

Maine (Ms. SNOWE) were added as cosponsors of S. Res. 155, a resolution designating the week of November 6 through November 12, 2005, as "National Veterans Awareness Week" to emphasize the need to develop educational programs regarding the contributions of veterans to the country.

S. RES. 158

At the request of Mr. GRAHAM, the name of the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of S. Res. 158, a resolution expressing the sense of the Senate that the President should designate the week beginning September 11, 2005, as "National Historically Black Colleges and Universities Week".

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ALEXANDER (for himself and Mr. WARNER):

S. 1208. A bill to provide for local control for the siting of windmills; to the Committee on Energy and Natural Resources.

Mr. ALEXANDER. Mr. President, in order to protect our Nation's most scenic areas, Senator WARNER, the senior Senator from Virginia, and I are today introducing a revised version of the Environmentally Responsible Windpower Act of 2005. It will be introduced in the House of Representatives by Congressman John Duncan, a Republican, who is chairman of the Water Resources Subcommittee, and by Representative Bart Gordon, a Democrat, who is the ranking Democrat on the Science and Technology Committee.

Senator WARNER and I have listened to our colleagues, and we have made several changes in our initial bill to simplify it and to make it the kind of bill we hope all Senators will think makes good sense. What we have done is to simplify the local notification procedures and to more precisely protect scenic areas of the country without impacting the entire coastline. We have also removed a provision regarding military bases that was in our bill since that can be addressed in other legislation.

Our revised bill would do three things:

No. 1, to protect America's most scenic treasures, such as the Grand Canyon, the Statue of Liberty, and the Great Smoky Mountains National Park, and deny Federal subsidies for giant wind turbines within 20 miles of any national park, national military park, national seashore, national lakeshore, or 20 World Heritage sites in the United States.

No. 2, to protect our most pristine coastlines, it would deny Federal subsidies for wind turbines less than 20 miles offshore, which is the horizon of a national seashore, a national lakeshore, or a National Wildlife Refuge.

No. 3, to enhance local control, which most of us believe in, it would give communities a 180-day timeout period from when a wind project is filed with

the Federal Energy Regulatory Commission in which to review local zoning laws related to the placement of these giant wind turbines.

This legislation is necessary because my research suggests that if the present policies are continued we will spend over the next 5 years nearly \$4.5 billion to subsidize windmills. Because of those large subsidies, the number of the giant wind turbines in the United States is expected to grow from 6,700 today to 40,000, or even double that number in 20 years according to estimates by the Department of Energy and the Union of Concerned Scientists.

These wind turbines are not your grandmother's windmills, gently pumping water from the farm well. Here is just one example, which my colleagues from Alabama and South Carolina will especially appreciate. The University of Tennessee has the second largest football stadium in America, seating 107,000 people. The Senator from Alabama and I sat there while Auburn University beat the tar out of the University of Tennessee last year. I ask him to imagine that just one of these giant wind turbines would fit into that stadium. It would rise to more than twice the height of the highest skybox.

Its rotor blades would stretch almost from 10-yard line to 10-yard line. And on a clear night, its flashing red lights could be seen for 20 miles. Usually, these wind turbines are located in wind farms containing 20 or more, but the number can be more than 100. They work best, of course, where the wind blows best which, in our part of the country, is along scenic coastlines or scenic ridgetops.

Now, reasonable Members of this body may disagree about the cost, effectiveness, and appropriateness of such wind turbines. We can have that debate at another time. But at least we ought to be able to agree not to subsidize building them in places that damage our most scenic areas and coastlines.

Since wind turbines of this giant size are such a relatively new phenomenon, it fits our American traditions to give local communities time to stop and think about their most appropriate location.

In conclusion, Mr. President, let me emphasize that our legislation does not prohibit the building of a single wind turbine. It only denies a Federal taxpayer subsidy in highly scenic areas. And it ensures local governments have the time to review wind turbine proposals.

This revised version does not give local authorities any power they do not already have. It simply gives them a little time to act.

We intend to offer our legislation as an amendment when the full Senate debates the Energy bill next week, and we hope our colleagues will join us in this effort to ensure the Federal Government does not provide tax incentives that ruin the beauty of our most pristine and scenic areas around our country.

Egypt has its pyramids, Italy has its art, England has its history, and the United States has the great American outdoors. We should prize that and protect it where we can. One way to do that is to make sure when we look at the Statue of Liberty, when we look at the Great Smoky Mountains, when we look at the Grand Canyon, we do not have giant windmills, twice as tall as Neyland Stadium, with flashing red lights, in between us and that landscape.

Mr. President, I ask unanimous consent to have printed in the RECORD the text of the legislation which Senator WARNER and I are introducing, a copy of the attachment which includes the approximately 200 highly scenic sites that could be protected by the Environmentally Responsible Windpower Act of 2005, and two editorials from Tennessee newspapers—one from the Chattanooga Times Free Press and one from the Knoxville News Sentinel—which comment on the previous legislation we introduced.

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

S. 1208

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 "Environmentally Responsible Windpower Act of 2005".

SEC. 2. LOCAL CONTROL FOR SITING OF WINDMILLS.

(a) LOCAL NOTIFICATION.—Prior to the Federal Energy Regulatory Commission issuing to any wind turbine project its Exempt-Wholesale Generator Status, Market-Based Rate Authority, or Qualified Facility rate schedule, the wind project shall complete its Local Notification Process.

(b) LOCAL NOTIFICATION PROCESS.—

(1) In this section, the term "Local Authorities" means the governing body, and the senior executive of the body, at the lowest level of government that possesses authority under State law to carry out this Act.

(2) Applicant shall notify in writing the Local Authorities on the day of the filing of such Market-Based Rate application or Federal Energy Regulatory Commission Form number 556 (or a successor form) at the Federal Energy Regulatory Commission. Evidence of such notification shall be submitted to the Federal Energy Regulatory Commission.

(3) The Federal Energy Regulatory Commission shall notify in writing the Local Authorities within 10 days of the filing of such Market-Based Rate application or Federal Energy Regulatory Commission Form number 556 (or a successor form) at the Federal Energy Regulatory Commission.

(4) The Federal Energy Regulatory Commission shall not issue to the project Market-Based Rate Authority, Exempt Wholesale Generator Status, or Qualified Facility rate schedule, until 180 days after the date on which the Federal Energy Regulatory Commission notifies the Local Authorities under paragraph (3).

(c) HIGHLY SCENIC AREA AND FEDERAL LAND.—

(1) A Highly Scenic Area is—

(A) any area listed as an official United Nations Educational, Scientific, and Cultural Organization World Heritage Site, as

supported by the Department of the Interior, the National Park Service, and the International Council on Monuments and Sites;

(B) land designated as a National Park;
(C) a National Lakeshore;
(D) a National Seashore;
(E) a National Wildlife Refuge that is adjacent to an ocean; or

(F) a National Military Park.
(2) A Qualified Wind Project is any wind-turbine project located—

(A)(i) in a Highly Scenic Area; or
(ii) within 20 miles of the boundaries of an area described in subparagraph (A), (B), (C), (D), or (F) of paragraph (1); or

(B) within 20 miles off the coast of a National Wildlife Refuge that is adjacent to an ocean.

(3) Prior to the Federal Energy Regulatory Commission issuing to a Qualified Wind Project its Exempt-Wholesale Generator Status, Market-Based Rate Authority, or Qualified Facility rate schedule, an environmental impact statement shall be conducted and completed by the lead agency in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). If no lead agency is designated, the lead agency shall be the Department of the Interior.

(4) The environmental impact statement determination shall be issued within 12 months of the date of application.

(5) Such environmental impact statement review shall include a cumulative impacts analysis addressing visual impacts and avian mortality analysis of a Qualified Wind Project.

(6) A Qualified Wind Project shall not be eligible for any Federal tax subsidy.

(d) EFFECTIVE DATE.—

(1) This section shall expire 10 years after the date of enactment of this Act.

(2) Nothing in this section shall prevent or discourage environmental review of any wind projects or any Qualified Wind Project on a State or local level.

SCENIC SITES PROTECTED BY THE ENVIRONMENTALLY RESPONSIBLE WINDPOWER ACT OF 2005

ALABAMA

National Parks: Little River Canyon National Preserve.

National Military Parks: Horseshoe Bend.

ALASKA

National Parks: Denali National Park & Preserve, Gates of the Arctic National Park & Preserve, Glacier Bay National Park & Preserve, Katmai National Park & Preserve, Kenai Fjords National Park, Kobuk Valley National Park, Lake Clark National Park & Preserve, Wrangell-St. Elias National Park & Preserve.

World Heritage Sites: Glacier Bay National Park & Preserve, Wrangell-St. Elias National Park & Preserve.

Coastal National Wildlife Refuges: Izembek National Wildlife Refuge, Alaska Peninsula National Wildlife Refuge, Becharof National Wildlife Refuge, Kodiak National Wildlife Refuge, Selawik National Wildlife Refuge.

ARIZONA

National Parks: Grand Canyon National Park, Petrified Forest National Park.

World Heritage Sites: Grand Canyon National Park.

ARKANSAS

National Parks: Hot Springs National Park.

National Military Parks: Pea Ridge.

CALIFORNIA

National Parks: Channel Islands National Park, Death Valley National Park, Joshua Tree National Park, Lassen Volcanic National Park, Redwood National and State Parks, Sequoia & Kings Canyon National Parks, Yosemite National Park.

World Heritage Sites: Redwood National Park, Yosemite National Park.

National Seashores: Point Reyes National Seashore.

National Wildlife Refuges: Castle Rock National Wildlife Refuge, Ellicott Slough National Wildlife Refuge, Farallon National Wildlife Refuge, Guadalupe-Nipomo Dunes National Wildlife Refuge, Humboldt Bay National Wildlife Refuge, Marin Islands National Wildlife Refuge, Salinas River National Wildlife Refuge, San Diego Bay National Wildlife Refuge, San Pablo Bay National Wildlife Refuge, Seal Beach National Wildlife Refuge, Tijuana Slough National Wildlife Refuge.

COLORADO

National Parks: Black Canyon of the Gunnison National Park, Great Sand Dunes National Park & Preserve, Mesa Verde National Park, Rocky Mountain National Park.

World Heritage Sites: Mesa Verde.

CONNECTICUT

Coastal National Wildlife Refuges: Stewart B. McKinney National Wildlife Refuge.

DELAWARE

Coastal National Wildlife Refuges: Bombay Hook National Wildlife Refuge, Prime Hook National Wildlife Refuge.

FLORIDA

National Parks: Biscayne National Park, Dry Tortugas National Park, Everglades National Park.

World Heritage Sites: Everglades National Park.

National Seashores: Canaveral National Seashore, Gulf Islands National Seashore.

Coastal National Wildlife Refuge Sites: Archie Carr National Wildlife Refuge, Arthur R. Marshall Loxahatchee National Wildlife Refuge, Cedar Keys National Wildlife Refuge, Chassahowitzka National Wildlife Refuge, Crocodile Lake National Wildlife Refuge, Crystal River National Wildlife Refuge, Egmont Key National Wildlife Refuge, Great White Heron National Wildlife Refuge, Hobe Sound National Wildlife Refuge, Island Bay National Wildlife Refuge, J. N. Ding Darling National Wildlife Refuge, Key West National Wildlife Refuge, Lower Suwannee National Wildlife Refuge, Matlacha Pass National Wildlife Refuge, Merritt Island National Wildlife Refuge, National Key Deer Refuge National Wildlife Refuge, Passage Key National Wildlife Refuge, Pelican Island National Wildlife Refuge, Pine Island National Wildlife Refuge, Pinellas National Wildlife Refuge, St. Johns National Wildlife Refuge, St. Marks National Wildlife Refuge, St. Vincent National Wildlife Refuge, Ten Thousand Islands National Wildlife Refuge.

GEORGIA

National Seashores: Cumberland Island National Seashore.

Coastal National Wildlife Refuges: Blackbeard Island National Wildlife Refuge, Harris Neck National Wildlife Refuge, Wassaw National Wildlife Refuge, Wolf Island National Wildlife Refuge.

HAWAII

National Parks: Haleakala National Park, Hawaii Volcanoes National Park.

World Heritage Sites: Hawaii Volcanoes National Park.

Coastal National Wildlife Refuges: Oahu Forest National Wildlife Refuge, Hanalei National Wildlife Refuge, Kilauea National Wildlife Refuge, Hakalau National Wildlife Refuge, Kealia Pond National Wildlife Refuge, Pearl Harbor National Wildlife Refuge, Kakahaia National Wildlife Refuge.

IDAHO

National Parks: Yellowstone National Park.

ILLINOIS

World Heritage Sites: Cahokia Mounds State Historic Site.

INDIANA

National Seashores: Indiana Dunes National Lakeshore.

KENTUCKY

National Parks: Mammoth Cave National Park.

World Heritage Sites: Mammoth Cave National Park.

LOUISIANA

Coastal National Heritage Sites: Bayou Teche National Wildlife Refuge, Big Branch National Wildlife Refuge, Breton National Wildlife Refuge, Delta National Wildlife Refuge, Sabine National Wildlife Refuge, Shell Keys National Wildlife Refuge.

MAINE

National Parks: Acadia National Park.

Coastal National Wildlife Refuges: Aroostook National Wildlife Refuge, Cross Island National Wildlife Refuge, Franklin Island National Wildlife Refuge, Moosehorn National Wildlife Refuge, Petit Manan National Wildlife Refuge, Pond Island National Wildlife Refuge, Rachel Carson National Wildlife Refuge, Seal Island National Wildlife Refuge.

MARYLAND

National Seashores: Assateague Island National Seashore.

MASSACHUSETTS

National Seashores: Cape Cod National Seashore.

Coastal National Wildlife Refuges: Mashpee National Wildlife Refuge, Massaspee National Wildlife Refuge, Monomoy National Wildlife Refuge, Nantucket National Wildlife Refuge, Normans Land Island National Wildlife Refuge, Parker River National Wildlife Refuge, Thacher Island National Wildlife Refuge.

MICHIGAN

National Parks: Isle Royale National Park. National Lakeshores: Pictured Rocks National Lakeshore, Sleeping Bear Dunes National Lakeshore.

MINNESOTA

National Parks: Voyageurs National Park.

MISSISSIPPI

National Seashores: Gulf Islands National Seashore.

National Military Parks: Vicksburg. Coastal National Wildlife Refuges: Grand Bay National Wildlife Refuge, Mississippi Sandhill Crane National Wildlife Refuge.

MONTANA

National Parks: Yellowstone National Park, Glacier National Park.

World Heritage Sites: Yellowstone National Park.

NEVADA

National Parks: Death Valley National Park, Great Basin National Park.

NEW HAMPSHIRE

Coastal National Wildlife Refuges: Great Bay National Wildlife Refuge.

NEW JERSEY

Coastal National Wildlife Refuges: Cape May National Wildlife Refuge, Edwin B. Forsythe National Wildlife Refuge.

NEW MEXICO

National Parks: Carlsbad Caverns National Park.

World Heritage Sites: Chaco Culture National Historical Park, Pueblo de Taos, Carlsbad Caverns National Park.

NEW YORK

World Heritage Sites: Statue of Liberty. National Seashores: Fire Island National Seashore.

NORTH CAROLINA

National Parks: Great Smoky Mountains National Park.

World Heritage Sites: Great Smoky Mountains National Park.

National Seashores: Cape Hatteras National Seashore, Cape Lookout National Seashore.

National Military Parks: Guilford Courthouse

Coastal National Wildlife Refuges: Alligator River National Wildlife Refuge, Cedar Island National Wildlife Refuge, Currituck National Wildlife Refuge, Mackay Island National Wildlife Refuge, Mattamuskeet National Wildlife Refuge, Pea Island National Wildlife Refuge, Pocosin Lakes National Wildlife Refuge, Swanquarter National Wildlife Refuge.

NORTH DAKOTA

National Parks: Theodore Roosevelt National Park.

OHIO

National Parks: Cuyahoga Valley National Parks.

OREGON

National Parks: Crater Lake National Park.

Coastal National Wildlife Refuges: Bandon Marsh National Wildlife Refuge, Cape Meares National Wildlife Refuge, Nestucca Bay National Wildlife Refuge, Oregon Islands National Wildlife Refuge, Siletz Bay National Wildlife Refuge, Three Arch Rocks National Wildlife Refuge.

PENNSYLVANIA

World Heritage Sites: Independence Hall.

National Military Parks: Gettysburg.

RHODE ISLAND

Coastal National Wildlife Refuges: Block Island National Wildlife Refuge, John H. Chafee National Wildlife Refuge, Ninigret National Wildlife Refuge, Sachuest Point National Wildlife Refuge, Trustum Pond National Wildlife Refuge.

SOUTH CAROLINA

National Parks: Congaree National Park.

National Military Parks: Kings Mountain.

Coastal National Wildlife Refuges: ACE Basin National Wildlife Refuge, Cape Romain National Wildlife Refuge, Pickney Island National Wildlife Refuge, Savannah National Wildlife Refuge, Tybee National Wildlife Refuge, Waccamaw National Wildlife Refuge.

SOUTH DAKOTA

National Parks: Badlands National Park, Wind Cave National Park.

TENNESSEE

National Parks: Great Smoky Mountains National Park.

World Heritage Sites: Great Smoky Mountains National Park.

National Military Parks: Chickamauga and Chattanooga, Shiloh.

TEXAS

National Parks: Big Bend National Park, Guadalupe Mountains National Park.

National Seashores: Padre Island National Seashore.

Coastal National Wildlife Refuges: Anahuac National Wildlife Refuge, Aransas National Wildlife Refuge, Big Boggy National Wildlife Refuge, Brazoria National Wildlife Refuge, Laguna Atascosa National Wildlife Refuge, McFaddin National Wildlife Refuge, San Bernard National Wildlife Refuge, Texas Point National Wildlife Refuge, Trinity River National Wildlife Refuge

UTAH

National Parks: Arches National Park, Bryce Canyon National Park, Canyonlands

National Park, Capitol Reef National Park, Zion National Park.

VIRGINIA

National Parks: Shenandoah National Park.

World Heritage Sites: Monticello, University of Virginia Historic District

National Seashores: Assateague Island National Seashore.

National Military Parks: Fredericksburg and Spotsylvania Courthouse Battlefields.

Coastal National Wildlife Refuges: Back Bay National Wildlife Refuge, Chincoteague National Wildlife Refuge, Eastern Shore of Virginia National Wildlife Refuge, Featherstone National Wildlife Refuge, Fisherman Island National Wildlife Refuge, James River National Wildlife Refuge, Mason Neck National Wildlife Refuge, Nansemond National Wildlife Refuge, Occoquah Bay National Wildlife Refuge, Plum Tree Island National Wildlife Refuge, Wallops Island National Wildlife Refuge

WASHINGTON

National Parks: Mount Rainier National Park, North Cascades National Park, Olympic National Park.

World Heritage Sites: Olympic National Park.

Coastal National Wildlife Refuges: Copalis National Wildlife Refuge, Flattery National Wildlife Refuge, Grays Harbor National Wildlife Refuge, Quillayute Needles National Wildlife Refuge, Willapa National Wildlife Refuge.

WISCONSIN

National Lakeshores: Apostle Islands National Lakeshore.

WYOMING

National Parks: Grand Teton National Park, Yellowstone National Park.

World Heritage Sites: Yellowstone National Park.

[From the Chattanooga Times Free Press, May 22, 2005]

BEWARE OF WINDMILLS

It was reported in the classical fictional literature of Miguel de Cervantes, and in the delightful derivative musical play "Man of La Mancha," that Don Quixote tilted at windmills, thinking them to be adversaries.

But in the real-life United States today, some people are promoting the erection of many thousands of windmills as a means of generating electric power, with too few people being aware that these modern windmills would be very real, not imaginary, adversaries.

Sen. Lamar Alexander, R-Tenn., has introduced a bill in Congress designed to avoid having an army of huge windmills slip up on us without sufficient warning.

The senator says an effort is being made to require electric companies to produce 10 percent of their power from "renewable" sources. That means wind, hydro, solar, geothermal and biomass power. Sounds good on the surface, doesn't it? The trouble is that there are few opportunities for substantial power generation by these means except by wind. What would that mean?

"The idea of windmills," said Sen. Alexander, conjures up pleasant images—of Holland and tulips, of rural America . . . My grandparents had such a windmill at their well pump . . . But the windmills we are talking about today are not your grandmother's windmills.

"Each one is typically 100 yards tall, two stories taller than the Statue of Liberty, taller than a football field is long.

"These windmills are wider than a 747 jumbo jet.

"Their rotor blades turn at 100 miles per hour.

"These towers and their flashing red lights can be seen from more than 25 miles away.

