMENT FOR SERVICES PROVIDED TO GOVERNMENTS.—Any funds from reimbursement made by another entity of the Federal government or by any State or local government for assistance provided by the Capitol Police shall be deposited in the United States Treasury for credit to the appropriation for ''GENERAL EXPENSES'' under the heading ''CAPITOL POLICE BOARD''.

(b) EXPENDITURES.—Funds deposited under subsection (a) may be expended by the Capitol Police Board for any authorized purpose (subject to the approval of the Committee on House Administration of the House of Representatives and the Committee on Rules and Administration of the Senate) and shall remain available until expended.

(c) EFFECTIVE DATE.—This section shall apply with respect to fiscal year 2003 and each succeeding fiscal year.

SEC. 10. INCREASE IN NUMBER OF AUTHORIZED POSITIONS.

Effective with respect to fiscal year 2002 and each fiscal year thereafter, the total number of full-time equivalent positions of the United States Capitol Police (including positions for members of the Capitol Police and civilian employees) may not exceed 1,981 positions.

SEC. 11. DISPOSAL OF FIREARMS.

The disposal of firearms by officers and members of the United States Capitol Police shall be carried out in accordance with regulations promulgated by the Capitol Police Board and approved by the Committee on Rules and Administration of the Senate and the Committee on House Administration of the House of Representatives.

SEC. 12. USE OF VEHICLES TO TRANSPORT POLICE DOGS.

Notwithstanding any other provision of law, an officer of the United States Capitol Police who works with a police dog and who is responsible for the care of the dog during non-working hours may use an official Capitol Police vehicle when the officer is accompanied by the dog to travel between the officer's residence and duty station and to otherwise carry out official duties.

SEC. 13. SENSE OF CONGRESS ON MANAGEMENT OF CAPITOL POLICE.

It is the sense of Congress that, to the greatest extent possible consistent with the mission of the Capitol Police, the chief of the Capitol Police should seek to deploy the human and other resources of the Police in a manner maximizing opportunities for individual officers to be trained for, and to acquire and maintain proficiency in, all aspects of the Police's responsibilities, and to rotate regularly among different posts and duties, in order to utilize fully the skills and talents of officers, enhance the appeal of their work, and ensure the highest state of readiness.

SEC. 14. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for fiscal year 2003 and each succeeding fiscal year such sums as may be necessary to carry out this Act and the amendments made by this Act.

SEC. 15. EFFECTIVE DATE.

Except as otherwise provided, this Act and the amendments made by this Act shall apply with respect to pay periods occurring during fiscal year 2003 and each succeeding fiscal year.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NOTIFYING MEMBERS TO CONTACT COMMITTEE ON JUDICIARY TO COSPONSOR RESOLUTION REGARDING PLEDGE OF ALLEGIANCE

(Mr. SENSENBRENNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SENSENBRENNER. Mr. Speaker, earlier today, the United States Court of Appeals for the Ninth Circuit held that the Pledge of Allegiance is an unconstitutional endorsement of religion. This ruling treats any public religious reference as inherently evil and is an attempt to remove religious speech from the public arena from those who disagree.

This ruling is ridiculous, and I have introduced a resolution today with the gentleman from Mississippi (Mr. PICKERING) that specifically states that the phrase ''one Nation, under God'' should remain in the Pledge of Allegiance, and that the Ninth Circuit Court of Appeals should agree to rehear this ruling en banc to reverse this constitutionally infirm and historically inaccurate ruling.

Members who wish to cosponsor this resolution should contact the Committee on the Judiciary at 5–3190. It is my hope that the House of Representatives will bring it up promptly.

ON THE WORLDCOM DISASTER

(Mr. SHOWS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHOWS. Mr. Speaker, I represent Clinton, Mississippi, the hometown of WorldCom, the latest culprit in a continuing series of corporate scandals that have victimized average Americans. The revelation that WorldCom hid almost $4 billion in expenses from its employees and shareholders has turned upside down the lives of thousands of my constituents and many thousands more across the country.

Just think about the thousands of Mississippi families that had pride in their homegrown business and who placed their hard-earned money into this company's stock. Now they are losing everything. Corporate greed is not a Mississippi value.

Already, 17,000 employees are about to lose their jobs. Undoubtedly, many more layoffs will happen. The stock market is taking a terrible hit, and seniors whose pension funds rely on WorldCom stock will now need help. Baby boomers who are getting close to retirement and families with investments to pay for their kids' college educations will be hurt, too.

Mr. Speaker, there are thousands of people being hurt across the country because of what WorldCom has done, some of the leaders, not WorldCom personally.

I was talking to a man from Newton, Mississippi, the other day. His father, most of his portfolio contains WorldCom stock. Now he is devastated.

I call on Washington to treat this as the disaster that it is and help people through this crisis.

And I call on the barons of WorldComm, past and present, who control the ledgers, to unfurl their golden parachutes and give back to their employees and investors the grotesque salaries they earned while they cooked the corporate books.

And, Mr. Speaker, as we learn more about this financial disaster, I cannot help but imagine what would happen to millions of seniors if we were to privatize Social Security and let the stock market determine their futures.

We must stand with our families today. We must stand with the folks who work hard, pay their bills and deserve better than the greed that is taking their savings and investments.

EXPRESSING SENSE OF HOUSE OF REPRESENTATIVES WITH REGARD TO UNITED STATES NATIONAL SOCCER TEAM AND ITS HISTORIC PERFORMANCE IN THE 2002 FIFA WORLD CUP TOURNAMENT

Mr. SULLIVAN. Mr. Speaker, I ask unanimous consent that the Committee on Government Reform be discharged from further consideration of the resolution (H. Res. 445) expressing the sense of the House of Representatives with regard to the United States National Soccer Team and its historic performance in the 2002 FIFA World Cup tournament, and ask for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

Mr. DAVIS of Illinois. Mr. Speaker, reserving the right to object, as a matter of fact, I will not object, but I ask the gentleman from Oklahoma to explain this resolution.

Mr. WATTS of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Illinois. I yield to the gentleman from Oklahoma.

Mr. WATTS of Oklahoma. Mr. Speaker, I thank my good friend, the gentleman from Illinois (Mr. DAVIS), for yielding to me.

Mr. Speaker, the United States National Soccer Team is a perfect example of the American dream. Rising above low expectations and defeating the dire predictions of sportswriters and pundits, our soccer team shot and scored their way to the quarter finals of the 2002 World Cup.

Like so many other underdogs, the U.S. team proved that, with hard work and determination, success can be achieved and odds can be overcome.

The irony in the American victory is the fact that our team defeated Portugal and Mexico, countries where soccer is extremely popular. President Bush put it best when he congratulated our players, saying, ''The country is really proud of the team. A lot of people that don't know anything about soccer, like me, are all excited and pulling for you.''

The performance by the American soccer team this year has been our most successful ever since competing for the World Cup. It is the first time the United States team has made it all the way to the quarter finals since 1930.

Most great performances come under the direction of great leaders, and this is no exception. The resolution before the House today recognizes Bruce Arena, the head coach of the U.S. team, and all of the players for their dedication to excellence. Coach Arena has been successful on many levels: collegiate, professional, and now international. Before coaching the U.S. team, he led the soccer team right here in Washington, D.C., to two professional league titles. Now he has achieved worldwide notoriety with a well-deserving group of soccer players.

Mr. Speaker, sports brings out the best in so many people. The values of determination and willpower manifest themselves in the thrill of competition and good old-fashioned physical fitness. Soccer is no exception. Americans learned what it means to ''strike'' and to ''head'' while once again unifying in a patriotic display, which is immensely important to our Nation right now.

Lastly, this resolution commends the United States Soccer Federation and the United States Soccer Foundation, children playing soccer across the country, and the soccer moms and dads who make it all possible; and I can relate to that because I am one.

It is my hope that soccer players in cities, towns, and communities all over this great land of ours will continue to witness role models winning games around the world. The 1 to 0 loss to Germany last Friday was a very close game. Coach Arena went into the day with a positive attitude, saying, ''We know we represent the greatest country in all the world. We are going to give the kind of effort you and all America will be proud of,'' just as our lady soccer players did about 2½ years ago, back in 1999, gave an effort that we all were extremely proud of.

Mr. Speaker, America is indeed proud. The House today congratulates our team on their performance and the spectacular accomplishment of making the quarter finals. The United States National Soccer Team represents yet another good thing about America; and, for that, we as Americans are grateful.

Mr. DAVIS of Illinois. Continuing my reservation of objection, Mr. Speaker, I agree with the gentleman from Oklahoma that the play of the U.S. Soccer Team was exemplary.

As a matter of fact, he makes the point that, traditionally, the United States has not been thought of as a world competitor in the soccer arena, but I think we have reached another level. We have crossed that hurdle. Now all of the world recognizes and understands that we have come to the point as a Nation where our athletes can compete in practically any sport and endeavor.

Such is true in the case of soccer, so I certainly would want to add my commendation to the team. I commend the gentleman from Oklahoma for his resolution and agree with him.

Continuing to reserve my right to object, I yield to the gentleman from New York (Mr. BOEHLERT).

Mr. BOEHLERT. Mr. Speaker, I rise in support of today's resolution honoring the tremendous achievement of the United States Men's Soccer Team in the 2002 FIFA World Cup games. As this team of players, their coaches, and staff gathered together and set out for the games in Korea and Japan, they faced many challenges. They were flying thousands of miles to play the world's best teams in unfamiliar stadiums and to endure the harsh glare of skeptical sportswriters. It is fair to say that those skeptics have changed their minds.

In the opening match against Portugal, our American team dominated the game and walked off with a three to two win under their belt. Critics thought it was a fluke. Coach Bruce Arena and his team were about to prove them wrong.

The U.S. team went on to a draw with Korea and then a qualification for round two, despite an outcome that placed them behind Poland. No one was ignoring Team USA anymore.

June 17 the U.S. team defeated the Mexicans in an outstanding showing in a final showing of 2–0. Our neighbors to the south were headed back to North America, and the U.S. soccer team was moving onward.

I joined over 200 people here on Capitol Hill to watch the U.S. play Germany on June 21 in the early morning hours. I know I was not the only one on the edge of my seat throughout that heated match. What a game.

Soccer fans across this great country have been rewarded for their dedication to this sport. In a Nation filled with wonderful sports teams and opportunities, it was fantastic to see our citizens come together to support a national team that has sometimes been overlooked.

I have always considered myself to be one of the luckiest Members of Congress, the Hall of Fame representative, because I get to represent the Baseball Hall of Fame in Cooperstown, the Boxing Hall of Fame in Canastota, the Long Distance Hall of Fame in Utica and the magnificent new Soccer Hall of Fame in Oneonta, all in the heartland of New York. The folks in Oneonta sparked my interest in soccer and got me so enthused that I helped found the Congressional Soccer Caucus.

As a representative for the Hall of Fame and the co-chair of the Caucus, I would like to encourage continued support for soccer everywhere. Youth soccer programs across the Nation offer opportunities to millions of children from all backgrounds of every ability level to come together and learn the value of teamwork and sportsmanship. We need to take full advantage of increased public awareness for soccer that this World Cup has offered. Let us continue to promote youth programs so that we might watch young soccer stars work their way to the top in future World Cups.

How can anyone who claims to be a sports fan ever forget the thrilling U.S. women's World Cup championship team of 1991? It hardly seems possible that a decade has passed since that dramatic moment in U.S. sports history. That was then. This is here and now.

I would again like to extend congratulations to the men's U.S. World Cup team and their supporters. I look forward to seeing several of these talented young men as future inductees in the Soccer Hall of Fame in Oneonta, New York, and I look forward to our continued success in men's and women's USA soccer.

Mr. DAVIS of Illinois. Mr. Speaker, further reserving my right to object, I yield to the gentleman from Oklahoma (Mr. SULLIVAN).

Mr. SULLIVAN. Mr. Speaker, House Resolution 445 introduced by the distinguished gentleman from Oklahoma (Mr. WATTS) expresses the sense of the United States with regard to the United States national soccer team and its outstanding performance in the 2002 World Cup tournament.

Mr. Speaker, the U.S. soccer team's performance in the 2002 World Cup was the most successful in the history of our Nation's participation in the tournament. The American team surprised the world by reaching the quarter final round, indicating that it has become a leading competitor in international soccer.

I wish to recognize Bruce Arena, the head coach of the United States soccer team, and every player on that team for their dedication to excellence and for representing our country with such integrity on and off the soccer field. I congratulate the US soccer team for its historic performance in the 2002 World Cup. Therefore, Mr. Speaker, I urge the adoption of House Resolution 445.

Mr. WALSH. Mr. Speaker, I rise today to express my strong support for H. Res. 445, a resolution that praises the United States National Soccer Team for their outstanding performance in the 2002 World Cup tournament. I want to commend U.S. Coach Bruce Arena and assistant Coach Dave Sarachen for their superb leadership and tactical brilliance in guiding the U.S. team to the quarterfinals of the World Cup. This was the result of tiring work by players and coaches alike and this World Cup will go down in history as the year U.S. soccer arrived on the world stage. The incredible performance of the U.S. soccer team has generated enormous enthusiasm and pride in this country and our player's can hold their heads high as they proved to the world that they can compete at the highest levels with the best soccer teams in the world.

The U.S. team played brilliant, inspired soccer throughout the World Cup and were able to defeat two of the top ten teams (Portugal and Mexico) in the world—a feat that no one would have predicted before the tournament started. U.S. sports fans also passionately responded to the great performance of our soccer team as sports bars were jam-packed with soccer enthusiasts and with ESPN receiving record viewership ratings in its television broadcasts of the U.S. World Cup matches. So let me once again congratulate the U.S. Soccer team for their phenomenal performance as the entire country is proud of what our players and coaches accomplished. The future of soccer is bright in this country and we can expect great things to come from U.S. soccer in the years to come.

Mr. TOM DAVIS of Virginia. Mr. Speaker, over the last several weeks, the US Mens's Soccer Team has exceeded worldwide expectations by earning a quarterfinal match-up with Germany resulting from a first-round win over Portugal, a tie against host team South Korea, and a second-round win over Mexico.

With its 2–0 victory over Mexico on June 17th, the 2002 Team tied the men's national team marks for the most wins at a World Cup and most goals scored in a World Cup. The only other US team to equal this level of success was the 1930 team that reached the semifinals at the inaugural FIFA (''FEEFA'') World Cup in Uruguay.

This year's win also marked the first time the US won a single-elimination game in World Cup History, and was the US's first World Cup shutout since its historic 1–0 upset of England at the 1950 World Cup in Brazil.

Much of the team's success can be credited to head coach Bruce Arena, a resident of the 11th Congressional District of Virginia. Throughout his distinguished career, Arena has led teams to numerous championships at the collegiate and professional levels, and now should be commended for his success on the international stage.

With 18 seasons as the head coach at the University of Virginia and three more in Major League Soccer with the DC United, Arena spent 21 seasons at the highest level of club soccer in the United States. During his 18-year career as head coach of the University of Virginia Men's Soccer Team, Arena led his team to 5 NCAA Division One championships, and went on to lead the Under-23 National Team for 44 games through the 1996 Summer Olympics in Atlanta.

To commend their success and wish them good luck, President Bush called Coach Arena and the Team in Korea at 11 am last Monday, June 17, informing the Team of the American public's excitement over their success. Coach Arena, in response, informed the President that the Team would give a performance that all Americans would be proud of.

Mr. Speaker, our men's soccer team did just that. Enthusiasm over the team's strong finish has been evident in communities across America, with standing room only crowds at early morning games packing restaurants and other locales on game days. The team's rise mirrors the sports' growth over the past several decades, and I'm proud that the leader of this pack resides in my congressional district. They've made us very proud.

Mr. DAVIS of Illinois. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 445

Whereas the performance of the United States National Soccer Team in the 2002 FIFA World Cup is the most successful in the history of our participation in the tournament;

Whereas the United States National Team surprised the world by advancing out of the first round of play and reaching the quarterfinals;

Whereas by reaching the quarterfinals the United States signaled that it has become a leading competitor in international soccer;

Whereas the 3 goals scored in the first game victory were the most ever scored in 1 game by a United States men's team in the World Cup;

Whereas the United States National Team advanced out of group play into the second round of the World Cup for just the third time;

Whereas the 2 to 0 win in the second round was the first time the United States National Team has won a game in a ''knockout'' round of the World Cup;

Whereas this win marks the first time since 1930 that a United States team has advanced to the quarterfinals of the World Cup;

Whereas the Team's achievement reflects the explosive growth in popularity of soccer in the United States;

Whereas the United States National Team's performance symbolizes the emerging role of soccer for young Americans in sports and society; and

Whereas the United States National Team's performance speaks to parents about the importance of athletic participation for building character and confidence in their children: Now, therefore, be it

Resolved, That the House of Representatives—

(1) congratulates the United States National Soccer Team for its historic performance in the 2002 World Cup;

(2) recognizes Bruce Arena, the head coach of the United States Team, and every player on the Team for their dedication to excellence; and

(3) commends the United States Soccer Federation and coaches and parents of young soccer players around the country for their role in the success of soccer in the United States.

AMENDMENT OFFERED BY MR. SULLIVAN

Mr. SULLIVAN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SULLIVAN:

Page 3, beginning line 1, strike ''United States Soccer Federation'' and insert ''United States Soccer Federation, the United States Soccer Foundation,''.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Oklahoma (Mr. SULLIVAN).

The amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1745

HONORING THE LIFE OF JOHN FRANCIS ''JACK'' BUCK

Mr. SULLIVAN. Mr. Speaker, I ask unanimous consent that the Committee on Government Reform be discharged from further consideration of the resolution (H. Res. 455) honoring the life of John Francis ''Jack'' Buck, and ask for its immediate consideration in the House.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

Mr. DAVIS of Illinois. Mr. Speaker, reserving the right to object, I will not object; but I yield to the gentleman from Oklahoma (Mr. SULLIVAN) to explain the resolution.

Mr. SULLIVAN. Mr. Speaker, House Resolution 455 introduced by the distinguished gentleman from Missouri (Mr. CLAY) honors the life of John Francis ''Jack'' Buck. The resolution is co-sponsored by the entire House delegation from Missouri along with other Members.

For nearly 50 years, Jack Buck was known as the voice of the St. Louis Cardinals. He became one of the most respected sports broadcasters in the industry and an institution among baseball fans everywhere.

A decorated veteran of World War II, Jack Buck began his broadcasting career in 1948 while attending Ohio State University where he was a play-by-play announcer for football, basketball and baseball. He was hired by the St. Louis Cardinals in 1954 and began his 48 year career of announcing Cardinals baseball on KMOX radio. He brought baseball to life to millions of fans throughout the Midwest during his tenure in the booth. Jack Buck announced 8 World Series, 17 Super Bowls, numerous baseball All Star and play-off games, and many other major sporting events. He has been inducted into the Baseball Hall of Fame, the Pro Football Hall of Fame, and American Sportscasters Association Hall of Fame and the Radio Hall of Fame.

Jack Buck was a leader away from the stadium as well. He spent over 30 years as the campaign chairman for the St. Louis chapter of the Cystic Fibrosis Foundation for which he helped raise more than $30 million to fight the disease.

On June 18, 2002, Jack Buck passed away after a distinguished career in broadcasting and a long life in which he touched the lives of millions of Americans. Mr. Speaker, for these reasons I urge the adoption of House Resolution 455.

Mr. DAVIS of Illinois. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from St. Louis, Missouri (Mr. CLAY), for whatever comments or remarks he might have.

Mr. CLAY. Mr. Speaker, I thank the gentleman from Illinois (Mr. DAVIS) for yielding. I also thank my friend from Oklahoma (Mr. SULLIVAN) for speaking on behalf of the resolution.

Mr. Speaker, House Resolution 455 honors the life of John Francis ''Jack'' Buck, one of the true giants of sports broadcasting and a St. Louis icon. Jack Buck, the voice of the St. Louis Cardinals for nearly 50 years, sadly passed away last week at the age of 77 after a long battle with lung cancer and Parkinson's disease. He was one of the most respected and admired baseball broadcasters to have ever sat behind a mike, and his passing signals the passing of the golden age of baseball.

Jack Buck came to prominence in the 1950's, a time when baseball and radio were not simply intertwined, they were inseparable. In the 1950's and early 1960's, radio was the primary source for baseball for most Americans. And on any given night, Jack Buck on KMOX radio in St. Louis could be heard throughout middle America, from the upper regions of Wisconsin, all the way down to the Deep South. Like many St. Louisians, I grew up listening to Jack Buck broadcast St. Louis Cardinals games. It was through his broadcasts that I and millions of other baseball fans first learned the intricacies and the beauty of the game of baseball.

His friendly voice, his baseball knowledge, and his sense of humor enabled us to mentally picture the action on the field and were instrumental in fostering our love for the game of baseball. In the words of Bernie Miklasz of the St. Louis Post Dispatch, Jack Buck provided ''the soundtrack for St. Louis summers'' for 48 years. He was there in our backyards as we gathered around our grills and picnic tables; and he was there on our porches, under an evening sky. He was there in our cars, always the friendly travel companion along for the ride; and he was there under our pillows late at night as countless kids smuggled their radios into bed to stay up and listen to a distant game from the west coast. He was part of the family.

He introduced us to all the Cardinal stars, Stan Musial to Bob Gibson to Ozzie Smith to Mark McGwire to Albert Pujols. His words were the link that connected them all. He was there at Sportsman Park and he was there at Bush Stadium. Jack Buck was a beloved figure in baseball and an institution to fans of the St. Louis Cardinals. His passing has brought great sorrow to Red Bird fans across the country and we all mourn our loss and the Buck family's loss.

I also want to extend my personal condolences to the Buck family. Jack Buck is rightfully considered to be one of the greatest baseball announcers of all time joining Vin Scully, Red Barber, Mel Allen, Ernie Harwell, and Harry Caray. I urge all of my colleagues to support this resolution.

Mr. Speaker, I include for the RECORD an untitled poem that Jack Buck wrote and read September 17, 2001, at the resumption of baseball following the September 11 attacks.

JACK BUCK'S POEM

Since this nation was founded under God, more than 200 years ago,
We've been the bastion of freedom . . .
The light which keeps the free world aglow.
We do not covet the possessions of others, we are blessed with the bounty we share.
We have rushed to help other nations . . . anything . . . anytime . . . anywhere.
War is just not our nature . . . we won't start, but we will end the fight.
If we are involved we shall be resolved to protect what we know is right.
We've been challenged by a cowardly foe who strikes and then hides from our view.
With one voice we say there's no choice today, there is only one Thing to do.
Everyone is saying the same thing and praying that we end these senseless moments we are living.
As our fathers did before, we shall win this unwanted war.
And our children will enjoy the future, we'll be giving.

Mr. DAVIS of Illinois. Further reserving the right to object, Mr. Speaker, let me just agree with the gentleman from St. Louis, Missouri (Mr. CLAY). Of course, St. Louis has always been a tremendous town for athletics. I spent 2 years as a young person living in St. Louis, and I learned all of these penalties that he mentioned. I must confess I was a great Red Schoendienst and Harry Caray fan and Ray Jablonski. I think they used to call him Jabbo. It is a great place to be and certainly Jack Buck added tremendously to the aura of St. Louis. Mr. Speaker, I urge passage of this resolution.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 455

Whereas for nearly 50 years, John Francis ''Jack'' Buck was known as the ''Voice of the St. Louis Cardinals'' to generations of baseball fans, one of the most respected sports broadcasters in the industry, and a beloved institution to all St. Louis Cardinals fans;

Whereas Jack Buck's distinctive voice and his signature exclamation ''That's a winner'' following each Cardinals victory were familiar to baseball fans across the United States;

Whereas Jack Buck was born in Holyoke, Massachusetts, in 1924 and was a decorated veteran of World War II;

Whereas Jack Buck began his broadcasting career in 1948 while attending Ohio State University, where he was the play-by-play announcer for football, basketball, and baseball;

Whereas in 1954, Jack Buck was hired by the St. Louis Cardinals, joined Harry Caray in the booth at Sportsman's Park, and began his 48 years of broadcasting Cardinals baseball on KMOX radio;

Whereas in 1970, Jack Buck was made the lead play-by-play announcer for the St. Louis Cardinals and he brought baseball to life for millions of fans throughout the Midwest;

Whereas Jack Buck covered some of the greatest moments in baseball history, including Lou Brock's record-setting 118th stolen base, Bob Gibson's incredible 1968 season, and Mark McGwire's record-breaking 70th home run in 1998;

Whereas in 1960, Jack Buck was the play-by-play announcer for the first televised American Football League game and worked AFL broadcasts for three years;

Whereas Jack Buck was the announcer for one of professional football's most famous games, the 1967 NFL Championship game, dubbed the ''Ice Bowl'', between the Green Bay Packers and the Dallas Cowboys;

Whereas Jack Buck was the radio voice of Monday Night Football from 1978 to 1996;

Whereas Jack Buck was the lead announcer for 8 World Series, 17 Super Bowls, numerous baseball All-Star and National League playoff games, and other major sporting events, including professional bowling;

Whereas Jack Buck has been inducted into 11 different Halls of Fame, including the Baseball Hall of Fame (1987), the Pro Football Hall of Fame (1996), the American Sportscasters Association Hall of Fame (1990), the Radio Hall of Fame (1995), and the St. Louis Walk of Fame (1991), and has been the recipient of numerous lifetime achievement broadcasting awards;

Whereas for more than 30 years Jack Buck was the campaign chairman for the St. Louis chapter of the Cystic Fibrosis Foundation, for which he helped raise more than $30,000,000 for research to find a cure for the disease; and

Whereas on June 18, 2002, Jack Buck passed away after a long and distinguished career in broadcasting in which he touched the lives of millions of sports fans across the United States: Now, therefore, be it

Resolved, That the House of Representatives honors the life of John Francis ''Jack'' Buck.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SULLIVAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H. Res. 445, just adopted, and on H.R. 5018, passed earlier today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

□ 1800

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. KERNS). Under the Speaker's announced policy of January 3, 2001, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

CONCERNS OVER POSSIBLE SHUTDOWN OF AMTRAK

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Mrs. CAPPS) is recognized for 5 minutes.

Mrs. CAPPS. Mr. Speaker, I rise today to express my strong concerns over the possible shutdown of Amtrak.

Amtrak's new president has said that Amtrak needs a $200 million loan guarantee by June 30 or the company will have to begin a shutdown of all services. This would have a serious impact on commuters and travelers across this country, and I speak for those who would be strongly affected in California. For that reason, Congress and the administration must avert a shutdown.

We cannot allow Amtrak to go bankrupt. Amtrak is a critical component of our national transportation network, providing safe, efficient and affordable transportation for millions of Americans each year. Amtrak serves over 500 cities and communities across this country, many of which rely on trains as a crucial transportation option.

Since 1996, ridership on Amtrak trains has increased by 19 percent. Last year, Amtrak had 23 million riders. Including commuter services, Amtrak's total ridership exceeds 60 million passengers a year.

Amtrak also plays a significant role in my State. California hosts three of the top six most heavily traveled services in the country. The Pacific Surfliner, which serves my congressional district in southern and central California, carries more than 1½ million passengers annually. The Surfliner is California's most highly developed service, and it is second only to Amtrak's northeast corridor in ridership. It connects two of the most congested regions in the country, Los Angeles and San Diego. Maintaining mobility in this busy economic corridor is essential.

In addition, if funds are not provided to Amtrak, regional contract partners, like commuter rail system Metrolink, are at risk. Metrolink contracts with Amtrak to provide service throughout southern California, including Ventura County. Shutting down Metrolink service will not only impact ridership, 34,000 riders a day, but contribute to increased congestion on the region's highways.

In my district, Amtrak serves Santa Barbara, Goleta, Lompoc, Guadeloupe, San Luis Obispo and Paso Robles. These communities rely on Amtrak as a very important, vital transportation link.

At a time when more and more communities are looking to rail passenger service to increase transportation options, create economic development and reduce congestion, we must avoid an unnecessary disruption of service that America depends on.

Mr. Speaker, there are three things Congress and the administration can do. First, we must support an appropriation of $200 million for Amtrak in the supplemental appropriations bill for fiscal year 2002. A number of my colleagues and I sent a letter to the conferees urging them to do so yesterday. I urge the administration to join in this effort.

Second, we must substantially increase funding for Amtrak above current levels. As my colleagues know, the President has requested in his budget only half of what Amtrak says it needs to survive. If we do not address this shortfall, the railroad has publicly stated that it may be forced to eliminate the entire long distance train network.

Third, we must adopt a long-term strategy to reform and to improve Amtrak.

We need to address the real problem with passenger rail travel in this country: lack of funding, new missions and undercapitalization. As we begin a new era, our Nation needs a viable passenger rail system to supplement our network of highways and airports. It is time we recognize such a system requires more financial support.

The Department of Transportation's Inspector General has stated that Amtrak has never received sufficient funding to invest in capital projects that would create opportunities for greater efficiency and revenue production. Yet, despite the inadequate support, Amtrak has been able to increase ridership and revenue. I commend Amtrak for doing so much with so little.

In conclusion, I would like to urge the administration to take action to prevent a shutdown of Amtrak. Immediate Federal investment in our national passenger rail system is vital. If we are unable to avoid a shutdown, thousands of Amtrak workers could lose their jobs, and millions of passengers face the loss of vital train service in communities nationwide.

Mr. Speaker, I am hopeful that we can make a commitment to provide stable and adequate funding for the national Amtrak passenger rail network.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. MORAN) is recognized for 5 minutes.

(Mr. MORAN of Kansas addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

DEMOCRATIC PRESCRIPTION DRUG BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. BROWN) is recognized for 5 minutes.

Mr. BROWN of Ohio. Mr. Speaker, the prescription drug bill we are introducing today is straightforward. It is easily distinguishable from the Republican bill introduced last week. There is no fine print in our bill. There are no holes in our prescription drug coverage. There are no question marks where the premium and cost-sharing requirements should be. The availability of coverage does not hinge on the Federal Government, unlike the Republican plan, showering the insurance industry with tax dollars so they will offer stand-alone drug plans.

One of the strongest points of the Democratic plan is that it is not endorsed by the drug industry. That is because we hold down drug costs by bringing down drug prices, not by shortchanging seniors on coverage. Our bill creates a drug coverage option for Medicare beneficiaries that is affordable, it is reliable, and I emphasize is at least as generous as the coverage available to Members of Congress.

Our bill strengthens Medicare, rather than snubbing it. It minimizes the hassle involved in getting drug benefits.

We add the drug coverage option to the Medicare benefits package. Seniors are not forced to go outside of Medicare and enroll in an insurance company HMO to get their drug benefits as they are required to do under the Republican plan.

Our bill takes action against inflated drug prices on behalf of every senior and every American consumer. The brand name drug industry has taken to exploiting loopholes in the FDA drug approval process to block generic competition and keep drug prices high. So not only the drug companies charge Americans the highest prices in the world for prescription drugs, while those drugs are still under patent, these companies, these drug companies continue to charge Americans ridiculously high prices even after the drugs have gone off patent, even after the patents expire, because they block generics, block competition from entering the market.

This gaming of the patent system is not theoretical. It happened with Paxil; it happened with BusPar; it happened with Prilosec; it happened with Neurontin; it happened with Wellbutrin. These are top-selling drugs. Seniors and other consumers who need these drugs have paid twice, three times, four times more than necessary for these products for months and sometimes for years because brand-name drug companies block legitimate generic competitors from the market. These big-name drug companies supported by Republicans over and over game the patent system.

While the Congressional Budget Office has not formally scored these provisions, their estimate suggests Medicare alone could save tens of billions of dollars if we make drug companies play fair. Needless to say, these provisions to bring drug prices down are not in the Republican bill. The drug industry, in fact, has ponied up $3 million, $3 million to back an ad campaign touting the Republican's bill, which protects the drug companies.

If drugmakers thought there was any chance the Republican's bill would reduce drug prices for Medicare enrollees, do my colleagues think they would endorse it? Of course not. The Republican bill has the drug industry's fingerprints all over it.

Our bill is admittedly more expensive than the Republican bill. It should be more expensive because our coverage is better. The Republican bill is dirt cheap for a reason. Their bill is most notable for the coverage it does not provide. It is basically one big disclaimer.

The last thing we want to do is to reduce the number of uninsured in this country simply to increase the number of underinsured. If we can afford $4 trillion in tax cuts, we can afford to create a real drug coverage option in Medicare for retirees and disabled Americans. It is a matter of priorities.

This Congress made a choice between tax cuts for the richest one-half percent of people, the most privileged people in this country, a choice between giving them tax cuts and providing inadequate prescription drug benefits for seniors. Republicans chose the tax cuts for the most privileged. Democrats are choosing a prescription drug benefit for 38 million Medicare beneficiaries.

It is a question of priorities. Let us do the right thing and pass the Democratic substitute.

THINNING AMERICA'S FOREST LAND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. FLAKE) is recognized for 5 minutes.

Mr. FLAKE. Mr. Speaker, as I stand here today, my home State of Arizona is burning. We have lost now nearly 400,000 acres to fire. That is more than 500 square miles. Colorado is burning as well. We have lost a tremendous amount of forest just this year, and we have got to do something about it.

We should not be surprised at the losses so far to fire. Our forests have been choked with underbrush and excess trees for years now; and whenever we try to go in and thin and manage our forests, we are blocked by radical environmentalists who file lawsuits, who create such uncertainty with the Forest Service that nobody can go in and thin our forests like they should.

One of the groups that is blocking us from going into forests and thinning is a group called Forest Guardians, one of these radical environmental groups. They were interviewed in the East Valley Tribune in Arizona yesterday, and in the paper it says, Forest Guardians oppose using any forest thinning that might benefit commercial logging companies. If one uses the words thinning and/or they use the word forest and commercial in the same sentence, it seems they sue before one can finish the sentence. They simply oppose anything that benefits commercial companies, which means that to go in and thin the forest it is all on the public treasury.

It is estimated that it would cost them $35 billion to go in and thin our forest properly, to prepare them to make sure that we do not have the devastating crown fires that are killing trees and everything, wildlife, whatever stands in their way, but we can cannot do it with the public treasury. We have to allow people to go in, but of course they oppose that.

Going on, it says, and hear what the Forest Guardians are suggesting: Instead, small numbers of small trees should be removed by crews using solar-powered chain saws to ensure the work does not affect air quality in the forest. Solar-powered chain saws. I know my way around a hardware store pretty well, although I have never stumbled into the solar-powered chain saw aisle. It is simply laughable, if it were not so horrifying, that we are being held up by such groups that have such outlandish ideas.

I do not know what is next, trained beavers? Are we supposed to round up the animals of the forest, Mr. Deer and Mr. Bear, and convince them to get a forest council together to help us replant? We need to remind the radical environmentalists that Ferngully was a cartoon.

We have serious problems here in our forests. They demand serious solutions, serious debate, serious answers, and we are getting solar-powered chain saws? We have got to rethink what we are doing.

Our State is burning. Colorado is burning. There are some 3 million acres of Ponderosa pine forest in Arizona. We stand a chance of losing most of that over the next year or two. It is a tinderbox unless we get in, and we cannot afford to wait another 4 or 5 years until we wade through all the lawsuits to allow private interests in to thin forests. We have got to move ahead, and I plead with those serious environmentalists who want to protect habitat for endangered species, who want to have beautiful forest land, to join with us and create a balance as we are getting serious about the issue, instead of throwing up roadblocks and talking about solar-powered chain saws and the like.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. FILNER) is recognized for 5 minutes.

(Mr. FILNER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

CORPORATE SCANDALS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

Mr. DEFAZIO. Mr. Speaker, well, today's headlines, WorldCom Finds Accounting Fraud, $3.8 billion, slight misstatement of their earnings. The stock dropped from $64.50 down to a few pennies, and 17,000 people will lose their jobs, but the former CEO is living happily in his mansion on the millions which he looted, as are many of his cohorts. This is a pattern that is being repeated time and time again. It has gone on for far too long.

It started a year ago today with the energy scandals in the West, little more than a year ago today. We were told by the Republican majority this is market forces at work, you have not built enough plants, has nothing to do with market manipulation. Well, now we got the memo that, in fact, Enron was manipulating the markets, but even with those market manipulations they went bankrupt.

Their former CEO, Mr. Lay, and their former Chief Operating Officer, Mr. Fastow, have between them more than $100 million while employees have lost their pensions and their jobs.

□ 1815

This seems to be a pattern, does it not? What is the response of the Republican majority? Well, we pretended to adopt pension reform, but we did not prohibit what Enron did to its employees happening at other corporations, and it looks like there is a whole heck of a lot of other corporations out there on the edge while the CEOs are living on the gravy here, and that was sort of the initial response.

Then we had another little scandal coming along here which was American corporations do not think they should pay taxes anymore. Stanley Works wants to move to Bermuda, set up the new Bermuda Triangle, avoid U.S. taxes on its U.S. earnings and its overseas earnings. Bank of America has done the same scam. The corporations are lined up from here to Sunday to do that.

What is the response on that side? Well, the Secretary of the Treasury says our tax laws are too complex, this is a rational response by these unpatriotic corporations who are ripping off the American people, taxpayers and their own employees, and the majority leader on that side says he endorses this practice that they should not pay taxes unlike working wage-earning Americans.

Then we had Global Crossing, the CEO, a couple hundred million bucks there, little accounting scandal; Enron, accounting scandal; Tyco, accounting scandal; now WorldCom. What have we done about the accounting system? Well, we are going to let the market work, the Republicans said. We adopted some securities and accounting reforms here. They say let them police themselves. Of course we get Harvey Pitt, Harvey Pitt appointed by the President of the United States, George Bush, to be headed by the Securities and Exchange Commission. He is a former lawyer for the securities companies that are out defrauding the American people. He is going to be a real lap dog down there. So the response here is status quo, do not upset the boat.

So there seems to be a common trend here which is we are in a meltdown. American CEOs are discredited, American corporations are discredited, the stock market is crashing, hurting average Americans; and the response on that side of the aisle is do not do anything, let market forces work and, by the way, let the CEOs skate. Oh, yes, we did do one really important thing last week. We passed the permanent repeal of estate tax for people who have over $5 million of assets to make sure that Ken Lay, Mr. Fastow, and all these others who have ripped off tens of millions of dollars from their employees will never pay any taxes on the money they stole. God forbid they should, because they are all major contributors.

Last week the Republicans held the largest fundraiser in the history of Washington, D.C., headlined by the wonderful pharmaceutical companies, but followed up by many of the other players whom I have mentioned here because their CEOs happen to be awash in cash, and they want to make sure they do not go to jail. So they are becoming more and more generous in their contributing.

This is the most outrageous scandal in the history of the United States. The largest restatement of earnings by a corporation, tens of thousands of employees losing their pensions, their jobs, millions of Americans losing their 401(k)s, their pensions; and the response on the Republican side of the aisle is nothing, because they are frozen in place by the fact that they are taking so much money from the people who have perpetrated these frauds. I hope that the American people demand and vote for some change next fall.

REACTION TO U.S. 9TH DISTRICT COURT DECISION CONCERNING THE PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore (Mr. KERNS). Under a previous order of the House, the gentleman from Florida (Mr. JEFF MILLER) is recognized for 5 minutes.

Mr. JEFF MILLER of Florida. Mr. Speaker, look what the courts have done now. Just when we think life after September 11 had gained some sense of normalcy, just after patriotism at a level not seen since World War II had permeated every segment of our society, a society under God, two liberal judges in San Francisco have told this Nation at war that our Pledge of Allegiance is unconstitutional. Personally, Mr. Speaker, I am sickened. The Pledge is not a prayer. It is a declaration of being an American. It is the embodiment of everything we hold dear, the flag, the Republic, and one Nation under God.

I guess in a country where our constitutional safeguards have been taken to the extreme and have had to have nativity scenes removed from town squares and even silent prayers removed from high school football games, I should not be surprised. I suspect it is only a matter of time or a matter of finding the right lawyer who is seeking to make a name for himself to proclaim that the U.S. flag is unconstitutional and that by flying the flag someone may be offended by its semblance. We are forced to say happy holidays instead of Merry Christmas. We are forced to say gesundheit rather than God bless you. If a school teacher mentions Jesus during a lesson on history, that teacher faces disciplinary action.

Mr. Speaker, it is time we put our foot down as a body, a representative body of this country and respond to this outrageous decision and proclaim that these United States are united against terrorism, united against this decision, and united under God.

PRESCRIPTION DRUGS UNDER MEDICARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GREEN) is recognized for 5 minutes.

Mr. GREEN of Texas. Mr. Speaker, last week the Committee on Energy and Commerce spent 3 long days and one very long night marking up a piece of legislation that is supposed to provide seniors with a Medicare prescription drug benefit. I say ''supposed to'' because most Americans support putting prescription drugs under Medicare. I have a graph here that shows those who support or oppose rolling back the tax cut that Congress passed last year and using that money to provide a prescription drug benefit under Medicare for seniors. Supporting is 64 percent, opposing is 25 percent, and 6 percent do not think Medicare ought to have prescription drugs. This poll was done between March 28 and May 1 of this year.

So instead of having the huge tax cut that we passed last year before September 11 and extending them even after 9 years from now, the American people really want a prescription drug benefit for seniors before they want a tax cut.

What is frustrating is that if we had been able to pass even one single Democratic amendment during that markup, I think all those days and that night would have been well spent. Unfortunately, every effort we made to improve the bill, and there was so much to improve, was shot down on basically party line votes.

When I look at all the problems of the bill, I have to wonder why my friends on the other side of the aisle fought so hard to preserve it, because their bill creates such a complicated scheme of varying copays, high deductibles, and insufficient coverage. When seniors sit down around their kitchen table to figure out how the Republican plan affects them, they will find this bill simply does not add up.

Under the Republican proposal, the beneficiary pays a $250 deductible. For the first $1,000 of drugs, they have to pay a 20 percent copay, or an additional $150. Does not sound too bad. But for the second $1,000 worth of pharmaceuticals they have to buy, the copay jumps to 50 percent, or $500. So far we are up to $900 in out-of-pocket expenses for a $2,000 benefit.

The legislation that came out of our committee had a gaping hole in coverage from $2,000 to $3,700 where seniors have to pay every single dime for that $1,700 worth of coverage. At the same time, they are still paying their $35-plus a month for coverage they are not receiving. So to get to the catastrophic coverage, there has to be $3,700; but seniors will have to have $4,800 worth of drug costs before they will receive the catastrophic benefit under the Republican plan.

Most seniors never will actually reach that level. If a senior's drug cost, for example, is $300 a month, they will hit that $2,000 by midyear. For the next 6 months, they will be paying these premiums but getting nothing in return. And while we are talking about the monthly premium, let us point out that the legislation does not specify exactly what it should be. It says that the private drug plans can charge whatever they want.

Now, in the committee we talked about $35 a month, and that is great. But when we tried to put an amendment on that said it could be $35 or cost of living after that, that was defeated. But the $35 a month adds up to $420 a year in premium before they even get to the copay. Mr. Speaker, under this plan, the seniors' out-of-pocket expenses are adding up, but their benefits are not.

There are even more holes in the bill that should cause great concern. Under the legislation, private health care plans can create a benefit that an actuary can call an ''equivalent'' plan to the Republican scheme. That means that the insurance companies can create any plan they want, any premiums, any deductibles, any copays as long as an actuary deems it an ''equivalent'' plan.

Under this plan, the health insurance companies could go to an actuary, such as Arthur Andersen, with a plan and have them sign off on it and sell it as a Medicare product. There is no guarantee that a private plan would look anything like the Republican proposal.

Finally, I want to focus a moment on a point that seniors will be thinking about. The Republican plan relies on private insurance companies to run this new benefit. It will be separate from Medicare part A and Medicare part B and will be run by something called a Medicare Benefits Administration. Why is this relevant? Because this is the first step to long-term efforts to privitization in Medicare.

The Republicans have tried to do it for 5 or 6 years. It has not worked. Those HMOs just do not make enough money to serve seniors. My Republican colleagues have been long-time crusaders for the free market. I agree with the free market, but you cannot have the free market and private insurance trying to cover seniors. It does not work. We learned that in 1965.

PRESCRIPTION DRUGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. GUTKNECHT) is recognized for 5 minutes.

Mr. GUTKNECHT. Mr. Speaker, I rise to talk about prescription drugs as well, and I have to acknowledge that some of the points made by our colleagues on the other side of the aisle are exactly right.

It is unfortunate that we are brought here tonight to discuss a bill that, as is true with every bill, is not perfect. And there are a lot of things about this bill that I do not like, but I want to talk tonight about what I think are the most glaring omissions from this bill. As we talk about prescription drugs, as we talk to our constituents, the one theme that comes through to us over and over again is that the prices are just going through the roof. And it is not just from seniors at our town hall meetings. It is from business people, big business people.

We had a meeting the other day with one of the representatives of one of the largest corporations in the United States. They are spending $1 billion a year on prescription drugs. They are spending $1 million a week on just one name-brand drug. I am very concerned about the glaring omission in this bill, because we do not deal, I think, effectively with the most serious problem and that is the price. People cannot afford it.

Whether someone is on Medicare, and we are going to try to create this insurance benefit, that will be good; but what about a middle-aged parent trying to support three kids and one of them gets a serious illness and needs $1,000 a month worth of prescription drugs? What are we going to do for them? Well, the answer is, almost nothing.

Let me talk about the differences between what Americans pay. I have used this chart so much that it is starting to get frayed and worn out, but let me just give a couple of examples. Glucophage, a very important drug. A person does not have to be a senior citizen to have diabetes in the United States. Twenty-seven percent of our expenditures for Medicare are diabetes related, but a lot of people have to take Glucophage. Look at what we pay in the United States. These are not my numbers. This is according to the Life Extension Foundation. The average price, according to their study for Glucophage, for a 30-day supply in the United States is $124. That same drug sells in Europe for $22.

We did some of our own basic research. We sent some people out. These are illegal drugs, my colleagues. According to the FDA, I am holding up illegal drugs because they were bought in Germany and Italy. But they are the same drugs we buy here in the United States.

Let us talk about this one. Claritin. Very commonly prescribed drug. This drug, Claritin, in a pharmacy in my district, this exact same drug, made in the same plant under the same FDA approval, in my district sells for $64.97. This same drug was bought a week ago in Germany for $13.97, American equivalent. That is 14.8 Euros, in case you are keeping score at home.

Another very commonly prescribed drug, an important drug, Zocor. This drug in the United States, at a pharmacy in my district, we checked just the other day, sells for $45. This little box of pills, $45. This same drug purchased in Italy 1 week ago is 14.77 Euros, or $13.94 American.

My colleagues, we have a serious problem with prescription drugs. Everybody agrees to that. We have to do something to help those seniors who are currently falling through the cracks. Everybody agrees on that. But, my colleagues, I submit if we do not do something serious about opening markets, about creating competition, about allowing our pharmacists to reimport these drugs and allowing Americans to have access to world drugs at world market prices, then it is not shame on the pharmaceutical industry, it is shame on us.

□ 1830

We are the ones that set that policy. We are the ones that let it happen.

Unfortunately, I am going to be put in a position in the next day or two where I am going to have to make a tough choice. I am going to have to choose between staying loyal to my leadership or being loyal to what I know is true. I hope I do not have to make that choice.

Ultimately, we cannot allow this chart to continue. Shame on us if we do. We are going to have an important vote here on the floor of the House, and I hope leadership is listening. We had a tough vote today on trade. But if Members really believe in free trade and open markets, then come down here to the well of the House. Come down here, Mr. Speaker, and tear town this wall. Allow Americans to have access to world drugs at world market prices.

The time has come for Americans to stop subsidizing the starving Swiss. Let us have free markets and lower prices, and then we will be able to afford to give Americans the kind of coverage that they deserve.

IN MEMORY OF DISABILITY RIGHTS LEADER JUSTIN DART, JR.

The SPEAKER pro tempore (Mr. KERNS). Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

Mr. DAVIS of Illinois. Mr. Speaker, I rise to pay tribute to a fallen leadership in the disability and human rights community. Justin Dart, Jr., recognized by many as the father of the Americans with Disabilities Act, died this past Saturday, June 22. Mr. Dart was known by many Members of Congress and by millions of Americans for his inspirational leadership and determined efforts to open the doors of opportunity wider for all Americans.

The grandson of the founder of the Walgreen drugstore chain and the son of a wealthy businessman, Justin was born in Chicago into a life of privilege. At age 18, however, his world view as well as the world's view of him was to change. Mr. Dart contracted polio and became a wheelchair user.

His concern for the civil rights of all people first became apparent when he founded an organization to end racial segregation as a student at the University of Houston. Justin also experienced the misunderstanding people have regarding the capabilities of people with disabilities when he was denied a teaching certificate upon completing college.

In 1966, Mr. Dart traveled to Vietnam to investigate the conditions of its rehabilitation system and had an experience which caused him and his wife, Yoshiko, to dedicate the rest of their lives to the advancement of human rights for all. Instead of rehabilitation centers for children with polio, he found squalid conditions where children had been abandoned on concrete floors. He was confronted with a young girl who reached out, held his hand and gazed into his eyes as she lay dying. ''That scene,'' he would later write, ''is burned forever in my soul. For the first time in my life, I understood the reality of evil, and that I was a part of that reality.''

After several years of building a grassroots movement and advocating for the rights of people with disabilities in Texas, Justin Dart was appointed in 1981 by President Reagan as Vice Chair of the National Council on Disability. He and his wife embarked on a nationwide tour at their own expense during which he met with activists in all 50 States and helped lead the Council in drafting a national policy that called for civil rights legislation to end the centuries-old discrimination of people with disabilities. This policy laid the foundation for the eventual passage of the Americans with Disabilities Act of 1990.

Mr. Dart held leadership positions in both the Reagan and Bush administrations, first as Commissioner of the Department of Education's Rehabilitation Services Administration and then as the chairman of the President's Committee on Employment of People With Disabilities.

As Chairman of the President's Committee, he directed a change in focus from its traditional stance of urging people to hire the handicapped to advocating for full civil rights of people with disabilities. Justin is best known for the pivotal role he played in ensuring passage of the Americans with Disabilities Act of 1990.

As Co-chair of the Congressional Task Force on the Rights and Empowerment of Americans with Disabilities, he once again toured the country at his own expense to build grassroots support for his landmark civil rights legislation.

The sight of Justin in his trademark Stetson hat and cowboy boots was a familiar sight to all Members of Congress. He made what he called a very difficult decision of conscience in 1996 and campaigned for the reelection of President Clinton, telling his followers to get into politics as if your life depended upon it, because it does.

In 1998, he received the Presidential Medal of Freedom, the Nation's highest civilian award. The revolution of empowerment Mr. Dart talked about extended far beyond the rights of people with disabilities to making the world a better play for all humanity.

Please hear, as I close, some of the words that Mr. Dart addressed to a group of us in his final public statement a few weeks ago at a rally for the passage of the Micassa bill. ''Listen to the heart of this old soldier. As with all of us, the time comes when body and mind are battered and weary. But I do not go quietly into the night. I do not give up struggling to be a responsible contributor to the sacred continuum of human life. I do not give up struggling to overcome my weakness, to conform my life, and that part of my life called death, to the great values of the human dream. Let my final actions thunder of love, solidarity, protest, of empowerment. I adamantly protest the richest culture in the history of the world which still incarcerates millions of humans with and without disabilities in barbaric institutions, back rooms and worse, windowless cells of oppressive perceptions, for the lack of the most elementary empowerment supports. I call for solidarity among all who love justice, all who love life, to create a revolution that will empower every single human being to govern his or her life, to govern the society and to be fully productive. I die in the beautiful belief that the revolution of empowerment will go on. I love you so much. I'm with you always. Lead on. Lead on.''

Mr. Speaker, Justin Dart was truly a great American, and I join with millions around the country who are interested in the empowerment of people with disabilities to extend condolences to his wife and family.

PRESCRIPTION DRUG BENEFIT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. SULLIVAN) is recognized for 5 minutes.

Mr. SULLIVAN. Mr. Speaker, I rise this evening to talk about an issue that is very important to the First Congressional District of Oklahoma and all across America: the need for a prescription drug benefit for our seniors.

During the last few weeks, the Republican plan has been criticized by my Democrat colleagues with a number of half-truths about our plan. I have received several calls from constituents and family members who are scared about the Democrats' misstatement about higher prices for their prescriptions. They are using this issue for political gain during an election year.

I ask the other side of the aisle to please stop scaring my grandmother and millions of seniors who buy prescription drugs. For the past few months, I, along with several Members of Congress of this body, have been visiting with seniors about their wants and needs and a prescription drug benefit. From these conversations, the House Republicans have developed a plan in line with helping seniors receive coverage immediately. I ask the Democrats to stop scaring my grandmother and my constituents for political advantage.

The House Republican plan is the only plan that lowers drug costs for seniors through best-price competition and the promotion of generic drugs. Recently, the Health and Human Services Department released a study that shows an average senior would save nearly 70 percent of the money spent on their current coverage under the GOP plan. The liberal Democrats say our plan is a meaningless benefit that protects the pharmaceutical industry, but studies done on this issue say just the opposite.

The Republican plan uses a best-price competition model that will lower the dollar amount through competition, cutting into the pharmaceutical company's bottom line. I ask Members on the other side of the aisle to stop scaring the Nation's seniors.

The House and Senate Democrat plans fail to use any competition measures. Instead, the Senate plan calls for a copayment on the prescriptions. Seniors would pay $10 for generic drugs, $40 for name-brand drugs, and the government would pick up the rest of the cost, regardless of the price.

Without price competition, the drugmakers will be able to dictate and raise their price whenever they want. And of course the Democrats want the American taxpayer to pick up the tab on the price difference. This could potentially cost Americans more than a trillion dollars. I call on the Democrats to stop scaring my grandmother and millions of seniors in our Nation who are looking for a workable plan from Congress. This is not a political issue.

It is a life issue important to seniors throughout our Nation. I urge Members to support the House Republican prescription drug plan.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

(Ms. JACKSON-LEE of Texas addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

KEEP AMTRAK RUNNING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. TIERNEY) is recognized for 5 minutes.

Mr. TIERNEY. Mr. Speaker, I have the honor of representing the North Shore of Massachusetts; and, like many of my colleagues, I am deeply concerned about a possible Amtrak shutdown and the effect on my constituents. I am doubly troubled by the fact that this situation was avoidable and totally unnecessary. Congress is now being asked to step in and help after the administration failed to take action.

Mr. Speaker, 23,000 workers across the country fear job losses. A shutdown will mean lost jobs for thousands of employees already demoralized by years of wage deferrals and wage freezes that have left Amtrak workers among the lowest paid in the industry. A thousand jobs have been lost already in the past months, as Amtrak has cut corners in the absence of government support. We cannot allow additional jobs and benefits to be lost.

Local commuter rail riders have voiced their fears about being left stranded by a possible Amtrak shutdown. Failure to act now will mean suspension of Amtrak service in the busy Northeast Corridor, and this will jeopardize commuter rail services for Massachusetts' communities such as Lynn and Salem in my district, not to mention the likely permanent loss of the system's long-distance trains.

Amtrak's current financial difficulty is a result of unwise and unattainable congressional goals established in 1997 that forced unfortunate managerial choices and undermined Amtrak's financial viability and access to capital. Congress realized it made a mistake and has since repealed the 1997 requirement that Amtrak file a plan for its own liquidation if it not achieve operating self-sufficiency by the end of 2002.

Unfortunately, the damage has been done, and it is imperative that Congress correct its public policy misadventure. We are at the point where Congress has to step in and offer some assistance.

As today's Boston Globe reports, ''Rail shutdown would be a slap to the region. Amtrak ridership is on the increase.'' The article notes that ridership in the Northeast Corridor was up 23 percent in May, with a 44 percent growth in revenue over the last year. Over the years, and particularly since the terrorist attacks of September 11, Amtrak ridership in the Northeast Corridor has decreased traffic at the airports, providing another option for people to travel for business and pleasure.

We should reward, not punish, this good service with increased Amtrak investment. Indeed, every G–8 country knows the value of investing in mass ground transportation. All of them support their national passenger rail system. Amtrak is held to a double standard as no other segment of America's transportation system is forced to meet the capital and operating needs without substantial government financial assistance. Amtrak has responded to the growing expectations placed on the passenger rail carrier since September 11; and Congress should, too.

America needs better energy and environmental policies. Rail service conserves energy as compared to other forms of intercity transportation. A 1999 Congressional Research Service report determined that general aviation uses more than three times the energy used by Amtrak. Passenger rail service generates less air pollution and less energy than the airplane and the automobile. This is even more significant in high-density areas.

Mr. Speaker, let us compare Amtrak with investments in airports and highways. Overall, our highways, aviation and mass transit programs receive almost $57 billion in annual government investments, but Amtrak only receives 1 percent of that. $571 million is slated for fiscal year 2003.

□ 1845

Amtrak has only received $25 billion in Federal funding over the past 30 years in comparison with $750 billion spent on highways and aviation during that same period. We can and we should do better.

While administration critics propose to shut down Amtrak because not every route is self-sufficient, we should note that the airlines received $150 million this year alone in Federal funding to provide air service to 80 cities where passenger revenues were insufficient to support the provision of service. Amtrak is a bargain by comparison to that.

That is why I join my colleagues and asked appropriators to provide sufficient supplemental funding to keep the trains running. The administration seeks to privatize, their solution for government programs they just do not like, from Social Security to prescription drugs, all the way to mass transportation. The fact is, privatization is not the answer. We only have to look at the tragic accidents, delays and system failures in Great Britain to know that privatization does not work. For the security of our commuters, our workers, our environment and our economy, we must keep the trains running. Shutting down Amtrak is clearly not in the public interest. I urge the administration to listen to the American people and respond with a thoughtful, sensible plan to keep Amtrak going.

AMTRAK

The SPEAKER pro tempore (Mr. KERNS). Under a previous order of the House, the gentleman from Oregon (Mr. BLUMENAUER) is recognized for 5 minutes.

Mr. BLUMENAUER. Mr. Speaker, I too would like to continue the discussion this evening on the future of Amtrak. There is a rumor going around the Capitol that Senator BYRD has put together a rescue that ties together the supplemental, the debt ceiling vote with resources that will keep Amtrak going. If that rumor is true, I say good for Senator BYRD for making it happen, but I say shame on Congress and the administration for making it necessary for yet another extraordinary step to keep America's passenger rail system going.

This is sadly part of the 30-year history where Congress and numerous administrations have done their best to dismantle and slowly bleed Amtrak to death. What is perhaps most remarkable, Mr. Speaker, is not that we may be able to rescue Amtrak from being shut down this week, but that despite the system that has been inflicted upon them, they continue to exist and ridership continues to increase.

It was a rather bizarre deal we saw in 1997, an exercise in denial on the part of the then-majority parties in Congress where they mandated in the last reauthorization a program under which for the next 5 years Amtrak would become self-sufficient. Part of that deal was that Congress, the Federal Government, would supply adequate resources to deal with the capital requirements for Amtrak, not unlike what happens in other industries where the United States, for instance, provides the infrastructure for aviation. There are now some in the administration and sadly some in Congress who are arguing, Shut it down. It is not self-supporting. They did not keep the deal.

Well, Congress provided less than half of the money that was authorized. In no year did we provide the full capital allocation. Yet despite that, despite that, we have seen ridership increases that is not just passengers with train nostalgia. In the Pacific Northwest, we have seen almost three-quarters of a million people ride the Cascades rail corridor last year. Ridership has increased sixfold over the last 8 years. We have heard about the situation that is taking place with ridership increases here in the eastern corridor. And all of us in Congress are well aware that if it were not for Amtrak, that sad week of September 11, without Amtrak, if people were relying on their SUVs and waiting for the grounded planes to travel, that there would have

been one traffic jam from the Alexandria suburbs to New Haven, Connecticut. But we had Amtrak, and we did not have that desperate situation.

We have also had people take to the floor and talk about what is happening in the Midwest and with the Texas Eagle down through the South. Mr. Speaker, we find that every administration since President Nixon was in office have underestimated Amtrak's customers who continue to ride, often not just the underfunded system and often-uncertain service, but in some cases the equipment has been deplorable. These same passengers deserve better treatment from us. They include people who ride in rural communities. They are people increasingly in the tourism and resort activities where people are traveling the rails for pleasure. There are thousands of businesspeople who are involved with these critical corridors. In fact, we are finding that each and every day in the New York City area, Amtrak controls the flow of 1,100 trains and more than 300,000 passengers in and out of that city.

Despite a lack of clarity, the administration, and we have called them time and again when they have appeared before us on rail-related activities, our rail subcommittee in the Committee on Transportation and Infrastructure has asked the administration repeatedly, they have been in office now a year and a half, what is their position? What is their plan? How can we work together? We have received no response.

Mr. Speaker, we have developed a bipartisan alternative under the leadership of the gentleman from New York (Mr. QUINN), the Chair, and the gentleman from Tennessee (Mr. CLEMENT), the ranking member. It has been supported by over 162 Members in this body, a broad bipartisan coalition. It has a majority of the Senate ready to move forward with ongoing programs that will get us through this year, not with a Band-Aid but in a way that actually enhances operation and security and puts us in a good position for the next Congress for full reauthorization.

We should not be held ransom for a $205 million loan guarantee conditioned upon meeting some vague principles that, to the extent to which you can determine them, would be destructive. I strongly urge, Mr. Speaker, that we move forward, that we deal with the funding this year and be in a situation in the next Congress when we can reauthorize surface, reauthorize aviation, reauthorize rail. Give it the package that the American public deserves.

VIOLENCE IN THE MIDDLE EAST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. WELDON) is recognized for 5 minutes.

Mr. WELDON of Florida. Mr. Speaker, I rise this evening to speak to the very disturbing trend that we have seen in the growing violence in the Middle East of Palestinian terrorists deliberately targeting Israeli children.

As we all know, there has been a tremendous increase over the last 20 months in the number of deaths, fatalities and woundings from these suicide bombers, homicide bombers. But what is particularly disturbing is what I see as an emerging trend in all of this to specifically try to target children.

I want to show to my colleagues here a picture and talk about these two young people. The first one I want to talk about is this baby over here, Shalhevet Pass. Shalhevet was literally in her stroller being pushed by her parents when a Palestinian sniper opened fire on the family. What is very, very disturbing about this particular incident is that, and this was based on the investigation after the event, it appeared as though the Palestinian sniper who was shooting at them from a hill specifically targeted the baby and targeted the baby first. This baby was shot by a gunshot wound to the head while in a stroller.