"Their noise can be heard from up to a half-mile away. It is a thumping and swishing sound. It has been described by residents that are unhappy with the noise as sounding like a brick wrapped in a towel tumbling in a clothes drier on a perpetual basis.

"These windmills produce very little power since they only operate when the wind blows enough or doesn't blow too much, so they are usually placed in large wind farms covering huge amounts of land.

"As an example, if the Congress ordered electric companies to build 10 percent of their power from renewable energy—which as we have said, has to be mostly wind—and if we renew the current subsidy each year, by the year 2025, my state of Tennessee would have at least 1,700 windmills, which would cover land almost equal to two times the size of the city of Knoxville."

Do these revelations by Sen. Alexander, accompanied by the prospect that \$3.7 billion of your taxes might be required for subsidies over five years, cause you to want to have 100,000 of these huge, red lighted, noisy, thumping windmills erected throughout the United States, with 1,700 of them in Tennessee—perhaps in your neighborhood?

Talk about "pollution" of area, sound and sight!

Surely, non-polluting nuclear power and other energy sources would be better. The windmill subsidies could be used better to promote cleaner, more efficient and cheaper coal, gas and oil technology.

Sen. Alexander said the purpose of his legislation, in which Sen. John Warner, R-Va., has joined, is to be sure that "local authorities have a chance to consider the impact of such massive new structures before dozens or hundreds of them begin to be built in their communities."

For that fair warning, we should give thanks. If you have seen windmill farms in California, Texas or Hawaii, you will surely understand why the warning is appropriate.

Don Quixote thought he had problems with windmills. He hadn't seen the kind Sen. Alexander is talking about.

[KnoxNews, June 9, 2005]

WINDMILLS NEED COMMONSENSE APPROACH

U.S. Sen. Lamar Alexander has unleashed a storm of controversy among environmentalists over windmills, but we think he is using a commonsense approach.

Alexander has introduced legislation that would restrict tax credits for new windmills, and he has asked TVA to place a moratorium on new windmills.

Alexander's bill would give local governments veto power over wind farm projects and require environmental impact statements for windmill construction in offshore areas and within 20 miles of certain scenic areas, such as the Great Smoky Mountains National Park, and military bases.

The provision on eliminating tax credits for projects in those restricted areas, however, is what has drawn criticism from environmentalists and windmill manufacturers.

Stephen Smith of the Southern Alliance for Clean Energy said the legislation is "the most direct assault on wind power we've ever seen by a United States senator."

Jaime Steve, a lobbyist for the American Wind Energy Association, said wind energy could bring up to 4,500 new jobs and \$4.2 billion in investment to the state in the next five or six years.

Alexander released a statement that said his bill would protect scenic areas and give local citizens more control. "It keeps those 100-yard-tall, monstrous structures away from Signal Mountain, Lookout Mountain,

Roan Mountain, the Tennessee River Gorge, the foothills of the Smokies and other highly scenic areas," Alexander said.

"As for jobs," he continued, "every Tennessee job is important, but I fear that hundreds of these giant windmills across Tennessee's ridges could destroy our tourism industry, which could cost us tens of thousands of jobs."

In remarks on the Senate floor, Alexander said serious questions have been raised about how much relying on wind power will raise the cost of electricity. "My studies suggest that, at a time when America needs large amounts of low-cost, reliable power, wind produces puny amounts of high-cost unreliable power," he said. "We need lower prices; wind power raises prices."

About his request to TVA, Alexander said the moratorium should be in effect "until the new TVA board, Congress and local officials can evaluate the impact on these massive structures on our electric rates, our view of the mountains and our tourism industry."

TVA Directors Bill Baxter and Skila Harris responded that TVA has no plans to build more wind turbines in the next two years and beyond.

We believe Alexander has raised some serious questions about the effectiveness and efficiency of wind power. While we understand the importance of focusing on new forms of energy to reduce reliance on oil, we agree with Alexander's premise that we must go about it wisely.

"I hope we decide that we need a real national energy policy instead of a national windmill policy," Alexander said.

We think that's well said.

By Mr. GREGG:

S. 1209. A bill to establish and strengthen postsecondary programs and courses in the subjects of traditional American history, free institutions, and Western civilization, available to students preparing to teach these subjects, and to other students; to the Committee on Health, Education, Labor, and Pensions.

Mr. GREGG. Mr. President, today I am proud to introduce the Higher Education for Freedom Act. This bill will establish a competitive grant program making funds available to institutions of higher education, centers within such institutions, and associated non-profit foundations to promote both graduate and undergraduate programs focused on the teaching and study of traditional American history and government, and the history and achievements of Western Civilization. The program will help ensure that more postsecondary students have the opportunity to participate in programs focused on these critical subjects and that prospective teachers of history and government have access to a solid foundation of content knowledge.

Today, more than ever, it is important to preserve and defend our common heritage of freedom and civilization, and to ensure that future generations of Americans understand the importance of traditional American history and the principles of free government upon which this Nation was founded. This knowledge is not only essential to the full participation of our citizenry in America's civic life, but also to the continued success of the

American experiment in self-government, which binds together a diverse people into a single Nation with common purposes.

However, college students' lack of historical literacy is quite startling, and too few of our colleges and universities are focused on the task of imparting this fundamental knowledge to the next generation. A survey of students at America's top colleges found that seniors could not identify Valley Forge, words from the Gettysburg Address, or even the basic tenets of the U.S. Constitution. Given high school-level American history questions, 81 percent of the college seniors would have received a D or F, the report found. One college professor informed me that her students did not know which side Lee was on during the Civil War, or whether the Russians were allies or enemies in World War II. A student of hers asked why anyone should care what the Founding Fathers wrote.

As unfortunate as these findings are, they are perhaps not surprising. A survey conducted several years ago found that not one of America's top fifty colleges and universities required its students to take a course in American history. More recently, another report documented the extent to which our top postsecondary institutions have abandoned the traditional core requirements that once gave students a systemic grasp of our nation's ideals, institutions, and origins. Indeed, only about a dozen undergraduate programs at major American colleges and universities have a central focus on American constitutional history and principles.

We are doing our students a disservice if we allow them to graduate from an institution of higher education without a solid understanding of and appreciation for our democratic heritage. We cannot hope to preserve our democracy without taking action to remedy our students' historical illiteracy. As Thomas Jefferson once wrote, "If a nation expects to be ignorant—and free—in a state of civilization, it expects what never was and never will be." I believe the time has come for Congress to do something to promote the teaching and study of traditional American history at the postsecondary level, and I urge my colleagues to support this legislation.

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

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

S. 1209

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 "Higher Education for Freedom Act".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds the following:

(1) Given the increased threat to American ideals in the trying times in which we live,

it is important to preserve and defend our common heritage of freedom and civilization and to ensure that future generations of Americans understand the importance of traditional American history and the principles of free government on which this Nation was founded in order to provide the basic knowledge that is essential to full and informed participation in civic life and to the larger vibrancy of the American experiment in self-government, binding together a diverse people into a single Nation with a common purpose.

(2) However, despite its importance, most of the Nation's colleges and universities no longer require United States history or systematic study of Western civilization and free institutions as a prerequisite to graduation.

(3) In addition, too many of our Nation's elementary school and secondary school history teachers lack the training necessary to effectively teach these subjects, due largely to the inadequacy of their teacher preparation.

(4) Distinguished historians and intellectuals fear that without a common civic memory and a common understanding of the remarkable individuals, events, and ideals that have shaped our Nation and its free institutions, the people in the United States risk losing much of what it means to be an American, as well as the ability to fulfill the fundamental responsibilities of citizens in a democracy.

(b) PURPOSES.—The purposes of this Act are to promote and sustain postsecondary academic centers, institutes, and programs that offer undergraduate and graduate courses, support research, sponsor lectures, seminars, and conferences, and develop teaching materials, for the purpose of developing and imparting a knowledge of traditional American history, the American Founding, and the history and nature of, and threats to, free institutions, or of the nature, history, and achievements of Western civilization, particularly for—

(1) undergraduate students who are enrolled in teacher education programs, who may consider becoming school teachers, or who wish to enhance their civic competence;

(2) elementary school, middle school, and secondary school teachers in need of additional training in order to effectively teach in these subject areas; and

(3) graduate students and postsecondary faculty who wish to teach about these subject areas with greater knowledge and effectiveness.

SEC. 3. DEFINITIONS.

In this Act:

(1) ELIGIBLE INSTITUTION.—The term "eligible institution" means—

(A) an institution of higher education;

(B) a specific program within an institution of higher education; and

(C) a non-profit history or academic organization associated with higher education whose mission is consistent with the purposes of this Act.

(2) FREE INSTITUTION.—The term "free institution" means an institution that emerged out of Western civilization, such as democracy, constitutional government, individual rights, market economics, religious freedom and tolerance, and freedom of thought and inquiry.

(3) INSTITUTION OF HIGHER EDUCATION.—The term "institution of higher education" has the meaning given the term under section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001).

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

(5) TRADITIONAL AMERICAN HISTORY.—The term "traditional American history" means—

(A) the significant constitutional, political, intellectual, economic, and foreign policy trends and issues that have shaped the course of American history; and

(B) the key episodes, turning points, and leading figures involved in the constitutional, political, intellectual, diplomatic, and economic history of the United States.

SEC. 4. GRANTS TO ELIGIBLE INSTITUTIONS.

(a) IN GENERAL.—From amounts appropriated to carry out this Act, the Secretary shall award grants, on a competitive basis, to eligible institutions, which grants shall be used for—

(1) history teacher preparation initiatives, that—

(A) stress content mastery in traditional American history and the principles on which the American political system is based, including the history and philosophy of free institutions, and the study of Western civilization; and

(B) provide for grantees to carry out research, planning, and coordination activities devoted to the purposes of this Act; and

(2) strengthening postsecondary programs in fields related to the American founding, free institutions, and Western civilization, particularly through—

(A) the design and implementation of courses, lecture series, and symposia, the development and publication of instructional materials, and the development of new, and supporting of existing, academic centers;

(B) research supporting the development of relevant course materials;

(C) the support of faculty teaching in undergraduate and graduate programs; and

(D) the support of graduate and postgraduate fellowships and courses for scholars related to such fields.

(b) SELECTION CRITERIA.—In selecting eligible institutions for grants under this section for any fiscal year, the Secretary shall establish criteria by regulation, which shall, at a minimum, consider the education value and relevance of the institution's programming to carrying out the purposes of this Act and the expertise of key personnel in the area of traditional American history and the principles on which the American political system is based, including the political and intellectual history and philosophy of free institutions, the American Founding, and other key events that have contributed to American freedom, and the study of Western civilization.

(c) GRANT APPLICATION.—An eligible institution that desires to receive a grant under this Act shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may prescribe by regulation.

(d) GRANT REVIEW.—The Secretary shall establish procedures for reviewing and evaluating grants made under this Act.

(e) GRANT AWARDS.—

(1) MAXIMUM AND MINIMUM GRANTS.—The Secretary shall award each grant under this Act in an amount that is not less than \$400,000 and not more than \$6,000,000.

(2) EXCEPTION.—A subgrant made by an eligible institution under this Act to another eligible institution shall not be subject to the minimum amount specified in paragraph (1).

(f) MULTIPLE AWARDS.—For the purposes of this Act, the Secretary may award more than 1 grant to an eligible institution.

(g) SUBGRANTS.—An eligible institution may use grant funds provided under this Act to award subgrants to other eligible institutions at the discretion of, and subject to the oversight of, the Secretary.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

For the purpose of carrying out this Act, there are authorized to be appropriated—

(1) \$140,000,000 for fiscal year 2006; and

(2) such sums as may be necessary for each of the succeeding 5 fiscal years.

By Mr. HARKIN (for himself, Mr. LUGAR, Mr. OBAMA, and Mr. COLEMAN):

S. 1210. A bill to enhance the national security of the United States by providing for the research, development, demonstration, administrative support, and market mechanisms for widespread deployment and commercialization of biobased fuels and biobased products, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. HARKIN. Mr. President, over the past 100 years, the economy of the United States has become inextricably tied to the supply of petroleum. In the early part of the 20th century, America's abundant sources of petroleum helped drive tremendous improvements in quality of life, offering greater mobility through gasoline-powered transportation, and a whole host of new and innovative products made from plastics and other petroleum-based chemicals.

But as the 20th century wore on, the costs of a petroleum-based economy grew increasingly apparent: pollution of air and water became a growing risk to our health and environment, and a growing dependence on foreign imports became an increasing risk to our economic and national security. Today, nearly two-thirds of the oil we use comes from overseas, much of it from hostile and unstable regimes.

Instability in the oil-producing regions of the world, the growing threat of global warming, and record-high prices for gasoline at the pump all call for a new kind of economy for the 21st century: one based on a resource that is not only abundant, but clean, renewable and home-grown.

Today, biofuels like ethanol and biodiesel are making great inroads in reducing our foreign oil dependence. The biofuels industry will provide nearly 4 billion gallons of clean, domestically-produced fuel alternatives to gasoline and diesel this year. We need to ensure continued growth of renewable fuels, first by supporting a robust Renewable Fuels Standard of at least 8 billion gallons a year by 2012, and then by supporting additional measures to grow the "bioeconomy."

That is why I am very proud today to be joined by my colleagues, Senator LUGAR, Senator OBAMA, and Senator COLEMAN, in introducing the National Security and Bioenergy Investment Act of 2005. This important bipartisan legislation provides the research, development, demonstration, and market mechanisms necessary to move this country from an economy based largely on foreign oil, to one increasingly fueled with clean, renewable, domestically-grown biomass. It is an important compliment to a robust RFS, and a vital element of our energy future.

According to the National Academies of Science, this country generates nearly 300 million tons of biomass each

year—everything from corn stalks and wheat straw to forest trimmings and even segregated municipal waste. This biomass is currently sent to landfills or left in the fields after harvest in quantities greater than that needed to provide natural cover and nutrient replacement.

The Natural Resources Defense Council estimates that by 2025, an additional 200 million tons of biomass could be generated each year from dedicated biomass crops such as native switchgrass, hybrid poplar and other woody crops, grown throughout the country. These crops require little or no fertilizer or chemical treatment, while helping to enhance soil quality and reduce runoff.

Cellulose from biomass can be converted to ethanol, to provide a clean transportation fuel with potentially near-zero net carbon dioxide and sulfur emissions, and substantially reduced carbon monoxide, particulate and toxic emissions compared to petroleum-based fuel. The Natural Resources Defense Council estimates that by 2050 biomass could supply 50 percent of the nation's transportation fuel, dramatically reducing our dependence on foreign oil.

Other products of the biomass refining process, such as biochemicals and bioplastics, can also complement or replace less environmentally-friendly petroleum-based equivalents. For example, if all of the plastic used in the United States were made from biomass instead of petroleum, the Nation's oil consumption would decrease by 90 to 145 million barrels a year. Biobased plastics can also be composted and converted back to soil instead of being thrown in a landfill.

Biobased chemicals, lubricants and metal-working fluids are all available in the marketplace today, and offer safe, non-toxic alternatives to their petroleum-based counterparts. The National Academies of Science found that biomass could meet all of the Nation's needs for organic chemicals, replacing 700 million barrels of petroleum a year.

But perhaps one of the greatest benefits of biobased fuels and products is to our rural economy. A mature biomass industry would create more than 1 million jobs and generate \$5 billion annually in revenue for farmers. This represents a tremendous opportunity to grow and diversify sources of rural income, while reducing our dependence on foreign oil, bolstering national security and protecting the environment.

However, several obstacles still remain. Current Federal programs to develop biomass crops, establish supply chains, and reduce the cost of biofuels production are under-funded and lack appropriate targeting. Potential biomass refinery developers remain reluctant to invest in construction of "next generation" plants due to the high level of financial risk. And, according to a recent report from the Government Accountability Office, biobased

purchase requirements and other bioeconomy measures at the U.S. Department of Agriculture have not been given the necessary priority for full implementation.

A wide range of groups, including the Energy Future Coalition, the National Commission on Energy Policy, the Governors' Ethanol Coalition, and the Natural Resources Defense Council, is calling on Congress to invest in the bioeconomy as the best direction for the country's energy future.

The time to act is now.

This legislation implements several critical measures to help ensure the widespread deployment and commercialization of biobased fuels and products over the next 10 years.

The bill substantially updates and improves the Biomass Research and Development Act by refining its objectives, providing greater focus on overcoming remaining technical barriers, and increasing funding. It authorizes \$1 billion in research and development over five years to help today's successful biorefineries become the biorefineries of tomorrow, while developing advanced biomass crops, crop production methods, harvesting and transport technology to deliver abundant biomass to the refinery door.

It creates a reverse auction of production incentives to deliver the first billion gallons of cellulosic biofuels at the lowest cost to taxpayers. Each year, cellulosic biofuels refiners will bid for assistance on a per gallon basis. Refiners who request the lowest level of assistance will earn production contracts. As the volume of biofuels production grows, competition will increase, and per gallon incentive rates will decrease. After the first billion gallons of annual production, cellulosic ethanol is expected to be competitive with gasoline without government assistance.

It establishes a new Assistant Secretary position for Energy and Bioproduct Development at USDA to provide the necessary priority and resources for bioenergy and bioproduct programs. It expands the Federal Government biobased product procurement program of the 2002 farm bill to include government contractors. It also extends the program to the U.S. Capitol Complex, and establishes the Capitol as a showcase for biobased products.

It creates grant programs to help small biobased businesses with marketing and certification of biobased products, and funds bioeconomy development associations and Land Grant institutions to support the growth of regional bioeconomies.

The legislation calls on Congress to create tax incentives to encourage investment in production of biobased fuels and products, and it provides for education and outreach to promote producer investment in processing facilities and to heighten consumer awareness of biobased fuels and products.

Together, these measures will send a strong signal to innovators, investors

and biobased businesses that Congress is committed to advancing the bioeconomy. With full funding, this bill will deliver the technological advances needed to help make biobased fuels and products cost competitive with petroleum-based equivalents, and it will take a big step toward a future in which our cars run on clean-burning renewable fuels, our plastics turn to compost, and our Nation's farmers fortify our energy security.

The bill has strong support from a broad coalition of agricultural producers, industry, clean energy, environment and national security groups. I have here several letters of endorsement.

I ask unanimous consent that the text of the bill, and the accompanying letters of endorsement, be printed in the RECORD.

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

S. 1210

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “National Security and Bioenergy Investment Act of 2005”.

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

Sec. 1. Short title; table of contents.

Sec. 2. Findings.

Sec. 3. Definitions.

TITLE I—BIOMASS RESEARCH AND DEVELOPMENT

Sec. 101. Definitions.

Sec. 102. Cooperation and coordination in biomass research and development.

Sec. 103. Biomass Research and Development Board.

Sec. 104. Biomass Research and Development Technical Advisory Committee.

Sec. 105. Biomass Research and Development Initiative.

Sec. 106. Reports.

Sec. 107. Funding.

Sec. 108. Termination of authority.

Sec. 109. Biomass-derived hydrogen.

TITLE II—PRODUCTION INCENTIVES

Sec. 201. Production incentives.

TITLE III—ASSISTANT SECRETARY OF AGRICULTURE FOR ENERGY AND BIOBASED PRODUCTS

Sec. 301. Assistant Secretary of Agriculture for Energy and Biobased Products.

TITLE IV—PROCUREMENT OF BIOBASED PRODUCTS

Sec. 401. Federal procurement.

Sec. 402. Capitol Complex procurement.

Sec. 403. Education.

Sec. 404. Regulations.

TITLE V—BIOECONOMY GRANTS AND TAX INCENTIVES

Sec. 501. Small business bioproduct marketing and certification grants.

Sec. 502. Regional bioeconomy development grants.

Sec. 503. Preprocessing and harvesting demonstration grants.

Sec. 504. Sense of the Senate.

TITLE VI—OTHER PROVISIONS

Sec. 601. Education and outreach.

Sec. 602. Reports.

SEC. 2. FINDINGS.