The next one I want to talk about is this little girl right here, Danielle Shefi. A Palestinian gunman broke into the family home. The mother had retreated into the children's bedroom. She was with two brothers, and the Palestinian gunman first shot Danielle and killed Danielle, then proceeded to shoot the mother and the two brothers. The mother and two brothers managed to survive. If you look at some of the other trends in these Palestinian attacks, there was a suicide or homicide bomber who attacked a discotheque filled with young people. Over and over again it appears as though the Palestinians are specifically attacking children.

The Palestinians tried to claim in their defense that the Israeli Defense Forces are just as bad, that they shoot Palestinian children and they made quite a big deal about a particular case. It involved the death of a 12-year-old Mohammed A-Dura during an exchange of gunfire between the Israeli Defense Forces and Palestinians. This little boy was killed. He got in the crossfire somehow. The Palestinians claim that the Israeli Defense Forces specifically targeted Mohammed. The IDF did a review. This is not part of Israeli policy, obviously, to attack children. They claimed, based on their review, that it was impossible for the Israeli Defense Forces to have killed this young boy. The Palestinians, of course, dismiss this as propaganda, but what was very interesting is German public television decided to do an independent review, and they based this on the ballistics, the angle of entry of the bullet into the boy, that it was impossible for the Israeli soldiers to have killed that boy, but that he was actually killed by the Palestinians.

Some people may say this is hard to believe, that the Palestinians would shoot a Palestinian boy, but let us keep in mind that they sent a 10-year-old boy as a suicide bomber to try to blow up a bunch of buildings that ultimately collapsed and killed, I think, 13 Israeli Defense Forces. They have sent other teenage suicide bombers. It is very, very clear, at least in my opinion and based on my review of this issue, that they not only are targeting children, Israeli children, but they will even kill their own children for the purpose of furthering their political agenda.

It is my opinion, Mr. Speaker, that this is reprehensible. This is horrible. This is beyond the pale. Some people will try to justify this, claiming that they have no choice, that they have to resort to this. We should never allow this sort of thing to go on. I think it is perfectly justifiable for the Israeli Government to reoccupy the Palestinian territories. Land for peace has not worked. It has actually led to even more violence. The Palestinians have to do what the President said. They need to abandon violence. They need to abandon these suicide attacks. They need to establish democracy before we will ever have lasting peace in the Middle East.

AMTRAK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MCGOVERN) is recognized for 5 minutes.

Mr. MCGOVERN. Mr. Speaker, I welcome the opportunity to speak on a very real national crisis we will face if we fail to fully and properly fund Amtrak. Contrary to the administration's rhetoric, this is not a case of the boy who cried wolf or Chicken Little claiming the sky is falling. Make no mistake, an Amtrak shutdown for any length of time, however temporary, will be disastrous for this country, not only for interstate business/leisure travel but for daily commuter travel as well.

In my home State of Massachusetts, Amtrak is under contract with the Metropolitan Boston Transit Authority to provide commuter rail service to thousands upon thousands of working people who depend on Amtrak to get to and from their jobs each and every day. An Amtrak shutdown will paralyze our mobility and the economy right along with it. These commuters will be forced on to already overcongested highways, exacerbating public safety problems and adding to environmental pollution.

The worst part of the situation, Mr. Speaker, that we find ourselves facing is that the solution has been known to the administration for months. Amtrak's management has clearly and consistently said that Amtrak will have to shut down if the administration does not take swift, deliberate action to provide the $200 million it needs to operate in the short term.

The administration's response to this imminent crisis has been to do nothing, absolutely nothing, nothing but

posture and engage in a reckless game of brinksmanship. The administration continues to cling to the myths promoted by the Amtrak Reform Commission that privatization of many of the lines is necessary. We all know that privatization of our rail system will not work, and if anyone has any doubt about that, they should call our friends in Great Britain where delays and safety problems are rampant due to privatization.

We also know that none of our transportation systems operate without Federal support. In fiscal year 2001, our highways received more than $33 billion in Federal funding. The airline industry received $13 billion in regular funding and a $15 billion bailout. In the same fiscal year, Amtrak received $521 million, which represents less than 1 percent of all Federal transportation spending and far less than the $1.2 billion it needs to properly operate.

□ 1900

Nevertheless, on the eve of a national crisis, the administration has said that it does not want to go above last year's funding level for Amtrak.

Mr. Speaker, instead of walking away from Amtrak, instead of turning our backs on the men and women who work for Amtrak, this administration should be running to invest in a national passenger inner city rail system to complement our aviation and highway systems. Rail is regarded as the cheapest, most energy-efficient, environmentally sound, comfortable and reliable mode of travel. It is the preferred mode of travel by thousands and thousands of Americans. Ridership in this country is rapidly increasing, and the potential is unlimited. America deserves a first-rate passenger rail system; and accordingly, Amtrak deserves to be fairly funded, both now and in the future.

Therefore, I urge my colleagues to join me in supporting H.R. 4545 to keep Amtrak and America moving forward; and I urge the Bush administration to stop the politics, to stop the posturing and do the right thing: give Amtrak the resources it needs to run.

The SPEAKER pro tempore (Mr. KERNS). Under a previous order of the House, the gentlewoman from New York (Mrs. MALONEY) is recognized for 5 minutes.

(Mrs. MALONEY of New York addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

SUPPORT FOR AMTRAK LOAN GUARANTEE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. SCOTT) is recognized for 5 minutes.

Mr. SCOTT. Mr. Speaker, I rise today in support of a $200 million loan guarantee for the Amtrak national passenger rail system and to urge the administration to expeditiously and favorably respond to Amtrak's request.

Amtrak services well over 500 cities and towns throughout the Nation and is a safe, efficient, and affordable mode of transporting millions of Americans to work and leisure activities each year.

The events of September 11 clearly underscore the need for an alternative mode of transportation to air travel. In the 8 months since the 9–11 attacks, Amtrak ridership has remained strong, despite a weakened economy, significant reductions in travel and tourism, and steep declines in domestic air travel.

In my own congressional district, the city of Richmond, Virginia, has invested over $48 million in the restoration of the historic Main Street Station. Amtrak will be a major provider of service; and after 10 years of planning, the first phase of renovations is now finally under way and trains are expected to begin stopping at the Main Street Station within the next 6 to 8 months.

Mr. Speaker, passenger rail service is an essential component to our plans to create a multimodal transportation center at the Main Street Station, and an Amtrak shutdown will leave a significant gap in our region's transportation network.

A shutdown of Amtrak will also lead to the possible halt in other linked services, including the Virginia Railway Express, which transports 12,000 riders each day, many coming into Washington, D.C. on rail rather than adding to the congestion on Interstate 395.

Mr. Speaker, each year, this Congress appropriates significant dollars in the way of subsidies to our highways and national aviation system; yet we fail to provide the same level of support and commitment to passenger rail. A responsible Federal investment in our Nation's passenger rail system is long overdue. I believe this Congress is ready to work toward that end; but in the short term, I urge the administration to make available the resources that Amtrak needs to sustain its national operations.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. CUMMINGS) is recognized for 5 minutes.

(Mr. CUMMINGS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

SUPPORT EMERGENCY AMTRAK FUNDING

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Connecticut (Ms. DELAURO) is recognized for 5 minutes.

Ms. DELAURO. Mr. Speaker, I rise to speak on a matter of utmost importance for the transportation, economic, and environmental needs of our Nation, and the Northeast in particular, and that is the survival of Amtrak.

For 31 years the Amtrak rail system has provided an essential service to millions of Americans, providing safe, reliable travel at an affordable price. It has sought to balance competing public service and commercial objectives, but has never been given adequate resources to deliver either objective fully. And now, without an immediate infusion of $200 million in emergency funds, an Amtrak shutdown could occur within days. This will cause serious disruptions for commuters and travelers everywhere.

The fact is, funding for Amtrak is not simply an issue of transportation. It is an issue of economics, commerce, and livability.

In my State of Connecticut, Amtrak's service is a vital component of daily life, as it is to thousands of cities and towns along the east coast. Over 1 million Connecticut citizens rely on Amtrak annually, 370,000 in my hometown of New Haven alone. So many people there rely on Amtrak to commute to work from New York City. Others rely on it to bring commerce and tourism into cities without commuter airline service. In the Northeast, people travel Amtrak because it is, quite simply, the most convenient and time-efficient method of traveling from city to city, alleviating the heavy rush-hour traffic faced by so many commuters today. In doing so, it is a major contributor to reducing emissions that contribute to respiratory illnesses like asthma. That helps us keep our air clean and our children healthy.

Amtrak means jobs as well. They own and operate a rail yard in New Haven, Connecticut, where maintenance and equipment repair take place. One can only imagine how busy they are, given the continual underfunding of Amtrak. All in all, Amtrak employs nearly 700 employees in Connecticut alone.

Since September 11, I might add, Americans are looking for alternatives to commercial airlines; and despite our best efforts to make our airline security the best in the world, many Americans still fear for their safety. Amtrak has proven that it is a viable transportation alternative.

With so many concerns regarding air traffic congestion, from safety to overcrowded skies, it simply makes sense that we have in place an alternative mode of transportation that will alleviate the stress currently on our air traffic controllers and our airline security forces. The fact is, more choices means less risk to our people, less stress, healthier communities and, thus, a more livable region.

For over 3 decades, funding for America's passenger railroad has nearly been enough to keep the system operating on a year-to-year basis, which prevents it from meeting its long-term public service mission, not to mention its capital obligations.

The administration's budget for Amtrak requests $521 million for 2003, less

than half of what Amtrak says it needs to meet its long-term and short-term financial needs. Sadly, this amount would only maintain the current level of funding and represents less than half of what Amtrak needs.

The fact is that the Federal Government dedicates resources for highways, airlines, airports, runways for capital improvements. Despite the popular myth, Amtrak has no such luxury. Amtrak is expected to pay for capital and track improvements, new cars, repairs and maintenance. With only a fraction of the Federal subsidies for airlines and highways, Amtrak is expected to do a lot more with a lot less.

Recently, I sent a letter, along with 161 of my colleagues, asking Congress to fully fund Amtrak at $1.9 billion. This funding includes $1.2 billion in Federal funding for capital and operating expenses, as well as $375 million for much-needed rail security projects across the system, and $400 million for life-safety improvements in Amtrak tunnels along the northeast corridor.

We are asking for $200 million to be made available immediately. If we can move heaven and Earth in order to provide the airlines with $15 billion with very few strings attached, as we did last fall, surely we can find $200 million to keep Amtrak running when so many people rely on it.

Failure to provide the necessary funds will not only mean the suspension of Amtrak service in the busy northeast corridor and the likely permanent loss of long-distance trains; it will mean that thousands of commuters around the Nation will be stranded; loss of production, loss of $1 million for communities and companies in areas where these areas need the services. It is unacceptable.

Mr. Speaker, Amtrak is too important to our communities to let die. It needs reforms. Let us do it in a realistic timetable that does not ignore the needs of millions of Americans. Congress and the administration must send a clear signal that they will not allow Amtrak to go bankrupt. Let us give them the $200 million that it needs.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Missouri (Ms. MCCARTHY) is recognized for 5 minutes.

(Mr. MCCARTHY of Missouri addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

SUPPORT FULL FUNDING FOR AMTRAK

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Indiana (Ms. CARSON) is recognized for 5 minutes.

Ms. CARSON of Indiana. Mr. Speaker, I rise tonight to join my colleagues in urging quick support for Amtrak to avert its collapse. The United States is not unlike any industrialized Nation in the world that has a need for quality rail passenger service, and America is not unlike any other industrialized Nation that is required to undergird financially its passenger rail service.

The President and lawmakers, the United States Congress, must come together quickly to prevent the economic and human hardship that would result from an Amtrak shutdown. That hardship would be suffered by Amtrak workers and their families. It would be most harsh, and the damage to our economy would be a calamity.

We have heard over and over and over, Mr. Speaker, in these Chambers during this Congress how imperative it is to provide an economic stimulus for corporate America to ensure the continuation of jobs and to provide employment for unemployed workers across this country. Yet we are here tonight begging and pleading with the powers that be to support Amtrak, which indeed needs economic stimulus for the benefit of the continuation of employment of America's citizens, the citizens who have worked long and hard over the years to do a good job and have done a good job, and they have taken care of their families and they have been taxpayers across this country.

Recently, Amtrak CEO David Gunn said if Amtrak did not receive a $200 million loan immediately that it would have to begin shutting down operations.

Mr. Speaker, it is imperative that we build a world-class passenger rail system in the United States. We cannot wait for highways and airports to become so overwhelmed that they too can no longer operate, and we cannot continue to hold the millions of Americans who rely on passenger service in limbo while we refuse to provide Amtrak with adequate funding. We must also engage in long-term planning to address future passenger transportation growth and show some forethought in crafting transportation solutions, not wait for this impending crisis to turn into an outright disaster.

Following the terrorist attacks of September 11, 2001, and the aftermath which followed, we found that we were vulnerable in our society and in our economy when our transportation choices were limited and our mobility severely diminished. After the Federal Aviation Administration grounded all flights following the terrorist attacks, travelers turned to Amtrak. The ridership of Amtrak has skyrocketed. Revenues have risen up to 20 percent, and the ridership has increased over 8.2 percent. This shows that Amtrak does work and that it will continue to work if the United States Congress and the President is about the business of quickly responding to the needs of Amtrak, not unlike the way that it did for our airline industry when we provided a $5 billion grant to that industry and $10 billion additional resources in the event that our airline services decided that additional resources were needed to be guaranteed by this country.

Mr. Speaker, I would encourage Members of Congress and the administration as well to act quickly, not politically, but quickly, for the benefit of the families who rely on us as Members of Congress and who rely on the support that we have already shown that we provide for other entities in our Nation so that we can go forward. We cannot afford the luxury of being a superpower in our mind and not allowing America to, in reality, be one by having a first-class passenger rail system. It is up to us, Mr. Speaker, to sustain Amtrak.

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HISTORICAL OVERVIEW

The SPEAKER pro tempore (Mr. KERNS). Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, not surprisingly, in this election year the Republicans are attempting to portray themselves as the protectors of Social Security; and many of our women colleagues tonight, led by the gentlewoman from California (Ms. MILLENDER-MCDONALD) and the gentlewoman from Illinois (Ms. SCHAKOWSKY) and the gentlewoman from Florida (Mrs. THURMAN) and the gentlewoman from California (Ms. WOOLSEY) will be discussing this more.

During my 5 minutes, what I would like to do is put some history on the record.

First, the Republicans have advocated mailing out fancy but meaningless guarantee certificates to Social Security beneficiaries this year at a cost of $16 million to the taxpayers, and each million that would be needed to produce and mail these certificates would pay for the processing of maybe 1,400 disability claims.

When it started to come out how they wanted to waste the money on those kinds of phony certificates, and that proposal literally flopped, Republicans have sought other forms of political cover but to no avail. So now they have moved into the avoidance mode and are simply dodging Social Security, blocking key legislation from coming to this floor.

The American people deserve to hear the details of the Republicans' privatization plans for Social Security before the election. That is why I signed the Democratic discharge petition to bring this vital debate to the floor. It requires 218 Members of the House to sign that discharge petition to bring up the bill.

Now, realistically, will the Republicans allow these bills to come forward? Well, let us see. Probably not, because the Republican leadership of this House knows that Democrats will stand against privatization and expose their risky and flawed plans for what they are.

Truly, Republicans have always had trouble believing in Social Security

and have a long record of opposition to our Nation's premier social insurance program. Let me put this on the record.

Beginning with the original Social Security Act when the ranking minority Republican member of the Committee on Ways and Means was Representative Allen Treadway, a Republican from Massachusetts, he led the attack here in Congress, in the House, offering a motion to delete the old age and unemployment insurance programs and stating that he would vote, and I quote, ''most strenuously in opposition to the bill at each and every opportunity.''

At that time, 95 of 103 Republicans voted along with Representative Treadway to gut the original act. That was 92.2 percent of the Republicans. But they failed because there were more Democrats that believed that we should lift those in poverty who are seniors to a level at least of subsistence and to dignity in their retirement years.

Now, Republican opposition in the Senate was also pronounced, with a majority of Senate Republicans voting with Senator Hastings to delete the retirement program from the Social Security Act. As we all know, the Act went on to pass both Chambers and was signed into law by Democratic President Franklin Roosevelt on August 14, 1935.

But Republican opposition to Social Security was not limited to the old age and unemployment provisions. In 1956, 38 of 44 Senate Republicans voted against an amendment to restore the disability insurance program to the bill. That was 86½ percent of the Republicans in the Senate not wishing to include the disability insurance provisions, which are the lifeline for millions and millions of people who have been stricken in their families with illness or with injury.

In 1965, when Medicare Part A and B were created, when President Lyndon Johnson was President and led this fight for health care for our seniors, 128 of 165 House Republicans, or 77.6 percent, three-quarters of them, voted to recommit the bill and replace it with, guess what, a voluntary system. Have we heard this before?

Most recently, Republicans have broken their repeated promises, voting seven times on the issue to ensure that, as they say, every penny of Social Security will be locked away in a lockbox. Instead, they have drained the budget, even as we stand here tonight, with tax breaks for the super rich and are plundering the trust funds of Social Security over the next 10 years by nearly $2 trillion.

So every week I am coming down here to the floor to take a look at the grade on the Social Security trust fund. I call it the debt clock. As of today, Republicans have raided now $223,945,205,479 from the Social Security trust fund, which averages now about $796 per American.

Every week since we have come on the floor, that is up over $6 billion from last week. They keep going into the trust fund to give money away to CEOs like Kenneth Lay, who, believe me, owes us money. The Social Security recipients of this country and the taxpayers owe him nothing.

Democrats believe Social Security is a compact of trust between generations. We will continue to fight against the Republican raid to ensure that Social Security's existence will continue for generations to come. Democrats have always believed in Social Security, and we always will.

CONGRESS HAS AN OBLIGATION TO THE TRAVELING PUBLIC TO SUPPORT AMTRAK

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida (Ms. BROWN) is recognized for 5 minutes.

Ms. BROWN of Florida. Mr. Speaker, first of all, let me just say that I am here to discuss Amtrak, but I not only support Amtrak, I have loved the trains ever since I was a little girl. I remember when I was a little girl, the Silver Meteor used to come right by my house. The question that we have in this country is whether or not we support passenger rail.

Let me just say before I get started that there is no form of transportation in this country or anywhere that supports itself. Whether we are talking about the airline industry, whether we are talking about trucks, roads, buses, none of them support themselves. So the question is whether or not we support passenger rail service, or whether we are going to let it fall apart and leave this country's travelers and business people with absolutely no alternative form of public transportation.

Without the $270 million Amtrak needs to keep operating, we will soon see people that rely on Amtrak to get to their work each day waiting for a train that is not coming.

This Congress absolutely must provide funds to avert a shutdown of Amtrak. We continue to subsidize highways and aviation, but when it comes to our passenger rail service we refuse to provide the money Amtrak needs to survive. This issue is much bigger than just transportation; this is about safety and national security. Not only should we be giving Amtrak the money it needs to continue to provide services, we should be providing security dollars, money to upgrade their tracks and improve safety and security measures in the entire rail system.

Once again, we see the Bush administration's too-little, too-late policy. I am surprised they have not suggested a tax cut to solve this problem. Instead, they are trying to take money from the hard-working Amtrak employees who work day and night to provide top-quality service to their passengers. These folks are trying to make a living for their families, and they do not deserve this shabby treatment from this President.

It is time for the administration to step up to the plate and make a decision about Amtrak based on what is good for the traveling public and not what is best for the right wing of the Republican Party and the bean counters at OMB.

I represent Crescent City, Florida, where we recently experienced a tragedy when an Amtrak auto train derailed, killing four and injuring hundreds of others. Soon after that, we experienced another derailment in Gainesville that injured many more.

Florida depends on tourists for its economy, and we need people to be able to get to this State safe so they can enjoy it. Ever since September 11, more and more people are turning from the airlines to Amtrak, and they deserve safe and dependable service.

Some people think that the solution to the problem is to privatize the system. If we privatize, we will see the same thing we saw when we deregulated the airline industries. Only the lucrative routes will be maintained, and routes to rural locations, I say to Members who represent rural areas, will be too expensive and too few. In other words, they will cut these areas out if we privatize it.

Mr. Speaker, I was in New York shortly after September 11 when the plane leaving JFK crashed into the Bronx. I, along with many of my colleagues in both the House and Senate, took Amtrak back to Washington.

This isn't about fiscal policy, this is about providing a safe and reliable public transportation system that the citizens of this Nation need and deserve. Lets stop this crisis now, before it is too late.

Mr. Speaker, we have an obligation to the traveling public to support Amtrak.

Ms. MCCARTHY of Missouri. Mr. Speaker, I rise in strong support of providing Amtrak a loan guarantee or supplemental funding in order to keep our national rail system from shutting down. Since 9/11, many travelers have opted to use rail transportation as an alternative to flying. A shutdown would cause serious disruptions for commuters and travelers nationally, and to local economies across America.

Amtrak is critical to my constituents in Kansas City and to the people of Missouri. Missouri has four Amtrak trains: two Missouri Mules that travel between Kansas City and St. Louis and the two Ann Rutledge trains that travel between Kansas City, St. Louis, and Chicago. These trains are integral to tourism and commerce in our state.

This year, the Kansas City station has had approximately 60,000 passengers, the St. Louis station has had over 74,000, the Jefferson City station has had more than 41,000, Hermann's station has had over 11,000, and the Warrensburg station has had 11,000 plus passengers.

Amtrak has proven to be an extremely convenient method of transportation for the business traveler. Missouri state officials commute on the train to work at the State Capitol in Jefferson City. Many Missouri business travelers

commute between Kansas City to St. Louis to avoid airport and highway congestion. This rail system has played a significant role in helping reduce congestion at Lambert International Airport in St. Louis by providing routes from Kansas City to St. Louis and throughout the Midwest.

The stop in Warrensburg Amtrak station provides an affordable transportation route for Central Missouri State University students from across the state. This station also provides 10,000 military personnel and civilians access to Whiteman Air Force Base which maintains the Air Force's premier weapon system, the B–2 bomber.

Individuals traveling on the Missouri routes are able to visit many sites including the: restored historic Kansas City Union Station, Truman Presidential Museum in Independence, American Jazz Museum in Kansas City, Missouri State Capitol and Governor's Mansion in Jefferson City, Hermann's wineries and famous Octoberfest activities, Lewis and Clark Territory, and the restored St. Louis train station by the landmark Arch.

Amtrak has been forced to run a national system with insufficient financial support since its creation. Approving $200 million in emergency funding is essential and timely. The federal government has provided subsidies for all modes of transportation including our nation's airports, highways, riverways, and buses. No comparable national passenger rail system in the world has operated without subsidies, and no system has ever succeeded without substantial public capital investment. I urge my colleagues to support emergency funding for Amtrak in order to maintain and reform America's national passenger rail system.

Mr. MENENDEZ. Mr. Speaker, we're not talking about tracks, or trains, or rails, or stations—we're talking about people—their jobs, their families, their lives. And I am sick of people playing politics with it. In a modern nation, in the greatest nation on Earth, passenger rail service is not a luxury, it's a necessity for the millions of people who use it to get to work, to get to clients, to create new business, to meet friends, to see family, to take a vacation, to enjoy the Holidays.

America needs reliable, affordable, efficient rail service—for all these reasons. All over the world, passenger rail service is a comfortable, popular, reliable mode of transportation, especially between cities that are two to four hours apart—like Paris and London, Tokyo and Osaka, and New York and Washington. The same should be true of travel between cities like Orlando and Miami, Atlanta and Charlotte, Chicago and St. Louis, and Los Angeles and San Diego.

At a time when roads are increasingly clogged, when air travel is strained, wisely investing in rail service is the right thing to do, and the smart thing to do. But this Administration has been asleep at the switch—and if Amtrak fails, if we lose passenger rail service, it will be because this Administration didn't think it was important enough—tell that to the parents who won't be able to get to work to support their families; tell that to the businesses that won't be able to get to their clients; tell that to the grandchild who won't be able to get to her grandmother's house; and tell that to the union worker who loses his or her benefits.

As of last year, Amtrak employed 1,736 people in my state. Almost 4 million people from my state rode Amtrak last year—and 80 thousand daily commuters ride New Jersey Transit, that would be effectively shut down if the signaling and operators that Amtrak provides are closed.

The passenger rail system in my state, my region, and our country provides hubs of job creation, commercial development, and commerce, especially in revitalized urban centers and smaller communities between major cities without an airport or other means of mass distance travel. The loss of commerce for even a single day closing would be enormous—and in some cases devastating.

So I say again: we're not talking about tracks and trains, we're talking families and towns and cities and livelihoods. Amtrak is not some disembodied entity—it's an integral part of the communities it serves. We need immediate action, and we need it now, but we also need this Administration to start getting serious about a real, long-term solution that ensures the smooth continuation of passenger rail service—not just a rehash of the Amtrak Reform Council's proposal to largely privatize the system and separate infrastructure ownership from operations, which has been tried and failed elsewhere. Besides, the nation's railroads are adamantly opposed to giving other entities the access rights to their tracks that Amtrak currently has. So to the Administration I would say: get serious and start dealing with reality.

We need this Administration to be involved not just when we are at a crisis point—not just days before the system could go under—we need long-term thinking, long-term planning, and a real commitment to make sure America has the passenger rail service it deserves.

Mr. DINGELL. Mr. Speaker, many of my colleagues have spoken about the importance of Amtrak to the Northeast Corridor, or to the small towns throughout the country that do not have access to air travel. However, Amtrak is equally important to Michigan and the Midwest, where it provides competition to the airlines and links major cities, alleviating congestion on roads and in airports.

Americans have chosen to ride Amtrak at increasing rates. Between 1996 and 2001, systemwide ridership grew from 19.7 million to 25.3 million. Last year, Amtrak served over 500,000 people in Michigan, many of whom are my constituents. It is important that Congress let President Bush know that Amtrak must be kept running.

Passenger rail service should not be stopped in its tracks, especially as riders begin to receive the benefits of Amtrak's roll out of high-speed service. Amtrak owns 96 miles of track in Michigan in the Detroit-Chicago high-speed corridor. Amtrak, the Federal Railroad Administration, the State of Michigan and private industry have invested in upgrading this corridor. The ultimate goal of this high-speed project is to reduce the total time between Detroit and Chicago from the current 6 hours to 3 and one-half hours. In January 2002, 90 mile-per-hour service began on a segment of the Amtrak owned right-of-way. Additional speed increases over the entire length of the Amtrak-owned line are planned for later this year. This is the first significant increase in passenger rail speed above 80 miles per hour outside the Northeast in 20 years.

Amtrak has been woefully underfunded since it was created in 1971. The Bush Administration has continued this unfortunate legacy, proposing $500 million for Amtrak for FY 2003 when it needs $1.2 billion. This is unacceptable and would only continue to allow Amtrak to wither on the vine.

President Bush's recent proposal that Amtrak make a quick profit and be spun off to private corporations is a nonstarter. First, no passenger rail service in the world—including every subway system—operates without subsidies. Second, Amtrak was created because the private railroads asked that they no longer be required to operate passenger rail service because it was unprofitable. If passenger rail service was not profitable for railroads to run three decades ago, I do not see how it could be profitable now.

The American people deserve an alternative to driving and flying. If the President refuses to lead. Congress must step in and keep the trains running on time.

Mrs. MALONEY of New York. Mr. Speaker, Amtrak is an institution that we must preserve. Now is not the time to turn our backs, and deny the emergency aid that we need to keep this service running. Amtrak officially began service on May 1, 1971, when Clocker no. 235 departed New York's Penn Station at 12:05 a.m. bound for Philadelphia. This very same route is traversed by Amtrak trains several times daily, transporting thousands of passengers who depend on this service.

Mr. Speaker, as you well know, Amtrak has announced the imminent shut-down of operations to begin in one week. Amtrak is our national passenger rail service. I have joined the effort by signing a letter to the Appropriators asking for $200 million in supplemental appropriations in order to keep Amtrak in business. Were Amtrak to shut down, the consequences would be far more widespread than merely affecting long-range service. This shut down would be disastrous to commuters, as such commuter lines as Virginia Railway Express and MARC in the Washington DC area, and Shoreline East in Connecticut, all operate on Amtrak tracks and use Amtrak crews.

Each day, 60,000 passengers travel on Amtrak, and 24,000 travel between New York and Washington, DC alone. The entire Northeast Corridor would be crippled by a shutdown of Amtrak service.

Mr. Speaker, when service first began in 1971, Amtrak had merely 25 employees. Today, Amtrak provides employment for over 24,000 workers. Amtrak's future is an issue that must be resolved. Mr. Speaker, we in Congress must be adamant about guaranteeing to Amtrak that we will not let it fall. Congress must also resolve to adopting a long-term strategy of reform for our nation's passenger rail system. Congress must be sure that Amtrak can continue maintaining, and upgrading its fleet of trains. A quick fix cannot be misconstrued as being a long-term answer.

Mr. Speaker, I do not stand alone when I say America needs Amtrak. Yes, we need a strong and reliable passenger rail system. With improvement, Amtrak would be much cheaper to maintain than constructing new airports and highways. Rail stations, are far more environmentally friendly than airports, and putting more cars on our highways. Terminating Amtrak will mean a serious loss to metropolitan areas as New York and Chicago. The loss of train service will lead to increased automobile traffic into downtown areas from the suburbs. Passenger rail service is very important to maintaining and improving pollution levels. Without commuter rail service, the number

of cars that already pack New York City's crowded streets would greatly increase.

Pollution and transportation are not issues limited to the northeastern corridor. These are national issues, as well. Amtrak is also a national issue. People all over the country ride on the passenger rail service Amtrak provides.

Mr. Speaker, Amtrak is worth maintaining. We must also recognize that it is in Congress's power to step in and fix this problem.

Mr. Speaker, this issue needs our attention and it needs it now. Congress must pass an aid package that gives Amtrak the tools not only to survive, but also to excel.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 5010, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2003

Mrs. MYRICK, from the Committee on Rules, submitted a privileged report (Rept. No. 107–536) on the resolution (H. Res. 461) providing for consideration of the bill (H.R. 5010) making appropriations for the Department of Defense for the fiscal year ending September 30, 2003, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 5011, MILITARY CONSTRUCTION APPROPRIATIONS ACT, 2003

Mrs. MYRICK, from the Committee on Rules, submitted a privileged report (Rept. No. 107–537) on the resolution (H. Res. 462) providing for consideration of the bill (H.R. 5011) making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 2003, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF MOTIONS TO SUSPEND THE RULES

Mrs. MYRICK, from the Committee on Rules, submitted a privileged report (Rept. No. 107–538) on the resolution (H. Res. 463) providing for consideration of motions to suspend the rules, which was referred to the House Calendar and ordered to be printed.

THE SKYROCKETING COST OF PRESCRIPTION DRUGS IN AMERICA

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentlewoman from Florida (Mrs. THURMAN) is recognized for 60 minutes as the designee of the minority leader.