Congress finds that—

(1) the Governors' Ethanol Coalition, in the report entitled “Ethanol From Biomass America's 21st Century Transportation Fuel”, found that—

(A) the dependence of the United States on oil is a major risk to national security and economic and environmental health;

(B) the safest and least costly approach to mitigating these risks is to set and achieve aggressive biofuels research, development, production and use goals; and

(C) significant investment in cellulosic biofuels, including a dramatic expansion of existing research programs, production and consumer incentives, and commercialization assistance, is needed;

(2) the National Academy of Sciences has found that there are abundant sources of waste biomass, and approximately 280,000,000 tons of waste biomass generated, in all regions of the United States each year;

(3) the Natural Resources Defense Council has estimated that by 2025, 200,000,000 additional tons of biomass could be harvested each year from dedicated energy crops grown throughout the country, yielding \$5,000,000,000 annually in profit for farmers;

(4) the Department of Agriculture has estimated that energy derived from existing biomass supplies could displace 25 percent of current petroleum imports while still meeting agricultural demands;

(5) if all diesel fuel in the United States were blended with a 4-percent blend of biodiesel, crude oil consumption in the United States would be reduced by 300,000,000 barrels each year by 2016;

(6) there is sufficient domestic feedstock for the production of at least 8,000,000,000 annual gallons of renewable fuels, including ethanol and biodiesel, by 2012;

(7) the Natural Resources Defense Council has estimated that biomass could supply 50 percent of current transportation petroleum demand by 2050;

(8) the National Academy of Sciences has estimated that enough agricultural crop residue is produced each year to entirely replace the 700,000,000 barrels of petroleum used in organic chemical production in 2004;

(9) the Biotechnology Industry Organization, in its report entitled “New Biotechnology Tools for a Cleaner Environment”, found that if all plastics in the United States were made from biomass, oil consumption would decrease by up to 145,000,000 barrels per year;

(10) the National Academy of Sciences has reported that biobased products have the potential to improve the sustainability of natural resources, environmental quality, and national security while competing economically;

(11) the Department of Agriculture has made significant advances in the understanding and use by the United States of biomass as a feedstock for fuels and products;

(12) through participation with the Department of Energy in the Biomass Research and Development Initiative, the Department of Agriculture has also made valuable contributions, through grant-making and other initiatives, to the support of biomass research and development at institutions throughout the United States;

(13) the Government Accountability Office has found that—

(A) actions to implement the requirements of the Farm Security and Rural Investment Act of 2002 (Public Law 107-171; 116 Stat. 134) for purchasing biobased products have been limited; and

(B) greater priority by the Department of Agriculture would promote compliance by other agencies with biobased purchasing requirements;

(14) an Assistant Secretary of the Department of Agriculture for Energy and Biobased Products would provide the priority, staff, and financial resources to fully implement biobased purchasing requirements and other provisions of the energy title of the Farm Security and Rural Investment Act of 2002;

(15) Federal government contractors and the Architect of the Capitol are currently exempt from biobased purchasing requirements of the Farm Security and Rural Investment Act of 2002;

(16) expansion of those biobased purchasing requirements—

(A) to Federal contractors would significantly expand the market for, and advance commercialization of, biobased products; and

(B) to the Architect of the Capitol would, in combination with a program of public education, allow the Capitol Complex to serve as a showcase for the existence, use, and benefits of biobased products;

(17) fuel derived from cellulosic biomass could have near-zero net carbon dioxide and sulfur emissions, and substantially reduced carbon monoxide, particulate and toxic emissions relative to petroleum-based fuels;

(18) the bipartisan National Commission on Energy Policy has predicted that with a dedicated Federal research, development, and demonstration effort, cellulosic ethanol could be less expensive to produce than gasoline by 2015;

(19) the 2004 report of the Rocky Mountain Institute, entitled “Winning the Oil Endgame”, estimated that a mature biomass industry would create up to 1,045,000 jobs;

(20) the National Academy of Sciences has found that there are significant opportunities to produce biomass ethanol more efficiently;

(21) the National Commission on Energy Policy has found that current Federal programs directed toward reducing the cost of biofuels are under-funded, intermittent, scattered, and poorly targeted;

(22) a report commissioned by the Department of Defense urged the United States to invest in a new large-scale initiative to produce biofuels as an alternative supply source, and as a feedstock for future fuel vehicles;

(23) the Consumer Federation of America has found that the blending of ethanol into conventional gasoline can significantly benefit consumers by lowering prices at the pump;

(24) 45 leading national security, labor, and energy policy experts joined the Energy Future Coalition in supporting a national commitment to cut the oil use of the United States by 25 percent by 2025 through the rapid development and deployment of advanced biomass, alcohol, and other available petroleum fuel alternatives; and

(25) an aggressive effort to advance technology for conversion of biomass to fuel and products is warranted.

SEC. 3. DEFINITIONS.

In this Act:

(1) DEPARTMENT.—The term “Department” means the Department of Agriculture.

(2) SECRETARY.—The term “Secretary” means the Secretary of Agriculture.

TITLE I—BIOMASS RESEARCH AND DEVELOPMENT

SEC. 101. DEFINITIONS.

Section 303 of the Biomass Research and Development Act of 2000 (Public Law 106-224; 7 U.S.C. 8101 note) is amended—

(1) by striking paragraphs (2), (3), and (9);

(2) by redesignating paragraphs (4), (5), (6), (7), and (8) as paragraphs (5), (7), (8), (9), and (10) respectively;

(3) by inserting after paragraph (1) the following:

“(2) BIOBASED FUEL.—The term ‘biobased fuel’ means any transportation fuel produced from biomass.

“(3) BIOBASED PRODUCT.—The term ‘biobased product’ means a commercial or industrial product (including chemicals, materials, polymers, and animal feed) produced from biomass, or electric power derived in connection with the conversion of biomass to fuel.

“(4) BIOMASS.—

“(A) IN GENERAL.—The term ‘biomass’ means—

“(i) organic material from a plant, including grasses and trees, that is planted for the purpose of being used to produce energy, including vegetation produced for harvest on land enrolled in the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) if the harvest is consistent with the integrity of soil and water resources and with other environmental purposes of the conservation reserve program;

“(ii) nonhazardous, lignocellulosic, or hemicellulosic matter derived from—

“(I) the following forest-related resources:

“(aa) pre-commercial thinnings;

“(bb) slash; and

“(cc) brush;

“(II) an agricultural crop, crop byproduct, or agricultural crop residue, including vegetation produced for harvest on land enrolled in the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) if the harvest is consistent with the integrity of soil and water resources and with other environmental purposes of the conservation reserve program; or

“(III) miscellaneous waste, including landscape or right-of-way tree trimmings; and

“(iii) agricultural animal waste.

“(B) EXCLUSION.—The term ‘biomass’ does not include—

“(i) unsegregated municipal solid waste;

“(ii) incineration of municipal solid waste;

“(iii) recyclable post-consumer waste paper and paper products;

“(iv) painted, treated, or pressurized wood;

“(v) wood contaminated with plastic or metals; or

“(vi) tires.”; and

(4) by inserting after paragraph (5) (as redesignated by paragraph (2)):

“(6) DEMONSTRATION.—The term ‘demonstration’ means demonstration of technology in a pilot plant or semi-works scale facility.”.

SEC. 102. COOPERATION AND COORDINATION IN BIOMASS RESEARCH AND DEVELOPMENT.

Section 304 of the Biomass Research and Development Act of 2000 (Public Law 106-224; 7 U.S.C. 8101 note) is amended—

(1) in subsections (a) and (d), by striking “industrial products” each place it appears and inserting “fuels and biobased products”;

(2) by striking subsections (b) and (c);

(3) by redesignating subsection (d) as subsection (b); and

(4) in subsection (b)(1)(A) (as redesignated by paragraph (3)), by striking “an officer of the Department of Agriculture appointed by the President to a position in the Department before the date of the designated, by and with the advice and consent of the Senate” and inserting: “the Assistant Secretary of Agriculture for Energy and Biobased Products”.

SEC. 103. BIOMASS RESEARCH AND DEVELOPMENT BOARD.

Section 305 of the Biomass Research and Development Act of 2000 (Public Law 106-224; 7 U.S.C. 8101 note) is amended—

(1) in subsections (a) and (c), by striking “industrial products” each place it appears and inserting “fuels and biobased products”;

(2) in subsection (b)—

(A) in paragraph (1), by striking “304(d)(1)(B)” and inserting “304(b)(1)(B)”;

and

(B) in paragraph (2), by striking “304(d)(1)(A)” and inserting “304(b)(1)(A)”;

and

(3) in subsection (c)—

(A) in paragraph (1)(B), by striking “and” at the end;

(B) in paragraph (2), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following:

“(3) ensure that—

“(A) solicitations are open and competitive with awards made annually; and

“(B) objectives and evaluation criteria of the solicitations are clearly stated and minimally prescriptive, with no areas of special interest; and

“(4) ensure that the panel of scientific and technical peers assembled under section 307(c)(2)(C) to review proposals is composed predominantly of independent experts selected from outside the Departments of Agriculture and Energy.”.

SEC. 104. BIOMASS RESEARCH AND DEVELOPMENT TECHNICAL ADVISORY COMMITTEE.

Section 306 of the Biomass Research and Development Act of 2000 (Public Law 106-224; 7 U.S.C. 8101 note) is amended—

(1) in subsection (b)(1)—

(A) in subparagraph (A), by striking “biobased industrial products” and inserting “biofuels”;

(B) by redesignating subparagraphs (B) through (J) as subparagraphs (C) through (K), respectively;

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

“(B) an individual affiliated with the biobased industrial and commercial products industry;”;

(D) in subparagraph (F) (as redesignated by subparagraph (B)) by striking “an individual” and inserting “2 individuals”;

(E) in subparagraphs (C), (D), (G), and (I) (as redesignated by subparagraph (B)) by striking “industrial products” each place it appears and inserting “fuels and biobased products”; and

(F) in subparagraph (H) (as redesignated by subparagraph (B)), by inserting “and environmental” before “analysis”;

(2) in subsection (c)(2)—

(A) in subparagraph (A), by striking “goals” and inserting “objectives, purposes, and considerations”;

(B) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively;

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

“(B) solicitations are open and competitive with awards made annually and that objectives and evaluation criteria of the solicitations are clearly stated and minimally prescriptive, with no areas of special interest;”;

and

(D) in subparagraph (C) (as redesignated by subparagraph (B)) by inserting “predominantly from outside the Departments of Agriculture and Energy” after “technical peers”.

SEC. 105. BIOMASS RESEARCH AND DEVELOPMENT INITIATIVE.

Section 307 of the Biomass Research and Development Act of 2000 (Public Law 106-224; 7 U.S.C. 8101 note) is amended—

(1) in subsection (a), by striking “research on biobased industrial products” and inserting “research on, and development and demonstration of, biobased fuels and biobased products, and the methods, practices and

technologies, including industrial biotechnology, for their production"; and

(2) by striking subsections (b) through (e) and inserting the following:

“(b) AGENCIES.—

“(1) AGRICULTURE.—The Secretary of Agriculture, through the point of contact of the Department of Agriculture and in consultation with the Board, shall provide, or enter into, grants, contracts, and financial assistance under this section through the Cooperative State Research, Education, and Extension Service of the Department of Agriculture.

“(2) ENERGY.—The Secretary of Energy, through the point of contact of the Department of Energy and in consultation with the Board, shall provide, or enter into, grants, contracts, and financial assistance under this section through the appropriate agency, as determined by the Secretary of Energy.

“(c) OBJECTIVES.—The objectives of the Initiative are to develop—

“(1) technologies and processes necessary for abundant commercial production of biobased fuels at prices competitive with fossil fuels;

“(2) high-value biobased products—

“(A) to enhance the economic viability of biobased fuels and power; and

“(B) as substitutes for petroleum-based feedstocks and products; and

“(3) a diversity of sustainable domestic sources of biomass for conversion to biobased fuels and biobased products.

“(d) PURPOSES.—The purposes of the Initiative are—

“(1) to increase the energy security of the United States;

“(2) to create jobs and enhance the economic development of the rural economy;

“(3) to enhance the environment and public health; and

“(4) to diversify markets for raw agricultural and forestry products.

“(e) TECHNICAL AREAS.—To advance the objectives and purposes of the Initiative, the Secretary of Agriculture and the Secretary of Energy, in consultation with the Administrator of the Environmental Protection Agency and heads of other appropriate departments and agencies (referred to in this section as the ‘Secretaries’), shall direct research and development toward—

“(1) feedstock production through the development of crops and cropping systems relevant to production of raw materials for conversion to biobased fuels and biobased products, including—

“(A) development of advanced and dedicated crops with desired features, including enhanced productivity, broader site range, low requirements for chemical inputs, and enhanced processing;

“(B) advanced crop production methods to achieve the features described in subparagraph (A);

“(C) feedstock harvest, handling, transport, and storage; and

“(D) strategies for integrating feedstock production into existing managed land;

“(2) overcoming recalcitrance of cellulosic biomass through developing technologies for converting cellulosic biomass into intermediates that can subsequently be converted into biobased fuels and biobased products, including—

“(A) pretreatment in combination with enzymatic or microbial hydrolysis; and

“(B) thermochemical approaches, including gasification and pyrolysis;

“(3) product diversification through technologies relevant to production of a range of biobased products (including chemicals, animal feeds, and cogenerated power) that eventually can increase the feasibility of fuel production in a biorefinery, including—

“(A) catalytic processing, including thermochemical fuel production;

“(B) metabolic engineering, enzyme engineering, and fermentation systems for biological production of desired products or cogeneration of power;

“(C) product recovery;

“(D) power production technologies; and

“(E) integration into existing biomass processing facilities, including starch ethanol plants, paper mills, and power plants; and

“(4) analysis that provides strategic guidance for the application of biomass technologies in accordance with realization of societal benefits in improved sustainability and environmental quality, cost effectiveness, security, and rural economic development, usually featuring system-wide approaches.

“(f) ADDITIONAL CONSIDERATIONS.—Within the technical areas described in subsection (e), and in addition to advancing the purposes described in subsection (d) and the objectives described in subsection (c), the Secretaries shall support research and development—

“(1) to create continuously expanding opportunities for participants in existing biofuels production by seeking synergies and continuity with current technologies and practices, including the use of dried distillers grains as a bridge feedstock;

“(2) to maximize the environmental, economic, and social benefits of production of biobased fuels and biobased products on a large scale through life-cycle economic and environmental analysis and other means; and

“(3) to assess the potential of Federal land and land management programs as feedstock resources for biobased fuels and biobased products, consistent with the integrity of soil and water resources and with other environmental considerations.

“(g) ELIGIBLE ENTITIES.—To be eligible for a grant, contract, or assistance under this section, an applicant shall be—

“(1) an institution of higher education;

“(2) a national laboratory;

“(3) a Federal research agency;

“(4) a State research agency;

“(5) a private sector entity;

“(6) a nonprofit organization; or

“(7) a consortium of 2 or more entities described in paragraphs (1) through (6).

“(h) ADMINISTRATION.—

“(1) IN GENERAL.—After consultation with the Board, the points of contact shall—

“(A) publish annually 1 or more joint requests for proposals for grants, contracts, and assistance under this section;

“(B) establish a priority in grants, contracts, and assistance under this section for research that advances the objectives, purposes, and additional considerations of this title;

“(C) require that grants, contracts, and assistance under this section be awarded competitively, on the basis of merit, after the establishment of procedures that provide for scientific peer review by an independent panel of scientific and technical peers; and

“(D) give some preference to applications that—

“(i) involve a consortia of experts from multiple institutions;

“(ii) encourage the integration of disciplines and application of the best technical resources; and

“(iii) increase the geographic diversity of demonstration projects.

“(2) DISTRIBUTION OF FUNDING BY TECHNICAL AREA.—Of the funds authorized to be appropriated for activities described in this section—

“(A) 20 percent shall be used to carry out activities for feedstock production under subsection (e)(1);

“(B) 45 percent shall be used to carry out activities for overcoming recalcitrance of cellulosic biomass under subsection (e)(2);

“(C) 30 percent shall be used to carry out activities for product diversification under subsection (e)(3); and

“(D) 5 percent shall be used to carry out activities for strategic guidance under subsection (e)(4).

“(3) DISTRIBUTION OF FUNDING WITHIN EACH TECHNICAL AREA.—Within each technical area described in paragraphs (1) through (3) of subsection (e)—

“(A) 15 percent of funds shall be used for applied fundamentals;

“(B) 35 percent of funds shall be used for innovation; and

“(C) 50 percent of funds shall be used for demonstration.

“(4) MATCHING FUNDS.—

“(A) IN GENERAL.—A minimum 20 percent funding match shall be required for demonstration projects under this title.

“(B) NO OTHER REQUIREMENT.—No matching funds shall be required for other activities under this title.

“(5) TECHNOLOGY AND INFORMATION TRANSFER TO AGRICULTURAL USERS.—

“(A) IN GENERAL.—The Administrator of the Cooperative State Research, Education, and Extension Service and the Chief of the Natural Resources Conservation Service shall ensure that applicable research results and technologies from the Initiative are adapted, made available, and disseminated through those services, as appropriate.

“(B) REPORT.—Not later than 2 years after the date of enactment of this paragraph, and every 2 years thereafter, the Administrator of the Cooperative State Research, Education, and Extension Service and the Chief of the Natural Resources Conservation Service shall submit to the committees of Congress with jurisdiction over the Initiative a report describing the activities conducted by the services under this subsection.”.

SEC. 106. REPORTS.

Section 309 of the Biomass Research and Development Act of 2000 (Public Law 106-224; 7 U.S.C. 8101 note) is amended—

(1) in subsection (a)—

(A) in paragraph (2), by striking “industrial product” and inserting “fuels and biobased products”; and

(B) in paragraph (3), by striking “industrial products” each place it appears and inserting “fuels and biobased products”;

(2) by redesignating subsection (b) as subsection (c);

(3) by inserting after subsection (a) the following:

“(b) ASSESSMENT REPORT AND STRATEGIC PLAN.—Not later than 1 year after the date of enactment of the National Security and Bioenergy Investment Act of 2005, the Secretary and the Secretary of Energy shall jointly submit to Congress a report that—

“(1) describes the status and progress of current research and development efforts in both the Federal Government and private sector in achieving the objectives, purposes, and considerations of this title, specifically addressing each of the technical areas identified in section 307(e);

“(2) describes the actions taken to implement the improvements directed by this title; and

“(3) outlines a strategic plan for achieving the objectives, purposes, and considerations of this title.”; and

(4) in subsection (c) (as redesignated by paragraph (2))—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking “purposes described in section 307(b)” and inserting “objectives, purposes, and additional considerations described in subsections (c) through (f) of section 307”;

(ii) in subparagraph (B), by striking “and” at the end;

(iii) by redesignating subparagraph (C) as subparagraph (D); and

(iv) by inserting after subparagraph (B) the following:

“(C) achieves the distribution of funds described in paragraphs (2) and (3) of section 307(h); and”;

(B) in paragraph (2), by striking “industrial products” and inserting “fuels and biobased products”.

SEC. 107. FUNDING.

(a) FUNDING.—Section 310(a)(2) of the Biomass Research and Development Act of 2000 (Public Law 106-224; 7 U.S.C. 8101 note) is amended by striking “\$14,000,000 for each of fiscal years 2003 through 2007” and inserting “\$200,000,000 for each of fiscal years 2006 through 2010”.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 310(b) of the Biomass Research and Development Act of 2000 (Public Law 106-224; 7 U.S.C. 8101 note) is amended by striking “title \$54,000,000 for each of fiscal years 2002 through 2007” and inserting “title \$200,000,000 for fiscal year 2011 and each fiscal year thereafter”.

SEC. 108. TERMINATION OF AUTHORITY.

The Biomass Research and Development Act of 2000 (Public Law 106-224; 7 U.S.C. 8101 note) is amended by striking section 311.

SEC. 109. BIOMASS-DERIVED HYDROGEN.

(a) IN GENERAL.—The Secretary shall conduct a research, development, and demonstration program focused on the economic production and use of hydrogen from biofuels, with emphasis on the rural transportation and rural electrical generation sectors.

(b) TRANSPORTATION SECTOR OBJECTIVES.—The objectives of the program in the transportation sector shall be to—

(1) conduct research, and to develop and test processes and equipment, to produce low-cost liquid biobased fuels that can be transported to distant fueling stations for the production of hydrogen or for direct use in conventional internal combustion engine vehicles;

(2) demonstrate the cost-effective production of hydrogen from liquid biobased fuels at the local fueling station, to eliminate the costs of transporting hydrogen long distances or building hydrogen pipeline networks;

(3) demonstrate the use of hydrogen derived from liquid biobased fuels in fuel cell vehicles, or, as an interim cost-reduction option, in internal combustion engine hybrid electric vehicles, to demonstrate sustainable transportation with significantly reduced local air pollution, greenhouse gas emissions, and dependence on imported fossil fuels;

(4) evaluate the economic return to agricultural producers producing feedstocks for liquid biobased fuels compared to agricultural producer returns as of the date of enactment of this Act;

(5) evaluate the crop yield and long-term soil sustainability of growing and harvesting feedstocks for liquid biobased fuels; and

(6) evaluate the fuel costs to fuel cell car owners (or hybrid electric car owners running on hydrogen) per mile driven compared to burning gasoline in conventional vehicles.

(c) ELECTRICAL GENERATION SECTOR OBJECTIVES.—The objectives of the program in the rural electrical generation sector shall be to—

(1) design, develop, and test low-cost gasification equipment to convert biomass to hy-

drogen at regional rural cooperatives, or at businesses owned by farmers, close to agricultural operations to minimize the cost of biomass transportation to large central gasification plants;

(2) demonstrate low-cost electrical generation at such rural cooperatives or farmer-owned businesses, using renewable hydrogen derived from biomass in either fuel cell generators, or, as an interim cost reduction option, in conventional internal combustion engine gensets;

(3) determine the economic return to cooperatives or other businesses owned by farmers of producing hydrogen from biomass and selling electricity compared to agricultural economic returns from producing and selling conventional crops alone;

(4) evaluate the crop yield and long-term soil sustainability of growing and harvesting of feedstocks for biomass gasification, and

(5) demonstrate the use of a portion of the biomass-derived hydrogen in various agricultural vehicles to reduce—

(A) dependence on imported fossil fuel; and

(B) environmental impacts.

(d) AUTHORIZATION FOR APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$5,000,000 for each of fiscal years 2006 through 2010.

TITLE II—PRODUCTION INCENTIVES

SEC. 201. PRODUCTION INCENTIVES.

(a) PURPOSE.—The purpose of this section is to—

(1) accelerate deployment and commercialization of biofuels;

(2) deliver the first 1,000,000,000 gallons of cellulosic biofuels by 2015;

(3) ensure biofuels produced after 2015 are cost competitive with gasoline and diesel; and

(4) ensure that small feedstock producers and rural small businesses are full participants in the development of the cellulosic biofuels industry.

(b) DEFINITIONS.—In this section:

(1) CELLULOSIC BIOFUELS.—The term “cellulosic biofuels” means any fuel that is produced from cellulosic feedstocks.

(2) ELIGIBLE ENTITY.—The term “eligible entity” means a producer of fuel from cellulosic biofuels the production facility of which—

(A) is located in the United States;

(B) meets all applicable Federal and State permitting requirements;

(C) is to begin production of cellulosic biofuels not later than 3 years after the date of the reverse auction in which the producer participates; and

(D) meets any financial criteria established by the Secretary.

(c) PROGRAM.—

(1) ESTABLISHMENT.—The Secretary, in consultation with the Secretary of Energy, the Secretary of Defense, and the Administrator of the Environmental Protection Agency, shall establish an incentive program for the production of cellulosic biofuels.

(2) BASIS OF INCENTIVES.—Under the program, the Secretary shall award production incentives on a per gallon basis of cellulosic biofuels from eligible entities, through—

(A) set payments per gallon of cellulosic biofuels produced in an amount determined by the Secretary, until initiation of the first reverse auction; and

(B) reverse auction thereafter.

(3) FIRST REVERSE AUCTION.—The first reverse auction shall be held on the earlier of—

(A) not later than 1 year after the first year of annual production in the United States of 100,000,000 gallons of cellulosic biofuels, as determined by the Secretary; or

(B) not later than 3 years after the date of enactment of this Act.

(4) REVERSE AUCTION PROCEDURE.—

(A) IN GENERAL.—On initiation of the first reverse auction, and each year thereafter until the earlier of the first year of annual production in the United States of 1,000,000,000 gallons of cellulosic biofuels, as determined by the Secretary, or 10 years after the date of enactment of this Act, the Secretary shall conduct a reverse auction at which—

(i) the Secretary shall solicit bids from eligible entities;

(ii) eligible entities shall submit—

(I) a desired level of production incentive on a per gallon basis; and

(II) an estimated annual production amount in gallons; and

(iii) the Secretary shall issue awards for the production amount submitted, beginning with the eligible entity submitting the bid for the lowest level of production incentive on a per gallon basis, until the amount of funds available for the reverse auction is committed.

(B) AMOUNT OF INCENTIVE RECEIVED.—An eligible entity selected by the Secretary through a reverse auction shall receive the amount of performance incentive requested in the auction for each gallon produced and sold by the entity during the first 6 years of operation.

(d) LIMITATIONS.—Awards under this section shall be limited to—

(1) a per gallon amount determined by the Secretary during the first 4 years of the program;

(2) a declining per gallon cap over the remaining lifetime of the program, to be established by the Secretary so that cellulosic biofuels produced after the first year of annual cellulosic biofuels production in the United States in excess of 1,000,000,000 gallons are cost competitive with gasoline and diesel;

(3) not more than 25 percent of the funds committed within each reverse auction to any 1 project;

(4) not more than \$100,000,000 in any 1 year; and

(5) not more than \$1,000,000,000 over the lifetime of the program.

(e) PRIORITY.—In selecting a project under the program, the Secretary shall give priority to projects that—

(1) demonstrate outstanding potential for local and regional economic development;

(2) include agricultural producers or cooperatives of agricultural producers as equity partners in the ventures; and

(3) have a strategic agreement in place to fairly reward feedstock suppliers.

(f) FUNDING.—

(1) IN GENERAL.—The Secretary shall use to carry out this title \$250,000,000 of funds of the Commodity Credit Corporation, to remain available until expended.

(2) AUTHORIZATIONS OF APPROPRIATIONS.—In addition to amounts made available under paragraph (1), there are authorized to be appropriated such sums as are necessary to carry out this section.

TITLE III—ASSISTANT SECRETARY OF AGRICULTURE FOR ENERGY AND BIOBASED PRODUCTS

SEC. 301. ASSISTANT SECRETARY OF AGRICULTURE FOR ENERGY AND BIOBASED PRODUCTS.

(a) ESTABLISHMENT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall establish in the Department a position of Assistant Secretary of Agriculture for Energy and Biobased Products (referred to in this section as the “Assistant Secretary”).

(b) RESPONSIBILITIES.—The Assistant Secretary shall be responsible for—

(1) the energy programs established under title IX of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8101 et seq.); and

(2) all other programs and initiatives that the Secretary considers appropriate.

(c) CONFIRMATION REQUIREMENT.—The Assistant Secretary shall be appointed by the President, by and with the advice and consent of the Senate.

(d) PERSONNEL.—The Secretary, acting through the Assistant Secretary, may transfer or assign work to personnel, or assign staff hours, on a permanent or a part-time basis, as needed, to the Office of the Assistant Secretary to carry out the functions and duties of the office.

(e) BUDGET.—The Secretary shall establish a budget for the office of the Assistant Secretary.

TITLE IV—PROCUREMENT OF BIOBASED PRODUCTS

SEC. 401. FEDERAL PROCUREMENT.

(a) DEFINITION OF PROCURING AGENCY.—Section 9001 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8101) is amended—

(1) by redesignating paragraphs (4), (5), and (6) as paragraphs (5), (6), and (7), respectively; and

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

“(4) PROCURING AGENCY.—The term ‘procuring agency’ means—

“(A) any Federal agency that is using Federal funds for procurement; or

“(B) any person contracting with any Federal agency with respect to work performed under the contract.”.

(b) PROCUREMENT.—Section 9002 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8102) is amended—

(1) by striking “Federal agency” each place it appears (other than in subsections (f) and (g)) and inserting “procuring agency”;

(2) in subsection (c)(2)—

(A) by striking “(2)” and all that follows through “Notwithstanding” and inserting the following:

“(2) FLEXIBILITY.—Notwithstanding”;

(B) by striking “an agency” and inserting “a procuring agency”;

(C) by striking “the agency” and inserting “the procuring agency”;

(3) in subsection (d), by striking “procured by Federal agencies” and inserting “procured by procuring agencies”;

(4) in subsection (f), by striking “Federal agencies” and inserting “procuring agencies”.

SEC. 402. CAPITOL COMPLEX PROCUREMENT.

Section 9002 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8102) (as amended by section 401(b)) is amended—

(1) by redesignating subsection (j) as subsection (k); and

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

“(j) INCLUSION.—Not later than 90 days after the date of enactment of the National Security and Bioenergy Investment Act of 2005, the Architect of the Capitol, the Sergeant of Arms of the Senate, and the Chief Administrative Officer of the House of Representatives shall issue regulations that apply the requirements of this section to procurement for the Capitol Complex.”.

SEC. 403. EDUCATION.

(a) IN GENERAL.—The Architect of the Capitol shall establish in the Capitol Complex a program of public education regarding use by the Architect of the Capitol of biobased products.

(b) PURPOSES.—The purposes of the program shall be—

(1) to establish the Capitol Complex as a showcase for the existence and benefits of biobased products; and

(2) to provide access to further information on biobased products to occupants and visitors.

SEC. 404. REGULATIONS.

Requirements issued under the amendment made by section 402 shall be made in accordance with regulations issued by the Committee on Rules and Administration of the Senate and the Committee on House Administration of the House of Representatives.

TITLE V—BIOECONOMY GRANTS AND TAX INCENTIVES

SEC. 501. SMALL BUSINESS BIOPRODUCT MARKETING AND CERTIFICATION GRANTS.

(a) IN GENERAL.—Using amounts made available under subsection (g), the Secretary shall make available on a competitive basis grants to eligible entities described in subsection (b) for the biobased product marketing and certification purposes described in subsection (c).

(b) ELIGIBLE ENTITIES.—An entity eligible for a grant under this section is any manufacturer of biobased products that—

(1) has fewer than 50 employees;

(2) proposes to use the grant for the biobased product marketing and certification purposes described in subsection (c); and

(3) has not previously received a grant under this section.

(c) BIOBASED PRODUCT MARKETING AND CERTIFICATION GRANT PURPOSES.—A grant made under this section shall be used—

(1) to plan activities and working capital for marketing of biobased products; and

(2) to provide private sector cost sharing for the certification of biobased products.

(d) MATCHING FUNDS.—

(1) IN GENERAL.—Grant recipients shall provide matching non-Federal funds equal to the amount of the grant received.

(2) EXPENDITURE.—Matching funds shall be expended in advance of grant funding, so that for every dollar of grant that is advanced, an equal amount of matching funds shall have been funded prior to submitting the request for reimbursement.

(e) AMOUNT.—A grant made under this section shall not exceed \$100,000.

(f) ADMINISTRATION.—The Secretary shall establish such administrative requirements for grants under this section, including requirements for applications for the grants, as the Secretary considers appropriate.

(g) AUTHORIZATIONS OF APPROPRIATIONS.—There are authorized to be appropriated to make grants under this section—

(1) \$1,000,000 for fiscal year 2006; and

(2) such sums as are necessary for fiscal year 2007 and each subsequent fiscal year.

SEC. 502. REGIONAL BIOECONOMY DEVELOPMENT GRANTS.

(a) IN GENERAL.—Using amounts made available under subsection (g), the Secretary shall make available on a competitive basis grants to eligible entities described in subsection (b) for the purposes described in subsection (c).

(b) ELIGIBLE ENTITIES.—An entity eligible for a grant under this section is any regional bioeconomy development association, agricultural or energy trade association, or Land Grant institution that—

(1) proposes to use the grant for the purposes described in subsection (c); and

(2) has not previously received a grant under this section.

(c) REGIONAL BIOECONOMY DEVELOPMENT ASSOCIATION GRANT PURPOSES.—A grant made under this section shall be used to support and promote the growth and development of the bioeconomy within the region served by the eligible entity, through coordination, education, outreach, and other endeavors by the eligible entity.

(d) MATCHING FUNDS.—

(1) IN GENERAL.—Grant recipients shall provide matching non-Federal funds equal to the amount of the grant received.

(2) EXPENDITURE.—Matching funds shall be expended in advance of grant funding, so that for every dollar of grant that is advanced, an equal amount of matching funds shall have been funded prior to submitting the request for reimbursement.

(e) ADMINISTRATION.—The Secretary shall establish such administrative requirements for grants under this section, including requirements for applications for the grants, as the Secretary considers appropriate.

(f) AMOUNT.—A grant made under this section shall not exceed \$500,000.

(g) AUTHORIZATIONS OF APPROPRIATIONS.—There are authorized to be appropriated to make grants under this section—

(1) \$1,000,000 for fiscal year 2006; and

(2) such sums as are necessary for fiscal year 2007 and each subsequent fiscal year.

SEC. 503. PREPROCESSING AND HARVESTING DEMONSTRATION GRANTS.

(a) IN GENERAL.—The Secretary shall make grants available on a competitive basis to enterprises owned by agricultural producers, for the purposes of demonstrating cost-effective, cellulose biomass innovations in—

(1) preprocessing of feedstocks, including cleaning, separating and sorting, mixing or blending, and chemical or biochemical treatments, to add value and lower the cost of feedstock processing at a biorefinery; or

(2) 1-pass or other efficient, multiple crop harvesting techniques.

(b) LIMITATIONS ON GRANTS.—

(1) NUMBER OF GRANTS.—Not more than 5 demonstration projects per fiscal year shall be funded under this section.

(2) NON-FEDERAL COST SHARE.—The non-Federal cost share of a project under this section shall be not less than 20 percent, as determined by the Secretary.

(c) CONDITION OF GRANT.—To be eligible for a grant for a project under this section, a recipient of a grant or a participating entity shall agree to use the material harvested under the project—

(1) to produce ethanol; or

(2) for another energy purpose, such as the generation of heat or electricity.

(d) AUTHORIZATION FOR APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$5,000,000 for each of fiscal years 2006 through 2010.

SEC. 504. SENSE OF THE SENATE.

It is the sense of the Senate that Congress should amend the Federal tax code to encourage investment in, and production and use of, biobased fuels and biobased products through—

(1) an investment tax credit for the construction or modification of facilities for the production of fuels from cellulose biomass, to drive private capital towards new biorefinery projects in a manner that allows participation by smaller farms and cooperatives; and

(2) an investment tax credit to small manufacturers of biobased products to lower the capital costs of starting and maintaining a biobased business.

TITLE VI—OTHER PROVISIONS

SEC. 601. EDUCATION AND OUTREACH.

(a) IN GENERAL.—The Secretary shall establish, within the Department or through an independent contracting entity, a program of education and outreach on biobased fuels and biobased products consisting of—

(1) training and technical assistance programs for feedstock producers to promote producer ownership, investment, and participation in the operation of processing facilities; and

(2) public education and outreach to familiarize consumers with the biobased fuels and biobased products.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this title \$1,000,000 for each of fiscal years 2006 through 2010.

SEC. 602. REPORTS.

(a) PROGRESS REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on progress in establishing the Office of the Assistant Secretary of Agriculture for Energy and Biobased Products under title I.

(b) BIOBASED PRODUCT POTENTIAL.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that—

(1) describes the economic potential for the United States of the widespread production and use of commercial and industrial biobased products through calendar year 2025; and

(2) as the maximum extent practicable, identifies the economic potential by product area.

(c) ANALYSIS OF ECONOMIC INDICATORS.—Not later than 2 years after the date of enactment of this Act, and every 2 years thereafter, the Secretary shall submit to Congress an analysis of economic indicators of the biobased economy during the 2-year period preceding the analysis.

JUNE 9, 2005.

HON. TOM HARKIN,
U.S. Senate,
Washington, DC.

HON. RICHARD LUGAR,
U.S. Senate,
Washington, DC.

Re the National Security and Bioenergy Investment Act of 2005.

DEAR SENATORS HARKIN AND LUGAR: The National Corn Growers Association (NCGA), the American Soybean Association (ASA), and the Renewable Fuels Association are writing to express our support for the National Security and Bioenergy Investment Act of 2005. In particular, we strongly support the increased procurement of biobased products by Federal agencies and all Federal government contractors. Biobased products represent a large potential growth market for corn and soybean growers in areas such as plastics, solvents, packaging and other consumer goods to provide markets for U.S.-grown crops. The biobased product industry has already started to grow, bringing new products to consumers, new markets to growers and new investments to our communities.

The procurement of biobased products promotes energy and environmental security. Products made from corn and soybeans could replace a variety of items currently produced from petroleum, and aid in reducing dependence on imported oil. Already the production of ethanol and biodiesel reduces imports by more than 140 million barrels of oil. The production of biobased products generates less greenhouse gas than traditional petroleum-based items. There are also tremendous opportunities for grower-owned processing facilities and rural American and agriculture as a whole. New jobs and investments will be brought into rural communities, as new processing and manufacturing facilities move into those communities to be near renewable feed stocks.

NCGA, ASA and RFA applaud your continued efforts to promote the use of biobased

products that will encourage the development of new markets for corn and soybeans and ultimately help to revitalize rural economies and the agriculture industry as a whole. We have been avid supporters of the biobased products industry, and we look forward to working with you as you continue to provide vision and direction for this emerging industry.

Sincerely,

LEON CORZINE,
President, National
Corn Growers Association.

NEAL BREDEHOEFT,
President, American
Soybean Association.

BOB DINNEEN,
President, Renewable
Fuels Association.

GOVERNORS' ETHANOL COALITION,
Lincoln, NE, June 9, 2005.

Hon. TOM HARKIN,
Hart Senate Office Building,
Washington, DC.

Hon. BARACK OBAMA,
Hart Senate Office Building,
Washington, DC.

Hon. RICHARD LUGAR,
Hart Senate Office Building,
Washington, DC.

Hon. NORM COLEMAN,
Hart Senate Office Building,
Washington, DC.

DEAR SENATORS: On behalf of the thirty members of the Governors' Ethanol Coalition, we strongly support and endorse the National Security and Bioenergy Investment Act of 2005, as well as your efforts to expand development of other biofuels and co-products. The Governors' Ethanol Coalition is pleased that this bill embodies the recommendations developed by the Coalition in Ethanol From Biomass, America's 21st Century Transportation Fuel. When signed into law, this act will catalyze needed research, production, and use of biofuels and bio-based products, thereby enhancing our economic, environmental, and national security.

The Coalition believes that the nation's dependency on imported oil presents a huge risk to this country's future. The combination of political tensions in major oil-producing nations with growing oil demand from China and India is seriously threatening our national security. Moreover, as we import greater amounts of oil each year, we are draining more and more of the wealth from our states.

The key provisions contained in your bill bring focus and resources to biomass-derived ethanol research and commercialization efforts. The result, over time, will be the replacement of significant amounts of imported oil with domestically produced fuels—improving our rural economies, cleaning our air, and contributing to our national security. Of particular importance is the bill's aim to broaden ethanol production to include all regions of the nation so that many more states will reap the benefits of biofuels.

Again, thank you for inclusion of the Coalition's recommendations in this landmark legislation. Please let us know how the Coalition can help with the passage of this very important legislation. The continued expansion of ethanol production and use, particularly biomass-derived fuels, and the accompanying economic growth and environmental benefits for our states is essential to the nation's long-term economic vitality and national security.

Sincerely,

TIM PAWLENTY,
Chair, Governor of
Minnesota.

KATHLEEN SEBELIUS,
Vice Chair, Governor
of Kansas.

ENERGY FUTURESM COALITION,
Washington, DC, June 8, 2005.

Hon. TOM HARKIN,
Hon. RICHARD G. LUGAR,
U.S. Senate,
Washington, DC.

DEAR SENATORS HARKIN AND LUGAR: On behalf of the Energy Future Coalition, I am writing to commend your leadership and vision in drafting the National Security and Bioenergy Investment Act of 2005.

In our judgment, America's growing dependence on foreign oil endangers our national and economic security. We believe the Federal government should undertake a major new initiative to curtail U.S. oil consumption through improved efficiency and the rapid development and deployment of advanced biomass, alcohol and other available petroleum fuel alternatives.

With such a push, we believe domestic biofuels can cut the nation's oil use by 25 percent by 2025, and substantial further reductions are possible through efficiency gains from advanced technologies. That is an ambitious goal, but it is also an extraordinary opportunity for American leadership, innovation, job creation, and economic growth.

You took an important step forward by introducing S. 650, the Fuels Security Act, incorporated into the Senate energy bill during Committee markup. This legislation is another important step, authorizing the additional research and development and federal incentives needed to accelerate the adoption of biobased fuels and coproducts. We are pleased to support it.

Sincerely,

REID DETCHON.

BIOTECHNOLOGY INDUSTRY
ORGANIZATION,
Washington, DC, June 8, 2005.

Hon. TOM HARKIN,
Ranking Democratic Member.

Hon. RICHARD LUGAR,
Member, U.S. Senate Committee on Agriculture,
Nutrition and Forestry, Russell Senate Office Building, Washington, DC.

DEAR SENATORS HARKIN AND LUGAR: The Biotechnology Industry Organization (BIO) Industrial and Environmental Section fully supports the National Security and Bioenergy Investment Act of 2005. We greatly appreciate your vision and initiative to expand the Biomass Research and Development Act and to create new incentives to produce biofuels and biobased products.