Mrs. THURMAN. Mr. Speaker, tonight we have a group of women here who are very concerned about the prescription drug benefit that we may be voting on this week and with some particular interest in the high cost and skyrocketing cost of prescription drugs in this country.

Mr. Speaker, I yield to the gentlewoman from Illinois (Ms. SCHAKOWSKY), who is a valuable member to our caucus and has been actively involved in the area of prescription drugs.

Ms. SCHAKOWSKY. Mr. Speaker, I thank the gentlewoman from Florida for yielding to me, who has been such a great leader on an issue that is so important to the 39 million people who are on Medicare. Those are the elderly and persons with disabilities.

A lot of times we come to the floor and we talk about people that are in our districts or people that we have heard about or issues that affect some segment of our society, but not so often do we come to the floor and talk about a problem that affects so many people that also directly impacts our own families.

The issue of the high cost of prescription drugs is hard to escape from, regardless of the income or the position of one's family. I found, much to my surprise, sometime ago that my family was not immune from this particular crisis.

One day I got an e-mail from a cousin of mine that said, ''The reason I am writing you today, I saw you on C–SPAN giving a speech on prescription drugs.'' He said, ''I thought you would be interested in my mom's story.'' This is also my cousin, his mother.

''The last couple of years of my dad's life, he was relying heavily on all sorts of heart medication and other prescription drugs to keep him going and maintain a quality of life.''

□ 1930

Well, Mom kept on putting those drugs on their credit cards. How else were they going to pay for them? With Social Security? I do not think so.

Well, anyway Mom did everything she could to make sure Dad got his meds. When Dad passed away in January 1998, Mom was left with a mountain of credit card debt. The Tuesday after his funeral, she had to declare bankruptcy. It just does not seem fair. But if you ask Mom, she would do it all over again to have a few more days with Dad.

As we the baby boomers get older and the cost of prescription drugs is skyrocketing, something needs to be done to curb the drug companies. It cannot all be for recouping R and D. Somebody is gouging somebody.

This e-mail was sent to me almost exactly 2 years ago today. And at that time there was not a candidate running for office, particularly for Federal office, who was not promising that something was going to be done about that high cost of prescription drugs. Oh, yes, elect me and I will go to the White House or I will go to the Congress and I will pass a prescription drug benefit for senior citizens. Do not worry, seniors. Vote for me and I will get you a prescription drug benefit. There was not anybody running for any office at the Federal level that did not say that.

Well, those seniors, people in our own families, are still waiting in line for that prescription drug benefit. We are almost through an entire session of Congress, and there still is not a prescription drug benefit. They have been bumped out of their place in line by the airlines who we bailed out a very short time after September 11. They have been displaced from their place in line by a very few rich dead people when we excused them from the estate tax. And now as the front of the line appears closer and closer, maybe they are getting there, what they are offered up by the Republicans is a sham and not a plan, a bill that was written by the drug companies and for the drug companies that does nothing to control the high cost of prescription drugs, provides no guaranteed benefit, there is no predictable premium or copayment, no guarantee even that any insurance company will even offer them the chance to purchase a plan.

A former member, Bill Gradison, who was president of the Health Insurance Association of America from 1993 to 1998, criticized the GOP private market approach to prescription drug coverage saying, ''I am very skeptical that 'drug only' private plans would develop.''

So even those people who are associated with the insurance industry think that there is not going to be such a plan available. That is what the Republicans have offered up.

The Democrats on the other hand, we have a plan that does provide a guaranteed benefit, that is absolutely going to lower the cost of prescription drugs, will lower the cost by enabling the Secretary of Health and Human Services to negotiate a lower price for senior citizens, that says that all the beneficiaries of Medicare, our group just like an HMO or the Veterans Administration, and they will negotiate a lower price for senior citizens, and lower the amount of out-of-pocket costs.

But women, women are the ones who are most affected, that are most hurt by the high cost of prescription drugs just like my cousin was who had to declare bankruptcy. Out-of-pocket spending on prescription drugs by seniors is the single largest out-of-pocket health care component after premium payments.

Older women spend more out of pocket on prescription drugs on average than do older men regardless of the type of supplemental insurance coverage they have. Women on Medicare without supplemental benefits spend almost 40 percent more on prescription drugs than men, and men are spending too much. Older women are less likely than men to have employer-sponsored prescription drug coverage. Women without drug coverage spend more out of pocket on drugs than men. On average older women fill more prescriptions than men each year regardless of

whether they have prescription drug coverage. Older women without prescription drug coverage on average have 18 prescriptions filled in 1 year compared to 14 for men.

So this is a problem that impacts all Medicare beneficiaries, all old, every American, but particularly falls the hardest on women. And I know that my colleagues here, the women here, today are going to talk about how the Democratic plan is going to directly address the needs of the elderly, and particularly elderly women; and we will go into that.

But I would just like to say that if anybody thinks that their families, their own relatives, their own parents or grandparents and aunts and uncles and cousins are immune from the runaway costs of prescription drugs, think again. If my cousin had not sent me this e-mail telling me about the bankruptcy in my own family, I would not have known because my cousin was too proud to tell anyone in the family that this is what was going on.

So I am just happy to be part of a great group of women who are here today to stick up for and to go to bat for all of the women who really need our help with the true prescription drug benefit under Medicare. I thank the gentlewoman for yielding to me.

Mrs. THURMAN. Mr. Speaker, I thank the gentlewoman and certainly appreciate the story that you told about your cousins because there are hundreds and thousands of stories like that throughout this country, and it puts a face on why this issue becomes so important to us in this Congress.

At this time, I yield to the gentlewoman from Nevada (Ms. BERKLEY) who has been a continued voice of reason from her experience and the experience from her own State, and we are certainly glad that she is here to engage us and give us some idea of what has been happening and happened and why some of these plans just will not work.

Ms. BERKLEY. Mr. Speaker, I thank the gentlewoman from Florida (Mrs. THURMAN) and the gentlewoman from California (Ms. MILLENDER-MCDONALD), the cochair of the Women's Caucus for organizing this Special Order.

I am here to discuss an issue that is absolutely crucial to seniors across America, Medicare coverage for prescription drugs. This is one of the most important issues that Congress will work on this year. This is a defining issue. Who exactly do we represent in this body? Do we represent millions of older Americans or do we represent the CEOs of the pharmaceutical companies? Seniors have the greatest need for prescription drugs. In many cases medicine is the most effective, perhaps the only, treatment for illness; and yet one-third of senior citizens do not have any prescription drug coverage at all.

This means that millions of seniors in our country have no prescription drug insurance, and soaring drug prices are putting necessary medications out of their reach. They simply cannot afford them. Nowhere is this problem more apparent than in my district in southern Nevada.

Southern Nevada has the fastest growing senior population in the United States. When I go home every weekend, my seniors tell me about the drugs they are taking, the medications they need. They tell me how much they cost, and they tell me how difficult it is and what difficult choices they have to make. Do they cut the prescribed doses to make the medicine last longer? Do they take their medicine every day? Every other day? Do they pay their rent? Do they pay their electric bills? Do they buy groceries, or do they buy medicine?

We have to do better as a Nation. We have to do better. We must enact the prescription drug benefit under Medicare. Our seniors are demanding it. Our seniors deserve it from their elected representatives. They are counting on us to honor our promises, our campaign promises to provide affordable prescription medication under Medicare, where it belongs, to older Americans.

This legislation, the legislation that the Republican majority is sponsoring is a sham. It is not a prescription medication benefit. It is a press release, and it is a campaign ad. Their so-called benefit is complicated, and it is not guaranteed. There are gaps in the coverage and it will do nothing, absolutely nothing to lower the prices of prescription drugs. Their plan will not get the job done for our seniors.

The majority bill also does a terrible disservice to our Nation's Medicare providers. If the Republican majority cared one wit for Medicare patients, for their doctors, we would pass a free-standing bill to restore Medicare reimbursements to doctors and other health care providers. Our doctors and health care providers, our nurses, our hospitals, other health care providers, are being deceived and they are being hurt by being thrown into the middle of this divisive issue. By attaching the Medicare reimbursement to a useless sham of an insurance based prescription bill, the Republicans have unfortunately doomed both.

I am for a prescription drug benefit that is comprehensive, affordable and guaranteed. I am for a benefit that will provide uniform coverage for every senior in America no matter where they live or what their income. It does not matter if they live in the State of Nevada where we have a State program. It matters that all seniors are covered throughout the United States.

America's seniors are depending on us to give them a benefit, the right benefit. Let us act responsibly and give them what they need, what they deserve, what they are counting on.

Our Nation is depending on us. They are looking to us to do the right thing, and it is time for us to step up to the plate, fulfill our campaign promises and improve the lives of older Americans in this country.

I thank the gentlewoman, and I appreciate the opportunity.

Mrs. THURMAN. Mr. Speaker, I appreciate the gentlewoman's concern and her participation in tonight's Special Order.

It is now my privilege to yield to the gentlewoman from North Carolina (Mrs. CLAYTON), someone who I have valued over the last 10 years, somebody who came in with me, and somebody I served with on the Committee on Agriculture, and someone all of us in this House respect for the work that she has done. We are all very sad that she has made a choice to go home, but I have met her husband T.T., and I certainly understand. I am glad to have the gentlewoman here today.

Mrs. CLAYTON. Mr. Speaker, I thank the gentlewoman for her leadership, and I thank her for yielding and her remarks.

Mr. Speaker, I rise today to remind my colleagues of a promise made by Members and the Presidential candidates of both parties only a little less than 2 years ago. We all agreed that the rising costs of prescription drugs had reached critical mass and that it was forcing many Americans, particularly our senior citizens, to make choices they should not, in their golden years, be forced to make.

But I also would like to point out that what the Republican leadership is just now getting around to offering is a choice that really is no choice. They have tied two issues that really should be dealt with separately. One is the prescription drug plan that is deficient at best and probably is dead on arrival in the Senate. The second matter is increasing reimbursements to rural hospitals and medical facilities by Medicare to better reflect the costs of providing a better service which I support but not in this bill. And especially as a co-chair of the Rural Caucus and the member of the Rural Health Caucus, we know the devastation that rural hospitals are suffering. So they need this reimbursement.

So they have tied these two issues together with their Medicare Modernization and Prescription Drug Bill. The Republican leadership pits struggling health care facilities against struggling seniors. In this, the majority party shows us the height of their cynicism and the depth of their partisan politics at the same time. That is quite a feat, unfortunately. It would do nothing serious to help solve our seniors' problems relating to access and affordability when we understand what they have provided.

Now, it does do something, I have to say, in terms of the hospital. But it will not be enough to solve the financial crises being experienced by our hospitals and our clinics, particularly in rural areas, and as a result of inadequate Medicare payments.

The choices too many of our seniors are forced to make result in the difference between life and death in a struggle to juggle the very basics of

their life such as rent, utilities, food, medicine and having those conditions that senior citizens have to juggle each time to make sure they are living.

Disproportionately to men, this is the common quandary in which senior women find themselves. Senior women find themselves far greater in the quagmire. First of all, women live longer than men.

□ 1945

It is also a fact that cardiovascular disease is the leading cause of disability and death for women. Women have the highest incidence of diabetes, stroke, high blood pressure and cholesterol problems. There are also maladies like Parkinson's and Alzheimer's disease, breast cancer, arthritis and others, all of these requiring a lot of medication.

As a result of years of gender pay inequity and other factors, older women are poorer than older men. Seventy-five percent of all elderly poor are women. Older women are twice as likely as older men to have incomes below $10,000. Sixty percent of all Medicaid beneficiaries are women, many widowed; and among Medicare beneficiaries of all ages with incomes below the poverty level, nearly 70 percent of them are women.

Women are living longer than men with less money, usually on fixed income and with more medical problems to deal with, therefore requiring more prescription drugs, but prices for these drugs are increasing at triple the rate of inflation.

According to a recent study by Families USA, which analyzed price increases for the 50 most commonly prescribed drugs for seniors over the last year, for the last year, nearly three-quarters of these drugs rose at least 1½ times the rate of inflation and over one-third rose three or more times the rate of inflation.

Ten of the 50 most prescribed drugs for seniors are generics, only 10 of them. The average price for generic drugs is only about $375. However, the average price for the 40 that are not generically available is $1,103, three times that.

So women who have less money, less income, more health problems, find themselves having to rely on drugs that are four and five times the cost of generics or they are not available.

Helping our hospitals by modernizing the payment schedule for medical services provided under Medicare and helping our seniors cope with the costs of life-sustaining medicines that are spiraling out of control are both worthy causes. We should be doing both but differently. They have different objectives, and they should be separated in different bills. These two issues should be debated separately in order to spare the people affected a divisive fight they did not pick.

I have my rural hospital calling me right now to tell me to vote for this bill, and they know that I understand their plight. I also have my senior citizens calling me that this is insufficient.

We should not be having these divisive fights by struggling rural hospitals and struggling rural citizens. We are pitting them together.

The leadership knows what it is doing. It is putting together a poison pill for us to swallow. This is no choice because, indeed, my senior citizens should not indeed have to do this.

We can do better, and we should do better, and the Republican leadership knows this is indeed only a fight of ideology, not really a worthy fight of principle.

I thank the gentlewoman from Florida as well as the gentlewoman from California for having allowed me to participate in this special order on this very special subject.

Mrs. THURMAN. Mr. Speaker, I thank the gentlewoman from North Carolina for her participation and her wonderful information that she has shared with us here tonight.

I would like to now take some time to ask the gentlewoman from California (Ms. MILLENDER-MCDONALD) to speak. I know she has some words. She has been a great leader on this, and she has worked so well with the Women's Caucus in trying to bring the issues and make sense of some of these things that we are hearing about in potential bills. I know tonight that we had especially one Republican Member of their caucus that got up and kind of talked about some issues that really kind of go to the essence of part of our message here tonight. So I would love to yield to the gentlewoman from California.

Ms. MILLENDER-MCDONALD. Mr. Speaker, I thank the gentlewoman from Florida for her leadership on this issue. She has been absolutely front and center with us on this very critical issue, an issue that is absolutely critical and important to women, senior women, seniors, and women as a whole.

I was struck tonight by one of my Republican colleagues who came to the floor, the gentleman from Minnesota (Mr. GUTKNECHT), and he said something to the effect that we know the bill has problems, he says, about his Republican bill. He also said we must do something serious about this critical issue. It was amazing that he admitted to the fact that the Republican bill has problems, but I want to turn our attention to this chart I have behind me, because this chart speaks volumes to the experts who have also spoken about their concerns about the Republican drug bill.

Bill Gradison, the former president of the Health Insurance Association of America, says, I am very skeptical that drug-only private plans would develop.

Then we have John Rother, the policy director of AARP, and he says, There is a risk of repeating the HMO experience.

These experts are talking about this Republican drug bill.

Then we have Richard A. Barasch, chairman of Universal America Financial Corporation, and he says, I do not think it is impossible but the odds are against it, insurance participation. In fact, he is talking about the insurance company's participation.

Then we have Thomas Boudreau, the senior vice-president and general counsel of Express Scrips, and he says, We are not enthusiastic about that approach.

When we have these four to five experts that are experts in prescription drugs and Medicare and they are saying they have a problem with this Republican drug bill, then it solidifies just what we Democrats have said all along. This bill is flawed. This bill does not speak to what the Democrats have in our plan that we call the Medicare Modernization and Prescription Drug Act of 2002. This is a plan that is universal, affordable, dependable and accessible, and in spite of all of those fake things the Democratic plan has, it is voluntary.

When the gentlewoman from Florida (Mrs. THURMAN) talks about that, I am happy to join her and the other Members who have now come to the floor so that we can talk about some of the stories that we have, that we can bring to the American people about the difference between the Democratic prescription drug plan and the Republican prescription drug plan. So I will turn it back to her. Then, of course, she will introduce the other two ladies, and we will get started on what the people are telling us about the difference.

Mrs. THURMAN. Mr. Speaker, reclaiming my time, before we move on to that, because I think the gentlewoman's poster says what the experts are saying about the Republican drug plan, one of the big differences that we all need to recognize is that, under the Democratic plan, seniors would have a new benefit under Medicare.

Let me repeat that, under Medicare, and that would look and operate like the benefits they already get such as hospitalization and physician care because we would use those same providers that we use today. However, very interesting, the Republican bill can only guarantee private HMO-like drug plans and will participate in every area we think almost by bribing the taxpayer, because this is what they do. This goes directly to my colleague's poster, directly to her poster. To entice plans to participate, the Republicans allow a giveaway to the private insurers of up to 99.99 percent of the risk they would incur. In other words, in areas of the country where private plans are worried they might not make a profit, the government would guarantee at least a minimal profit to the private insurers at taxpayers' expense.

The GOP plan does not require that the HMO-like insurers pass on the subsidies to the beneficiaries, directly to what they are saying.

First of all, we do not know that there would even be a plan that would

be offered. If there is not one, they are going to actually entice them at taxpayers' funding, similar to what we have done under Medicare Choice programs that have created all kinds of problems for us and, just as importantly, in this plan we still do not give the authority of the Secretary to, in fact, negotiate and use the power of 40 million Medicare beneficiaries to achieve greater discounts for seniors.

Guess what? This is proven. Look at the programs that we talk about up here. The gentlewoman from Florida (Ms. BROWN) can tell us. She is a member of the Committee on Veterans Affairs. She has been an outspoken member on the Committee on Veterans Affairs and, in particular, dealing with prescription drugs both at the VA level and for our military retirees that we have offered. She can tell my colleagues that the power of people, and when we put a number like 40 million people into the risk pool, the costs are reduced.

She has done a fabulous job in this area, and I would love to hear some of her maybe comments and experiences that she has even had in that realm, showing why it is so important that this goes under Medicare and not to private insurers. We are so glad she is here tonight, and we really do appreciate her leadership on this issue.

Ms. BROWN of Florida. Mr. Speaker, let me just say that I want to thank the gentlewoman for yielding, but I want to also thank her for her leadership on this matter. We both share the great State of Florida, and we also share the many problems. Being one of the oldest aging populations, we understand what our seniors are going through, and we know we have got to bring some relief from the Federal Government, because clearly both of us serve, she served in the Senate and I served in the House, we know that in Florida, just as in Washington, the only thing that is going on is tax breaks, tax breaks, tax breaks, and not addressing the problems that our senior citizens are experiencing.

Let me just tell my colleagues about my experience. When we had our little break in March, I went home. Just like all of us when we go home, we are going to do what we can to help out with our family; and so I am going to go to pick up my grandmother's prescription. Of course, I went there, and I am ready with my money, and I am waiting for the prescription. I know she pays this bill every month, $53, so that she can get a reduction and with an HMO. So I thought it would be a $10 or $15 co-payment, just like we have a co-payment of a small amount.

The amount of the bill was $91 for one prescription. I could not believe it, $91. I talked to the doctor, and I wanted to know, I talked to the pharmacist, what is the problem, and what they told me was that her benefit had run out. We are talking about March. Three months with this HMO, and her benefits had run out.

So when I think about my grandmother, who I could write a check for $91, I think about all the other grandmothers. We have a responsibility to look out for the grandmothers who cannot afford $91 a month for one prescription, and most people are taking four and five. It does not make any sense.

During the last election, and my colleagues know the kind of hanky-panky that went on in Florida, but one thing we do know for sure, that all of the candidates were saying that, if elected, I will provide a prescription benefit for the seniors.

□ 2000

Well, let me tell everyone something. We have been waiting 2 years for that promise to be kept, and in the meantime we have had constant tax cuts. We have had the terrorists operate; and if we are not careful, the seniors who cannot afford it will be the ones who are left out in the cold.

Mrs. THURMAN. Mr. Speaker, I want to talk about that for just a second and what the gentlewoman from Florida (Ms. BROWN) talked about in the benefit plan and particularly because it was under probably a Medicare Choice program of some sort; and by the way, the Medicare Choice plans would be covered under the Democratic plan. There has been some conversation on this floor over the last couple of days saying they would not be able to keep what they already have. That is not true. That is number one.

Number two, though, the gentlewoman from Florida (Ms. BROWN) mentioned a couple things that I think are extremely important to point out. Number one, under the Democratic plan it is a guaranteed minimum benefit, that is guaranteed; and under the Republican plan it is not. Guaranteed lower drug prices, for Democrats the answer is yes. For Republicans, it is no. Guaranteed monthly premium, that is a good thing. We think that is wonderful. Ours would be $25 set in the bill. It says $25. In the Republican plan we have no guaranteed monthly premium.

What we have is a CBO estimate that it might be on an average premium of $34, not set in the bill. Annual deductible, again a most important part. The gentlewoman from Florida (Ms. BROWN) talked about her grandmother in March. Well, under the Democratic plan it says $100 deductible, period. Under the Republican plan it says $250 or an amount that makes benefit actuarially equivalent. I am not an actuary; so I am not sure what that means, but somebody will explain it. Co-insurance paid by beneficiary per year, 20 percent under the Democratic plan until out-of-pocket cost is $2,000. Under the Republican bill, listen because we have got to make this difficult, 20 percent for $251 to $1,000; 50 percent for $1,001 to $2,000; 100 percent of above $2,000 until out-of-pocket cost is $3,800.

Ms. BROWN of Florida. Mr. Speaker, would the gentlewoman yield?

Mrs. THURMAN. I yield to the gentlewoman from Florida (Ms. BROWN).

Ms. BROWN of Florida. Mr. Speaker, I just want my colleagues to know that my grandmother cannot afford $3,800 a year. She is 96 years old. She does not have $3,800; and there lies the problem because our seniors just do not have it, and I do not understand why these other people do not get it. They are deciding. They have to pay their rent, they have to pay their mortgage, they have to buy food, and they just do not have this kind of money. I do not understand. Since the Republicans have taken over, what they practice is what I call reverse Robin Hood, reverse Robin Hood. When I was coming up, I used to watch Robin Hood. Reverse, stealing from the poor and working people, and now our frail elderly, to give tax breaks to the rich.

Ms. MILLENDER-McDONALD. Mr. Speaker, if the gentlewoman from Florida (Mrs. THURMAN) will yield, if I can just show this chart. As the gentlewoman from Florida (Mrs. THURMAN) laid out, the actual premiums and the comparison of the two bills showing that the Democratic plan is the better plan, this is how much the average senior will save. The Republican plan, only 22 percent, compared to the Democratic plan that they will save 68 percent; and this is according to the CBO, the average senior will spend $3,059 on prescription medicine in 2005, the first year of any Medicare drug benefit. This right here absolutely outlines by the Congressional Budget Office that the comparisons are so stark that we can see that the Democratic plan absolutely gives a better benefit to seniors than that of the Republican plan.

Mrs. THURMAN. Mr. Speaker, one other issue that the gentlewoman from Florida (Ms. BROWN) brought up that I also think is very important in this debate and quite frankly it is an issue that our Republican colleagues are having, I can say from CongressDaily today, one is the cost issue. They are concerned about it. The gentleman from Minnesota (Mr. GUTKNECHT) came on the floor and showed the comparison of what we do in this country as compared to the same cost of that drug in another country, an industrialized country which is important to appreciate and understand and the price issue but it is the pharmacist issue.

Let me tell a little story that I think makes a really good point. A couple of years ago, my mother, who lived with me, and I took care of her when she was sick and she was in Florida with me during one of my breaks, she had been at one of our teaching hospitals, Shands. I had brought her home after she had been in the hospital for a couple of days, and they had said to me, You know, Karen, we think these are some of the things we think are wrong, and what we want to do is go ahead and put her on some medications, but we would like you to bring her back in about 10 days to see how she is doing.'' I said, okay.

So I go to the pharmacist, and I pick up the medicines. And I am not even going to speak to the cost of the medicines, but my dad was military, so my mother had always had the opportunity to go to the bases to get her medicines and she was in sticker shock, I think, for the very first time to see what the real cost of medicines were for other folks, or for her friends.

But listen to how important this was. Just leaving the pharmacist out of this equation, which is another thing they do in this bill basically, because they do not have to include the pharmacist, our local pharmacies, my pharmacist said to me, You know, Karen, I can give you the full month's prescription on this, and it will cost you X amount of dollars, he said, but when does your mom go back to the doctor to get a checkup? And I said, Well, in about 10 days we will take her back to see how things are going. He said to me, You know what. I will just give you a 10- or 11-day supply. Why should I make you pay for 30 days when they may end up changing her medication because it may not be doing what it is supposed to be doing.

That 10-day supply was something that cost me less, cost my mother less; and more importantly, when she went to the doctor in 10 days, guess what, they in fact did change and prescribe something different. And I just have to say that that kind of a story is so important to why the local pharmacists need to be involved in this issue, because we depend on them.

Ms. BROWN of Florida. Mr. Speaker, if the gentlewoman will yield on that point. I had the Committee on Government Reform do a study in my district, and we compared what the seniors in the Third Congressional District of Florida pay. We pay 131 percent more for a brand-name prescription than other consumers and 98 percent more than consumers in Canada and Mexico.

Mrs. THURMAN. Reclaiming my time, Mr. Speaker, I want to get back to that issue, because I want to talk about an amendment that we offered to try to bring the cost down.

But at this time I would like to take the opportunity to invite the gentlewoman from Texas (Ms. JACKSON-LEE), a valued Member of this body, who has been actively involved in this issue and who I think has some information that we might have skipped over. So I would like to invite her into this discussion.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the distinguished gentlewoman from Florida (Mrs. THURMAN), and might I acknowledge my other colleagues, the gentlewoman from California and, of course, the gentlewoman from Florida (Ms. BROWN) for their leadership, and particularly the areas of expertise that they all generate.

I thought it would be helpful, as I was listening to my colleagues, to come to the floor and share some of the messages and the concerns that I bring back from Texas, but also the history of the Medicare legislation that many of my colleagues are familiar with.

I would like to, as I show them some very important facts in pictures tonight, I would like to hold up a picture of President Johnson signing this legislation in 1965. If we were to track the aging of America, we would determine that post-1965 our senior citizens have lived longer because of the implementation of Medicare. And what we talk about tonight is the component that will add to the life of seniors today who are losing ground because so many of them now do not have a prescription drug benefit. That is what we are talking about with the Democratic plan, a benefit. That is quite the contrary from a voluntary optional program which an individual can choose to participate in.

Now, many of my friends have said, and as many of my colleagues know, particularly the gentlewoman from Florida (Mrs. THURMAN), we have been on this issue now for at least, I guess in our life, two or three terms, but 6 years or more, and some even longer; and for many times during that time frame, we budgeted very responsibly, meaning Democrats, in preparing ourselves for the expenditure. In fact, I want to cite for the record that last year, March 2001, we had about $5.6 trillion in our surplus. We were prepared for what this might cost.

I listened to the gentlewoman from Florida (Ms. BROWN) discussing her grandmother, and I took a tour of my senior citizen centers and asked couples and singles how many of them are cutting their prescription drugs, and hands went up; and how many of them are not taking the drugs or not taking them in the right amount, and hands went up. There, right in front of my eyes, was the undermining of their health.

In addition, about 2 years or so ago, I was running around my district in a panic because my seniors were in a panic. We were trying to answer concerns, because what had happened in Texas was that HMOs had shut their doors, literally shut their doors. We had seniors in Harris County who had become reliably comfortable with HMOs, between 3 and 4 million people. Many of us, elected persons and others, begged HMOs either to come back or to stay. I remember us getting into negotiations where we asked if they could stay an extra 90 days. My senior citizens know what I am talking about. Their HMOs shut down on them.

My fear with the Republican plan, this plan that is a card or some kind of membership, is that when we get to a point and we find that it is not profitable, and when I say ''we'' I mean those who are engaged in this plan, when they find it is not profitable, am I to expect that those pharmaceuticals will shut their plan down?

So I wanted to show another picture to say why this can be done and why it is imperative that we do this. Because imagine becoming dependent on this voluntary card, imagine seniors having accepted it, having become comfortable with it, that is, if it even works, and they get a few dollars off from it, and they hold this card in their hand and, all of a sudden there is some analyst locked up in a room somewhere in corporate headquarters that says, you know what, they are not making any money in Jacksonville, they are not making any money near Orlando or Houston, Texas, so shut it down. Then I have got thousands of seniors without the ability to secure their medicine.

I want the American public to understand that this is a well thought-out process; and we believe, many of us, that when we look responsibly at the tax cut, and I know there are many shades to the tax cut, but if we look responsibly, and we are talking about that major one that really just focused in on 1 percent of the population, there were other side-bar tax cuts, but it is that big one, and we believe when we look at that seriously we can find 64 percent of the people that would not be opposed to rolling back the tax cut that Congress passed last year and using that money to provide a prescription drug benefit under Medicare for seniors.

So this dialogue tonight, and I thank the gentlewoman from Florida for it, this dialogue tonight is not reckless, it is not an attempt to use what we do not have. It is, frankly, a recognition of really the concern we all have. And I want to be responsible, but sometimes I visit my seniors and there is panic. And I use that word only because I have seen it, the panic they might face by going one more month, one more day without a real drug benefit.

□ 2015

Mr. Speaker, I simply say in closing that I know the other body is discussing this issue. We have to recognize the other body. Why pass legislation in the House that has absolutely limited chance in a compromise effort in the other body? We are trying to get legislation that is realistic and will answer the concerns of all seniors.

I am disappointed that we cannot come to a conclusion on something that deals realistically with a guaranteed benefit, and I might say protection of our rural hospitals and urban hospitals, taking care of some of the formula problems that we have, there seems to be no reason why we cannot do this. I thank the gentlewoman from Florida (Mrs. THURMAN) for her leadership.

I smile because lawyers have more than one closing, but this is a closing. Women, I have been hearing this all day long, have a greater use and/or need for Medicare drug benefit, not diminishing the men, but we are finding out that many older women are living longer, and we are going to help with research to help men, living as widows without income, they are really suffering. I think we can do better.

Mrs. THURMAN. Mr. Speaker, I thank the gentlewoman from Texas (Ms. JACKSON-LEE) and her concern for her constituents and the stories that they have told the gentlewoman.

I do want to say one other thing. We are getting phone banked in our offices right now. I had a conversation with my staff this afternoon about this phone banking. I asked what are they saying.

They said, first of all, we get this phone call, and then all of a sudden there is a click and somebody is on the phone. We say, this is the office of Mrs. THURMAN; and they say, I want you to vote for whatever the bill number is on this piece of legislation.

My answer is, I will be glad to vote on a Medicare prescription drug benefit but not one that is privatized. They say, that is exactly what I want you to do.

Just remember, all of us standing here tonight are for a prescription drug benefit that is under Medicare.

Mr. Speaker, I yield to the gentlewoman from California (Ms. WATSON), former ambassador, as well as a State legislator, who has dealt with State health issues in California and I know had some very difficult times after some propositions out there.

Ms. WATSON of California. Mr. Speaker, I thank the gentlewoman from Florida (Mrs. THURMAN). I thank all Members who are making the case for our seniors and particularly those who are women, because they rely more heavily on prescription drugs than the average American. Although they represent just 13 percent of the population, they consume more than one-third of all prescriptions. Not only do seniors use more drugs, they also rely on more costly medications. Drug expenditures for seniors constitute 42 percent of the Nation's total. Seniors with health insurance find themselves without coverage for prescription drugs more often than not.

More than 10 million Medicare beneficiaries lack coverage, and millions more have inadequate and unreliable drug plans. Part of the solution to our current problem is the enactment of a meaningful drug benefit within the Medicare program.

I am from California, and I know some Members did not really understand what our substitute Democratic proposal had in it. They said it will hurt California. The only reason that perception was out there is because California has an excellent MediCal program where we offer about 32 to 35 more benefits than are required under Medicaid. That accrues to the Medicare program as well. This proposal that is a substitute proposal or a supplemental proposal will only benefit our seniors in California, not hurt them.

Republicans have proposed a bill to address the problem that is just plain bogus. The American public must filter out the rhetoric and see the Republican plan and the Democratic substitute for what they really are. The phone calls that the gentlewoman is getting are people who have been deceived and misled. We need to clarify so they will know. I want to spend a second clarifying.

The Republican bill covers less than one-fourth of Medicare drug costs over the next 10 years. The Republican bill does not help with any drug cost between $2,000 and $5,600. The Republican drug benefit is vague. They offer a standard suggestion for what private plans might offer. In addition, their bill does not guarantee that seniors will have affordable, and that is the keyword, affordable drug coverage.

The House Democratic proposal adds a new Part D in Medicare that provides voluntary prescription drug coverage for all Medicare beneficiaries beginning in the year 2005. The Democratic proposal authorizes Medicare contractors to obtain guaranteed reductions in prices.

The Secretary of Health will have the authority to use the collective bargaining power of Medicare's 40 million members to negotiate prices on particular drugs. The basics are: $25 a month premium, $100 a year deductible; and beneficiaries pay 20 percent, Medicare pays 80 percent and a copay; and a $2,000 out-of-pocket limit per member per year. That, Mr. Speaker, is the Democratic plan. That is not a Republican maybe plan.

Yes, it has a price tag. But the Republican $1.6 trillion tax cut would pay for this program several times over. Just do the math.

Members should be able to respect older Americans, and we need to be able to give aid to New Yorkers post 9–11 and fight the terrorist threat at the same time. We can do it all if we were not foolishly led to support a $1.6 trillion give-back to the wealthiest Americans.

Mrs. THURMAN. Mr. Speaker, I thank the gentlewoman.

Mr. Speaker, it is my privilege to introduce the gentlewoman from California (Mrs. DAVIS) who is a freshman, who was one of those out on the campaign trail when everybody was saying we have got to have a prescription drug benefit. We are so pleased that the gentlewoman is here and is such an active voice on this issue.

Mrs. DAVIS of California. Mr. Speaker, it is true when I was out on the campaign trail we talked a lot about health care. That is why it was so interesting to me a few months ago when I was in Costco on the weekend with my husband doing some shopping and I noticed that people were following me around the store. I started getting a little nervous and finally stopped long enough for them to approach me.

Basically what they said is that they know that Congress has got to focus on the war on terrorism, that that is our priority, and I support the President in his efforts. Then they said, we understand that, but when is Congress going to get back to talking about health care? They proceeded to tell me about the difficulty that they are having with their mother and her prescription drug costs.

I know that Members get e-mails and letters daily. I have one here. ''Dear Congresswoman Davis: I have only one request. That is to help us, families with members who suffer from Alzheimer's disease. Medicare does not cover my mother's prescriptions, which is very costly, around $140 for 30 tablets that she must take. Taking care of her is really hard. Where are we going to end with medication and treatment for this disease? We need your help soon.''

And another letter, ''As retired people and getting up in years, my wife and I are spending an increasing share of our income on medicine. I hope you can find a way to help us with that problem.''

Well, we are talking about that now, and that is a good thing. The reason we are here tonight is to talk about the impact that this has particularly on women. It is all about our priorities, what is important to us and what do we choose to fund.

We know that in America today over a quarter of women on Medicare, nearly 6 million women, lack any prescription drug coverage at all. The average woman, age 65 and older, lives nearly 7 years longer than the average man, and she is typically widowed, living alone and struggling to make ends meet on an annual income of $15,615, compared to over $29,171 for men. It is nearly half of that for men.

So that is why we come before the House today to talk about how this impacts women. We know that two-thirds of Medicare beneficiaries with annual incomes below the poverty level are women and that a woman spends 20 percent of her income each year on out-of-pocket health care costs.

I am committed, as I know Members here today are committed, to a fair prescription drug plan under Medicare that does not stifle innovation or eliminate choice in coverage. I want to help seniors afford the increasingly expensive prescription drugs that they need to treat or prevent illness.

We know what is going to be before us does not have the access, has geographic inequalities that do not work, and has premium concerns that will not work for our seniors. We need to develop the best comprehensive plan. We need to develop a prescription drug plan that provides our seniors with real benefits. An alternative does exist, and I hope that there will be an opportunity to bring that to the House floor for discussion.

I thank the gentlewoman for bringing these issues before us today.

Ms. BROWN of Florida. Mr. Speaker, I understand the family of the gentleman from Indiana (Mr. KERNS) is visiting with us in Washington here today, and I know that they are very, very proud of you being the Speaker. I want to thank the gentleman for being here tonight as we conduct this very important debate.

Mrs. MALONEY of New York. Mr. Speaker, I thank you, Congresswoman THURMAN for organizing this important special order on the need for prescription drug coverage.

Medicare provides health care coverage to forty million retired and disabled Americans.

For decades, Medicare has worked to provide needed, lifesaving health care to millions, but it is missing a fundamental component: a prescription drug benefit.

If we have courage, this Congress can make history and give our nation's seniors what they desperately need: a real, and meaningful prescription drug plan.

I am proud to joint my Democratic Colleagues, lead by Mr. DINGELL, Mr. RANGEL, Mr. STARK and Mr. BROWN, as an original cosponsor of the ''Medicare Prescription Drug Benefit and Discount Act.''

I come to the floor this evening to discuss two points:

Number 1: unlike the Republican drug plan, the Democratic plan is simple because it builds upon a proven model—Medicare.

Just like seniors pay a Part B premium today for doctor visits, under our plan, seniors would pay a voluntary Part D premium of $25 per month for drug coverage. For that, Medicare or the government will pay 80 percent of drug costs after a $100 deductible. And NO senior will have to pay more than $2,000 in costs per year.

There is an urgent need for this plan. The most recent data indicates that almost 40 percent of serniors—an estimated 11 million—have no drug coverage. Problems are particularly acute for low income seniors and seniors over the age of 85 (the majority whom are women). Additionally, those older Americans who do have coverage find that their coverage is often inadequate for their needs.

The Democratic plan is a real plan with real numbers, not estimates.

Point 2: the Republican Plan does nothing to bring down the cost of prescription drugs. The Democratic plan is the only plan that provides real Medicare prescription drug coverage for our seniors by stopping soaring drug costs.

Under the buying power of Medicare, through competition and bargaining we can rein in drug costs. Prescription drug costs are too high for our older Americans. They need help now!

For instance, look at Prevacid. Prevacid is an unclear medication, and the second most widely used drug by American seniors. The cost for this prescription is on average $137.54 per month in New York City—cut only $45.02 in the United Kingdom, a price different of 200 percent.

Or look at Celebrex, a popular arthritis medication and a drug needed by many older women, especially, since older women are stricken more often than men by arthritis. According to a Government Reform Committee report released by Mr. WEINER and myself, a monthly supply of this drug costs $86.26 in New York City. In France, a monthly supply of Celebrex costs only $30.60. This is a price differental of 182 percent. Seniors in New York City without drug coverage must pay almost three times as much as purchasers in France.

Prices for prescriptions have risen 10 percent per years for the last several years, leading to over $37 billion in profits last year for the giant drug companies. While these corporations wallow in their spoils, seniors suffer without coverage.

Unfortunately, the brunt of the problem falls squarely on our nation's olderly women, who are nearly sixty percent of our senior citizens. We need to take care of America's older women, we need to help all of our senior citizens.

Mr. Speaker, we must pass the Democratic prescription drug plan without delay. It is built on a proven model medicare. The Republican plan only offers gap-ridden coverage. The Republican bill is about privatization. The Republican plan is all about election year politics.

For the sake of our seniors, we must pass the democratic plan, and we must pass it now.

□ 2030

GENERAL LEAVE

Mrs. THURMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of my Special Order.

The SPEAKER pro tempore (Mr. KERNS). Is there objection to the request of the gentlewoman from Florida?

There was no objection.

NINTH CIRCUIT RULES PLEDGE OF ALLEGIANCE UNCONSTITUTIONAL

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from California (Mr. COX) is recognized for 60 minutes as the designee of the majority leader.

Mr. COX. Mr. Speaker, I rise this evening to bring to the attention of the House the decision of the Ninth Circuit Court of Appeals in the case of Michael A. Newdow v. United States Congress. This case, Mr. Speaker, even though it was decided by the Ninth Circuit Court of Appeals only a few hours ago, has already attracted considerable national attention. Indeed, it has drawn the comment of the President of the United States.

The reason is rather simple. It is a decision involving something that is well known to all of us in this Chamber, the Pledge of Allegiance. The Ninth Circuit Court of Appeals has ruled that the Pledge of Allegiance, written into statute a half century ago, is unconstitutional. Of course this Chamber is opened each day with a recitation of the Pledge of Allegiance. Public schools across the country begin their day this way. Some Members and some students may, if they choose, listen or absent themselves, indeed, because there is no requirement of Members of Congress as we open our day this way or of students that they recite the Pledge. It is a voluntary act.

Nonetheless, a parent, Michael A. Newdow, of a student in a California public school, brought a lawsuit, one of several that he has brought, urging an injunction against the President of the United States and an injunction against this Congress. In the latter case, he wished us to be ordered by court immediately to rewrite the statute, the statute he wished that we would rewrite so that the words ''under God'' would be deleted from the Pledge of Allegiance.

I think because the Pledge is so familiar to us, particularly the Pledge has been recited by so many so often in so many public ways, whether it be at sporting events or public gatherings since September 11, that it comes as something of an unexpected surprise that a court would rule this way. I will devote a brief portion of my brief remarks this evening to the substance of the question and, that is, whether or not Congress, which was a defendant in this case, was within its rights to write the law as we did a half century ago; but I would spend most of my time drawing attention to what I consider to be the sloppy jurisprudence in this case.

What is really at issue in what shall become a very well known decision of Newdow v. U.S. Congress is the rule of law. Precious little respect was paid to precedent in this case, because many of the questions, procedural questions indeed, not just the substance here, many of the questions have already been decided. But this court chose to decide the same questions differently, and that lack of respect for precedent raises questions about the rule of law in America, about the predictability of the law, about the ability of any of us to know in advance what are the rules to which we must conform our conduct.

Let me begin by just describing a little bit about the case, a little bit about the facts of the case. Newdow, the fellow who brought the lawsuit, is an atheist whose daughter attends public elementary school in the Elk Grove Unified School District in my State of California. In the public school that she attends, like many public schools, they start the day with the Pledge of Allegiance.

But Newdow, according to the Ninth Circuit, does not allege that his daughter's teacher or school district requires his daughter to participate in reciting the Pledge. Rather, he claims that his daughter is injured when she is compelled to watch and listen. That is what this lawsuit is all about, according to the Ninth Circuit. The gravamen of the complaint is there is injury, that is the word that is used, and it is an important word, as I shall return to in just a moment. There is injury when someone is required to be in the presence of others who are reciting something in which they believe. The United States Supreme Court was asked to decide this question, this very question, in another case, Valley Forge Christian College v. Americans United for Separation of Church and State, Incorporated, 1982. Here is what the Court said in the Valley Forge case:

''The psychological consequence presumably produced by observation of conduct with which one disagrees is

not an injury sufficient to confer standing under article 3, even though the disagreement is phrased in constitutional terms.''

Let me describe a little bit about what the Court was saying here. The Court said there was no standing under article 3. That is lawyer language which means there was no case. The very jurisdiction of a Federal court requires as a condition for proceeding to hear the facts and apply the law that there be an injury in fact, somebody be injured by the thing about which they are complaining. And so that was a threshold question that the Court had to decide here: Was this man, Mr. Newdow, sufficiently injured personally by what was going on in this case, particularly by the act of Congress, which is what he was suing about? And the Supreme Court said ''no'' in the case of Valley Forge. They could not have said ''no'' in plainer terms, because he pleaded in his action that his daughter's teacher and the school district did not require his daughter to participate in reading the Pledge of Allegiance. That was his allegation about this case. Rather, he claims that his daughter is injured when she is compelled to watch and listen.

So now let us go back to that language of the Supreme Court. The Supreme Court said, ''The psychological consequence presumably produced by observation of conduct with which one disagrees is not an injury sufficient to confer standing under article 3, even though the disagreement is phrased in constitutional terms.''

The Ninth Circuit Court of Appeals was aware of this binding U.S. Supreme Court precedent. And what did they say to deal with that fact? They said, ''Valley Forge remains good law.'' They acknowledge that case has not been overturned. It has not been reversed. It is still there. But what they chose to do is to say essentially that the law is progressing here, we want to take it the next step, because they view the law as an organism, something that is ever evolving and changing and developing. Leave aside whether they are right or wrong in the application of that principle, if one chooses to call it that, in this case. What does it mean if the law is the plastic, malleable instrument of judges? It means that none of us as citizens knows in advance how the case is going to be decided, how it is going to turn out.

Everyone here, in addition perhaps to having said the Pledge of Allegiance in school when they were schoolchildren, probably learned about Hammurabi. Hammurabi is well known for erecting in the town square stone tablets bearing the written law. For the first time, the law was written down. Why was that important? Why was written law important? It was important because, for the first time, the subjects of Hammurabi, the citizens, knew in advance the standard to which they should conform their conduct. And at that moment the law stopped being arbitrary. We have heard it said that we are a government of laws, not men. Yet what does it mean when it is essentially a lottery? We roll the dice. We do not know how these cases are going to turn out in advance because it is up to the judges and their personal view.

One of the contests in constitutional law, in constitutional interpretation, is between those who believe in what is sometimes referred to as original intent, those who believe that what the people who wrote it matters in interpreting the words, versus those who believe in the Constitution as a living document, that the way we choose to interpret those words in our time and place ought to govern.

It is of some great consequence how one answers that question, because the Founders lived some time ago; and whether or not one agrees with them or disagrees with them subsequently, in subsequent ages, at least what was settled at the time becomes an objective standard. And the Founders left us with an article in the Constitution, article 5, that permits us in our time and place to amend the document if we decide that it is too much of a tight collar for us and we cannot live within those strictures in our place and time. So is there anything about the first amendment which is at issue here in the time of its drafting and what was on the mind of the Founders that can help us understand whether they thought that references to God in public places, not references to a particular establishment of religion, were violative of the Constitution?

Let us turn to the first amendment. With respect to religion, it is very concise. It says, ''Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof.'' So the question is, should this clause be interpreted as barring the government from giving preferment to a particular religion? That is one interpretation. Or should it be interpreted as requiring the complete and total elimination of any reference to God in our public institutions? That is a different interpretation.

The Supreme Court considered this very question in an earlier case involving the Pledge of Allegiance. They considered it in a different way, however. Remember that the language that we are talking about, ''under God,'' was added a half century ago. A few years before that language was added, the Supreme Court first considered the Pledge without those words, and it decided that students cannot be required to recite it. Students cannot be required to salute the flag, either. ''The action of the local authorities in compelling the flag salute and Pledge transcends constitutional limits on their power.'' That is what the Supreme Court said in West Virginia State Board of Education against Barnette in 1943. Compelling someone to recite or to do something against their will that affects or represents their beliefs is not within the power of our government. Indeed, it was pointed out in that connection and in other connections that that is what the Pledge of Allegiance is about. If there is liberty for all, that means we have to be free in our minds as well as in our physical actions, and so we cannot be compelled to say we believe something that we do not believe. A very important case.

But they went on. They said that it was unconstitutional because it invades the sphere of intellect and spirit which it is the purpose of the first amendment to our Constitution to reserve from all official control. It was the compulsory aspect of what was going on in that case that bothered the Court. The Court noted that the school district was compelling the students to declare a belief and requiring the individual to communicate by word and sign. Remember, the Pledge was accompanied by a flag salute or a hand over the heart. ''The compulsory flag salute and Pledge requires affirmation of a belief and an attitude of mind,'' those further words from the Court's decision in the Barnette case.

The Court also said, ''If there is any fixed star in our constitutional constellation, it is that no official, high or petty, can prescribe what shall be orthodox, in politics, nationalism, religion or other matters of opinion or force citizens to confess by word or act their faith therein.''

□ 2045

Note what was going on in the Barnette case.

Listen to this list of things that the government cannot force us to believe in: politics, nationalism, religion, or other matters of opinion. They were dealing with the Pledge of Allegiance even before it had the words ''under God,'' and they said that the government cannot force you to say it. The government cannot force you to believe in a particular religion; the government cannot force you to believe in particular politics either.

So, fast forward to today when we are watching as a court throws out the words ''under God'' from the Pledge of Allegiance and ask yourselves why the rest of it can remain. If there is some element of compulsion, even though you are not required to recite the Pledge, just in being forced to witness others say it, then is it there to precisely the same degree, that kind of compulsion, to the rest of the Pledge, even if we were to excise the words ''under God,'' and does not the Barnette case say that there can be no such compulsion?

In this Newdow case, that is the name of the Ninth Circuit decision handed down today, the court said, ''The Pledge, as currently codified, is an impermissible government endorsement of religion,'' and it is so common in court opinions these days to cite authority. It is the reason we can call the cases decided by courts case law. It is not supposed to be the mental invention of the judges; it is supposed to be

an application of well-known principles of law to the facts at hand.

So having said, ''The Pledge, as currently codified, is an impermissible government endorsement of religion,'' the court cited some authority. What did they cite for authority? They cited Justice O'Connor's words in another case, and they cited Justice Kennedy's words in another case. Here is how they interpreted Justice Kennedy's words: Justice Kennedy agreed with us. That is what they are saying. Justice Kennedy agreed with us that ''The Pledge, as currently codified, is an impermissible government endorsement of religion,'' but Justice Kennedy does not agree with that. There is plenty of case law making it very clear that the language that they are quoting from Justice Kennedy was written for the opposite purpose.

Here is what Justice Kennedy said in his dissent, in his dissent in a case called Allegheny County v. Greater Pittsburgh ACLU. Now that case, by the way, involved holiday displays in the downtown area in Pittsburgh. On some public property they were displaying a menorah and they were displaying a nativity scene; and the ACLU, the American Civil Liberties Union, sued, and by a 5 to 4 majority, the Court said that could not go on because a menorah signified a particular religion, Judaism, and the nativity scene signified a particular set of religions, Christianity. So there were particular sects being promoted by the government, not just sort of general references to God and, for that reason, it was unconstitutional.

Justice Kennedy dissented from that case, and he would have allowed it. He was among the four members who would have allowed it; and yet he is being cited for authority in this case striking down the words ''under God'' in the Pledge of Allegiance. Why would they do that?

Here is what Justice Kennedy is quoted as having said, quoted by the Ninth Circuit in their decision today as having said: ''By statute, the Pledge of Allegiance to the flag describes the United States as 'one Nation under God.' To be sure, no one is obligated to recite this phrase, but it borders on sophistry to suggest that the reasonable atheist would not feel less than a full member of the political community every time his fellow Americans recited, as part of their expression of patriotism and love for country, a phrase he believed to be false.'' That is what they quote him as saying. And they say, therefore, he agrees with our decision that ''The Pledge, as currently codified, is an impermissible government endorsement of religion.''

But Justice Kennedy went on to say, in the immediately-following sentence, which the Ninth Circuit fails to quote, ''Likewise, our national motto, 'In God We Trust,' which is prominently engraved in the wall above the Speaker's dais in the Chamber of the House of Representatives,'' and Mr. Speaker, I would observe that you are sitting under the very model that Justice Kennedy is referring to in this decision, it says right over your chair, ''In God We Trust.'' He says it is ''prominently engraved in the wall above the Speaker's dais in the Chamber of the House of Representatives and is reproduced in every coin minted and every dollar printed by the Federal Government.''

He is saying that these things must have the same effect if the intent of the establishment clause is to protect individuals from mere feelings of exclusion; and it is his opinion that that is not what the establishment clause does. That is what Justice Kennedy was saying. So it stands Justice Kennedy on his head to cite him as authority for the proposition in Newdow that the Pledge, as currently codified, is an impermissible government endorsement of religion.

So I find it interesting that in this tradition of judges citing authority for their rulings, that we have cited the language of Justice Kennedy as well as the language of Justice O'Connor. But Justice O'Connor, likewise, does not support this proposition.

In this case of Allegheny County v. the Greater Pittsburgh ACLU, the majority opinion was written by Justice Blackmun. Justice Blackmun discussed, before he got to his result, a case called Marsh against Chambers in which legislative prayers were challenged. Now, Mr. Speaker, my colleagues may be in memory of what happened at the beginning of the day today and what happens at the beginning of every one of our sessions every day. We begin with our Chaplain saying a prayer here in the House Chamber, standing, more to the point, under the motto, ''In God We Trust.''

There was a lawsuit challenging legislative prayers; State legislatures do this as well. It went to the U.S. Supreme Court and the case that decided the question is called Marsh against Chambers. Now, we can guess what the result was in that case, because our prayers are still going on. Justice Kennedy, in the case of Allegheny County against the Greater Pittsburgh ACLU, the one that they decided about the nativity scene and the menorah, Justice Kennedy dissented in that case and he cited this Marsh case. And Justice Blackmun did not like his use of the Marsh case, did not like the reference that he made.

So here is what Blackmun said about Marsh and about Justice Kennedy. He said, Justice Kennedy argues that such practices as our national motto, ''In God We Trust'' and our Pledge of Allegiance with the phrase ''under God'' added in 1954 are in danger of invalidity if we were to say it is unconstitutional to have a nativity scene or it is unconstitutional to have a holiday menorah. Justice Blackmun said, that is silly. That is not what we mean. That is not what we are saying.

Here is a quote from Justice Blackmun: ''Our previous opinions have considered indicative the motto and the Pledge characterizing them as consistent with the proposition that government may not communicate an endorsement of religious belief.'' And he cites for that proposition the words of two justices in other cases, Justice O'Connor and Justice Brennan.

Now, Justice O'Connor is the other Justice that the Ninth Circuit was relying upon to reach today's result. So we now have on the record both Justice Kennedy and Justice O'Connor for the opposite proposition, and that is that the Pledge and our motto, ''In God We Trust,'' do not raise these establishment clause questions. That is certainly how I read those opinions, Mr. Speaker.

Justice Blackmun goes on to say, we need not return to the subject, because there is an obvious distinction between creche displays, creche meaning the nativity scene, there is an obvious distinction between creche displays and references to God in the motto and in the Pledge. So we have Justice Kennedy raising the specter of: boy, if we go this way and throw out a nativity scene, pretty soon it is going to be the motto and the Pledge, and then Justice Blackmun saying, nonsense. We have already considered those questions, and there is no need to consider them here further.

Justice Blackmun goes on to say: ''However history may affect the constitutionality of nonsectarian references to religion by the government, history cannot legitimate practices that demonstrate the government's allegiance to a particular sect or creed.''

Why is that so important? Let us go back to the language of the first amendment. It is very short: ''Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof.''

Well, the free exercise clause obviously would tend in the opposite direction of this case: ''Government shall make no law prohibiting the free exercise of religion.'' So one should be free to practice religion in America. That is what the Constitution guarantees. But this other portion, the establishment clause says: ''Congress shall make no law respecting an establishment of religion.'' Now, some people like to do a little bait and switch with the specific article, the definite article. They substitute ''the'' for ''an,'' and ''the'' is specific and ''an'' is general. I do not know if we are all grammarians here this evening, but it matters. ''A baseball game'' is different than ''the baseball game.''

''Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof.'' What if it said instead: Congress shall make no law respecting the establishment of religion? Would that matter?

Mr. Speaker, I think it would matter a great deal, because if it is religion that we are concerned about rather than an establishment of religion, an instance, one of many, then I think we

have given some ammunition to those who say the real purpose of this clause in the first amendment is to say, no religion can be discussed. But if what the Constitution is enjoining us to do is not to make any law respecting particular religions, particular kinds of religions, then it is something else entirely different.

Mr. Speaker, I do not know that we can this evening, to everyone's satisfaction, resolve this basic question of whether the establishment clause in the first amendment should be better interpreted as barring the government from giving preferment to a particular religion, on the one hand, or rather as requiring the complete and total elimination of any reference to God in our public institutions on the other hand. But I think it is awfully clear that that is what is at stake here, because the court, the Ninth Circuit Court is troubled by the fact that there is the most conceivably abstract reference possible to God, not to even religion or to a specific religion, but simply to God.

I am put in mind, and this will escape almost all of my hearers, of a National Lampoon parity of ''Desiderata'' called ''Deteriorata.'' This was popular in the 1970s. And they sort of made fun of the well-known, at the time at least, ''Desiderata,'' and in ''Deteriorata'' they said, ''Therefore, make peace with your God, whatever you conceive him to be, Harry Thunderer or Cosmic Muffin.'' A little bit of humor that illustrates the point that one person's God is not another person's God is not another person's God. In fact, what God is, in the minds of physicists, it could be the entire universe as we know it. For animists, it could be the plants or the animals.

□ 2100

God is as general and as high on the ladder of abstraction as one can be, and it is very different, this reference to God, than a particular religion.

That is important, Mr. Speaker, because I think the court betrays its fundamental error in logic when it says, and I will find the precise language here, but it says essentially that for constitutional purposes there is no distinction between the words ''under God'' in the Pledge and ''under Jesus'' or ''under Vishnu'' or ''under Zeus.''

That is what the opinion says. And I think there is a world of difference. There is a world of difference, because one is as respectful as possible of the right that is guaranteed in the rest of the first amendment, the free exercise of one's particular religion. It does not give a preferment to any religion, which is what the establishment clause at a minimum is meant to guard against.

Mr. Speaker, here is precisely what the Ninth Circuit Court of Appeals said on this point:

''A profession that we are a nation under God is identical for establishment clause purposes to a profession that we are a nation under Jesus, a nation under Vishnu, a nation under Zeus, or a nation under no God, because none of these professions can be neutral with respect to religion.''

Of course, here is the rabbit in a hat. It is interchangeable for the Ninth Circuit in this opinion that we might be dealing with religion as a general noun, a class of things, the dictionary definition of religion, which could be almost anything, on the one hand; or a religion, a specific religion.

And again, that gets us back to the fundamental question of what the first amendment means. Does it mean that government shall make no law respecting an establishment of religion; or, in fact, forget the business about the definite article, but just religion? Maybe ''establishment'' should be read out of the first amendment: ''And government shall make no law respecting a religion.'' That would certainly be directly to the point made by the Ninth Circuit today.

It is worth drawing attention to what the Ninth Circuit believes here because not all the judges were in agreement. There was a two-person majority and a one-person dissent. And in a three-judge panel, of course, that is all it takes, is two judges.

Judge Fernandez, circuit judge in the Ninth Circuit Court of Appeals, said this: ''We are asked to hold that inclusion of the phrase 'under God' in this Nation's Pledge of Allegiance violates the religion clause of the Constitution of the United States. We should do no such thing. We should, instead, recognize that those clauses were not designed to drive religious expression out of public thought; they were written to avoid discrimination.

''We can run through the litany of tests and concepts which have floated to the surface from time to time. Were we to do so, the one that appeals most to me, the one I think to be correct, is the concept that what the religion clauses of the First Amendment require is neutrality; that those clauses are, in effect, an early kind of equal protection provision and assure that government will neither discriminate for nor discriminate against a religion or religions . . . when all is said and done, the danger that 'under God' in our Pledge of Allegiance will tend to bring about a theocracy or suppress somebody's beliefs is so minuscule as to be de minimis. The danger that that phrase presents to our First Amendment freedoms is picayune at most.

''Judges, including Supreme Court Justices, have recognized the lack of danger in that and similar expressions for decades, if not for centuries, as have presidents and members of our Congress.''

At this point, Judge Fernandez cites four preceding Supreme Court opinions and goes into some great detail with his authority. He refers to the case of the County of Allegheny, to which I made reference earlier, in which the majority said, ''Our previous opinions have considered in dicta the motto and the pledge, characterizing them as consistent with the proposition that government may not communicate an endorsement of religious belief.''

Now, the Seventh Circuit Court of Appeals decided a case very similar to this one, and the Seventh Circuit is, of course, a different jurisdiction of equal dignity with the Ninth Circuit Court of Appeals. And because there was no identical case previously decided by any precedent in the Ninth Circuit, the panel in this case was required to at least acknowledge it, and they did.

They said the only other court to consider this was the Seventh Circuit, and even though the Seventh Circuit decided it consistently with the Supreme Court dicta, we are going to go the other way. So they acknowledged they are blazing a new trail out there in the Ninth Circuit.

Again, whatever one feels about the decision, this takes us back to the question of the rule of law and predictability. When precedent does not matter, when we are always trying to move that ratchet one more notch, we are always trying to take the law in new directions and expand it and make sure it is a living organism and reflective of what is new and modern, there is not any predictability, and it becomes the rule of men and not law.

Judge Fernandez went on to say, ''such phrases as In God We Trust'' or ''under God'' have no tendency to establish a religion in this country or suppress anyone's exercise or non-exercise of religion, except in the fevered eye of persons who most fervently would like to drive all tincture of religion out of the public life of our polity. Those expressions have not caused any real harm of that sort over the years since 1791 and are not likely to do so in the future. As I see it, that is not because they are drained of meaning. Rather, as I have already indicated, it is because their tendency to establish religion (or affect its exercise) is exiguous. I recognize that some people may not feel good about hearing the phrases recited in their presence, but, then, others might not feel good if they are omitted. At any rate, the Constitution is a practical and balanced charter for the just governance of a free people in a vast territory. Thus, although we do feel good when we contemplate the effects of its inspiring phrasing and majestic promises, it is not primarily a feel-good prescription.

''In West Virginia Board of Education v. Barnette, for instance,'' and remember, the Barnett case which I discussed earlier is the one involving the Pledge of Allegiance and the flag salute, in which the court held that it is not constitutional to force people to do these things, to say these things, to recite the Pledge. If people do not believe that America is a country that stands for liberty and justice for all, then they do not have to recite the Pledge. That is what the court said there.

''In West Virginia Board of Education v. Barnett . . . '' Judge Fernandez says,

''the Supreme Court did not say that the Pledge could not be recited in the presence of Jehovah's Witness children; it merely said they did not have to recite it. That fully protected their constitutional rights by precluding the government from trenching upon 'the sphere of intellect and spirit.' As the court pointed out, their religiously based refusal 'to participate in the ceremony [would] not interfere with or deny the rights of others to do so. . . . We should not permit Newdow's feel-good concept to change that balance.''

So this is a different judge of the Ninth Circuit giving us a very different point of view from the minority, and citing, I think rather more correctly, the holding in Barnette.

''My reading of the stelliscript suggests that upon Newdow's theory of our Constitution,'' and Newdow, remember, is the plaintiff in this case, the father whose daughter goes to school and has to watch as others recite the Pledge of Allegiance, ''My reading of the stelliscript suggests that upon Newdow's theory of our Constitution, accepted by my colleagues today, we will soon find ourselves prohibited from using our album of patriotic songs in many public settings. 'God bless America' and 'America the Beautiful' will be gone for sure, and while use of the first and second stanzas of the Star-Spangled Banner will still be permissible, we will be precluded from straying into the third. And currency beware! Judges can accept those results if they limit themselves to elements and tests, while failing to look at the good sense and principles that animated those tests in the first place.''