America's growing dependence on foreign energy is eroding our national security. We must take steps to drastically increase production of domestic energy. As an active participant in the Energy Future Coalition, BIO believes this country needs a major new initiative to more aggressively research, develop and deploy advanced biofuels technologies. With sufficient government support, we can meet up to 25% of our transportation fuel needs by converting farm crops and crop residues to transportation fuel.

The National Security and Bioenergy Investment Act of 2005 will boost the use of industrial biotechnology to produce fuels and biobased products from renewable agricultural feedstocks. With the use of new biotech tools, we can now utilize millions of tons of crop residues, such as corn stover and wheat straw, to produce sugars that can then be converted to ethanol, chemicals and biobased plastics. These biotech tools can only be rapidly deployed if federal policy makers take steps to help our innovative companies get over the initial hurdles they face during

the commercialization phase of bioenergy production and your bill will help get that job done.

We are pleased to endorse this visionary legislation.

Sincerely,

BRENT ERICKSON,
*Executive Vice President,
Biotechnology
Industry Organization.*

NATURAL RESOURCES DEFENSE COUNCIL,
Washington, DC, June 7, 2005.

DEAR SENATORS HARKIN AND LUGAR: The Natural Resources Defense Council strongly supports the National Security and Bioenergy Investment Act of 2005, which you introduced today. This important bill would expand and refine research, development, demonstration and deployment efforts for the production of energy from crops grown by farmers here in America. The bill would also expand and improve the Department of Agriculture's efforts to promote a biobased economy, federal bio-energy and bio-product purchasing requirements, and federal educational efforts.

The Research and Development (R&D) title of this bill continues your tradition of leadership in this area by updating the Biomass Research and Development Act of 2000, which you also crafted. This title will not only extend the provisions of the original bill and greatly increase the funding for these provisions, it will also refine the direction of this funding. Taken together, these changes maximize the impacts of R&D on the greatest challenges facing cellulosic biofuels today.

Your bill also creates extremely important production incentives for the first one billion gallons of cellulosic biofuels. The production incentives approach taken by the bill—a combination of fixed incentives per gallon at first, switching over to a reverse auction—will maximize the development of cellulosic biofuels production while minimizing the cost to taxpayers.

In addition, the bill creates an Assistant Secretary of Agriculture for Energy and Biobased Products. Coupled with the bill's development grants, tax incentives, biobased product procurement provisions, and educational program, the bill would make a huge contribution to developing a sustainable biobased economy, reducing our oil dependence and improving our national security.

The technologies advanced by this bill will undoubtedly make important contributions to reducing our global warming pollution and the air and water pollution that comes from our dependence on fossil fuels. We are concerned, however, that the eligibility provisions for forest biomass do not exclude sensitive areas that need protecting, including roadless areas, old growth forests, and other endangered forests, and do not restrict eligibility to renewable sources or prohibit possible conversion of native forests to plantations. We know that you do not want to see this admirable legislation applied in ways that exploit these features, and will be happy to work with you in the future to take any steps needed if abuses arise.

Sincerely,

KAREN WAYLAND,
Legislative Director.

ENVIRONMENTAL LAW AND
POLICY CENTER,
Chicago, IL, June 8, 2005.

Hon. TOM HARKIN,
Hon. RICHARD G. LUGAR,
*U.S. Senate,
Washington, DC.*

DEAR SENATORS HARKIN AND LUGAR: The Environmental Law and Policy Center

("ELPC") is pleased to support the National Security and Bioenergy Investment Act of 2005, and we commend you for your leadership and vision in introducing this legislation. This bill would accelerate research, development, demonstration and production efforts for energy from farm crops in the United States, especially cellulosic ethanol. It also will expand and prioritize the United States Department of Agriculture's leadership responsibilities to promote clean and sustainable energy development, and it will increase procurement of biobased products.

By significantly expanding the development and production of clean energy "cash crops," this legislation will improve our environmental quality, stimulate significant rural economic development, and strengthen our national energy security. ELPC also appreciates that this legislation reflects your longstanding support for farm-based sustainable energy programs. ELPC strongly supported your successful efforts to create the new Energy Title in the 2002 Farm Bill, which established groundbreaking new federal incentives for renewable energy and energy efficiency, while renewing existing programs such as the Biomass Research and Development Act of 2000.

The National Security and Bioenergy Investment Act of 2005 is a natural complement to the 2002 Farm Bill Energy Title programs, and it will help to strengthen support for the right bioenergy production programs in the 2007 Farm Bill. Accordingly, ELPC is pleased to support this legislation.

Very truly yours,

HOWARD A. LEARNER,
Executive Director.

INSTITUTE FOR LOCAL SELF-RELIANCE,
Washington, DC, June 6, 2005.

Hon. TOM HARKIN,
*U.S. Senate,
Washington, DC.*

DEAR SENATOR TOM HARKIN: Congratulations on your bill, National Security and Bioenergy Investment Act of 2005. It is a breakthrough piece of legislation. Your well-conceived bill, combining needed executive branch changes, welcome increases in research and development funding and innovative commercialization techniques, can move the use of plants as a fuel and industrial material from the margins of the economy to the mainstream. I urge everyone with an interest in our environmental, agricultural and economic future to support this bill.

Sincerely,

DAVID MORRIS,
Vice President.

By Mr. BINGAMAN:

S. 1211. A bill to establish an Office of Foreign Science and Technology Assessment to enable the United States to effectively analyze trends in foreign science and technology, and for other purposes; to the Committee on foreign Relations.

Mr. BINGAMAN. Mr. President—I rise today to introduce a bill that would establish a capability within the State Department Science Advisor's Office to assess science and technology outside the United States.

Over the past two years I have traveled to Taiwan, China and India to better understand why these developing countries' economies were growing so rapidly. I learned that in all cases the primary reason for their robust growth was the emergence of a well-trained science and engineering workforce that tied directly into their highly competitive innovation economies.

For instance, Taiwan now leads the world in general purpose foundry computer chip facilities, controlling about 70 percent of the world market. A recent Defense Science Board Report entitled "High Performance Microchip Supply" notes that by the end of 2005 there will be 59 300mm chip fabrication plants with only 16 of these located in the United States. The number of U.S. plants has remained constant for the past two years, so as the number of Asian foundries has risen, the share of these advanced chip making facilities has declined from 30 to 20 percent. This report also notes that capital expenditures in the U.S. chip industry has fallen from a high of 42 percent in 2001 to 33 percent in 2004. Conversely, Taiwan's investment has increased from 15 percent in 2002 to 20 percent of the world's capital expenditure in chip facilities and now leads Korea, Japan, and Europe.

There is a good explanation as to why countries such as Taiwan are rapidly rising in the high-technology world. Since 1984 Taiwan has made steady increases in their investments in the building of science based research parks. Hsinchu, their flagship science park, now has over 324 high technology companies, generating over \$22 billion annually in gross revenues, and employing a high technology work force exceeding 100,000. This science park is bounded by two universities and contains six national laboratories. Taiwan is now building science parks in the middle and south of the island to concentrate on other fields such as nanoscience, optoelectronics, and biotechnology. These parks are the result of a number of carefully crafted government policies and incentives dealing with taxes, real estate, and fundamental research. In the area of technology transfer, the Taiwan government helped set up the world famous Industrial Technology Research Institute (ITRI) which has over 5,000 scientists working to spin out laboratory ideas across the "valley of death" into new industries. Remarkably, the two chip foundry companies which now control 70 percent of the world's foundry market were launched from ITRI. As a result of this rapid economic growth, Taiwan's technical universities are now world class with their own excellent graduate programs. The reason they are side-by-side with these large science parks is to supply a steady stream of talented researchers.

Recently, our National Academy of Sciences noted in its report, "International Graduate Students and Postdoctoral Scholars," that Taiwan's domestic economic growth has led to fewer Taiwanese students applying to U.S. graduate schools. For the past two decades, Taiwan's students were the core supply of talent in our innovative science and engineering graduate school programs. Of equal concern, the successful Taiwanese scholars who attended graduate school in the United States 20 or 30 years ago are now returning home and giving back their

professional wisdom to advance on their birth country's high-technology leadership.

This same story holds true for India. My visit there this January yielded similar observations on their rapidly developing high technology sector. Since 1990, India has invested in the development of software and technology parks and currently has over 40 spread throughout the country. These parks were responsible for much of the high technology development in software and biotechnology. Indeed, multinational companies such as Intel, Microsoft and GE have built large research centers there to tap into the intellectual power educated at the Indian Institutes of Technology and the Indian Institute of Science. GE's Jack Welch R&D Center in Bangalore has 2,300 Ph.D.'s conducting research in all aspects of their product lines. India's GE center now directs their plastics plant in Indiana on how to operate more efficiently in real time over the internet. Intel's research center has 2,000 product engineers designing the chips Americans will use in our computers and home entertainment centers next holiday season. The chips designed at Intel's Bangalore center are fabricated at their plant in Albuquerque. The tables have turned rather dramatically. We used to design the chips here and then they were manufactured overseas.

When I visited Infosys, one of India's largest software companies, I was advised that in 2004 they received 1.2 million on-line employment applications, gave a standardized test to 300,000 job seekers interviewed 30,000, and then hired 10,000. They expect to repeat this same process again this year, which illustrates the deep pool of well trained talent that India has available. A number of the India's leading biotech entrepreneurs I visited with told me they weren't so much afraid of losing talent to the U.S. as they were to Singapore, with its burgeoning government investments in biotechnology.

Similar to Taiwan, the National Academy report also documents a rapid drop in Indian student applications to U.S. graduate schools. India's rapidly developing economy encourages the best and brightest students to stay home and study in India rather than consider U.S. graduate schools. For the past 20 years, we have relied on this influx of the cream of the academic crop I from India and Taiwan to form the high-tech startup companies of Silicon Valley.

The stark question before us—whether it involves India, Taiwan, China, or Singapore is: are we missing the bigger picture? By the time we realize we have a problem in innovation and our investments in science and engineering investments, will it be too late? Will these Pacific Rim countries have climbed past us up the value chain, and will they be able to produce equally innovative high technology product at far cheaper costs?

The bill I am introducing today, may be small, but the consequences are enormous. This measure proposes to authorize a capability in the office of the Science Advisor to the Secretary of State to conduct assessments of the science and technology capabilities in other countries such as India, China and Taiwan.

The director of this office will report to the Secretary of State's Science Advisor. The office will to the maximum extent possible utilize firms that can conduct science and technology assessments in the country of interest to minimize and augment the federal staff. That is why I have proposed giving the office generous contracting authorities with respect to soliciting contracts and disbursing funds so that it may move quickly to gather information on certain topics so that we as a nation are not caught by surprise by an advance in a high technology area.

Additionally, this legislation authorizes a Foreign Science and Technology Assessment Panel whose purpose is to look over the horizon and choose topics and technologies to assess, as well as to evaluate the timeliness and quality of the reports generated. These reports are to be publicly available, benefiting not only our government by ensuring the nation's leadership in science and engineering, but also our private sector, especially those high technology firms that must successfully compete in a fierce global market. The panel members, to be selected by the Secretary of State in consultation with the Director of the Office of Science and Technology Policy, will be distinguished leaders who have expert knowledge about our competitors' capabilities in science and technology.

High technology moves at a rapid rate, and every sign I picked up from my science and technology trips to China, India, Taiwan and Japan indicates to me that our government seems to be asleep at the switch here at home with regard to understanding how quickly these countries are moving up the value chain from simple manufacturing to sustained efforts in science and engineering that matches if not exceeds us in the innovation cycle. This bill, while a small step forward, will serve to ensure that we constantly assess where other countries are in that value chain and to make sure we are doing everything possible to maintain our leadership in fields of high technology.

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

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

S. 1211

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 "Foreign Science and Technology Assessment Act of 2005".

SEC. 2. OFFICE OF FOREIGN SCIENCE AND TECHNOLOGY ASSESSMENT.

(a) ESTABLISHMENT.—There is established within the Department of State an Office of Foreign Science and Technology Assessment.

(b) DIRECTOR.—The head of the Office shall be a Director, who shall be the Science Advisor to the Secretary of State.

(c) PURPOSE.—The purpose of the Office shall be to assess foreign science and technologies that have the capability to cause a loss of high technology industrial leadership in the United States.

(d) OPERATION.—In preparing an assessment of science and technology for a foreign country, the Director shall utilize, to the extent feasible, United States entities capable of operating effectively within such foreign country.

(e) AVAILABILITY OF ASSESSMENTS.—The Director shall make each assessment of foreign science and technology prepared by the Office available to the public in a timely manner.

(f) AUTHORITIES.—In order to gain access to technical knowledge, skills, and expertise necessary to prepare an assessment of foreign science and technology, the Secretary of State may utilize individuals and enter into contracts or other arrangements to acquire needed expertise with any agency or instrumentality of the United States, with any State, territory, possession, or any political subdivision thereof, or with any person, firm, association, corporation, or educational institution, with or without reimbursement, and without regard to section 3709 of the Revised Statutes (41 U.S.C. 5) or section 3324 of title 31, United States Code.

SEC. 3. FOREIGN SCIENCE AND TECHNOLOGY ASSESSMENT PANEL.

(a) ESTABLISHMENT.—The Secretary of State shall establish a Foreign Science and Technology Assessment Panel.

(b) PURPOSE.—The purpose of the Panel shall be to provide advice on assessments performed by the Office of Foreign Science and Technology Assessment, including review of foreign science and technology assessment reports, methodologies, subjects of study, and the means of improving the quality and timeliness of the Office.

(c) MEMBERSHIP.—The Panel shall consist of 5 members who, by reason of professional background and experience, are specially qualified to provide advice on the activities of science and technology in foreign countries as such activities apply to the United States.

(d) APPOINTMENT.—The Secretary of State, in consultation with the Director of the Office of Science and Technology Policy in the Executive Office of the President, shall appoint the panel members.

(e) TERM.—A member shall be appointed to the Panel for a term of 3 years.

(f) AUTHORITY TO ACCEPT SERVICES.—Notwithstanding section 1342 of title 31, United States Code, the Secretary of State may accept and employ voluntary and uncompensated services (except for reimbursement of travel expenses) for the purposes of the Panel. An individual providing such a voluntary and uncompensated service may not be considered a Federal employee, except for purposes of chapter 81 of title 5, United States Code, with respect to job-incurred disability and title 28, United States Code, with respect to tort claims.

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out this Act.

By Ms. STABENOW (for herself and Mr. LEVIN):

S. 1212. A bill to require the Commandant of the Coast Guard to convey the Coast Guard Cutter *Mackinaw*, upon its scheduled decommissioning, to the City and County of Cheboygan, Michigan, to use for purposes of a museum; to the Committee on Commerce, Science, and Transportation.

Ms. STABENOW. Mr. President, I rise today to introduce legislation that will convey the United States Coast Guard Cutter *Mackinaw* to the City and County of Cheboygan for use as a museum.

The United States Coast Guard Cutter *Mackinaw*, or the "Big Mac" as she is affectionately called, was commissioned on December 20, 1944. Congress commissioned her construction during World War II to keep the shipping lanes open during winter months to maintain the production of steel. The *Mackinaw* has provided 60 years of outstanding service to the communities and commercial enterprises of the Great Lakes.

The *Mackinaw* was a state of the art ice breaker ideally suited for the Great Lakes because of her shallower draft, wider beam, and longer length than the polar ice breakers that her design was based on. These attributes enable the *Mackinaw* to break a 70 foot wide channel through 4 feet of solid blue ice to accommodate the largest of the Great Lakes ore carriers. She has also plowed through a remarkable 37 feet of broken ice.

The *Mackinaw* breaks ice for 12 of the 42 weeks of the Great Lakes shipping season. Typically, the *Mackinaw* begins her ice breaking season in the first week of March in the Straights of Mackinac and works her way up through the Soo Locks, to Whitefish Bay and areas of the St. Mary's River before heading to Lake Superior. During her lifetime, the *Mackinaw* has enabled the shipping season to start sooner and last longer to enable the annual delivery of 15 tons of iron ore and other materials. Later in the year the *Mackinaw* works in the lower Lakes' areas where she serves as a buoy tender, carries fuel and supplies to light stations, serves as a training ship, and assists vessels in distress when necessary.

The *Mackinaw* has been stationed in Cheboygan since she began operations in the end of December 1944. She will serve through the winter of 2005 and 2006 and then be decommissioned by the Coast Guard. The *Mackinaw* will be a great local attraction, encourage tourism, build jobs and aid the local economy.

The City of Cheboygan and the surrounding community are committed to transforming this historic landmark into a museum after she has been decommissioned. I am hopeful that she will be maintained for the public for years to come. While her age has made her expensive to maintain, the *Mackinaw* can still teach our children and visitors of Michigan's Great Lakes heritage.

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

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

S. 1212

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

SECTION 1. CONVEYANCE OF DECOMMISSIONED COAST GUARD CUTTER MACKINAW.

(a) IN GENERAL.—Upon the scheduled decommissioning of the Coast Guard Cutter MACKINAW, the Commandant of the Coast Guard shall convey all right, title, and interest of the United States in and to that vessel to the City and County of Cheboygan, Michigan, without consideration, if—

(1) the recipient agrees—
(A) to use the vessel for purposes of a museum;

(B) not to use the vessel for commercial transportation purposes;

(C) to make the vessel available to the United States Government if needed for use by the Commandant in time of war or a national emergency; and

(D) to hold the Government harmless for any claims arising from exposure to hazardous materials, including asbestos and polychlorinated biphenyls (PCBs), after conveyance of the vessel, except for claims arising from the use by the Government under subparagraph (C);

(2) the recipient has funds available that will be committed to operate and maintain the vessel conveyed in good working condition, in the form of cash, liquid assets, or a written loan commitment, and in an amount of at least \$700,000; and

(3) the recipient agrees to any other conditions the Commandant considers appropriate.

(b) MAINTENANCE AND DELIVERY OF VESSEL.—Prior to conveyance of the vessel under this section, the Commandant shall, to the extent practical, and subject to other Coast Guard mission requirements, make every effort to maintain the integrity of the vessel and its equipment until the time of delivery. If a conveyance is made under this section, the Commandant shall deliver the vessel at the place where the vessel is located, in its present condition, and without cost to the Government. The conveyance of the vessel under this section shall not be considered a distribution in commerce for purposes of section 6(e) of Public Law 94-469 (15 U.S.C. 2605(e)).

(c) OTHER EXCESS EQUIPMENT.—The Commandant may convey to the recipient any excess equipment or parts from other decommissioned Coast Guard vessels for use to enhance the vessel's operability and function for purposes of a museum.

By Ms. STABENOW (for herself and Mr. SMITH):

S. 1213. A bill to amend the Internal Revenue Code of 1986 to allow a refundable credit against income tax for the purchase of a principal residence by a first-time homebuyer; to the Committee on Finance.

Ms. STABENOW. Mr. President, I believe "home" is one of the warmest words in the English language. At the end of a long day, I think the favorite phrase of every hardworking man and woman in this country is: "Well, I'll see you tomorrow. I'm going home now."

And, that is why I rise today to introduce the First Time Homebuyers' Tax Credit Act of 2005.

The bill I am introducing will spread that warmth by opening the door to

homeownership to millions of hard-working families, helping them cover the initial down payment and closing costs.

This initiative is in keeping with our longstanding national policy of encouraging homeownership.

Owning a home has always been a fundamental part of the American dream.

We, in Congress, have long recognized the social and economic value in high rates of homeownership through laws that we have enacted, such as the mortgage interest tax deduction and the capital gains exclusion on the sale of a home.

Over the life of a loan, the mortgage interest tax deduction can save homeowners thousands of dollars that they could use for other necessary family expenses such as education or health care.

These benefits, however, are only available to individuals who own their own home.

It is important also to note that owning a home is a principle and reliable source of savings as homeowners build equity over the years and their homes appreciate.

For many people, it is home equity—not stocks—that help them through the retirement years.

In addition, owning a home insulates people from spikes in housing costs.

Indeed, while rents may go up, the costs of a fixed monthly mortgage payment, in relative terms, will go down over the course of the mortgage.

Clearly, one of the biggest barriers to homeownership for working families is the cost of a down payment and the costs associated with closing a mortgage.

According to the Mortgage Bankers Association, typical closing costs on an average sized loan of \$200,000 can approach approximately \$6,000.

Even with mortgage products that allow a down payment of 3 percent of the value of a home, total costs can quickly approach \$9,000.

This is an impossible amount to save for those who are working hard to make ends meet. The problem is only getting worse as home values climb faster than families can save for a down payment.

To address this problem, I am introducing the First Time Homebuyers' Tax Credit Act of 2005.

My bill authorizes a one-time tax credit of up to \$3,000 for individuals and \$6,000 for married couples.

This credit is similar to the existing mortgage interest tax deduction in that it creates incentives for people to buy a home.