So judge Fernandez is now giving us a view of where we might be headed if this decision holds and becomes law, the decision from which he dissented.

He says, ''What about God Bless America in a public setting?'' What about it? What if it is the Marine Corps band? What if it is on the steps of the Capitol? Is that it? Is it all over for God bless America on the Capitol steps, or performed anywhere by our people, our men and women in uniform?

Perhaps that is the sort of thing designed to scare people away from the results in the case at hand, which is not about God Bless America. But remember the decision in Allegheny, in which we had Justice Kennedy in his opinion dialogue with Justice Blackmon in the majority saying, Mr. Justice, if you go this way, if you say no creche, no menorah, then I think you are going to have to take a look at the Pledge of Allegiance and our motto in God We Trust, and you had the majority in that case say, Oh, pshaw, that is not what we mean. Do not worry about the Pledge or the motto, and here we are today, just as Justice Kennedy predicted, worrying about the Pledge.

So perhaps we ought not to dismiss out of hand what Judge Fernandez is telling us: All right, if we do what the Ninth Circuit wishes us to in the Newdow case today, then we had better be prepared to get rid of God Bless America, we had better be prepared to get rid of that motto In God We Trust, right over the Speaker pro tempore's head, and we had better be prepared to get it off of our currency, because the same principle must apply. That is what Judge Fernandez says.

So he says, ''Judges can accept those results,'' these extensions of the principle in Newdow, ''if they limit themselves to elements and tests, while failing to look at good sense and principles that animated those tests in the first place. But they do so'', judges would be doing so, ''at the price of removing a vestige of the awe we all must feel at the immenseness of the universe and our own small place within it, as well as the wonder we must feel at the good fortune of our country. That will cool the febrile nerves of a few at the cost of removing the healthy glow conferred upon many citizens when the forbidden verses or phrases are uttered, read, or seen.

''In short,'' he concludes, ''I cannot accept the eliding of the simple phrase ''under God'' from our Pledge of Allegiance, when it is obvious that its tendency to establish religion in this country or to interfere with the free exercise (or non-exercise) of religion is de minimis.''

And he drops a footnote at this point, because there are going to be constitutional scholars who are going to say, wait a moment, are you saying there is such a thing as a constitutional violation that is so small we will just ignore it? And he is saying, that is not what I mean at all. ''Lest I be misunderstood, I must emphasize that to decide this case it is not necessary to say, and I do not say, that there is such a thing as a de minimis constitutional violation. What I do say is that the de minimis tendency of the Pledge to establish a religion or to interfere with its free exercise is no constitutional violation at all.''

Mr. Speaker, I am sure that almost everyone in the country will end up having an opinion about this case, but I think it is very important that everyone in the country, as we enter into this debate, not assume that they know everything about it. They ought to take the time, as we have here this evening, to examine the facts.

We were, of course, defendants in this case. We have a real stake in it. But it matters, for example, that the plaintiff in this case specifically pleaded or specifically alleged that she, or was her father pleading that his daughter was not required to recite the Pledge of Allegiance. So this is not a case about someone being required to say the Pledge, which happens to include the words ''under God.''

That is an important fact to bear in mind. It may not affect Members' opinions one way or another in the end, but for some people the notion that someone might be coerced is very material, and those people should note that the Supreme Court dealt with that question 60 years ago. That is not an open question. We cannot be forced to say the Pledge in this country.

I pulled up the legislative history because what the court did today is throw out an act of this Congress. I thought it was instructive in reading the court's opinion that they said that the reason that Congress did what it did was very important. Let us take a look at Congress' motive, they said. What was the purpose in enacting the statute? That might tell us whether what Congress was really trying to do this on the sly by inserting those words was to promote religion in violation of the First Amendment.

They said, and I ought to be sure to quote the opinion directly to make sure that I do not mischaracterize it, but they said, in essence, that the legislative history in their mind was clear evidence of an unconstitutional purpose. Then they quoted a very, very small part of it.

The problem, they say, is that when the Congress did this in 1954, and Mr. Speaker, I will have it here in just a moment, that the purpose of the Congress was not establishing a religion.

□ 2115

That is the language that they quote. It rather befuddles one to understand why, therefore, they infer that was the purpose. Here is the legislative history that they quote: ''The sponsors of the 1954 act expressly disclaimed a religious purpose.'' So in those days, in 1954, when political correctness was not at large, they still did not get tripped up by the test that we are applying now in 2002. They said: ''This is not an act establishing a religion.'' The act's affirmation of ''a belief in the sovereignty of God and its recognition of 'the guidance of God' are endorsements by the government of religious beliefs,'' the court says. But the legislature, this Congress at the time that we passed the law, said that there was no such purpose.

The establishment clause they say is not limited to religion as an institution. And so they are again retreating to this abstract notion of all religion being the problem, not just an establishment, even though that is the plain word of the first amendment.

Here is what the legislative history says, Mr. Speaker. I have taken it from our official documents in May 1954. They say: ''By the addition of the phrase 'under God' to the Pledge the consciousness of the American people will be more alerted to the true meaning of our country and its form of government.'' That was their purpose. ''The consciousness of the American people will be more alerted to the true meaning of our country and its form of government.'' That, Mr. Speaker, is a secular purpose. In this full awareness we will, I believe, be strengthened for

the conflict now facing us and more determined to preserve our precious heritage. ''Fortify our youth in their allegiance to the flag by their dedication to one nation under God.''

So the purpose is to fortify our youth in their allegiance to the flag. Is that not a secular purpose? So it is a legislative history as important as the Ninth Circuit says it is, I think it pays to read it. They went on to say, ''It should be pointed out that the adoption of this legislation in no way runs contrary to the provisions of the first amendment to the Constitution. It is not an act establishing religion or one interfering with the free exercise of religion.''

So what they did in Congress at the time was look to what they thought was the law, the decisions of the Supreme Court interpreting the first amendment. ''The Supreme Court has clearly indicated that the references to the Almighty which run through our laws, our public rituals, and our ceremonies in no way flout the provisions of the first amendment.'' Then they cite the Supreme Court authority of the day.

So what has happened is between then and now, perhaps, the Constitution has changed. The language of the first amendment has not changed. It is the very same language. The Congress did the best it could at the time. They relied on the Supreme Court, which clearly indicated that ''the references to the Almighty which run through our laws, our public rituals, and our ceremonies in no way flout the provisions of the first amendment.'' They went on to say in 1954: ''In so construing the first amendment, the Court,'' referring to the Supreme Court, ''pointed out that if this recognition of the Almighty was not so, then an atheist,'' the plaintiff in this case, ''could object to the way in which the Court itself opens each of its sessions, namely, 'God save the United States and this honorable Court.' ''

Well, today, across the street at the United States Supreme Court that is how the Court opens its sessions. They still say as they did in 1954, ''God save the United States and this honorable Court.'' So these questions are all of a piece, the motto, Mr. Speaker, over your head; indeed, the fact that the great law givers of all time ring this Chamber, and that the central one who looks directly at you is Moses, all of these things are of a piece; and it is quite clear the slope that we are on.

The legislative history makes it very clear that to the extent that it was possible for human beings to do so in 1954, the drafters and the Members of Congress at the time went out of their way to make sure that they were following the guidance of the United States Supreme Court.

What has happened over the last several decades intervening makes it clear that whatever one's view about whether the law should be a living document on the one hand or whether it should be a text that means from age to age, whatever the society or perhaps the Court thinks it ought to mean, that that question looms very, very large. We may not ever know if that is the rule that we follow what the law is and we will have to wait until the oracles tell us.

Here in Congress as we seek to write laws consistent with the Constitution, we simply do not have sufficient guidance when all we have is the text of the Constitution and all of the Court's decisions interpreting it, because those can be changed and are very mutable, and precedence are only so good as the paper they are written on. But they can be overturned at will.

The fact that the Seventh Circuit has already disagreed with the Ninth Circuit and the Seventh Circuit came first and that that precedent was ignored here; the fact, Mr. Speaker, that the very remedies that the plaintiff were seeking here are all illegitimate remedies and the Ninth Circuit found that that was so, none of that seemed to slow them down. It is worth bringing to the Members' attention that what Newdow was asking for here is that the court should order the President of the United States to alter, modify or repeal the Pledge. So he is drafting the complaint. He has brought a lawsuit, and he wants the court to order the President to alter, modify or repeal the Pledge by removing the words ''under God.'' He asked for one other element of relief. He wanted the court to order the United States Congress immediately to act to remove the words ''under God'' from the Pledge.

Well, now, in our juris prudence in America you cannot do that. The courts cannot do that. The President is not an appropriate defendant in an action challenging the constitutionality of a Federal statute. Period. And in light of the speech and debate clause just as much part of the Constitution as is the first amendment, article 1, section 6, clause 1: ''The Federal courts lack jurisdiction to issue orders directing Congress to enact or amend legislation.''

The words that the plaintiff in this case is challenging included the Pledge of Allegiance were enacted into law by statute by this Congress; and therefore, no court may direct this Congress to deleted those words any more than it may order the President to take such action. An injunction against the President is not in order, and an injunction against the Congress is not in order. And that is all that the plaintiff was asking for, so there is nothing left of the case. And yet, even after acknowledging these things, the Ninth Circuit moved on.

The Ninth Circuit also just zipped right past the article 3 standing question even though that is jurisdictional, even though you must address standing in order to have a case to decide at all. And they skipped beyond the article 3 holding of the United States Supreme Court that ''the psychological consequence presumably produced by observation of conduct with which one disagrees is not an injury sufficient to confer standing under article 3 even though the disagreement is phrased in constitutional terms.''

That is a holding that the Ninth Circuit Court says is still good law, and they just breeze right past that as well.

Now, Mr. Speaker, we may find after an en banc court of the Ninth Circuit takes this case and rewrites it, that these mistakes are corrected. We may find even a different result in the case; but at a minimum I would expect that if the same result is reached, it will be reached in a much more legitimate manner than this.

But what are we to think in the meantime? The Ninth Circuit is a big circuit. It governs a lot of States. My whole State of California, 30 million people, Nevada, Arizona, Washington, Oregon, Montana, Alaska, Hawaii. Public school students in all of these States, what are they to do on the anniversary of September 11 next? Do they say the Pledge at all? Do they say it the old way? The new way? What are their teachers to do and what are their parents to do?

We do not know because we now find when judges make new law that none of us knows really what the law is.

Some of our constituents are already lighting up the phones saying, Congress has got to do something. But the truth is in our system when a court throws out an act of Congress on constitutional grounds there is nothing to be done about it. The Constitution does indeed trump acts of Congress; and the Court, not the Congress is the ultimate arbiter of the constitutionality of statutes. Now, I suppose we could reenact it in precisely the same way, but that would be something of a tedious, if not fatuous, merry-go-round. I do not think that would be serving our constituents well.

I think, rather, we can expect with the leadership of the President of the United States and the Attorney General that there will be a petition for rehearing en banc in this case, and that the Ninth Circuit itself will have a chance to reconsider the enormous impact they are having without perhaps giving just that ounce of good judgment that would have made the difference if they had taken into consideration what the Supreme Court has said about this.

The only things that the Supreme Court has said about the Pledge, albeit in dicta, are exactly the opposite from the result that was achieved in this case. The only thing that the Supreme Court has said about this question of whether observing something that one does not like being the source of injury, runs exactly the opposite way from the decision in this case.

I think if a court normally sets out to avoid constitutional questions and decide cases on other simpler grounds, statutory grounds, procedural grounds and so on, there were ample ways that

a court could have handled this Newdow litigation. Newdow was a pro se plaintiff. That means he represented himself without a lawyer although he has had some legal training apparently. He made a lot of mistakes in his pleadings. They were very sloppy. And the court below, even though it was lenient, the district court, the trial court, threw out his case.

The Ninth Circuit Court of Appeals came and resuscitated it. They had to put a lot of Band-aids on it because procedurally it was in bad shape. It took a nearly superhuman effort to put this case up on stilts so that we could get the constitutional question for decision. It was to all appearances, Mr. Speaker, something of a reach, and I think our country deserves better. But we shall see. We shall see how this is accepted by the public, what the court itself may do about it.

But at a time when so many people are working so hard to pay their taxes, at a time when the courts are as busy as they are, and most middle Americans know if they were to bring a lawsuit it might be 3 to 5 years before they could get a decision because of the backlog and the expense, is it not interesting that the people in San Francisco seem to have sufficient time on their hands so to finely perch this question of angels on the head of a pin, so that they can reach a constitutional question that was not procedurally put to them in a way that required its decision?

I think laying out a case in this way, Mr. Speaker, will it better inform the debate? And that while I recognize with 435 Members in the House we might have some diversity of opinion about the case, even here it is bound to occupy the minds of our constituents for some time to come.

I appreciate the indulgence of the Chamber in considering it at first blush because the opinion was just issued today, this evening.

□ 2130

PRESCRIPTION DRUG BENEFIT

The SPEAKER pro tempore (Mr. KERNS). Under the Speaker's announced policy of January 3, 2001, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes.

Mr. PALLONE. Mr. Speaker, let me say to the gentleman from California that I listened very carefully to what he said in analyzing that Federal court opinion that came down today; and I do agree with him that the opinion does not make any rational sense and that the use of the term ''in God we trust'' does not in any way violate the Constitution.

I wanted to take to the floor this evening, however, as I have so many times in the last couple of months, and talk about the need to pass a prescription drug benefit and also to give a little status report, if I can, about where I think we are on this, because I am very concerned from some of the statements that I have been hearing today and some of the reports in the media, as well as some of the things I am hearing tonight, leading up possibly to Committee on Rules action or inaction, that there is a real possibility the Republicans will not bring up their prescription drug bill for a vote before we recess for July 4, for the Independence Day celebration.

I say that because for several months now I have been asking that the Republicans bring up this bill because I think that the issue of prescription drugs for seniors and the issue of increasing high drug prices is one of the major issues that the Congress needs to address.

When I go home to New Jersey, to my district in New Jersey, many seniors and even people in general, not just seniors, complain to me constantly about drug prices, about their inability to buy prescription drugs and the consequences that fall to their health because of their inability to buy the prescription drugs, the medicines that they need.

So I was rather happy a couple of months ago when the Republican leadership announced that they would bring a prescription drug bill to the floor before the Memorial Day recess, and I was disappointed when we went home for Memorial Day and that had not happened.

I was once again hopeful when after the Memorial Day recess in early June we heard the Republican leadership once again say they were going to bring a prescription drug bill to the floor before the July 4 recess.

Last week, we actually did have the Republican bill unveiled; and we had a 3-day and all-night marathon in the Committee on Energy and Commerce, where I serve, where the bill was discussed and the Democratic alternative was discussed. Although I think that the Democratic bill is the only really meaningful bill, and I will discuss that in a minute, I was at least happy to see that we did have the opportunity in committee to discuss medicines or prescription drugs for seniors.

So I would be extremely disappointed and very critical of the Republican leadership once again if we find out tonight or tomorrow that they still do not intend to bring this bill up. I am not surprised because I have said many times that the Republican bill is basically a sham. It does not provide any benefit for seniors. It has no real hope of providing any kind of prescription drug benefit for seniors. It does not even try to reduce price, the price of drugs, but at least if we had the opportunity to have this bill on the floor tomorrow or Friday we could then offer our Democratic substitute and see which side gets the most votes.

I am actually here tonight, Mr. Speaker, because I understand that within the next half hour or so we will be hearing from the Committee on Rules as to whether or not they will be considering the Republican bill tonight, either at 10:00 or 10:30 or 12 o'clock or possibly tomorrow morning. If we hear that they are not, then that is a very good indication that the bill will not come to the floor for a vote. So I am waiting here, Mr. Speaker, to see what the Committee on Rules is going to do, hoping that they will allow this bill to come up and we will have a debate on probably one of the most important issues facing this country.

I am still hopeful, although I have less and less reason I suppose to be hopeful, given some of the comments that have been in the media today.

Let me explain why the Republicans may not bring the bill up. The reason they may not be able to bring the bill up is because they do not have the votes. The talk this afternoon around the House of Representatives was that they were shy 20 or 30 votes on the Republican side; and, of course, they are getting practically none, if any, Democratic votes.

Some of the reasons that were articulated today in Congress Daily, in the lead story, says, House GOP still shy of majority to pass prescription bill, and it mentions about three or four reasons why different Members were having problems with the Republican bill, which I think go far to explain why the bill is a bad bill.

So I would like to mention some of these reasons. It says lawmakers, this is the Republicans now, variously want more money for home State hospitals and rural health care, more attention to drug costs rather than coverage and guarantees to protect local pharmacies. The GOP leadership aides conceded that these groups of Republicans, in the face of the very few Democrats expected to cross party lines on a vote for the GOP bill, have left the measure short of the 218 votes needed to pass it.

Let us talk about some of these issues that some of my Republican colleagues, rightfully so, believe are wrong or do not justify their voting for the Republican bill. Maybe before I do that I should say that I am very happy to see that there might be 20 or 30 colleagues on the other side of the aisle, on the Republican side, who would be willing to say to their leadership that they do not want to vote for this bill, because I have said many times, and again, I will give some third party documentation, that this bill is nothing more than a boon to the pharmaceutical drug industry. In other words, the reason why the Republicans have put forth a bad bill and one that will not work is because they are beholden to the brand-name drug industry.

If my colleagues doubt what I say, let me mention that last week when we had a markup in the Committee on Energy and Commerce of the Republican bill, last Wednesday, a week ago today, they actually had to adjourn, the chairman adjourned the markup, the committee markup at 5 o'clock, because the Republicans had to go to a fund-raiser that was primarily being underwritten by the prescription drug

industry. So lest there be any doubt about what they were doing, it is all laid out here in the Washington Post.

This is the Washington Post from that day, which says, ''Drug Firms Among Big Donors at GOP Event. Pharmaceutical companies are among 21 donors paying $250,000 each for red-carpet treatment at tonight's GOP fund-raising gala starring President Bush, two days after Republicans unveiled a prescription drug bill the industry is backing, according to GOP officials.

''Drug companies, in particular, have made a rich investment in tonight's event. Robert Ingram, GlaxoSmithKline PLC's chief operating officer, is the chief corporate fund-raiser for the gala, and his company gave at least $250,000. Pharmaceutical Research and Manufacturers of America, a trade group funded by the drug companies, kicked in $250,000, too. PhRMA, as it is known inside the Beltway, is also helping underwrite a television ad campaign touting the GOP's prescription drug plan.

Pfizer Inc. contributed at least $100,000 to the event, enough to earn the company the status of a ''vice chairman'' for the dinner. Eli Lilly and Co., Bayer AG and Merck & Co. each paid up to $50,000 to ''sponsor'' a table. Republican officials said other drug companies donated money as part of the fund-raising extravaganza.

Every company giving money to the event has business before Congress. But the juxtaposition of the prescription drug debate on Capitol Hill and drug companies helping underwrite a major fund-raiser highlights the tight relationship lawmakers have with groups seeking to influence the work before them.

A senior House GOP leadership aide said yesterday that Republicans are working hard behind the scenes on behalf of PhRMA to make sure the party's prescription drug plan for the elderly suits drug companies.

I am glad to see that they did not work hard enough, because as of this afternoon and maybe tonight we will see, once the Committee on Rules decides what they are going to do, there were about 20 or 30 Republicans that were not willing to go along with this sham proposal so maybe PhRMA has to work a little harder so that they can make sure that this Republican bill that is basically written by the pharmaceutical companies does come to the floor.

Again, as I say, Mr. Speaker, I am not saying I do not want it to come to the floor. I wish they would bring it up because I think we can defeat it and we can pass a good bill, which is the Democratic substitute.

I see my colleague from Connecticut is here tonight. He has been here before to talk about this bill, and I appreciate his coming, and I would like to yield to him at this time.

Mr. McDERMOTT. Mr. Speaker, I thank the gentleman from New Jersey for yielding to me and again applaud his efforts on behalf of senior citizens all across this country. Clearly, if I might piggyback on some of the things that he said earlier, it has been our hope all along that, and I am so pleased he mentioned the number of valiant Republicans who are holding out, who are holding out on behalf of senior citizens all across this country, who implicitly understand that this specific remedy for prescription drugs belongs rightfully under Medicare, where it should have been placed in 1965 at the bill's inception, and it is because of their great courage that they are willing to go against their leadership, which is a difficult thing to do, and to go against the vested interest of the pharmaceutical industry, as my colleague has pointed out, and stand with those seniors in their district who have become refugees from their own health care system, people who have to get in automobiles or trains or buses and travel to Canada in order to obtain the prescription drugs at an affordable price that their doctors have told them they must have in order for their survival.

These are the same people that, without congressional action, will have to be making the nightly decision between feeding themselves or taking the prescription drugs that their doctors have said they must need in order to sustain themselves or, in our neck of the woods, either heating their homes in the winter or cooling them in the summer.

This is unconscionable. We are a better Nation than that. I commend my colleagues on the other side of the aisle, and I hope they can resist the unbelievable pressure I am sure that will be brought to bear on them over the next several days to conform with the majority party's desire to bring this program forward.

As the gentleman from New Jersey has said, I hope that we bring some benefit forward. My concern, it is one that I have expressed back in my district, is that we have an opportunity to see the plans side by side so that the American public gets to see the opportunity that Congress has presented them as a benefit to deal with the ever-escalating costs of prescription drugs.

We have said before on this floor, and it has been well chronicled, that especially when we talk about our seniors, that they are the greatest generation ever and rightfully so. They have been heralded by Tom Brokaw. They have been talked about on countless TV shows, heralded in the movies, in books, in literature. But what they really want is an end to the platitudes and the realization of policy, policy by way of prescription drug relief that is affordable, that is accessible, that is available.

The Democratic plan offers that kind of a program to seniors. Perhaps the other side believes that their program is more viable; and, hey, this is a great country and we ought to have room for people to disagree and present their programs, but American citizens ought to know the choices that they have and the difference between the programs.

My local paper, the Hartford Current, the other day issued an editorial saying that they thought there was very little difference between the programs.

□ 2145

I could not disagree more with that assertion and that this was not a bad first step, something we have heard on this floor from our colleagues. If the Republican plan were to be initiated, it would be a step in the wrong direction. I believe we have to be pretty practical about this stuff, and the paper brought out that they were concerned about costs and a number of issues that they raised with respect to a comparison between the Democratic plan and the Republican plan. Let us be clear about it. We are unabashedly proud of the fact that we believe this should be included under the Medicare program, and we believe it should be included under Medicare because, at its inception in 1965, prescription drugs were not thought to be the problem that they have become today. But clearly this is a benefit that our elderly not only need but richly deserve, and so it makes ever so much sense for it to be included here.

I hail from the First Congressional District in Hartford, the insurance capital of the world, perhaps, arguably, the HMO capital of the world as well. And I have talked to the CEOs, and I have talked to the people in this business. The proposal that Republicans have put forward, and I have to believe they have done it in good faith, they have many bright and talented people on that side of the aisle, but this is an underwriter's, an actuary's, a risk manager's nightmare. Aside from setting up obvious adverse selection, the pricing involved in trying to come up with the program like this is out of reach for so many of our elderly and so, therefore, from our perspective, a sham.

I commend those on that side of the aisle who have the courage of their conviction to stand up and say this is wrong. It is my sincere hope as a Member that we are going to get to vote on the Republican plan and the Democratic plan. This is what the American public deserves. This is what a democracy is all about. Let the two proposals stand on their respective merits and end all the so-called partisan quibbling by simply and matter of factly putting forward two plans side by each for all of our constituents to examine. Let us not be harried by rules. Let us not have this whole issue cast aside and only one vote that is going to come forward. Let us look at the proposal side by each and then stand up and be counted.

Our colleagues on the other side who have resisted going along with a plan that privatizes prescription drugs should be commended, should be supported. But even if Democrats and valiant Republicans on that side who believe with us fail, we should at least have the opportunity in this body to vote on the plans that we believe in, that we have gone back to our districts and talked about with our constituents who are crying out to us for help.

The Hartford Current concluded that this issue should be taken up. This is a match that cannot be postponed, because of the ongoing daily needs that so many senior citizens have in this country. So I commend the gentleman from New Jersey (Mr. PALLONE) again for his outstanding efforts in this area and again thank our colleagues on the other side for at least now having the temerity to bring the issue forward. I disagree with their privatization attempt. I think it is wrong. I think it is an unworkable situation that people in the insurance and HMO industry understand as well; but I do think it is important that we vote this issue up or down and have an opportunity to examine side by side what the programs will offer.

And one last thing, because the paper concluded that the costs might be too high. We have gone through a horrific time in this Nation since September the 11th. I commend the President of the United States for bringing this Nation together, for having us focus as communities, as a Nation, calling upon Americans to sacrifice as we move forward. But this Greatest Generation lived through the first day of infamy back on December 7, 1941; and now having lived through a second day of infamy on September the 11th, they should not be made to be the only people making sacrifices here. So when we say there is not the money there to assist these people, that is an outrage. Of course there is the money, and if that means freezing the tax cuts that we have put forward 10 years out, then that is what we should do on behalf of these citizens who have given so much to their Nation. Minimally, we owe them the opportunity to live out their final days in the dignity that we would want for each and every one of our parents.

I commend the gentleman from New Jersey.

Mr. PALLONE. I want to thank my colleague from Connecticut, Mr. Speaker, because he raises so many really good issues, and I just want to key in on a couple of them, if I could.

The gentleman mentioned the Hartford paper talking about the cost of the plans. I have said it so many times, and the gentleman basically touched upon it as well tonight, that it is not only that seniors deserve a prescription drug benefit, but it also makes sense from a financial point of view. Think about the fact, as the gentleman said, that, first of all, it could easily be paid for by simply postponing some of these tax cuts that primarily went for the wealthy and for corporate interests. We are not even talking about now. We are talking about in the outyears, 10 or 12 years from now.

Mr. LARSON of Connecticut. Exactly.

Mr. PALLONE. The second thing is what the Republicans have done with these tax cuts, of course, is to drive us back into debt where we are now using the Medicare and Social Security trust funds to pay for daily operating expenses of the Federal Government. I would much rather see the Medicare trust fund used for a Medicare benefit, like prescription drugs, rather than to run the country, because that is not what it is for. It is supposedly for the Medicare program.

The last thing, and in many ways the most important, is the fact that we provide a generous benefit under Medicare, and we are not proposing anything that is out of line. We are just modeling it after part B. Part A of Medicare pays for the hospital bills, and part B pays for the doctor bills. And right now if an individual wants their doctor bills paid for, they pay a premium, I think it is like $45 a month, with a $100 a year deductible, and 80 percent of the cost of the doctor bills are paid for by the Federal Government.

Well, we are doing the same thing with our bill. Our bill says we will create a new part D, where an individual pays only $25 per month for their premium, they have a $100 deductible, and 80 percent of the cost of their drug bills, up to $2,000, is paid for by the Federal Government. After that, it is 100 percent.

This is not rocket science here. This is just the same old, same old Medicare, but now using the same principle used for paying doctors we are now using to pay for prescription drugs.

The problem is, as the gentleman said, and I will go to the second point the gentleman made that I wanted to mention, is that we came up with a simple proposal under Medicare, and Medicare has worked for 35 years; and yet the Republicans say we cannot do that. They do not want to continue and extend Medicare; they want to give money to the private insurance companies in the hopes that somehow they will provide a benefit. But they do not define what that benefit is; they do not say how much is to be paid for the benefit. We do not even know if they will offer the benefit.

And as the gentleman says, most of the insurance companies and the trade associations are saying they do not want to provide it. No one can go out and buy a drug-only policy now, so why should they provide it overnight because the Federal Government gives them a little money? It is not going to happen.

So the biggest concern we have as Democrats, and the main reason we think the Republican bill is a sham, is because these policies are not going to be sold. And if they were to be sold, we calculate that the benefit to the average senior is about 20 percent of the cost of their drug bill. So who would even pay $35, $45, $50, whatever the premium is per month, to get only 20 percent of their drug bill paid for?

So the whole thing really is just a sham. It really is. I yield to the gentleman.

Mr. LARSON of Connecticut. It is not practical. And I do not want to say this, because I hail from a part of the country that has a deep understanding of insurance and a deep understanding of risk management and spreading risk over a large population; but actuarially and from an underwriting perspective, when they take a look at trying to underwrite very narrowly those who would opt in to a voluntary program, by its very nature it sets up an adverse selection.

So, therefore, to price this would be very difficult. If they are further forced to price it artificially, we have all seen what has happened to HMOs across the country when this happens. They pull out of the program and the elderly are left without insurance or, in this case, they would be left without prescription drug coverage. It is intuitively obvious; and I think that people, the elderly out there, understand it.

My dad, God rest his soul, and the gentleman reminded me of something that he would say all the time when he was addressing the fairness of this issue, especially when we look not only here in this country but into our immediate borders, but also when we look all across the industrialized world and see the benefits that they provide for their seniors.

My dad used to give his lectures to the family. He would, on Sunday afternoon dinners, and usually by evoking the holy family's name, but always talking about how great the country was and how we had risen to be the preeminent military, social culture, and economic leader in the world. Then he would turn to my mother and say, But look at the benefits that are offered to the very people we defeated in the Second World War. We defeated the Germans and the Japanese; and then we, as only this country would do, turned around and rebuilt and restored those nations so they are our very economic competitors today. He would turn to my mother and say, And look at the benefits that they have; look what they offer their people. And he would say, ''Jesus, Mary, and Joseph, Pauline, who won the war?''

His point was that their countries valued the service of their citizens more than our country. And while we all know how much we value the great service, because clearly we have chronicled it, as I have said earlier, in books and in movies and on talk shows, but the proof ultimately is in the legislation and the policy that we write here.

If we care about those veterans that serve so valiantly, if we care about our aging population, then what we should do is provide them with the benefit that they have richly earned.

□ 2200

This is not an entitlement in the sense that it is something that we are handing out. This is something that has been more than paid for by the sacrifice of a generation who made us what we are today. For us at this point in time, at this historic moment to turn our backs on our elderly in their time of need is just outright wrong.

That is why I have come to the floor so many nights along with the gentleman from New Jersey (Mr. PALLONE) to express our concern. All I am asking is that we get an opportunity to vote on the plan that we believe is in the best interests of senior citizens and the American public. Let them stand side by side, and let them go through the test of being under the bright lights, and then let people across this country decide what truly is the best plan.

Mr. PALLONE. Mr. Speaker, we are supposed to have an idea within the next 5 or 10 minutes about whether or not the Committee on Rules is going to consider the Republican bill and then whether or not they will consider a Democratic alternative. I hope, as the gentleman said, we do have an option to vote on the issue and debate the issue over the next few days, and in the context of that we do have the Democratic alternative or other options, certainly.

Mr. Speaker, if I can spend a little time talking about some of the reasons that we have seen in the media over the last 24 hours why there may be as many as 20 or 30 of our colleagues on the Republican side who are not willing to vote for this Republican bill. I think we sort of articulated already the general reason, which is that this Republican bill is not a Medicare benefit. It is not guaranteed to anyone because it basically operates through private insurance companies, and they may not offer it at all, or in various parts of the country.