To be eligible for the credit, taxpayers must be first-time homebuyers who were within the 25 percent bracket or lower in the year before they purchase their home. That is \$71,950 for single filers, \$102,800 for heads of household, and \$119,950 for joint returns. There is a dollar-for-dollar phase-out beyond the cap.

Normally, tax credits like this are an after-the-fact benefit. They do little to get people actually into a home.

What is particularly innovative and beneficial about the tax credit in this bill, however, is that, for the first time, the taxpayer can either claim the credit in the year after he or she buys a first home or the taxpayer can transfer the credit directly to a lender at closing.

The transferred credit would go toward helping with the down payment or closing costs. This is cash at the table.

As mandated in the bill, the eligible homebuyer would have the money for the lender from the Treasury within 30 days of application.

I am happy to say that this legislation has had strong support. When this bill was first introduced in 2003 it garnered the support of: The American Bankers Association, America's Community Bankers, the Housing Partnership Network, the National Housing Conference, the National Congress for Community Economic Development, the National Council of La Raza, the National Association of Affordable Housing Lenders, the Manufactured Housing Institute, Fannie Mae, Freddie Mac, National Community Reinvestment Coalition, Standard Federal Bank, Habitat for Humanity, and, the National American Indian Housing Council.

Clearly, the breadth and diversity of support is strong for this legislation.

This is a bold and aggressive effort to reach out to a large number of working families to help them get into this first home.

The Joint Committee on Taxation has estimated that more than fifteen million working people would get into their first home over the next seven years because of this new tax credit.

We are working to send a message to people all over the country that if you are working hard to save up enough to get into that first home, the Federal government will make a strategic investment in your family—it will offer a hand up.

This is not unlike what we already do through the mortgage interest tax deduction for millions of people who are fortunate enough to already own their own home.

We certainly won't do all the hard work for you. You must be frugal and save and do most of the work yourself, but we, in Congress, understand that it is good for America to enhance homeownership.

We also understand that this sort of investment in working families stimulates the economy.

No one can deny that when the First Time Homebuyers' Tax Credit is enacted and used by millions of people, every single time the credit is used, it will be stimulative. Why?

Because it means someone bought a house. And that generates economic activity for multiple small business people. House appraisers and Inspec-

tors. Realtors. Lenders. Title insurers. And so on. And there is a ripple of economic activity by the new homeowners as they fix up their new homes and get settled in.

Housing has been such a bright light in the sluggish economy we've faced for the last several years. My bill is designed to ensure that the housing sector remains a strong component of our economy.

Finally, let me close by emphasizing how happy and proud I am that this tax legislation is bipartisan. In a closely divided Senate, and a closely divided Congress, it is so important to work across the aisle and Senator SMITH, who is a real champion for good housing policy, is someone I want to work closely with on this bill and other important housing legislation. He understands how housing tax benefits help build strong communities and provide economic security for millions of families.

I am committed to seeing this legislation passed. And, I welcome the chance to work with all of my colleagues to see the dream of homeownership expanded to all people.

Home. Sentimentally, it is one of the warmest words in the English language. Economically, it's the key word in bringing millions of families in from the cold and letting them begin building wealth for themselves and their family.

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

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

S. 1213

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 "First-Time Homebuyers' Tax Credit Act of 2005".

SEC. 2. REFUNDABLE CREDIT FOR FIRST-TIME HOMEBUYERS.

(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 36 as section 37 and by inserting after section 35 the following new section:

"SEC. 36. PURCHASE OF PRINCIPAL RESIDENCE BY FIRST-TIME HOMEBUYER.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual who is a first-time homebuyer of a principal residence in the United States during any taxable year, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to 10 percent of the purchase price of the residence.

"(b) LIMITATIONS.—

"(1) MAXIMUM DOLLAR AMOUNT.—

"(A) IN GENERAL.—The credit allowed under subsection (a) shall not exceed the excess (if any) of—

"(i) \$3,000 (2 times such amount in the case of a joint return), over

"(ii) the credit transfer amount determined under subsection (c) with respect to the purchase to which subsection (a) applies.

"(B) INFLATION ADJUSTMENT.—In the case of any taxable year beginning after December 31, 2005, the \$3,000 amount under subpara-

graph (A) shall be increased by an amount equal to \$3,000, multiplied by the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins by substituting '2004' for '1992' in subparagraph (B) thereof. If the \$3,000 amount as adjusted under the preceding sentence is not a multiple of \$10, such amount shall be rounded to the nearest multiple of \$10.

"(2) TAXABLE INCOME LIMITATION.—

"(A) IN GENERAL.—If the taxable income of the taxpayer for any taxable year exceeds the maximum taxable income in the table under subsection (a), (b), (c), or (d) of section 1, whichever is applicable, to which the 25 percent rate applies, the dollar amounts in effect under paragraph (1)(A)(i) for such taxpayer for the following taxable year shall be reduced (but not below zero) by the amount of the excess.

"(B) CHANGE IN RETURN STATUS.—In the case of married individuals filing a joint return for any taxable year who did not file such a joint return for the preceding taxable year, subparagraph (A) shall be applied by reference to the highest taxable income of either such individual for the preceding taxable year.

"(c) TRANSFER OF CREDIT.—

"(1) IN GENERAL.—A taxpayer may transfer all or a portion of the credit allowable under subsection (a) to 1 or more persons as payment of any liability of the taxpayer arising out of—

"(A) the downpayment of any portion of the purchase price of the principal residence, and

"(B) closing costs in connection with the purchase (including any points or other fees incurred in financing the purchase).

"(2) CREDIT TRANSFER MECHANISM.—

"(A) IN GENERAL.—Not less than 180 days after the date of the enactment of this section, the Secretary shall establish and implement a credit transfer mechanism for purposes of paragraph (1). Such mechanism shall require the Secretary to—

"(i) certify that the taxpayer is eligible to receive the credit provided by this section with respect to the purchase of a principal residence and that the transferee is eligible to receive the credit transfer,

"(ii) certify that the taxpayer has not received the credit provided by this section with respect to the purchase of any other principal residence,

"(iii) certify the credit transfer amount which will be paid to the transferee, and

"(iv) require any transferee that directly receives the credit transfer amount from the Secretary to notify the taxpayer within 14 days of the receipt of such amount.

Any check, certificate, or voucher issued by the Secretary pursuant to this paragraph shall include the taxpayer identification number of the taxpayer and the address of the principal residence being purchased.

"(B) TIMELY RECEIPT.—The Secretary shall issue the credit transfer amount not less than 30 days after the date of the receipt of an application for a credit transfer.

"(3) PAYMENT OF INTEREST.—

"(A) IN GENERAL.—Notwithstanding any other provision of this title, the Secretary shall pay interest on any amount which is not paid to a person during the 30-day period described in paragraph (2)(B).

"(B) AMOUNT OF INTEREST.—Interest under subparagraph (A) shall be allowed and paid—

"(i) from the day after the 30-day period described in paragraph (2)(B) to the date payment is made, and

"(ii) at the overpayment rate established under section 6621.

“(C) EXCEPTION.—This paragraph shall not apply to failures to make payments as a result of any natural disaster or other circumstance beyond the control of the Secretary.

“(4) EFFECT ON LEGAL RIGHTS AND OBLIGATIONS.—Nothing in this subsection shall be construed to—

“(A) require a lender to complete a loan transaction before the credit transfer amount has been transferred to the lender, or

“(B) prevent a lender from altering the terms of a loan (including the rate, points, fees, and other costs) due to changes in market conditions or other factors during the period of time between the application by the taxpayer for a credit transfer and the receipt by the lender of the credit transfer amount.

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

“(1) FIRST-TIME HOMEBUYER.—

“(A) IN GENERAL.—The term ‘first-time homebuyer’ has the same meaning as when used in section 72(t)(8)(D)(i).

“(B) ONE-TIME ONLY.—If an individual is treated as a first-time homebuyer with respect to any principal residence, such individual may not be treated as a first-time homebuyer with respect to any other principal residence.

“(C) MARRIED INDIVIDUALS FILING JOINTLY.—In the case of married individuals who file a joint return, the credit under this section is allowable only if both individuals are first-time homebuyers.

“(D) OTHER TAXPAYERS.—If 2 or more individuals who are not married purchase a principal residence—

“(i) the credit under this section is allowable only if each of the individuals is a first-time homebuyer, and

“(ii) the amount of the credit allowed under subsection (a) shall be allocated among such individuals in such manner as the Secretary may prescribe, except that the total amount of the credits allowed to all such individuals shall not exceed the amount in effect under subsection (b)(1)(A) for individuals filing joint returns.

“(2) PRINCIPAL RESIDENCE.—The term ‘principal residence’ has the same meaning as when used in section 121. Except as provided in regulations, an interest in a partnership, S corporation, or trust which owns an interest in a residence shall not be treated as an interest in a residence for purposes of this paragraph.

“(3) PURCHASE.—

“(A) IN GENERAL.—The term ‘purchase’ means any acquisition, but only if—

“(i) the property is not acquired from a person whose relationship to the person acquiring it would result in the disallowance of losses under section 267 or 707(b) (but, in applying section 267 (b) and (c) for purposes of this section, paragraph (4) of section 267(c) shall be treated as providing that the family of an individual shall include only the individual’s spouse, ancestors, and lineal descendants), and

“(ii) the basis of the property in the hands of the person acquiring it is not determined—

“(I) in whole or in part by reference to the adjusted basis of such property in the hands of the person from whom acquired, or

“(II) under section 1014(a) (relating to property acquired from a decedent).

“(B) CONSTRUCTION.—A residence which is constructed by the taxpayer shall be treated as purchased by the taxpayer.

“(4) PURCHASE PRICE.—The term ‘purchase price’ means the adjusted basis of the principal residence on the date of acquisition (within the meaning of section 72(t)(8)(D)(iii)).

“(e) DENIAL OF DOUBLE BENEFIT.—No credit shall be allowed under subsection (a) for any expense for which a deduction or credit is allowed under any other provision of this chapter.

“(f) BASIS ADJUSTMENT.—For purposes of this subtitle, if a credit is allowed under this section with respect to the purchase of any residence, the basis of such residence shall be reduced by the amount of the credit so allowed.

“(g) PROPERTY TO WHICH SECTION APPLIES.—

“(1) IN GENERAL.—The provisions of this section apply to a principal residence if—

“(A) the taxpayer purchases the residence on or after January 1, 2005, and before January 1, 2010, or

“(B) the taxpayer enters into, on or after January 1, 2005, and before January 1, 2010, a binding contract to purchase the residence, and purchases and occupies the residence before July 1, 2011.”

(b) CONFORMING AMENDMENTS.—

(1) Subsection (a) of section 1016 of the Internal Revenue Code of 1986 (relating to general rule for adjustments to basis) is amended by striking “and” at the end of paragraph (30), by striking the period at the end of paragraph (31) and inserting “, and”, and by adding at the end the following new paragraph:

“(32) in the case of a residence with respect to which a credit was allowed under section 36, to the extent provided in section 36(f).”

(2) Section 1324(b)(2) of title 31, United States Code, is amended by striking “or” before “enacted” and by inserting before the period at the end “, or from section 36 of such Code”.

(c) CLERICAL AMENDMENT.—The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the item relating to section 36 and inserting the following new items:

“Sec. 36. Purchase of principal residence by first-time homebuyer.

“Sec. 37. Overpayments of tax.”

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2004.

Mr. SMITH. Mr. President, today I introduce important legislation to enable more Americans to realize the dream of homeownership. The First-Time Homebuyers’ Tax Credit Act that Senator STABENOW and I are introducing would give a one-time tax credit that will help more Americans to become homeowners.

Homeownership brings safety and stability to families and their communities. People who own their homes have the security of knowing that they have a reliable investment, and they are protected from spikes in housing costs. Yet despite these advantages, barriers exist for many who are looking to make the leap to homeownership.

Even for families and individuals who can make monthly mortgage payments, down payment and closing costs can prove too great a burden. Based on information from the Mortgage Bankers Association, the average loan of \$175,000 would incur closing costs of approximately \$4,000. Combined with even a modest down-payment of as little as 3 percent of a home’s value, total costs can quickly approach \$9,000 or more.

To help Americans achieve the dream of private homeownership, the First-

Time Homebuyer Bill would provide a tax credit of up to \$3,000 to individuals and up to \$6,000 for families falling within or below the 27 percent tax bracket.

The bill would allow first-time homebuyers to claim the credit on their tax return or transfer the credit directly to the lender at closing, providing an immediate benefit to potential homeowners. This credit is similar to the Washington DC Homebuyers’ Tax Credit.

While Congress has enacted legislation to increase incentives for homeownership in the past, including the mortgage interest tax deduction, these benefits are available only to those who already own a home. In contrast, the First Time Homebuyer Bill will help increase homeownership among those who are working towards their first home purchase.

I thank you for the opportunity to speak today, and I urge my colleagues to support this important legislation.

By Ms. SNOWE (for himself, Mr. REID, Mr. WARNER, Mr. LEAHY, Mr. CHAFEE, Mrs. MURRAY, Mr. KENNEDY, Mr. AKAKA, Mr. DURBIN, Ms. CANTWELL, and Mr. LAUTENBERG):

S. 1214. A bill to require equitable coverage of prescription contraceptive drugs and devices, and contraceptive services under health plans; to the Committee on Health, Education, Labor, and Pensions.

Ms. SNOWE. Mr. President, this year well over 6 million pregnancies will occur in America. The challenge of raising healthy children and preparing them for a changing world is a staggering one indeed. This is even more so when so frequently both parents are working. So it is tragic that half of all pregnancies today are unplanned. In too many cases, this means that the necessary financial, emotional and other resources for parenting are simply not present. I think we certainly share a broad consensus that every child should be wanted, and that parents should have the resources to ensure their child’s health and success.

This week we have commemorated the 40th anniversary of a landmark Supreme Court decision, that of *Griswold v. Connecticut*, in which the right of married couples to contraceptives and family planning counseling was recognized. Yet less than a decade ago, when we examined the state of contraceptive coverage by insurance plans, it certainly was discouraging. While many health plans included coverage for prescription drugs, nearly half did not cover even oral contraceptives. Needless to say, many other contraceptive options for women, such as the diaphragm, implants, and injectable methods were covered even less frequently. This is disturbing, as contraception is so vital to a woman’s health. Most women will spend just a few years attempting to conceive, with the average woman desiring two children. That

leaves about 30 years in which women need access to safe, affordable contraceptives.

The benefits of contraception should be obvious. The maternal death rate in the U.S. is only one third what it was back in 1965 before Griswold. The same is true for infant survival. Family planning preserves a woman's health, and allows couples to ensure that they have the means to give every child the attention, support, and resources they need.

So today I am joining again with Senator REID to introduce legislation to ensure broader access to contraception—to ensure that the promise of *Griswold v. Connecticut* is fully realized. I thank him for his ongoing leadership on this issue. We both agree that contraception coverage is essential to reducing unwanted pregnancies and to ensuring that every couple can employ family planning. The Equity in Prescription Insurance and Contraceptive Coverage Act, which we again introduce today, will assure that for those plans which provide prescription drug coverage, contraceptive coverage is not excluded. It further ensures that contraceptive services are provided equitably with other outpatient services.

Such coverage is just what the Institute of Medicine called for back in 1995, when the Institute reported that a lack of coverage was a major contributor to unwanted pregnancy. Expanding the proportion of health plans which cover contraception is one of the Surgeon General's objectives for the Healthy People 2010 plan. We can certainly achieve that objective and ensure that in 2010, unwanted pregnancies are exceedingly rare.

Some may argue that such a mandate creates yet more costs for providers, but the evidence fails to support that notion. We have seen that for every dollar in public funds which is invested in family planning, three dollars is saved in Medicaid costs for pregnancy-related health care and medical care for newborns. Indeed after we acted in 1998 to assure coverage to women in the Federal Employees Health Benefits Program, the Office of Personnel Management concluded in 2001 that there was no cost increase due to coverage.

Many health providers have come to the same conclusion. I note that approximately 90 percent of plans now cover the leading methods of reversible contraception. So we have come a long way.

There should be no mistake—this issue boils down the principles of basic fairness—fairness for half this Nation's population, fairness in how we view and treat a woman's reproductive health versus every other kind of health care need that can be addressed with prescription drugs. The facts are not in dispute. The lack of equitable coverage of prescription contraceptives has a very real impact on the lives of America's women and, therefore, our society as a whole. This is not overstatement, this is reality.

All we are saying is that if an employer provides insurance coverage for all other prescription drugs, they must also provide coverage for FDA-approved prescription contraceptives—it is that simple, it is that fair, and it builds on existing law and jurisprudence.

The approach we are taking today has already been endorsed by a total of 29 States—including my home State of Maine—that have passed similar laws since 1998. This is real progress but this piecemeal approach to fairness leaves many American women at the mercy of geography when it comes to the coverage they deserve.

But fairness is not the only issue. We believe that EPICC not only makes sense in terms of the cost of contraceptives for women, but also as a means bridging the pro-choice pro-life chasm by helping prevent unintended pregnancies and thereby also preventing abortions. The fact of the matter is, we know that there are over three million unintended pregnancies every year in the United States. We also know that almost half of those pregnancies result from women who do not use contraceptives. Most of the other half involved inconsistent or incorrect use of contraceptives—and in many of these cases, the women would benefit from counseling or provision of a contraceptive which is more appropriate to their circumstances.

Surveys consistently demonstrate that almost nine out of ten Americans support contraception access and over 75 percent support laws requiring health insurance plans to cover methods of contraception such as birth control pills.

The question before us is, if EPICC-style coverage is good enough for 9 million Federal employees and their dependents, if it is good enough for every Member of Congress and every Senator, why is not it good enough for the American people?

Women should have control over their reproductive health. It is the best interests of their overall health, their children and their future children's health—and when we have fewer unintended pregnancies, we will reduce the number of abortions. We need to finally fix this inequity in prescription drug coverage and make certain that all American women have access to this most basic health need. I thank all of those who have supported us in this effort, and call upon each of my colleagues to join us to ensure that more couples have access to family planning to reduce unwanted pregnancies, and to assure the health and security of American families.

Mr. REID. Mr. President, this week marks the fortieth anniversary of the U.S. Supreme Court decision in *Griswold v. Connecticut* that struck down a Connecticut law that had made the use of birth control by married couples illegal. This decision laid the groundwork for widespread access to birth control for all American women.

In the 40 years since this landmark decision, increased access to birth control has contributed to a dramatic improvement in maternal and infant health and has drastically reduced the infant death rate in our country.

In spite of these advances, we still have a long way to go. The United States has among the highest rates of unintended pregnancies of all industrialized nations. Half of all pregnancies in the United States are unintended, and nearly half of those end in abortion.

Making contraception more accessible and affordable is one crucial step toward reducing unintended pregnancies, reducing abortions and improving women's health.

We cannot allow the pendulum to swing backwards. That is why Senator SNOWE and I are reintroducing the Equity in Prescription and Contraception Coverage Act of 2005, EPICC. Over the last 8 years, Senator SNOWE and I have joined together to advance this important legislation.

The EPICC legislation is also a critical component of the Prevention First Act, S. 20. This legislation includes a number of provisions that will improve women's health, reduce the rate of unintended pregnancy and reduce abortions.

The legislation we are introducing today proves we can find not only common ground, but also a commonsense solution to these important challenges.

By making sure women can afford their prescription contraceptives, our bill will help to reduce the staggering rates of unintended pregnancy in the United States, and reduce abortions.

It is a national tragedy that half of all pregnancies nationwide are unintended, and that half of those will end in abortions. It is a tragedy, but it doesn't have to be. If we work together, we can prevent these unintended pregnancies and abortions.

One of the most important steps we can take to prevent unintended pregnancies, and to reduce abortions, is to make sure American women have access to affordable, effective contraception.

There are a number of safe and effective contraceptives available by prescription. Used properly, they greatly reduce the rate of unintended pregnancies.

However, many women simply can't afford these prescriptions, and their insurance doesn't pay for them, even though it covers other prescriptions.

This is not fair. We know women on average earn less than men, yet they must pay far more than men for health-related expenses.

According to the Women's Research and Education Institute, women of reproductive age pay 68 percent more in out-of-pocket medical expenses than men, largely due to their reproductive health-care needs.

Because many women can't afford the prescription contraceptives they would like to use, many do without

them, and the result, all too often, is unintended pregnancy and abortion.

This isn't an isolated problem. The fact is, a majority of women in this country are covered by health insurance plans that do not provide coverage for prescription contraceptives.

This is unfair to women. It is bad policy that causes additional unintended pregnancies, and adversely affects women's health.

Senator SNOWE and I first introduced our legislation in 1997. Since then, the Viagra pill went on the market, and one month later it was covered by most insurance policies.

Birth control pills have been on the market since 1960, and today, 45 years later, they are covered by only one-third of health insurance policies.

So, today we find ourselves in the inexplicable situation where most insurance policies pay for Viagra, but not for prescription contraceptives that prevent unintentional pregnancies and abortions.

This isn't fair, and it isn't even cost-effective, because most insurance policies do cover sterilization and abortion procedures. In other words, they won't pay for the pills that could prevent an abortion, but they will pay for the procedure itself, which is much more costly.

The Federal Employee Health Benefits Program, which has provided contraceptive coverage for several years, shows that adding such coverage does not make the plan more expensive.

In December 2000, the U.S. Equal Employment Opportunity Commission, EEOC ruled that an employer's failure to include insurance coverage for prescription contraceptives, when other prescription drugs and devices are covered, constitutes unlawful sex discrimination under Title VII of the Civil Rights Act of 1964.

On June 12, 2001, a Federal district court in Seattle made the same finding in the case of Erickson vs. Bartell Drug Company.

These decisions confirm what we have known all along: contraceptive coverage is a matter of equity and fairness for women.

We are not asking for special treatment of contraceptives, only equitable treatment within the context of an existing prescription drug benefit.

This legislation is right because it is fair to women.

It is right because it is more cost-effective than other services, including abortions, sterilizations and tubal ligations, costly procedures that most insurance companies routinely cover.

And it is right because it will prevent unintended pregnancies and reduce abortions, goals we all share.

This is common sense, common-ground legislation, and it is long overdue.

By Mr. GREGG (for himself, Ms. MIKULSKI, Mr. SARBANES, Mr. BIDEN, Mr. CORZINE, Ms. SNOWE, Mr. REED, Ms. CANTWELL, Mrs.

MURRAY, Mr. COCHRAN, Mr. KERRY, Mr. INOUE, and Mrs. FEINSTEIN):

S. 1215. A bill to authorize the acquisition of interests in underdeveloped coastal areas in order better to ensure their protection from development; to the Committee on Commerce, Science, and Transportation.

Mr. GREGG. Mr. President, I rise today along with Senator MIKULSKI to introduce the Coastal and Estuarine Land Protection Act. We are introducing this much needed coastal protection act along with Senators SARBANES, BIDEN, CORZINE, SNOWE, REED, CANTWELL, MURRAY, COCHRAN, KERRY, WYDEN, and INOUE. In addition, this legislation is supported by the Trust for Public Land, Coastal States Organization, International Association of Fish and Wildlife Agencies, Association of National Estuary Programs, the Land Trust Alliance, Society for the Protection of New Hampshire Forests, The Conservation Fund, NH Audubon, Restore America's Estuaries, and National Estuarine Research Reserve Association.

The Coastal and Estuarine Land Protection Act promotes coordinated land acquisition and protection efforts in coastal and estuarine areas by fostering partnerships between non-governmental organizations and Federal, State, and local governments. As clearly outlined by the U.S. Commission of Ocean Policy, these efforts are urgently needed. With Americans rapidly moving to the coast, pressures to develop critical coastal ecosystems are increasing. There are fewer and fewer undeveloped and pristine areas left in the Nation's coastal and estuarine watersheds. These areas provide important nursery habitat for two-thirds of the Nation's commercial fish and shellfish, provide nesting and foraging habitat for coastal birds, harbor significant natural plant communities, and serve to facilitate coastal flood control and pollutant filtration.

The Coastal and Estuarine Land Protection Act pairs willing sellers through community-based initiatives with sources of Federal funds to enhance environmental protection. Lands can be acquired in full or through easements, and none of the lands purchased through this program would be held by the Federal Government. This bill puts land conservation initiatives in the hands of State and local communities. This new program, authorized through the National Oceanic and Atmospheric Administration at \$60,000,000 per year, would provide Federal matching funds to States with approved coastal management programs or to National Estuarine Research Reserves through a competitive grant process. Federal matching funds may not exceed 75 percent of the cost of a project under this program, and non-Federal sources may count in-kind support toward their portion of the cost share.

This coastal land protection program provides much need support for local

coastal conservation initiatives throughout the country. For instance, I have worked hard to secure significant funds for the Great Bay estuary in New Hampshire. This estuary is the jewel of the seacoast region, and is home to a wide variety of plants and animal species that are particularly threatened by encroaching development and environmental pollutants. By working with local communities to purchase lands or easements on these valuable parcels of land, New Hampshire has been able to successfully conserve the natural and scenic heritage of this vital estuary.

Programs such as the Coastal and Estuarine Land Protection program will further enable other States to participate in these community-based conservation efforts in coastal areas. This program was modeled after the U.S. Department of Agriculture's successful Forest Legacy Program, which has conserved millions of acres of productive and ecologically significant forest land around the county.

I welcome the opportunity to offer this important legislation, with my good friend from Maryland, Senator MIKULSKI. I am thankful for her leadership on this issue, and look forward to working with her to make the vision for this legislation a reality, and to successfully conserve our coastal lands for their ecological, historical, recreational, and aesthetic values.

By Mr. CORZINE:

S. 1216. A bill to require financial institutions and financial service providers to notify customers of the unauthorized use of personal financial information, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

Mr. CORZINE. Mr. President, identity theft is a serious and growing concern facing our Nation's consumers. According to the Federal Trade Commission, nearly 10 million Americans were the victims of identity theft in 2003, three times the number of victims just 3 years earlier. Research shows that there are more than 13 identity thefts every minute.

According to the Identity Theft Resource Center, identity theft victims spend on average nearly 600 hours recovering from the crime. Additional research indicates the costs of lost wages and income as a result of the crime can soar as high as \$16,000 per incident. No one wants to suffer this kind of hardship.

Events this week have further served to highlight how serious the problem has become. The announcement by Citigroup that a box of computer tapes containing information on 3.9 million customers was lost by United Parcel Service in my own State of New Jersey while in transit to a credit reporting agency is the latest in a line of recent, high profile incidents. In fact, I myself was a victim of a similar recent loss of computer tapes by Bank of America.

In both of these cases, Citigroup and Bank of America acted responsibly and

notified possible victims in a prompt and timely manner. But this is not always the case.

At the very least, consumers deserve to be made aware when their personal information has been compromised. Right now, they must hope that the laws of a few individual States, such as California, apply to their case, or that victimized institutions will act responsibly on their own.

The legislation I am introducing today, the Financial Privacy Breach Notification Act of 2005, would protect consumers by requiring prompt notification by any financial institution or affiliated data broker in all cases, subject, of course, to the concerns of law enforcement agencies. It would also require automatic inclusion of fraud alerts in victim's credit files to minimize the damage done.

Notification by itself won't solve everything, but it is an important first step that requires immediate attention. I intend to introduce more comprehensive legislation in the very near future to further protect consumers against the growing threat of identity theft, but requiring notification in a uniform fashion is an important and urgently needed first step.

It is imperative that we take action to combat the growing threat of identity theft. This crime harms individuals and families, and drags down our economy in the form of lost productivity and capital. We can do more and we must do more.

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

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

S. 1216

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 "Financial Privacy Breach Notification Act of 2005".

SEC. 2. TIMELY NOTIFICATION OF UNAUTHORIZED ACCESS TO PERSONAL FINANCIAL INFORMATION.

Subtitle B of title V of the Gramm-Leach-Bliley Act (15 U.S.C. 6821 et seq.) is amended—

(1) by redesignating sections 526 and 527 as sections 528 and 529, respectively; and

(2) by inserting after section 525 the following:

"SEC. 526. NOTIFICATION TO CUSTOMERS OF UNAUTHORIZED ACCESS TO PERSONAL FINANCIAL INFORMATION.

"(a) DEFINITIONS.—In this section:

"(1) BREACH.—The term 'breach'—

"(A) means the unauthorized acquisition, or loss, of computerized data or paper records which compromises the security, confidentiality, or integrity of personal financial information maintained by or on behalf of a financial institution; and

"(B) does not include a good faith acquisition of personal financial information by an employee or agent of a financial institution for a business purpose of the institution, if the personal financial information is not subject to further unauthorized disclosure.

"(2) PERSONAL FINANCIAL INFORMATION.—The term 'personal financial information'

means the last name of an individual in combination with any 1 or more of the following data elements, when either the name or the data elements are not encrypted:

"(A) Social security number.

"(B) Driver's license number or State identification number.

"(C) Account number, credit or debit card number, in combination with any required security code, access code, or password that would permit access to the financial account of an individual.

"(b) NOTIFICATION TO CUSTOMERS RELATING TO UNAUTHORIZED ACCESS OF PERSONAL FINANCIAL INFORMATION.—

"(1) FINANCIAL INSTITUTION REQUIREMENT.—In any case in which there has been a breach of personal financial information at a financial institution, or such a breach is reasonably believed to have occurred, the financial institution shall promptly notify—

"(A) each customer affected by the violation or suspected violation;

"(B) each consumer reporting agency described in section 603(p) of the Fair Credit Reporting Act (15 U.S.C. 1681a); and

"(C) appropriate law enforcement agencies, in any case in which the financial institution has reason to believe that the breach or suspected breach affects a large number of customers, including as described in subsection (e)(1)(C), subject to regulations of the Federal Trade Commission.

"(2) OTHER ENTITIES.—For purposes of paragraph (1), any person that maintains personal financial information for or on behalf of a financial institution shall promptly notify the financial institution of any case in which such customer information has been, or is reasonably believed to have been, breached.

"(c) TIMELINESS OF NOTIFICATION.—Notification required by this section shall be made—

"(1) promptly and without unreasonable delay, upon discovery of the breach or suspected breach; and

"(2) consistent with—

"(A) the legitimate needs of law enforcement, as provided in subsection (d); and

"(B) any measures necessary to determine the scope of the breach or restore the reasonable integrity of the information security system of the financial institution.

"(d) DELAYS FOR LAW ENFORCEMENT PURPOSES.—Notification required by this section may be delayed if a law enforcement agency determines that the notification would impede a criminal investigation, and in any such case, notification shall be made promptly after the law enforcement agency determines that it would not compromise the investigation.

"(e) FORM OF NOTICE.—Notification required by this section may be provided—

"(1) to a customer—

"(A) in written notification;

"(B) in electronic form, if the notice provided is consistent with the provisions regarding electronic records and signatures set forth in section 101 of the Electronic Signatures in Global and National Commerce Act (15 U.S.C. 7001);

"(C) if the Federal Trade Commission determines that the number of all customers affected by, or the cost of providing notifications relating to, a single breach or suspected breach would make other forms of notification prohibitive, or in any case in which the financial institution certifies in writing to the Federal Trade Commission that it does not have sufficient customer contact information to comply with other forms of notification, in the form of—

"(i) an e-mail notice, if the financial institution has access to an e-mail address for the affected customer that it has reason to believe is accurate;

"(ii) a conspicuous posting on the Internet website of the financial institution, if the financial institution maintains such a website; or

"(iii) notification through the media that a breach of personal financial information has occurred or is suspected that compromises the security, confidentiality, or integrity of customer information of the financial institution; or

"(D) in such other form as the Federal Trade Commission may by rule prescribe; and

"(2) to consumer reporting agencies and law enforcement agencies (where appropriate), in such form as the Federal Trade Commission may prescribe, by rule.

"(f) CONTENT OF NOTIFICATION.—Each notification to a customer under subsection (b) shall include—

"(1) a statement that—

"(A) credit reporting agencies have been notified of the relevant breach or suspected breach; and

"(B) the credit report and file of the customer will contain a fraud alert to make creditors aware of the breach or suspected breach, and to inform creditors that the express authorization of the customer is required for any new issuance or extension of credit (in accordance with section 605(g) of the Fair Credit Reporting Act); and

"(2) such other information as the Federal Trade Commission determines is appropriate.

"(g) COMPLIANCE.—Notwithstanding subsection (e), a financial institution shall be deemed to be in compliance with this section, if—

"(1) the financial institution has established a comprehensive information security program that is consistent with the standards prescribed by the appropriate regulatory body under section 501(b);

"(2) the financial institution notifies affected customers and consumer reporting agencies in accordance with its own internal information security policies in the event of a breach or suspected breach of personal financial information; and

"(3) such internal security policies incorporate notification procedures that are consistent with the requirements of this section and the rules of the Federal Trade Commission under this section.

"(h) CIVIL PENALTIES.—

"(1) DAMAGES.—Any customer injured by a violation of this section may institute a civil action to recover damages arising from that violation.

"(2) INJUNCTIONS.—Actions of a financial institution in violation or potential violation of this section may be enjoined.

"(3) CUMULATIVE EFFECT.—The rights and remedies available under this section are in addition to any other rights and remedies available under applicable law.

"(i) RULES OF CONSTRUCTION.—

"(1) IN GENERAL.—Compliance with this section by a financial institution shall not be construed to be a violation of any provision of subtitle (A), or any other provision of Federal or State law prohibiting the disclosure of financial information to third parties.

"(2) LIMITATION.—Except as specifically provided in this section, nothing in this section requires or authorizes a financial institution to disclose information that it is otherwise prohibited from disclosing under subtitle A or any other provision of Federal or State law.

"(j) ENFORCEMENT.—The Federal Trade Commission is authorized to enforce compliance with this section, including the assessment of fines for violations of subsection (b)(1)."

SEC. 3. EFFECTIVE DATE.

This Act shall take effect on the expiration of the date which is 6 months after the date of enactment of this Act.

By Mr. BINGAMAN (for himself, Mr. DEWINE, Mr. CORZINE, Mr. DURBIN, Mr. SCHUMER, Mr. JOHNSON, Ms. CANTWELL, Mr. LAUTENBERG, Ms. STABENOW, Mr. KENNEDY, Mrs. CLINTON, Mr. KERRY, Ms. MIKULSKI, Mr. AKAKA, Mr. SALAZAR, and Mr. SARBANES):

S. 1217. A bill to amend title II of the Social Security Act to phase out the 24-month waiting period for disabled individuals to become eligible for Medicare benefits, to eliminate the waiting period for individuals with life-threatening conditions, and for other purposes; to the Committee on Finance.

Mr. BINGAMAN. Mr. President, I rise today to introduce bipartisan legislation entitled "Ending the Medicare Disability Waiting Period Act of 2005" with Senators DEWINE, CORZINE, DURBIN, SCHUMER, JOHNSON, CANTWELL, LAUTENBERG, STABENOW, KENNEDY, CLINTON, KERRY, MIKULSKI, AKAKA, SALAZAR, and SARBANES. This legislation would phase-out the current 2-year waiting period that people with disabilities must endure after qualifying for Social Security Disability Insurance (SSDI). In the interim or as the waiting period is being phased out, the bill would also create a process by which the Secretary can immediately waive the waiting period for people with life-threatening illnesses.

When Medicare was expanded in 1972 to include people with significant disabilities, lawmakers created the 24-month waiting period. According to a July 2003 report from the Commonwealth Fund, it is estimated that over 1.2 million SSDI beneficiaries are in the Medicare waiting period at any given time, "all of whom are unable to work because of their disability and most of whom have serious health problems, low incomes, and limited access to health insurance."

The stated reason at the time was to limit the fiscal cost of the provision. However, I would assert that there is no reason, be it fiscal or moral, to tell people that they must wait longer than 2 years after becoming severely disabled before we provide them access to much needed health care.

In fact, it is important to note that there really are actually three waiting periods that are imposed upon people seeking to qualify for SSDI. First, there is the disability determination process through the Social Security Administration, which often takes many months or even longer than a year in some cases. Second, once a worker has been certified as having a severe or permanent disability, they must wait an additional 5 months before receiving their first SSDI check. And third, after receiving that first SSDI check, there is the 2-year period that people must wait before their Medicare coverage begins.

What happens to the health and well-being of people waiting more than 2½ years before they finally receive critically needed Medicare coverage? According to Karen Davis, president of the Commonwealth Fund, which has conducted 2 important studies on the issue, "Individuals in the waiting period for Medicare suffer from a broad range of debilitating diseases and are in urgent need of appropriate medical care to manage their conditions. Eliminating the 2-year wait would ensure access to care for those already on the way to Medicare."

Again, we are talking about individuals that have been determined to be unable to engage in any "substantial, gainful activity" because of either a physical or mental impairment that is expected to result in death or to continue for at least 12 months. These are people that, by definition, are in more need of health coverage than anybody else in our society. Of the 1.2 million people stuck in the 2-year waiting period at any given time, it is estimated that one-third, or 400,000, are left completely uninsured. The consequences are unacceptable and are, in fact, dire.

In fact, various studies show that death rates among SSDI recipients are highest during the first 2 years of enrollment while waiting to be covered by Medicare. For example, the Commonwealth Fund report, entitled "Elimination of Medicare's Waiting Period for Seriously Disabled Adults: Impact on Coverage and Costs," 4 percent of these people die during the waiting period. In other words, it is estimated that of the estimated 400,000 uninsured disabled Americans in the waiting period at any given time, 16,000 of them will die awaiting Medicare coverage. Let me repeat . . . 16,000 of the 400,000 uninsured disabled in the waiting period at any given moment will die while waiting for Medicare coverage to begin.

Moreover, this does not factor in the serious health problems that others experience while waiting for Medicare coverage during the 2-year period. Although there is no direct data on the profile of SSDI beneficiaries in the 2-year waiting period, the Commonwealth Fund has undertaken a separate analysis of the Medicare Current Beneficiary Survey for 1998 to get a good sense of the demographic characteristics, income, and health conditions of this group.

According to the analysis, ". . . 45 percent of nonelderly Medicare beneficiaries with disabilities had incomes below the Federal poverty line, and 77 percent had incomes below 200 percent of poverty. Fifth-nine percent reported that they were in fair or poor health; of this group, more than 90 percent reported that they suffered from one or more chronic illnesses, including arthritis (52 percent), hypertension (46 percent), mental disorder (36 percent), heart condition (35 percent), chronic lung disease (26 percent), cancer (20 percent), diabetes (19 percent), and stroke (12 percent)."

To ascertain the impact the waiting period has on the lives of these citizens, the Commonwealth Fund and the Christopher Reeve Paralysis Foundation conducted a follow-up to "gain insight into the experiences of people with disabilities under age 65 in the Medicare 2-year waiting period." According to that second report entitled "Waiting for Medicare: Experiences of Uninsured People with Disabilities in the Two-Year Waiting Period for Medicare" in October 2004, "Most of these individuals must invariably get by with some combination of living one day at a time, assertiveness, faith, and sheer luck."

One person in the waiting period with a spinal cord injury from Atlanta, Georgia, seeking medical treatment for their condition was told to simply "try not to get sick for 2 years." As the individual said in response, "None of us TRIED to become disabled."

The people that we have spoken to in the waiting period, since the introduction of this legislation last year, talk about foregoing critically needed medical treatment, stopping medications and therapy, feeling dismayed and depressed about their lives and future, and feeling a loss of control over their lives and independence while in the waiting period.

These testimonials and appeals in support of this legislation are often emotional and intense. Some describe the waiting period as a "living nightmare" and appropriately ask how it is possible that their government is doing this to them.

In fact, some have had the unfortunate fate of having received SSI and Medicaid coverage, applied for SSDI, and then lost their Medicaid coverage because they were not aware that the change in income, when they received SSDI, would push them over the financial limits for Medicaid. In such a case, and let me emphasize this point, the government is effectively taking their health care coverage away because they are so severely disabled.

Therefore, for some in the waiting period, their battle is often as much with the government as it is with their medical condition, disease, or disability.

Nobody could possibly think this makes any sense.

House Ways and Means Chairman BILL THOMAS questioned the rationale of the waiting period in a press conference on April 29, 2005.

As the Medicare Rights Center has said, "By forcing Americans with disabilities to wait 24 months for Medicare coverage, the current law effectively sentences these people to inadequate health care, poverty, or death . . . Since disability can strike anyone, at any point in life, the 24-month waiting period should be of concern to everyone, not just the millions of Americans with disabilities today."

Although elimination of the Medicare waiting period will certainly increase Medicare costs, it is important

to note that there will be some corresponding decrease in Medicaid costs. Medicaid, which is financed by both Federal and State governments, often provides coverage for a subset of disabled Americans in the waiting period, as long as they meet certain income and asset limits. Income limits are typically at or below the poverty level, including at just 74 percent of the poverty line in New Mexico, with assets generally limited to just \$2,000 for individuals and \$3,000 for couples.

The Commonwealth Fund estimates that, of the 1.26 million people in the waiting period, 40 percent are enrolled in Medicaid. As a result, the Commonwealth Fund estimates in the study that Federal Medicaid savings would offset nearly 30 percent of the increased costs. Furthermore, States, which have been struggling financially with their Medicaid programs, would reap a windfall that would help them better manage their Medicaid programs.