But there were other specific things that came up today, and again I am looking at Congress Daily this morning that has an article, ''House GOP Still Shy of Majority To Pass Prescription Bill.'' The Republican bill does not address the issue of cost, does not do anything to reduce prices for prescription drugs. In fact, there was a reference that was pretty clear where one Member specifically said if the bill did not address the price of prescription drugs, what good is it, because how can we ever afford it if there are no price reductions.

I go back to the fact that this bill was largely written by the pharmaceutical industry, and the major issue that we could see when we had the markup in the Committee on Energy and Commerce, not only were Republicans unwilling to vote for the Democratic substitute and make this a Medicare substitute, but, more than anything else, they were not willing to vote for any amendment or measure proposed by the Democrats that addressed the issue of price reduction. We had a series of amendments which they refused to consider.

Of course, the Democratic substitute, as the gentleman knows, says that because this is a Medicare benefit and all 30 to 40 million seniors are part of the program and get the benefit, that we mandate under the Democratic bill that the Secretary of Health and Human Services negotiate prices for those 30–40 million seniors that would lead to reductions in price and lower cost.

Because there is this huge insurance pool now, we know that he would be able to reduce prices significantly, just as we have with the VA or the Federal Supply Schedule or some of the other Federal programs where they have reduced prices 30–40 percent because of the negotiating power of having so many people.

The one thing that was interesting to me was not only was every amendment on price struck down by the Republicans, but during the markup we realized that they had actually put in a section in the bill that was entitled noninterference. I am not going to read all of it, but this title specifically says, in carrying out the administrator of the prescription drug program's duties, it says that, ''The administrator may not require or institute a price structure for the reimbursement of covered outpatient drugs; 2, interfere in any way with negotiations with regard to the prescription drug sponsors or Medicare+Choice organizations, drug manufacturers, wholesalers or other suppliers of covered outpatient drugs.''

Not only have they not put something in affirmatively to address price, but the Republican bill does not allow the administrator of the program to do anything to affect price. So they clearly, totally go down the road of what the pharmaceutical companies say and do not deal with the price issue at all.

Mr. Speaker, I yield to the gentleman from Connecticut.

Mr. LARSON of Connecticut. And yet they have a great opportunity. I want to commend those valiant Republicans who have stood up to their leadership. I will not use the Member's name who said, I have to choose between my leadership and the senior citizens that I represent.

We have seen this happen before. We saw it with campaign finance reform. I saw a member of my delegation, the gentleman from Connecticut (Mr. SHAYS), stand up along with many Republicans on that side and do the right thing in terms of campaign finance reform. We saw the same thing in the Patients' Bill of Rights. We saw the gentleman from Iowa (Mr. GANSKE) stand up and do the right thing, and the Patients' Bill of Rights was achieved. We have an opportunity here if we come together and are able to examine these various proposals side by side and then vote on them.

I believe in my heart of hearts, and I have no illusions that many people around the country are listening to the dialogue between the gentleman from New Jersey (Mr. PALLONE) and myself, but for those that are and can still contact and call people in their respective States to tell them just how important this is, to have a vote, to deny people to be able to have an amendment on pricing in the United States Congress just is so contrary to everything that we stand for.

Mr. PALLONE. If the gentleman would yield, I just found the reference. It was the gentleman from Minnesota (Mr. GUTKNECHT) who spoke earlier on the floor tonight. He was the one quoted in this article in Commerce Daily.

It says, ''The most problematic revolt is coming from a group of Republicans who want the bill to address price issues rather than coverage.'' It has a quote by the gentleman from Minnesota (Mr. GUTKNECHT). ''The central issue is affordability. As we move down the path towards passage of a drug benefit, that issue has been given short shrift.''

He wants to include in the bill an amendment he has pushed through the House before. It would make it easier for Americans to reimport U.S. made drugs from other countries at controlled prices. He said, ''I am tired of subsidizing the starving Swiss.'' He was actually on the floor tonight talking about the reimportation issue, which is one way to bring down price. If we allow drugs to come from Canada or other countries and create competition that way, prices would come down considerably.

But this was an amendment just like his that I offered in the Committee on Energy and Commerce that the Republicans voted against because they did not want to see any reimportation because it would address the issue of price.

Mr. LARSON of Connecticut. Mr. Speaker, we are in the minority. We do not have the numbers to stop whatever the majority will is. Within the Republican caucus reside Members like the gentleman from Minnesota (Mr. GUTKNECHT) who are in my mind true heroes in this body who are willing to go against the tide, who are willing to stand up to their own leadership, who are willing to stand up to the pharmaceutical industry and say, wait a minute, these seniors have waited long enough. They have endured far more than they should. I applaud the gentleman from Minnesota (Mr. GUTKNECHT) and those valiant Republicans.

Mr. PALLONE. Mr. Speaker, this says at the same time the gentlewoman from Missouri (Mrs. EMERSON), who supports the amendment of the gentleman from Minnesota (Mr. GUTKNECHT), and wants to add a measure she is sponsoring to make it more difficult for brand-name drug companies to delay the market entry of generic medications.

Again, that is something that is in the Democratic substitute. As the gentleman knows, if there is a patent exclusivity for a period of time, then of course the company that developed and gets the patent has an exclusive right.

To be honest, something like 50 percent of the brand-name drugs are under patent right now, exclusivity, and therefore we cannot bring a generic to market. That basically inflates the price of the prescription drug.

What happens is when those patents run out, the pharmaceutical companies

use all kinds of gimmicks to try to delay the generic coming to market. That is what the gentlewoman is trying to eliminate. I know that the gentleman from Ohio (Mr. BROWN) has a bill, and some of that language is included in our Democratic substitute that would close those loopholes. Again, this is a pricing issue. Because if we bring generics to market, we reduce the cost of prescription drugs.

Mr. LARSON of Connecticut. Mr. Speaker, the gentlewoman from Missouri (Mrs. EMERSON) is absolutely right. I think what is also compelling about the Democratic initiative is the ability, and I think people understand this readily, to be able to leverage the great buying power that the Federal Government would have in terms of initiating a program under Medicare.

Currently, whether you are a large corporation, whether you are the Federal Government itself, or whether you are a large labor union, you have the opportunity to go directly to pharmaceutical companies and leverage deep discounts in order to make prescription drugs more affordable. Medicare is a Federal program. Medicare would provide us with an opportunity to have large numbers that will allow us to leverage and bring down the cost, just like every other western industrialized country in the world is able to do. This makes common sense.

I commend our colleagues on the other side of the aisle who understand at the heart of this issue is price and getting the cost down here and being able to have a program that is affordable, that is accessible, and will be ready available and, most importantly, workable for our seniors. Again, that is why I commend the gentleman from New Jersey (Mr. PALLONE) for his efforts.

Mr. PALLONE. Mr. Speaker, I am going to just mention one more Republican because I cannot praise them too much here. It is interesting to see that some are standing up to their leadership. This one is the gentleman from Pennsylvania (Mr. PETERSON) who said he absolutely would vote against the measure unless more money is included for rural hospitals. He said once pharmacy is a part of Medicare, there will be no extra cash any more.

What he is referencing is the problem for rural areas because, as the gentleman knows, just like with the HMOs that do not offer, do not have benefits, we do not have HMOs in a lot of rural areas, the same problem will exist here because you do not have a guaranteed Medicare benefit. It is unlikely in a lot of rural areas there would be any kind of private drug policy offered, which is what the Republicans are saying. The concern is that rural areas will be left out, and there will be no insurance policies for them to buy.

The other thing is with regard to the pharmacies, particularly in rural areas. What would happen with a private insurance plan, just like with HMOs, they will decide what vehicle to use to dispense the drugs. They may use a large chain or may decide to do it through mail order and not through the local pharmacy. There is a real problem with those in rural areas, our colleagues who are concerned about whether any benefit would be available at all because an insurance company would not sell in those areas. Or, secondly, if there is one, it will operate like an HMO and will exclude any kind of dispensing of medicine from the local pharmacy.

Of course, we in our bill do the opposite. We say this is a Medicare-guaranteed benefit, and you can go to any pharmacy or any outlet to buy the medicine.

Mr. Speaker, I yield to the gentleman from Connecticut (Mr. LARSON).

Mr. LARSON of Connecticut. Mr. Speaker, again, I thank the gentleman for pointing out the many Republicans on the other side who understand this.

□ 2215

This is an age-old battle between Democrats and Republicans and why I feel it is so important that we vote side by side on the differences between the proposals and commend those Republicans who have come forward with their own concepts and are focused on pricing, because they are among the few and the brave and the valiant who are willing to go against their own conventional wisdom and ideology.

Roosevelt said it best during the struggles to bring Social Security to the forefront. He was amazed at the time that Republicans seemed to be, as he said, frozen in the ice of their own indifference to what the policies they would perpetrate would do to the American public. Frozen in the ice of their indifference to what their proposals would do to a Nation that is crying out for relief. That is why their Members who are standing up and maybe not in total unison with us but standing up for what they know is right for senior citizens deserve a great deal of credit.

It is my sincere hope that the Rules Committee will provide an opportunity for all of us to have an opportunity to vote on the measures that we believe will best provide relief for those we are sworn to serve in this country.

Mr. PALLONE. I want to thank the gentleman for joining me tonight. We probably can find out as soon as we yield back our time what is the situation with the Rules Committee. But, again, I agree with you. We just want this to be brought up, we want to have a debate, we want to have an opportunity for the Democratic position to be considered side by side with the Republican.

And it is not, at least I do not think for most of us it is really an issue that is partisan or even ideological. I just think the problem is we know that Medicare works. We have seen it work. We know that before the 1960s when Medicare came into being that it was virtually impossible for senior citizens to buy any kind of insurance policy that was affordable, that would pay for their hospitalization or their doctor bills. That is why Medicare started, because the private sector did not provide that opportunity.

This has been a very good government program. It is a government program, so maybe some of our colleagues on the other side of the aisle have a problem with Medicare ideologically. I am sure some of them do. But you have to throw that aside and look at what is practical and what works for the American people. The Democrats are simply saying Medicare works; and the best way to provide this prescription drug benefit, really the only way in the system that we have, is for the government to expand Medicare to include prescription drugs, which is what we are advocating.

Again, I do not know whether it is the ideology or, maybe going back to what I said at the beginning, it is just the money from the prescription drug industry that prevents the Republican leadership from going ahead with a Medicare program and addressing the issue of price because that makes sense. I have to believe it is the money from the drug companies that is really behind the effort to stop a Medicare program.

CORPORATE GREED, THE PLEDGE OF ALLEGIANCE, AND COLORADO FIRES

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Colorado (Mr. MCINNIS) is recognized for 60 minutes.

Mr. MCINNIS. Mr. Speaker, I have a number of subjects of which I wish to cover this evening. Of course, having the opportunity to come over and wait for my time allotment to speak to the Members here, you get to listen to the people that preceded you speaking. The gentleman from New Jersey (Mr. PALLONE) is a very capable individual and speaks very well. There is only one point I want to make clear about his conversations.

At the beginning of his remarks, he expressed some dismay that the Republican leadership may not be able to bring up the prescription care bill, the Medicare bill, this week. He was very discouraged by that. He talked about and gave some examples of people that needed prescription assistance and senior citizens and their trials and tribulations that they go through, of which of course we would all agree with.

What he did not point out was the fact that none of the Democrats want to help us. So there is a reason that that bill cannot come to the floor, and that is because we do not have bipartisan cooperation. The Republicans have asked the Democrats on a regular basis, pitch in and help us. Prescription care is a serious problem in this country. We have got to come up with some type of solution. We prefer to come up

with a bipartisan solution. Prescription care problems out there in our society do not happen to just Republicans. The ability or lack of ability to pay for prescription services does not just happen to Democrats. It happens to all people in our country. That is why it is necessary for bipartisan support.

But, unfortunately, this is an election year; and with November not very far away and with the Democrats vowing that they will make prescription care services their main issue to try and defeat the Republicans, they find within their own conferences no incentive to cooperate. This thing is being driven by politics, and that is exactly why we get criticism of the Republicans not bringing it up.

The reason is Republicans do not have the numbers. They need some help from the Democrats. But there is no way in an election year that the Democrats are going to help us with prescription care services. One, they do not want the issue resolved before November. They do not want the Republicans to get the credit for having solved the big problem in this country, so they will do whatever they can to resist any kind of cooperation. And while on one hand they will not cooperate, they turn around on the other hand and blame us for not bringing that bill to the floor.

So I would suggest to my good friends over on the Democratic side, come on, let us be a little less partisan about this. Help us. Work with us. That is what we are asking for.

But that is not the intent of my speaking to you this evening. I really want to cover three separate subjects. I want to talk, of course, about the outrageous decision made today by the Ninth Circuit in California about the fact that America now must hang its head in disgrace because our Pledge of Allegiance has been declared unconstitutional, unconstitutional by a Federal appeals court.

That is no low-level court. That is a very high court in our country. It has had the audacity to come out and take the most recognized symbol in the world and the Pledge of Allegiance to that symbol and to that country, in a time of war, in a time when every other country in the world encourages its children in its schools, in its institutions, in its areas of public domain, encourages their civilizations to engage in religious practice, that this court finds it necessary for the United States to see that its Pledge of Allegiance is unconstitutional because it mentions the name God. We will talk a little about that.

I want to talk about the fires in Colorado. In fact, I have got a poster. I want to talk a little about the fire damage in Colorado, the fires and what is going on. During those discussions, I am going to point out, so that you have some proportion of the damage in Colorado, Colorado is not burning as a State. The great majority, 99 and some percent, of Colorado is not on fire. 99.9 percent of the State of Colorado is open for tourism; and if you want the greatest deal of the summer, you go to Colorado, because there are a lot of deals out there. There are a lot of opportunities.

Colorado is a very gorgeous State. Of course, I am very proud of it. My family on my side and on my wife's side, we have multiple generations in Colorado. I could talk about Colorado all evening, but I do want to put it in some proportion, and we will be looking at this map to my left. I will give you a little idea of exactly what we are talking about.

But we are not going to move to that map yet because I want to also talk this evening about corporate greed, this WorldCom stuff, KMart, Global Crossing, Xerox Corporation, Tyco Corporation, and now maybe even our favorite, Martha Stewart. What is going on out there in the corporate world? What is going on with the integrity of these people? What are they doing to our society? What are they doing to that credibility gap which is a foundation of the economic cycle of this country, of the economic principles of this country?

It depends on integrity from people who manage these companies and people who oversee the management of the company, i.e., the board of directors. We are uncovering stone after stone after stone in corporate America, and what are we finding? We are finding corporate self-serving greed, not greed in a healthy capitalistic fashion but greed in a way that it is criminal.

I intend to spend some time on that this evening, too. I intend to talk very specifically about what I think some of the solutions are. When I think of what is going on out there, it makes me think of a four-letter word. That is what I think of when I think of corporate greed. I want to use a four-letter word, J-A-I-L, jail. That is exactly what I am thinking about. That is exactly where some of these corporate executives ought to be, and it is exactly where those corporate boards of directors ought to be. That four letter word, J-A-I-L.

I am not trying to jump into these remarks too early, but let me tell you something. If you were an employee with Kmart Corporation or you were an employee with Enron Corporation or Tyco Corporation, or let us go back to Kmart. Let us say you are just a sales clerk at Kmart, at one of their stores and you stole a candy bar. You stole a candy bar from Kmart, from your employer, you stuck it in your pocket, a candy bar, and walked out of the store with it. Up to this point in time, you would suffer more repercussions for stealing a candy bar as an employee of Kmart Corporation than will those executives of Kmart Corporation who loaned themselves millions and millions and millions of dollars and then took a corporate board action and forgave the loans to themselves and then filed bankruptcy on behalf of the corporation. Think about that. There are people that will get in more trouble stealing a candy bar or a magazine or a tool from one of these retailers than will the CEOs.

Let us take, for example, WorldCom. If you steal long distance services from WorldCom, let us say you steal $100 worth of long distance services from WorldCom Corporation. You are going to get in more trouble than the chief executive, Bernie Evers, got in trouble; and he got a $350 million loan from the board of directors, $350 million of which he will never be able to pay back.

It is unbelievable, and the American economic society is suffering as a result. We have got to bring the hammer down on these executives, and we have got to bring it down hard and heavy. We have got to make it so that every prosecutor in this country, every U.S. attorney in this country when they think of these chief executives, they think of that four letter word, J-A-I-L, jail.

Let me start back and let me talk about in a little more detail some of these subjects. First of all, let me talk about the flag. I, like many millions and millions and millions of Americans today, was stunned, stunned, that a Federal appeals court, that two judges could bring this country to its knees by saying that this country's Pledge of Allegiance, a pledge that every child in this country has said, that every school in this country and every school this country has ever had has been said within its four walls is unconstitutional because it has the words ''under God'' contained within its four corners.

You think about this decision. What is next? That ought to be the logical question. We have these liberal judges. By the way, you take the most liberal Member of this House Chamber, and these judges make those liberal Members of this House Chamber look like they are right-wing conservatives.

The Ninth Circuit is an island of its own as known in the legal circles. I practiced law. I was an attorney. The Ninth Circuit has always been known as kind of an island of its own, but, nonetheless, it is still a Federal appeals court. So you have to ask yourself, okay, somebody that wants to stir up trouble, what is the next logical thing for this court in California to declare unconstitutional?

□ 2230

Could it be the crosses at Arlington National Cemetery or the crosses at every military cemetery in this country? Is it unconstitutional because the cross is seen as a symbol of Christianity and we find it on Federal property; we find it on every grave of every military person and their spouses and, in some cases, their children, who have served this Nation? And now these judges, do we think that is logical? Of course it is logical. And of course it is something that now, something that

we never imagined any judge would go so far out of bounds of their judicial duties that they would, first of all, declare our Pledge of Allegiance as unconstitutional. Then the next step, logically, would be for them to go to our national cemeteries and start yanking crosses out of our servicemen's graves. What is next?

How interesting. I bet these judges, I bet these judges this week; let us see. July 1, coming next week. I bet on July 1, those judges that made that decision today that the word ''God'' in the Pledge of Allegiance is unconstitutional, I bet those judges on July 1 put their greedy little hands out and take their paycheck and take that American money that says ''In God We Trust'' on it. I bet they take that money, and I bet they stuff it in their pockets.

Now, I would say to these judges, if you are true to principle, you should refuse this cash. You should not take American money. It has ''In God We Trust'' on it. It is unconstitutional. You should uphold the judiciary of this fine land. You, after all, are the ones who made the earth-shattering decision that the Pledge of Allegiance in the United States was unconstitutional. So it should not be you who steps forward for the benefits of American cash, because after all, that has ''In God We Trust'' and that would be offensive to the decision that you made.

But, of course, they will not hear of that; and of course, they will take their money on July 1 as they snicker about the decision that they handed down to the American people today.

I studied law. I am a lawyer. Granted, since I have been in Congress, I have not practiced law. Granted, I am not a constitutional lawyer, although I studied the Constitution. I would not be considered as a judicial scholar, by any means. But what kind of scholar does one have to be to say to the judicial system in this country, back off? How far, how hard do you want to push this Nation? In a time of war, in a time when this Nation needs to be unified, what do we think are going to be the ramifications to the generation behind us, to the rest of the world that is looking at this country and sees that its own judges, its own judges declare our Pledge of Allegiance unconstitutional? Not only do they declare it unconstitutional, they issue a dictate that says that this Pledge of Allegiance may not be said, may not be said within the walls of our schools.

I mean, I hope that people understand; and I think the millions, the mass of millions of people in the United States of America understand the slap that was just struck across their face. The refusal, the rejection of the American principle of God and liberty, regardless of what one's God is, that God and liberty and freedom and strength were rejected today by some of the people in whom we put our highest confidence. These judges ought to resign in shame.

Now, I know, I know the arguments. Look, I used to be a cop, I heard the defense attorneys, and I know tomorrow the American Civil Liberties Union and some of these other people will stand up and talk about the bravery of these judges, to stand up against popular opinion, as if popular opinion is always wrong; to stand up against popular opinion and say, the Pledge of Allegiance was unconstitutional, and somehow they want a feather in their cap and a badge on their vest.

Mr. Speaker, there comes a time when we ought to consider the circumstances in our Nation. There comes a time when we have to say, why do we need to take this issue on? As if there is nothing more important in this world going on; as if this is the psychological blow that the American people need right now, and that is to tell them that when their children go to school, it is taboo for their children to say the Pledge of Allegiance; to the finest country in the history of the world, the strongest country on the face of the Earth. I do not mean just strong militarily. I mean strong as far as what it does for other countries; strong as far as what it does for the poor people in this world; strong as far as what it does for its contributions of inventions, of mechanical inventions, of medical inventions, of medicine, of prescriptive services. I mean think about this.

Mr. Speaker, do we know what these judges are? They are elitists. They are in an ivory tower out there in California, and they take for granted the fact of the hundreds of thousands of American soldiers who have died throughout the history of our country to keep this country free. I would like my colleagues to show me one soldier tomorrow that is going to say to us that their children, that children should not say the Pledge of Allegiance, that our Pledge of Allegiance is unconstitutional.

Now, I do take some reluctance in criticizing the judges' opinion. I think the judiciary has to have some flexibility. But by God, and I said that word just a minute ago, because I mean it. I hope He is not paying much attention; or He or She or whoever that God is, I hope they are not paying much attention as to what these judges in our country did today. I hope the patriotism that all of these hundreds of thousands of soldiers that are now dead and the patriotic cause for which they gave their lives, or maybe not their lives, but gave their career; or maybe not their career, but gave some time in their lives to go to bat for this country, I wonder what they are thinking today about why these judges did not go to bat for our country, why these judges have to stretch the law so far, so extreme. This is such a liberal interpretation of this that they would have the audacity or maybe the ignorance or maybe the stupidity to come to a Nation as great as this Nation, as a part of this Nation, which has given them everything they have, by the way; those judges have their jobs as a result of these soldiers, as a result of the citizens of this country.

The judiciary has the respect that it does because we do indoctrinate our kids at a young age, like every other country in the history of the world does. We educate them about what a great country it is. We do try and get an allegiance to this country built up early. Is that too much to ask? Is it too much for these judges to swallow that a country says to the citizens of this country, look, we have an allegiance to this country? We have an allegiance to our flag. We have to be willing to fight for the freedom and the principles and the Declaration of Independence. We need these things. Is the next thing they are going to throw out is the Declaration of Independence because it has ''God'' in it, and that those rights and those thoughts and those philosophies and that idealogy expressed in the Declaration of Independence should no longer be taught in the classroom because it has ''God'' in it? Give me a break. What is going on here?

Mr. Speaker, we cannot allow this to stand. Those judges, those judges should be isolated; and I will tell my colleagues what else. The other body, the leader of the other body who stood up today and agreed with me, and acknowledged that this decision was just pure nuts, ought to let the President judge and get some of these judicial balanced appointments in, get some people in that are balanced. I mean, this decision is so extreme, so radical, that tomorrow when all of America wakes up, and wait until our Americans overseas take a look at this. What do we think it is going to do to them? We talk about discouraging. I mean, we talk about depressing, that is, that your own court would take one of the things that we grew up with and say it is unconstitutional because they use the word ''God'' in it.

I am ashamed. As a lawyer, as an officer of the court, as a United States Congressman, and more importantly than any of that, as a father, as a citizen, I am ashamed, I am ashamed at what that court in California did today, a Federal court, Federal judges who found that the Pledge of Allegiance of the greatest country in the history of the world is unconstitutional.

Do not kid ourselves. Remember years and years ago when the court first came out and said we cannot have a Christmas declaration on Federal land, we cannot have a cross up there at Christmastime; remember when they came out and said, you cannot have prayer in school; when they came out and started ignoring the basic principles, started penetrating family. And people said, oh, it is just some crazy decision; it is not going to go anywhere. This decision, it is so crazy. But do we know what happens? These judicial judges, they kind of grow on themselves. Some of these judges have egos and they are elitists like we cannot believe.

In an ivory tower they begin to think more and more and bigger and bigger of themselves, and the next thing we know they give another judgment. So do not be surprised. There will be before too long, I am confident of it, some radical liberal will file in the courts that the crucifix, the cross used in our national cemeteries is unconstitutional because it is a symbol of Christianity or a symbol used related to God. Do not be surprised. Although they will use the money, spend the money for their own needs, but they come out and say every American coin, every American dollar that says ''In God We Trust'' ought to be declared unconstitutional, that our money is unconstitutional.

Mr. Speaker, back during the Cold War, I think it was Nikita Kruschev that said with America, all we have to do is be patient and give them enough rope, and they will hang themselves. Give them enough rope, and they will hang themselves. We do not have to go to battle with America. Just give me elitists. Give the elitists enough rope, and they will hang themselves. Give these elitists that declare our Pledge of Allegiance as unconstitutional, just give them enough authority and enough jurisprudence, and pretty soon they will divide their own country.

Many countries throughout the world are amused by this. These countries that hate us: Iraq, Iran, North Korea, think of these countries. They are overjoyed. They look and they see within the family, one of the most respected symbols of the family, of the American family, the family is split. They are probably as surprised as we are; but they are smirking, they are elated, they cannot believe their good luck that the American family is being split, not by outside members, but by members within the family itself, these elitist judges. Those judges should be ashamed of themselves.

Mr. Speaker, I did not think when I went to law school, I never thought throughout my time as practicing law, which I practiced for 10 years, I never thought when I represented the fine State of Colorado in the State House of Representatives, nor did I imagine that being on the House floor of the United States Congress, a privilege and an honor for me, that I would be standing in front of my colleagues talking about these judges in the way that I am, about the disgrace they have brought about to our country. I hope that the generations and generations of their families from now, assuming that this country survives over a long period of time, I hope that their families will look back someday upon the words of my record this evening and understand my anger and my disgrace directed towards them for the decision they made today.

Mr. Speaker, this is not emotionally driven. This is driven by my intense love and my intense belief that this country has to have a guiding light, and that guiding light is not only a supreme being that all of us may or may not believe in or the type of supreme being that one believes in, but a guiding light driven by a sense of patriotism, a guiding light driven by a flag, by a symbol, a guiding light driven by a President with integrity, a guiding light driven by a Pledge of Allegiance. What is wrong with singing a National Anthem? Mr. Speaker, that is probably next, for some reason. These are all tools, tools of protection of democracy; tools that make people come together as a team; tools that are used to excite us about our Nation, that are used to encourage us to rededicate time and time and time again our belief in this fine country. And yet tonight, a couple of judges at a Federal court trash it. I am stunned, disappointed, and even disappointed beyond the point of being angry, but I am ashamed of what these judges have done.

Let me move on to an entirely different subject, the subject of fire and the fires in the State of Colorado. First of all, I will tell my colleagues that my district consists primarily of all of the mountains of Colorado. There are a few mountains that are out of it, but most of the mountains in Colorado are in that district and will remain in that district after redistricting. Our district in Colorado, it is the third district, the highest district in elevation, highest place in the country when you take the elevation. I am pointing out a few of these things because we are having pretty serious problems with a drought out in Colorado.

□ 2245

We do have serious fires. We have had a horrible fire in Durango, Colorado. Yesterday we got a second fire in Durango, Colorado, just across the road; and it was from another origin, another cause. It was caused by an entirely different source. We have a terrible fire raging in Arizona. We had a terrible fire near Denver, still in the Third Congressional District, called the Hayman fires.

But these fires, the national press, all the pictures that we see in the national press would lead us to believe that Colorado has been hit by a bomb; that Colorado, somehow all the mountains are on fire, and that Colorado is a dangerous place to visit. I will tell the Members that on its face is inaccurate.

I have to my left, and I would like to go through this map, what this map does is shows Colorado fire damage. The black spots on this map will show Members where there has been fire damage.

Members have heard about the size of these fires. They are huge. We have heard about them. But when we put it in proportion to the entire State of Colorado, these are not the size areas we imagine by seeing all the pictures in the national press.

Here is that massive, massive fire called the Hayman fire near Denver, Colorado. That fire is about 70 percent contained, meaning that we are 70 percent around it. We are going to whip that fire. That fire got the best of us for a few days. But all the publicity Members heard, that is where that fire is. That fire does not have any national park in it. It has part of a national forest. We have closed part of that national forest down.

We have numerous national forests that are still open for the public that are not affected by this fire. We have four national parks that are not affected by this fire that are open for the public. We have thousands and thousands of tours and attractions, tourist attractions, that are not affected by this fire that are open.

If Members wanted to camp in this black spot, of which I would guess, of the people who visit in Colorado, probably less than one ten-thousandth of a percent of the visitors we have every year in our State, less than one ten-thousandth of a percent of the total visitors that come to our State every year would camp or be in these particular areas to visit. Members' visit or vacation to Colorado would not in all likelihood be in any of these black areas of Colorado.

Durango is down here in this black area. It probably is not a very accurate depiction. I am looking for a date. This is 3 days old. This map is 3 days old, so Durango would be down in this area about right over here where this little black mark is right here. That is the Durango fire. That black mark has grown. But Durango, the City of Durango, has not burned down.

In fact, if Members want to go visit a community, right after the New York City disaster what a lot of us in this country said would help New York was to go visit New York. What would help Durango, Colorado, what would help Colorado, is to go visit Colorado, go have a vacation over there.

There are lots of things that can be done, and we can help the State and help Durango. Durango needs our help. Why? Not because the city has burned. It has not burned at all. It needs our help because the perception out there is that we ought to cancel our vacations to Colorado.

In fact, one of our State newspapers ran an article to say, hey, come back next year. That on its face is an absurd statement. As I said, 99 and some percent of this State is unaffected by those black marks, and the majority of those black marks up near Glenwood Springs, for example, in Glenwood Springs, I do not think, and I am from there, I was born and raised there so I know the fire pattern very well, I do not think one campground in Glenwood springs was closed as a result of this fire, or is closed as a result of this fire. I might be off by one. But there is so much area around Glenwood Springs.

This is the flattop region. Look at all this area. There are hundreds and hundreds of thousands of square miles, or, excuse me, hundreds and hundreds, millions of acres and hundreds of thousands of square miles, I guess would be

correct, that we can go visit and camp and these attractions that we can go to.

Let me explain what got us to the fire situation that we are in. First of all, keep in mind the dryness and the drought. What we have had is we have had a large accumulation of dead forest material, and we call that material fuel. It drops off the trees, for example, and it accumulates on the forest floor.

Now, nature, frankly, before the Native Americans, before humans occupied, nature used to take care of these forests because they were what we could truly call at that point natural forests, and fire would rage on a consistent basis throughout much of the United States. In fact, to give a little history, in the 1900s, 1910, 1920, and really this is what led to the birth of Smokey, the Bear, we would, on an annual basis, have 50 million acres, up to 50 million acres a year that would burn in this country.

Last year, for example, I think we had 3 million acres burn, because we have become much better at fire suppression. Our acreage, and because we have really educated the public about the dangers of fire, instead of losing 50 million acres a year, we are losing much closer to 3 to 5 million acres a year, which means over a period of time 45 million acres a year is not being cleared out by fire, so we have fuel.

It is like trash in the home. Over time, it accumulates; and, over time, it becomes a hazard. That is what has happened on our forest floors. We have not been able to get in there for a number of reasons, the least of which or the not the least of which is the environmental movements, which have opposed, because they are so emotionally driven against logging.

And, by the way, Colorado is not even a logging State. I am not sure we have a large commercial sawmill left in Colorado.

But they are so emotionally driven by logging and their hatred towards logging that they have used these emotional arguments and their educational efforts to try and stop the thinning of the forests. Now, of course, after the fire they cannot wait to get up there and say, Oh, no, we support thinning of forests, but look at the facts, and they have contributed to it.

I am not saying that these radical organizations, these radical environmental organizations, are the cause of the fire. I am not saying that they are the only contributing factor to the fire. But what I am saying is, do not let them leave the table. Bring them back to the table, because they did contribute. Their actions, instead of allowing our forest service to manage our forests based on science, they have engineered and financed and engaged in a very sophisticated educational effort to have our forests managed by emotion, not by science.

We have to come back to science. We need to let the people who specialize, who are educated, who grow up in it, who work it every day, our Forest Service, our BLM people, these Federal biologists, we need to let them manage these forests. We need to follow their advice, instead of going out to the public as a whole and driving emotional thought and then forcing it back on these agencies. I hope these fires wake some of these people up.

But putting the environmental issue aside, I also want to say to my fellow homeowners out there in the mountains, I have had some of my colleagues who have come up to me and said, look, why do you guys live up there? Why do you live in those mountains? Why do you live out there where there are trees that can burn up?

I said, wait a minute, why do you have trees in your yard in the big cities? That is where we live. It is our home. It has been our home for many, many years; generations in my family's situation and in my wife's family, too. Do not tell us to move from where we lived since the 1860s and where our Native American people have lived for several hundred years. That is our home.

But we do have a responsibility, fellow homeowners out there, and that is to take care of our own properties. Every one of us who lives out there in what we call the urban interface, where the homes start to come into these forests around ponderosa pine or things like that, we need to put some money and put some investment in the protection of our home.

I frankly do not think it is going to take government regulations to force us to do it. What I think is going to force us to do it out there are the homeowners insurance companies. They are going to say, with some justification, we are not going to ensure your home unless we get a check-off that your home has been treated, that the trees around your house have been trimmed back, that you do not have a ponderosa pine tree up against your house, that you have done the proper trimming, treating, and cleaned out the pine needles, and so on, and then we will ensure your home against fire. So that is something we can do for the future.

But what are the dangers we are seeing this year in this fire season? Why is everything so explosive? Not everything, but why, where we have had the fire, do we see fires so intense, so intense they sterilize the soil?

And these people that tell us, well, this fire in Durango or the Hayman fires, these are good for the environment. It is not good for the environment. These are horrible fires. In Durango, it rained dead birds. We had birds falling out of the skies, flying into the gases. We had smoke plumes 50,000 feet in the air. We have soil that is so hot that it has been, as I said, it has been neutralized. It will not be good for planting. It is so hard, the water is just going to run right off it. It will not go in it anymore. It has been scorched to that point. These fires are not good for us.

These fires are burning with an intensity that we have not seen in recorded history. These fires are burning at a rate that is incredible. Yesterday's second fire in Durango burnt 20 acres in 4 minutes, 20 acres. Think of four football fields in 4 minutes burning; starting at one point, not multiple points, but starting in one point and going through 20 football fields, approximately an acre, going through 20 football fields in 4 minutes. There is a reason that is happening.

The other thing that concerns us about the fire season that we are facing this year is that it is so early in the season. We do not usually see these kinds of fires of this intensity this early in the season.

The other concern we have, as I mentioned earlier, the district that I represent, am privileged to represent, is at the highest elevation on the continent. We do not have fires above 9,000 feet this early in the season. Our Nation, for the first time since we have had a level 5, which is the highest level of alert for firefighting that we can go to, for the first time in the history of this alert we have gone to it before July 28.

Now it is not uncommon to go to a level 5 alert system on our fires. We did it in, I think, the fire year 2000. But what is uncommon is to go so early.

So there are a lot of challenges we face out in Colorado, but I will tell the Members, what would really hurt Colorado was for tourists, for people who wanted to come visit what is one of the most beautiful States, one of the most beautiful geographical locations in the world, to cancel their visits this summer and decide to come next year.

I am telling the Members, there are a lot of people that would hurt very, very badly if people just decided not to come to Colorado this year. I would urge my colleagues, in our own little way we have suffered greatly. Some of our families, probably 700 or 800 of our families, have lost their homes. Fortunately, the loss of life has been minimized, although last weekend not far from my house we lost five firefighters in a car accident, which brings me to the point: I want everybody to wear their seatbelts. It was a tragic loss, young people.

In fact, it was interesting, one of the fathers of one of these men said, you know something, these bastards, they will not let us timber these forests, but they expect us to send our young men and women in there to fight these fires. So there is some bitterness out there.

But one way to help ease this pain, it is the same thing that we talked about after September 11 to help New York City ease its pain: Go visit New York City. Go visit Colorado.

Again, I want to refocus on this map to my left. The areas that have burned out, the areas where the fires are, and they were burned out as of 2 days ago, are indicated by the black marks. If we put all of the black marks together,

follow my finger here to the left, we probably would have an area about like this, and the rest of the State is green.

So do not think for a moment that all of Colorado is burning, that it looks like a desert of burnt-out ash. It is not that at all. We have our problems, and we have some fires. We are working on them, and we need your help. But the best thing you can do to help us, outside of your prayers, is to come visit us in Colorado. Go ahead with your scheduled vacation. I urge Members to do it, and I am asking people for the help. I am asking for consideration to come out to Colorado and help us this year. Of any year we have needed some help, we are asking for it now.

Let me move on to my final subject of the evening. I will talk about some of the principles of American economics. Now, I am not an economics scholar. I do have a degree in business administration. I have enjoyed business all my life. I read everything I can about business. I think I am pretty studied on it, but I certainly am not a scholastic professor or talented, maybe, necessarily. But I do understand some principles.

□ 2300

And some of the principles that we have in business in this country, really, our capitalistic system works pretty well; but when you really take a look at the capitalistic system, there is one part of the foundation, we have a couple of parts of foundation that are important for the building to stand. One of them is the judiciary, the enforcement of contracts in this country. The other is the freedom to operate. Another foundation pillar would be interstate commerce, the ability to do business from one State to the other.

But in the center of all of this, one of the pillars of the foundation for our capitalistic system is integrity, integrity and credibility from the people that manage these corporations, the chief executive officers; and he can tell you that America has been let down. Not let down by one person here and one person there. But we have now been let down by enough of these chief executive officers, by enough of these boards of directors, that the perception amongst the American people is that a great majority of the business community in our country is corrupt. That is not true. But that is the perception that is out there. And frankly the perception is well deserved. Why? Take a look at what has gone on. And I am going to give you a few examples of why people in this country are sick and tired of what is going on in corporate America.

I want to tell you I am proud. The President promises that we are going to have a WorldCom investigation. And I think the President has mentioned a couple of points I think that are worth repeating right here. President Bush, and I am urging the Democrats to join us in this effort, but President Bush today said, ''Let me answer the second question first.'' Let me repeat that question. The question from the reporter, ''Do you believe there is a crisis in confidence amongst American people vis-a-vis the economy, particularly the stock market in view of yet another failure of an American corporation?'' The President responds, ''Let me answer the second question first. The market is not as strong as it should be for three reasons: one, corporate profits.'' The President is right. We are having an economic cycle. We have economic cycles, and in the downturn your profits are not good. The President is right on that point. ''Second, there are concerns whether or not the United States and our friends can prevent future terrorist attacks.''

So you have number one corporate profits; you have number two post-September 11. What is next? How do we protect our assets? Are our nuclear plants at risk? Is the Capitol at risk? How do we protect our assets? That is the second item.

But of interest this evening to my remarks are what the President says is the third factor that is hurting our stock market, that is hurting our national economy. I quote from the President: ''Thirdly, there are some concerns with the validity of the balance sheets of corporate America and I can understand why. We have had too many cases of people abusing their responsibilities and people just need to know that the Security and Exchange Commission is on it. Our government is on it. We will pursue within our laws those who are responsible or acting irresponsible.''

The President is right. Corporate America, many of your leaders in corporate America have let this country down in many different ways. You can take a look at some of the corporations that are making every effort they can to incorporate in other countries to take their headquarters, even though they have no customers, like Stanley Tool Corporation. Even though Stanley has no sales in Bermuda, no customers, no employees in Bermuda, they have reincorporated their corporation, remember Stanley Tool, the tape measures you buy at the hardware store, in Bermuda to avoid paying taxes like every other American has to make. Despite the fact that we have American soldiers fighting so that corporations and business in this country can have the freedom of commerce, they give their lives, these young men and women, people throughout this country sacrifice whether it is in the judiciary or other means, to provide for free enterprise, to provide for commerce and the free flow of commerce, and yet we have these people that are abusing the privilege that has been granted to them.

Let me give you some other examples. We hear about Enron. Take a look at WorldCom, which today admitted, today admitted a 3 or $4 billion fraud against the stockholders of its corporation. And not only the stockholders of its corporation, it has a ripple effect. It affects all of America. What did they also announce today? That because of this fraud they had to lay off 17,000 people. There are 17,000 people today without jobs because of greed in that corporate board room, because of greed of a few self-serving criminals, in my opinion. And you can find it in WorldCom Corporation.

And WorldCom is not alone, unfortunately. Take a look though what WorldCom did. They are not a bank. WorldCom is not a bank. It is a long distance company. It is a communications company. It is a telecom company. It is not a bank. Banks loan money. Long distance companies do not loan money. They sell you long distance services, but WorldCom was different. It was a bank. It loaned money. But you know who it loaned money to? It did not loan money to any of its employees at the lower level. It loaned money to their chief, to the president. The guy needed five bucks for a sandwich at lunch. That is not what they did. They loaned the chief executive officer, Bernie Ebbers $350 million, $350 million. By the way it did not come out of the board of directors' pockets. It came out of the stockholders'. It came out of the corporate treasury. It came out of the consumers'. It came out of the American buying public to give one person a 350 or $360 million loan, while at the same time this person who is the head of the corporation so he is captain of the ship, a ship which is committing, while this is all going, a 3 or $4 billion fraud just unveiled in the last few days. Why are those people not in jail?

I am telling you I am going to do everything I can within the abilities of the office that I hold to faithfully and diligently prosecute these people who are abusing the privileges in our system of commerce in this country.

Now, was it WorldCom alone? No, take a look at K-Mart Corporation. K-Mart is in bankruptcy. That is a fine corporation, and they drove it into the hole. But before they took it into bankruptcy, what did the executives at K-Mart do? Well, they borrowed money. K-Mart is not a bank. K-Mart does not loan money to its customers. K-Mart sells merchandise. But their executives used K-Mart, their board of directors used K-Mart as a bank. Their executives used it as an ATM machine. Just like Bernie Ebbers pulled 350 million out of the ATM machine at WorldCom that he built and put in place, the ATM machine, so did the executives at K-Mart corporation.

How many people have lost their jobs at K-Mart because of their corporate greed? Those executives not only borrowed the money, but they wanted to make sure right before they have filed for bankruptcy for K-Mart corporation, that they passed a board resolution which forgave the loans, said do not pay us back. You do not have to worry about it. It is a gift.

Enron, we have heard a lot about Enron. What a disgrace. Andrew

Fastow, you heard about Andrew Fastow, F-A-S-T-O-W, sets up secret partnerships, pays himself $40 million. And I am telling you today, so far at this point in time, if you stole a candy bar or you stole a magazine at the magazine store up the street here from the Capitol, you would be suffering more consequences than this Andrew Fastow who worked for Enron Corporation is suffering for stealing 35 or $50 million that he paid himself as a salary. He does not call it stealing. He says, look, I earned it. I went out and did a little work for a couple of months and should have got paid $40 million. By the way I did not bother to tell anybody about it because I wanted it to be a secret.

By the way, I was a big art donor and down there in Texas I gave lots to charity and stuff so leave me alone. You know what? Andrew ought to spend a long time in that four letter word I used earlier on, J-A-I-L, jail. He ought to go straight to jail. He ought to be on that Monopoly card when he bets everybody else's money. And he not only bets their money, he takes their money for his own self-serving purposes. He ought to pull that card every time he reaches into that deck, he ought to pull out that card that says you ought to go straight to jail. He ought to go straight to jail. And that is not the only one at Enron. We all know about the Ken Lays and some of the other mismanagement that went on.

Take a look at the bonuses they paid to their executives. They paid some of their executives millions and millions of dollars to stay with the company after the news broke about the corruption of the company. And some of these executive officers took their millions of dollars in bonuses and walked away 30 days later. And how many thousands of employees of Enron now are losing houses because they cannot make payments, have to give up their cars, cannot send their kids to the colleges they all dreamed of? How many of these 17,000 employees that got laid off today at WorldCom lose their dreams because Bernie Ebbers got a $350 million loan from the corporation while they drove the corporation into the ground as a result of a $4 billion fraud.

□ 2310

It does not stop there. Take a look at Xerox Corporation. Who could have ever imagined that Xerox would find itself in this situation? Take a look at Global Crossing. Who today, on a small paragraph in the national media, you will notice Global Crossing also admit they shredded a few documents, that they really are going to try and behave themselves, but how much punishment has been doled out to the Global Crossing executives?

Take a look at the billionaire that runs that, billionaire, flies around. By the way, the executives at WorldCom, the executives at Enron, the executives at Kmart, the executives at Xerox, the executives at Global Crossing and the executives at Tyco, as well as our favorite, Martha Stewart, all fly around in private jets. This has not hurt many of these people. You think Andrew Fastow down there in Texas is flying commercial? No, he is probably flying private commercial jet, living like a king down there, having taken all this money.

How many of those people that work for Enron are flying around like that? They are lucky to go to a garage sale to try and sell some of the things they have.

Let me go on because it does not stop just at Global Crossing.

How interesting that WorldCom today had as its auditor Arthur Andersen. Ever heard that name before, Arthur Andersen? I can tell you, instead of bringing the corporation down, I do not understand why we did not go to those specific auditors that are responsible for the obstruction of justice, that are responsible for the malfeasance in Enron audits and now WorldCom audits and take those auditors and send them to jail, give them that four-letter word, give them that card in the Monopoly game that says you go straight to jail. It is not happening.

I got a little encouragement today when President Bush, and you know how he is when he announces a commitment, when he sets his eyes on something. When he is focused, he goes for it; and I think he is committed.

I would hope the Members of the U.S. House, both Republican and Democrat, come on board and clean the system of the dirt that we have got in there. This dirt is in our filter, and this filter is important for our engine to run. Our economic engine needs clean filters. We have got to take the time to slow the engine down enough, although it has been slowed down because the filter is too dirty. We have got to pull those filters out, and we have got to get the dirt out of the filters.

The dirt means that we go after people like the WorldCom that have taken this money, that have committed these acts of larceny and crime against the people of America and their stockholders, and it does not stop there. Look at Tyco Corporation, look at the lawyer for Tyco Corporation. I used to practice law. This lawyer made an agreement, had their board of directors approve an agreement that if he was convicted of a felony within a year and got fired because he was convicted of a felony, they had to pay him $10 million. This guy got paid $20, $30, $40 million, and he put the payments in such a way that he did not have to go in front of the board of directors or disclose it on their public disclosure statements as an executive salary, and his lawyer stands up for this lawyer and says this is justified when the whole story comes out.

We are anxious to see the whole story, and I will tell you this, if the whole story does not pan out, and it is not going to pan out, by the way, that lawyer ought to go to jail. He ought to be disbarred and every asset that he has that he got through his ill-gained fruits ought to be taken away from him and given back to the people that he took it from.

It is the same thing with the guy at WorldCom. I understand I think his annual retirement is $4 million a year. They ought to take it away from him.

Why do we reward these people who have put dirt in the filter that is so important for our economic engine to run? It does not stop there. How do you restore confidence in the stock market in this country? In the last 5 years, what we experienced in this country was a tremendous participation in one of the neat mechanisms of our economy and that is the stock market. We had people, whether they were driving a taxicab, we had congressmen, myself included, we had people that had never before been in the stock market. They invested in the stock market.

Now we have got an economic downturn, but that is being hidden. The cycle of the economic downturn is being concealed and hidden and distracted, diverted from by fraud in the corporate boardroom and in the corporate chief executive offices.

Once we start this cycle, and we need confidence to get that cycle going back up again, how many of those people driving those cabs or how many of those people that invested in that market are going to have enough confidence that they will get back into the market?

Take a look at some of these people. What is that guy named Henry Blodget or something from Merrill Lynch, and he went out there and on TV and in front of the public he said, this is the greatest stock since sliced bread; and then behind the scenes, he would write something, this stock stinks or what a rotten piece of stock or this breakdown in that funnel of trust is significant, and we need to go after it.

I will tell you, it is amazing to me. Martha Stewart, is that what is next? How many more rocks out there that when we look under them we are going to find problems, we are going to find fraud? I hope not too many are left.

The only way to teach a lesson here is you have to have punishment. You have got to have consequences to their actions. You cannot allow these chief executives, this Andy guy, Andrew down there at Enron or Ken down there at Enron or Bernie Ebbers or the lawyer that worked for Tyco or John Rigas of the cable company, whatever it is out there in California, you cannot allow these people to walk away, rewarded from malfeasance. These people have to pay the consequences, or the credibility of the system is damaged for a long, long time.

Let me summarize my words this evening. I really covered four areas.

First of all, I wanted to stress to my friends on the Democratic aisle, who in their comments this evening started

out by criticizing the Republicans, because this week and the remaining 2 days of this week we may not be able to bring a prescription care bill to the floor. My point was the reason we cannot bring it is we are not getting any Democratic support at all. We have had no Democrat over there, especially on the liberal side of the Democratic party, none of them have come across the aisle and been willing to help us. That is why we cannot bring the bill to the floor. All they want to do is kill it for political purposes.

So let us call an ace an ace. That is why we cannot. We want to bring it to the floor. We want bipartisan support. I urge the Democrats to help us.

I talked about the fires in Colorado and the characteristics, some characteristics of the fire, what we are concerned about. We have plenty of resources that we are putting out there in those fires. The Forest Service has done a tremendous job so far, the Bureau of Land Management, our local fire departments, our local volunteer fire departments have saved thousands, thousands of structures in Colorado around these communities that were burned.

I cannot tell you how proud I am of our emergency personnel, whether they are ambulance drivers, whether it is the Red Cross people volunteering their time, whether it is our local sheriffs, our local police chiefs, our policemen, our sheriff's offices, our whole communities have come together in Colorado to put the resources necessary to beat down these fires. And we will win. We will win over time, but in the meantime we have taken a horrible loss to our wildlife, to many people's residents. We lost five firefighters last week.

The other point I wanted to make about the fires in Colorado was Colorado is still open for business. Colorado is open for tourists. And again, I just want to point out in this map to my left, please look to my left, it is the black part on this map here and a few dots throughout the mountains, and that is actually a lake down there. These blackened areas, that is all of Colorado that is burned. The entire State is not on fire. Our State does not look like a wasteland, a desert of ash. It is a State waiting for you to visit. It is a State prepared to give you a time. It is a State that this year more than anyone probably next to New York State needs you to come and spend some of your money. Come to our Rockies baseball games, go see the Air Force Academy, go over to the Western slope, go enjoy the pool in the Glenwood Springs and the Colorado National Monument in Grand Junction or up in Estes Park the Rocky Mountain National Park or the great sand dunes down near Alamosa.

□ 2320

We have a lot of areas open for you to come and enjoy. I hope you do.

And, of course, the final subject that I spoke about this evening was corporate greed. All of us, and I am urging the Democrats to join us, must fight this corporate greed.

RECESS

The SPEAKER pro tempore (Mr. KERNS). Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 11 o'clock and 20 minutes p.m.), the House stood in recess subject to the call of the Chair.

NOTICE

Incomplete record of House proceedings. Except for concluding business which follows, today's House proceedings will be continued in the next issue of the Record.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

7640. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting the Department's final rule — Change in Disease Status of Estonia With Regard to Rinderpest and Foot-and-Mouth Disease [Docket No. 01-041-2] received May 31, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

7641. A letter from the Deputy Secretary, Department of Defense, transmitting the Department's report entitled, ''Virtual Military Health Institute: Promoting Excellence in Executive Skills for the Military Health System'' as a requirement to the Floyd D. Spence National Defense Authorization Act FY 2001, Section 760; to the Committee on Armed Services.

7642. A letter from the Legislative and Regulatory Activities Division, Department of the Treasury, transmitting the Department's final rule — Prohibition Against Use of Interstate Branches Primarily for Deposit Production [Regulation H; Docket No. R-1099] (RIN: 3064-AC36) received June 7, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

7643. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule — Suspension of Community Eligibility [Docket No. FEMA-7783] received May 31, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

7644. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Approval and Promulgation of Implementation Plans and Designation of Areas for Air Quality Planning Purposes: Arizona [AZ-113-0054a; FRL-7233-6] received June 21, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7645. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Approval and Promulgation of Sandpoint, Idaho, Air Quality Implementation Plan [Docket ID-15-6995a; FRL-7232-1] received June 21, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7646. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Approval and Promulgation of Implementation Plans and Designation of Areas for Air Quality Planning Purposes: Arizona [AZ-109-0051a; FRL-7233-5] received June 21, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7647. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Revisions to the California State Implementation Plan, San Joaquin Valley Unified Air Pollution Control District [CA261-0344a; FRL-7227-6] received June 21, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7648. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Revisions to the California State Implementation Plan, San Joaquin Valley Unified Air Pollution Control District [CA261-0343a; FRL-7220-4] received June 21, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7649. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Revisions to the California State Implementation Plan, South Coast Air Quality Management District [CA247-0352; FRL-7227-2] received June 21, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7650. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Approval and Promulgation of Air Quality Implementation Plans; Maryland; Visible Emissions and Open Fire Amendments; Correction [MD062-3087a; FRL-7236-8] received June 21, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7651. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Wisconsin: Final Authorization of State Hazardous Waste Management Program Revision [FRL-7237-2] received June 21, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7652. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Approval and Promulgation of Air Quality Implementation Plans; Wisconsin; Excess Volatile Organic Compound Emissions Fee Rule [WI104-02-7334; FRL-7226-8] received June 21, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7653. A letter from the Director, Defense Security Cooperation Agency, Department of

Defense, transmitting notification concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance (LOA) to Bahrain for defense articles and services (Transmittal No. 02-29), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

7654. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Italy [Transmittal No. DTC 147-01], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

7655. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles to Pakistan [Transmittal No. DTC 75-02], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

7656. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles to Pakistan [Transmittal No. DTC 81-02], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

7657. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles to Pakistan [Transmittal No. DTC 61-02], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

7658. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles to Pakistan [Transmittal No. DTC 78-02], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

7659. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to India [Transmittal No. DTC 03-02], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

7660. A communication from the President of the United States, transmitting a report on the temporary and permanent U.S. military personnel and U.S. civilians retained as contractors in Colombia involved in supporting Plan Colombia; to the Committee on International Relations.

7661. A letter from the Assistant Administration for Human Resources and Education, National Aeronautics and Space Administration, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

7662. A letter from the Assistant Director, Executive and Political Personnel, Department of Defense, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

7663. A letter from the Human Resources Specialist, Department of Labor, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

7664. A letter from the Attorney/Advisor, Department of Transportation, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

7665. A letter from the Trial Attorney, Department of Transportation, transmitting the Department's final rule — Grade Crossing Signal System Safety [FRA Docket No. RSGC-5; Notice No. 9] (RIN: 2130-AA97) received June 7, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7666. A letter from the Trial Attorney, Department of Transportation, transmitting the Department's final rule — Signal and Train Control; Miscellaneous Amendments [FRA Docket No. RSSI-1; Notice No. 2] (RIN: 2130-AB06; 2130-AB05) received June 7, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7667. A letter from the Trial Attorney, Department of Transportation, transmitting the Department's final rule — Signal and Train Control; Miscellaneous Amendments [FRA Docket No. RSSI-1; Notice No. 2] (RIN: 2130-AB06; 2130-AB05) received June 7, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7668. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule — Protection of Naval Vessels [LANT AREA-01-001] (RIN: 2115-AG23) received June 7, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7669. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule — Drawbridge Operating Regulation; Mississippi River, Iowa and Illinois [CGD08-01-048] received June 7, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7670. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule — Drawbridge Operation Regulation; Mississippi River, Iowa and Illinois [CGD08-01-042] (RIN: 2115-AE47) received June 7, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7671. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule — Special Local Regulations for Marine Events; Chesapeake Bay near Annapolis, MD [CGD05-02-009] (RIN: 2115-AE46) received June 7, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7672. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule — Security Zone; Calvert Cliffs Nuclear Power Plant, Chesapeake Bay, Calvert County, MD [CGD05-01-071] (RIN: 2115-AA97) received June 7, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7673. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule — Safety and Security Zones; Liquid Natural Gas Carrier Transits and Anchorage Operations, Boston, Marine Inspection Zone and Captain of the Port Zone [CGD01-01-214] (RIN: 2115-AA97) received June 7, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7674. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule — Items of General Interest (Announcement Number 2002-43) received May 31, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7675. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule — Gross Income Defined (Rev. Rul. 2002-22) received May 31, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7676. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule — Cafeteria Plans (Rev. Rul. 2002-27) received May 31, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7677. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule — Determination of Issue Price in the Case of Certain Debt Instruments Issued for Property (Rev. Rul. 2002-36) received June 7, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7678. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule — Changes in accounting periods and methods of accounting (Rev. Proc. 2002-36) received May 31, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7679. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule — IRS Announces Regulations will be Issued to Prevent Duplication of Losses within a Consolidated Group on Dispositions of Member Stock (Notice 2002-18) received June 3, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7680. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule — Treatment of Community Income for Certain Individuals not Filing Joint Returns [REG-115054-01] (RIN: 1545-AY83) received June 3, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7681. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule — Rulings and Determination Letters (Rev. Proc. 2002-32) received June 7, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7682. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule — Disclosure of Returns and Return Information by other Agencies [REG-105344-01] (RIN: 1545-AY77) received June 3, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7683. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule — Examination of returns and claims for refund, credit or abatement; determination of correct tax liability (Rev. Proc. 2002-30) received May 31, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7684. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule — Announcement and Report Concerning Pre-filing Agreements (Announcement 2002-54) received June 7, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7685. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule — Last-in, First-out Inventories (Rev. Rul. 2002-7) received May 31, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7686. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule — Rulings and determination letters (Rev. Proc. 2002-11) received May 31, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7687. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule — Methods of Accounting (Announcement 2002-17) received May 31, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7688. A letter from the General Counsel, Department of Defense, transmitting the Department's proposed legislation to strengthen the management structure of the Office of

the Secretary of Defense; jointly to the Committees on Armed Services and Government Reform.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. MYRICK: Committee on Rules. House Resolution 461. Resolution providing for consideration of the bill (H.R. 5010) making appropriations for the Department of Defense for the fiscal year ending September 30, 2003, and for other purposes (Rept. 107–536). Referred to the House Calendar.

Mrs. MYRICK: Committee on Rules. House Resolution 462. Resolution providing for consideration of the bill (H.R. 5011) making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 2003, and for other purposes (Rept. 107–537). Referred to the House Calendar.

Mr. LINDER: Committee on Rules. House Resolution 463. Resolution providing for consideration of motions to suspend the rules (Rept. 107–538). Referred to the House Calendar.

Mr. THOMAS: Committee on Ways and Means. H.R. 4954. A bill to amend title XVIII of the Social Security Act to provide for a voluntary program for prescription drug coverage under the Medicare Program, to modernize and reform payments and the regulatory structure of the Medicare Program, and for other purposes; with an amendment (Rept. 107–539 Pt. 1). Ordered to be printed.

Mr. TAUZIN: Committee on Energy and Commerce. H.R. 4962. A bill to amend title XVIII of the Social Security Act to make rural health care improvements under the Medicare Program (Rept. 107–540 Pt. 1). Ordered to be printed.

Mr. TAUZIN: Committee on Energy and Commerce. H.R. 4987. A bill to amend title XVIII of the Social Security Act to improve payments for home health services and for direct graduate medical education, and for other purposes (Rept. 107–541 Pt. 1). Ordered to be printed.

Mr. TAUZIN: Committee on Energy and Commerce. H.R. 4988. A bill to amend title XVIII of the Social Security Act to establish the Medicare Benefits Administration within the Department of Health and Human Services, and for other purposes (Rept. 107–652 Pt. 1). Ordered to be printed.

Mr. TAUZIN: Committee on Energy and Commerce. H.R. 4013. A bill to amend the Public Health Service Act to establish an Office of Rare Diseases at the National Institutes of Health, and for other purposes (Rept. 107–543). Referred to the Committee of the Whole House on the State of the Union.

Mr. TAUZIN: Committee on Energy and Commerce. H.R. 4961. A bill to establish a National Bipartisan Commission on the Future of Medicaid (Rept. 107–544). Referred to the Committee of the Whole House on the State of the Union.

Mr. TAUZIN: Committee on Energy and Commerce. H.R. 4989. A bill to amend the Public Health Service Act to provide for grants to health care providers to implement electronic prescription drug programs (Rept. 107–545). Referred to the Committee of the Whole House on the State of the Union.

Mr. TAUZIN: Committee on Energy and Commerce. H.R. 4990. A bill to amend the Federal Food Drug, and Cosmetic Act to establish requirements with respect to the sale of, or the offer to sell, prescription drugs through the Internet and for other purposes (Rept. 107–546). Referred to the Committee of the Whole House on the State of the Union.

Mr. TAUZIN: Committee on Energy and Commerce. H.R. 4991. A bill to amend title XIX of the Social Security Act to revise disproportionate share hospital payments under the Medicaid Program (Rept. 107–547). Referred to the Committee of the Whole House on the State of the Union.

Mr. TAUZIN: Committee on Energy and Commerce. H.R. 4992. A bill to amend the Public Health Service Act to establish health professions programs regarding practice of pharmacy (Rept. 107–548). Referred to the Committee of the Whole House on the State of the Union.

Mr. TAUZIN: Committee on Energy and Commerce. H.R. 4986. A bill to amend part B of title XVIII of the Social Security Act to improve payments for physicians' services and other outpatient services furnished under the Medicare Program, and for other purposes (Rept. 107–549 Pt. 1). Ordered to be printed.

Mr. TAUZIN: Committee on Energy and Commerce. H.R. 4985. A bill to amend title XVIII of the Social Security Act to revitalize the Medicare+Choice Program, establish a Medicare+Choice competition program, and to improve payments to hospitals and other providers under part A of the Medicare Program (Rept. 107–550 Pt. 1). Ordered to be printed.

Mr. TAUZIN: Committee on Energy and Commerce. H.R. 4984. A bill to amend title XVIII of the Social Security Act to provide for a Medicare prescription drug benefit (Rept. 107–551 Pt. 1). Ordered to be printed.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 2 of rule XII the following action was taken by the Speaker:

H.R. 4984. Referral to the Committee on Ways and Means extended for a period ending not later than June 28, 2002.

H.R. 4985. Referral to the Committee on Ways and Means extended for a period ending not later than June 28, 2002.

H.R. 4986. Referral to the Committee on Ways and Means extended for a period ending not later than June 28, 2002.