Furthermore, from a continuity of care point of view, it makes little sense that somebody with disabilities must leave their job and their health providers associated with that plan, move on the Medicaid to often have a different set of providers, to then switch to Medicare and yet another set of providers. The cost, both financial and personal, of not providing access to care or poorly coordinated care services for these seriously ill people during the waiting period may be greater in many cases than providing health coverage.

And finally, private-sector employers and employees in those risk-pools would also benefit from the passage of the bill. As the 2003 report notes, “. . . to the extent that disabled adults rely on coverage through their prior employer or their spouse’s employer, eliminating the waiting period would also produce savings to employers who provide this coverage.”

To address concerns about costs and immediate impact on the Medicare program, the legislation phases out the waiting period over a 10-year period. In the interim, the legislation would create a process by which others with life-threatening illnesses could also get an exception to the waiting period. Congress has previously extended such an exception to the waiting period for individuals with amyotrophic lateral sclerosis (ALS), also known as Lou Gehrig’s disease, and for hospice services. The ALS exception passed the Congress in December 2000 and went into effect July 1, 2001. Thus, the legislation would extend the exception to all people with life-threatening illnesses in the waiting period.

I would like to thank Senator DEWINE and the other original cosponsors, including Senators CORZINE, DURBIN, SCHUMER, JOHNSON, CANTWELL, LAUTENBERG, STABENOW, KENNEDY, CLINTON, KERRY, MIKULSKI, AKAKA, SALAZAR, and SARBANES, for supporting this critically important legislation.

Furthermore, I would like to commend Representative GENE GREEN of Texas for his introduction of the companion bill in the House of Representatives and for his work, diligence, and commitment to this issue.

I urge passage of this legislation and ask unanimous consent that a fact sheet, which includes a list of original supporting organizations for the legislation, and the text of the bill be printed in the RECORD.

There being no objection, the materials were ordered to be printed in the RECORD as follows:

FACT SHEET

ENDING THE MEDICARE DISABILITY WAITING PERIOD ACT OF 2005

Senators Jeff Bingaman (D-NM) and Mike DeWine (R-OH) are preparing to introduce the “Medicare Disability Waiting Period Act of 2005.” The bill would, over 10 years, completely phase-out the two-year waiting period which Americans with disabilities must endure before receiving Medicare coverage. The legislation also creates a process by which the Secretary can immediately waive the waiting period for people with life-threatening illnesses.

When Medicare was expanded in 1972 to include people who have significant disabilities, lawmakers created a “Medicare waiting period.” Before they can get Medicare coverage, people with disabilities must first receive Social Security Disability Insurance (SSDI) for 24 months. Generally, SSDI begins five months after an individual’s disability has been certified. As a result, people with disabilities face three consecutive waiting periods prior to getting health coverage: (1) a determination of SSDI approval from the Social Security Administration; (2) a five-month waiting period to receive SSDI; and, (3) another 24-month waiting period to get Medicare coverage.

Because of the 24-month Medicare waiting period, an estimated 400,000 Americans with disabilities are uninsured and many more are underinsured at a time in their lives when the need for health coverage is most dire. Dale and Verdier, *The Commonwealth Fund*, July 2003. In fact, various studies show that death rates among SSDI recipients are highest during the first two years of enrollment, Mauney, *AMA*, June 2002. For example, according to the Commonwealth Fund, 4 percent of these people die during the waiting period.

There is an important exception to the 24-month waiting period and that is for individuals with amyotrophic lateral sclerosis (ALS), also known as Lou Gehrig’s disease, and for hospice services. The ALS exception passed the Congress in December 2000 and went into effect July 1, 2001.

“Ending the Medicare Waiting Period Act of 2005” would, over 10 years, phase-out the waiting period and would also, in the interim, create a process by which others with life-threatening illnesses, like ALS, could also get an exception to the waiting period.

As the Medicare Rights Center has said, “By forcing Americans with disabilities to wait 24 months for Medicare coverage, the current law effectively sentences these people to inadequate health care, poverty or death. . . . Since disability can strike anyone, at any point in life, the 24-month waiting period should be of concern to everyone, not just the millions of Americans with disabilities today.”

If you have any questions or need additional information, please contact Bruce Lesley in Senator BINGAMAN’s office at 202-224-5521 or Abby Kral in Senator DEWINE’s office at 202-224-7900.

SUPPORTING ORGANIZATIONS

Acid Maltase Deficiency Association
AIDS Foundation of Chicago
The AIDS Institute
AIDS Project Los Angeles
Air Compassion America
Alzheimer’s Association
American Academy of Audiology
American Academy of HIV Medicine
American Congress of Rehabilitation Medicine (ACRM)
American Congress of Community Supports and Employment Services (ACCSES)
American Dance Therapy Association
American Gastroenterological Association
American Network of Community Options and Resources
American Occupational Therapy Association
American Psychological Association
Angel Flight Mid-Atlantic
The Arc of the United States
Association for Community Affiliated Plans
Association of University Centers on Disabilities (AUCD)
Benign Essential Blepharospasm Research Foundation
Brian Tumor Action Network
California Health Advocates
Center for Medicare Advocacy, Inc.
Coalition for Pulmonary Fibrosis
Community Action New Mexico
Disability Service Providers of America (DSPA)
Empowering Our Communities in New Mexico
Families USA
Family Voices
Gay Men’s Health Crisis
Harm Reduction Coalition
Hereditary Hemorrhagic Telangiectasia (HHT) Foundation International
HIV Medicine Association
HIVictorious, Inc., Madison, WI
Medicare Rights Center
Mercy Medical Airlift
Miami, ACT UP
National Alliance for the Mentally Ill (NAMI)
National Alliance of State and Territorial AIDS Directors (NASTAD)
National Association of Children’s Behavioral Health
National Association of Councils on Developmental Disabilities (NACDD)
National Association of Protection and Advocacy Systems (NAPAS)
National Ataxia Foundation
National Health Law Program (NHeLP)
National Kidney Foundation
National Mental Health Association
National Minority AIDS Council
National Organization for Rare Disorders (NORD)
National Patient Advocacy Foundation
National Women’s Law Center
New Mexico AIDS Services
New Mexico Medical Society
New Mexico POZ Coalition
New Mexico Public Health Association
North American Brain Tumor Coalition
Paralyzed Veterans of America
Power Mobility Coalition
Reflex Sympathetic Dystrophy Syndrome Association of America
Senior Citizens Law Office, New Mexico
Southern New Hampshire HIV/AIDS Task Force
Special Olympics
The Title II Community AIDS National Network
United Cerebral Palsy
United Spinal Association
Utah AIDS Foundation
Visiting Nurse Associations of America
Von Hippel-Lindau Family Alliance

S. 1217

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Ending the Medicare Disability Waiting Period Act of 2005”.

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

- Sec. 1. Short title; table of contents.
 Sec. 2. Phase-out of waiting period for medicare disability benefits.
 Sec. 3. Elimination of waiting period for individuals with life-threatening conditions.
 Sec. 4. Institute of Medicine study and report on delay and prevention of disability conditions.

SEC. 2. PHASE-OUT OF WAITING PERIOD FOR MEDICARE DISABILITY BENEFITS.

(a) **IN GENERAL.**—Section 226(b) of the Social Security Act (42 U.S.C. 426(b)) is amended—

(1) in paragraph (2)(A), by striking “, and has for 24 calendar months been entitled to,” and inserting “, and for the waiting period (as defined in subsection (k)) has been entitled to,”;

(2) in paragraph (2)(B), by striking “, and has been for not less than 24 months,” and inserting “, and has been for the waiting period (as defined in subsection (k)),”;

(3) in paragraph (2)(C)(ii), by striking “, including the requirement that he has been entitled to the specified benefits for 24 months,” and inserting “, including the requirement that the individual has been entitled to the specified benefits for the waiting period (as defined in subsection (k)),”; and

(4) in the flush matter following paragraph (2)(C)(ii)(II)—

(A) in the first sentence, by striking “for each month beginning with the later of (I) July 1973 or (II) the twenty-fifth month of his entitlement or status as a qualified railroad retirement beneficiary described in paragraph (2), and” and inserting “for each month beginning after the waiting period (as so defined) for which the individual satisfies paragraph (2) and”;

(B) in the second sentence, by striking “the ‘twenty-fifth month of his entitlement’ refers to the first month after the twenty-fourth month of entitlement to specified benefits referred to in paragraph (2)(C) and”;

(C) in the third sentence, by striking “, but not in excess of 78 such months”.

(b) **SCHEDULE FOR PHASE-OUT OF WAITING PERIOD.**—Section 226 of the Social Security Act (42 U.S.C. 426) is amended by adding at the end the following new subsection:

“(k) For purposes of subsection (b) (and for purposes of section 1837(g)(1) of this Act and section 7(d)(2)(ii) of the Railroad Retirement Act of 1974), the term ‘waiting period’ means—

- “(1) for 2006, 18 months;
 “(2) for 2007, 16 months;
 “(3) for 2008, 14 months;
 “(4) for 2009, 12 months;
 “(5) for 2010, 10 months;
 “(6) for 2011, 8 months;
 “(7) for 2012, 6 months;
 “(8) for 2013, 4 months;
 “(9) for 2014, 2 months; and
 “(10) for 2015 and each subsequent year, 0 months.”.

(c) **CONFORMING AMENDMENTS.**—

(1) **SUNSET.**—Effective January 1, 2015, subsection (f) of section 226 of the Social Security Act (42 U.S.C. 426) is repealed.

(2) **MEDICARE DESCRIPTION.**—Section 1811(2) of such Act (42 U.S.C. 1395c(2)) is amended by striking “entitled for not less than 24 months” and inserting “entitled for the waiting period (as defined in section 226(k))”.

(3) **MEDICARE COVERAGE.**—Section 1837(g)(1) of such Act (42 U.S.C. 1395p(g)(1)) is amended by striking “of the later of (A) April 1973 or (B) the third month before the 25th month of such entitlement” and inserting “of the third month before the first month following the waiting period (as defined in section 226(k)) applicable under section 226(b)”.

(4) **RAILROAD RETIREMENT SYSTEM.**—Section 7(d)(2)(ii) of the Railroad Retirement Act of 1974 (45 U.S.C. 231f(d)(2)(ii)) is amended—

(A) by striking “, for not less than 24 months” and inserting “, for the waiting period (as defined in section 226(k) of the Social Security Act); and

(B) by striking “could have been entitled for 24 calendar months, and” and inserting “could have been entitled for the waiting period (as defined in section 226(k) of the Social Security Act), and”.

(d) **EFFECTIVE DATE.**—Except as provided in subsection (c)(1), the amendments made by this section shall apply to insurance benefits under title XVIII of the Social Security Act with respect to items and services furnished in months beginning at least 90 days after the date of the enactment of this Act (but in no case earlier than January 1, 2006).

SEC. 3. ELIMINATION OF WAITING PERIOD FOR INDIVIDUALS WITH LIFE-THREATENING CONDITIONS.

(a) **IN GENERAL.**—Section 226(h) of the Social Security Act (42 U.S.C. 426(h)) is amended—

(1) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively;

(2) in the matter preceding subparagraph (A) (as redesignated by paragraph (1)), by inserting “(1)” after “(h)”;

(3) in paragraph (1) (as designated by paragraph (2))—

(A) in the matter preceding subparagraph (A) (as redesignated by paragraph (1)), by inserting “or any other life-threatening condition identified by the Secretary” after “amyotrophic lateral sclerosis (ALS)”;

(4) in subparagraph (B) (as redesignated by paragraph (1)), by striking “(rather than twenty-fifth month)”;

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

“(2) For purposes of identifying life-threatening conditions under paragraph (1), the Secretary shall compile a list of conditions that are fatal without medical treatment. In compiling such list, the Secretary shall consult with the Director of the National Institutes of Health (including the Office of Rare Diseases), the Director of the Centers for Disease Control and Prevention, the Director of the National Science Foundation, and the Institute of Medicine of the National Academy of Sciences.”.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to insurance benefits under title XVIII of the Social Security Act with respect to items and services furnished in months beginning at least 90 days after the date of the enactment of this Act (but in no case earlier than January 1, 2006).

SEC. 4. INSTITUTE OF MEDICINE STUDY AND REPORT ON DELAY AND PREVENTION OF DISABILITY CONDITIONS.

(a) **STUDY.**—The Secretary of Health and Human Services (in this section referred to as the “Secretary”) shall request that the Institute of Medicine of the National Academy of Sciences conduct a study on the range of disability conditions that can be delayed or prevented if individuals receive access to health care services and coverage before the condition reaches disability levels.

(b) **REPORT.**—Not later than the date that is 2 years after the date of enactment of this Act, the Secretary shall submit to Congress a report containing the results of the Insti-

tute of Medicine study authorized under this section.

(c) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section \$750,000 for the period of fiscal years 2006 and 2007.

By Mr. KENNEDY (for himself and Mr. DURBIN):

S. 1218. A bill to amend the Elementary and Secondary Education Act of 1965, the Higher Education Act of 1965, and the Internal Revenue Code of 1986 to improve recruitment, preparation, distribution, and retention of public elementary and secondary school teachers and principals, and for other purposes; to the Committee on Finance.

Mr. KENNEDY. Mr. President, it is a privilege to join my distinguished colleague, Senator DURBIN, in introducing the Teacher Excellence for All Children Act of 2005. Its goal is to bring us closer to giving every child a highly qualified teacher, and enable more teachers to obtain the support they need to improve their instruction. We join our distinguished colleague Congressman GEORGE MILLER in this effort, who is introducing this legislation in the House, and commend him for his leadership on the issue.

One of the major challenges we face today is to improve the recruitment, preparation, and retention of good teachers. Few issues are of greater importance to our future than education. The Nation is strongest when our schools are strongest—when all students can attend good schools with good teachers to help them learn. In this new era of globalization, a well-educated citizenry and well-skilled workforce are essential to our role in the world.

We owe a great debt to America’s teachers. They work day in and day out to give children a decent education. Teachers are on the front lines in the Nation’s schools, and at the forefront of the constant effort to improve public education. It is their vision, energy, hard work, and dedication that will make all the difference in successfully meeting this challenge.

We took a major step forward in the No Child Left Behind Act and its recognition that all students deserve first-rate teachers to help them reach their potential and succeed in life. This act made a bold national commitment to guarantee a highly qualified teacher in every classroom. But to reach that goal, we need to recruit, train, retain and support our teachers. The TEACH Act addresses four specific challenges head on: to increase the supply of outstanding teachers; to ensure all children have teachers with expertise in the subjects they teach; to improve teaching by identifying and rewarding the best practices and expanding professional development opportunities; and to help schools retain teachers and principals by providing the support they need to succeed.

Since enrollment in public schools has reached an all-time high of 53 million students, and is expected to keep

increasing over the next decade, additional highly qualified teachers are needed to meet the growing demand.

Many schools face a teacher crisis, particularly in our poorest communities. Currently, there are approximately 3 million public school teachers across the country. Two million new, qualified teachers will be needed in the next 10 years to serve the growing student population. Yet we are not even retaining the teachers we have today. A third of all teachers leave during their first 3 years, and almost half leave during the first 5 years.

Too often, teachers also lack the training and support needed to do well in the classroom. They are paid on average almost \$8,000 less than graduates in other fields, and the gap widens to more than \$23,000 after 15 years of teaching. Thirty-seven percent of teachers cite low salaries as a main factor for leaving the classroom before retirement.

The TEACH Act will do more to recruit and retain highly qualified teachers—particularly in schools and subjects where they are needed the most. The bill provides financial incentives to encourage talented persons to enter and remain in the profession and it offers higher salaries, tax breaks, and greater loan forgiveness.

To attract motivated and talented individuals to teaching, the bill provides up-front tuition assistance—\$4,000 per year—to high-performing undergraduate students who agree to commit to teach for 4 years in high-need areas and in subjects such as math, science, and special education.

One of our greatest challenges in school reform today is to equalize the playing field, so that the neediest students have access to the best teachers to help them succeed. Research shows that good teachers are the single most important factor in the success of children in school, both academically and developmentally. Children with good instruction can reach new heights through the hard work, vision, and energy of their teachers. Good teaching helps overcome the harmful effects of poverty and other disadvantages on student learning.

Unfortunately, we still have a long way to go. In high-poverty schools, teacher turnover is 33 percent higher than in other schools. In the poorest middle schools and high schools, students are 77 percent more likely to be assigned an out-of-field teacher. Almost a third of classes are taught by teachers with no background in the subject—no major degree, no minor degree, no certification.

Despite our past efforts, this problem is worsening. In most academic subjects, the percentage of secondary school teachers “out-of-field”—those teaching a class in which they do not have a major, a minor, or a certification—increased from 1993 to 2000. Clearly, we must do a better job of attracting better teachers to the neediest classrooms and do more to reward their

efforts so that they stay in the classroom.

Because schools compete for the best teachers, the bill provides funding to school districts to reward teachers who transfer to schools with the greatest challenges, and provides incentives for teachers working in math, science, and special education.

The TEACH Act also establishes a framework to develop and use the systems needed at the State and local levels to identify and improve teacher effectiveness and recognize exceptional teaching in the classroom. States will develop data systems to track student progress and relate it to the level of instruction provided in the classroom. The bill also encourages the development of model teacher advancement programs with competitive compensation structures that recognize and reward different roles, responsibilities, knowledge, skills and positive results.

Too often, teachers lack the training they need before reaching the classroom. On the job, they have few sources of support to meet the challenges they face in the classroom, and few opportunities for ongoing professional development to expand their skills. The bill responds to the needs of teachers in their first years in the classroom by creating new and innovative teacher induction models that use proven strategies to support beginning teachers. New teachers will have access to mentoring, opportunities for cooperative planning with their peers, and a special transition year to ease into the pressures of entering the classroom. Veteran teachers will have an opportunity to improve their skills through peer mentoring and review. Other support includes professional development delivered through teaching centers to improve training and working conditions for teachers.

Since good leadership is also essential for schools, the bill provides important incentives and support for principals by raising standards and improving recruitment and training for them as well.

This legislation was developed with the help of a broad and diverse group of educational professionals and experts, including the Alliance for Excellent Education, the American Federation of Teachers, the Business Roundtable, the Center for American Progress Action Fund, the Children’s Defense Fund, the Education Trust, the National Council on Teacher Quality, the National Council of La Raza, the National Education Association, New Leaders for New Schools, the New Teacher Center, Operation Public Education, the Teacher Advancement Program Foundation, Teach for America and the Teaching Commission. I thank them for their help and their work on behalf of our Nation’s children.

As Shirley Mount Hufstедler, the first United States Secretary of Education, has said:

The role of the teacher remains the highest calling of a free people. To the teacher,

America entrusts her most precious resource, her children; and asks that they be prepared, in all their glorious diversity, to face the rigors of individual participation in a democratic society.

We must do all in our power to help them in this endeavor.

I urge my colleagues to join in supporting this bill and I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1218

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 “Teacher Excellence for All Children Act of 2005”.

SEC. 2. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

Sec. 3. Findings.

TITLE I—RECRUITING TALENTED NEW TEACHERS

Sec. 101. Amendments to Higher Education Act of 1965.

Sec. 102. Extending and expanding teacher loan forgiveness.

TITLE II—CLOSING THE TEACHER DISTRIBUTION GAP

Sec. 201. Grants to local educational agencies to provide premium pay to teachers in high-need schools.

TITLE III—IMPROVING TEACHER PREPARATION

Sec. 301. Amendment to Elementary and Secondary Education Act of 1965.

Sec. 302. Amendment to the Higher Education Act of 1965: Teacher Quality Enhancement Grants.

Sec. 303. Enforcing NCLB’s teacher equity provision.

TITLE IV—EQUIPPING TEACHERS, SCHOOLS, LOCAL EDUCATIONAL AGENCIES, AND STATES WITH THE 21ST CENTURY DATA, TOOLS, AND ASSESSMENTS THEY NEED

Sec. 401. 21st Century Data, Tools, and Assessments.

Sec. 402. Collecting national data on distribution of teachers.

TITLE V—RETENTION: KEEPING OUR BEST TEACHERS IN THE CLASSROOM

Sec. 501. Amendment to Elementary and Secondary Education Act of 1965.

Sec. 502. Exclusion from gross income of compensation of teachers and principals in certain high-need schools or teaching high-need subjects.

Sec. 503. Above-the-line deduction for certain expenses of elementary and secondary school teachers increased and made permanent.

TITLE VI—MISCELLANEOUS PROVISIONS

Sec. 601. Conforming amendments.

SEC. 3. FINDINGS.

The Congress finds as follows:

(1) There are not enough qualified teachers in the Nation’s classrooms, and an unprecedented number of teachers will retire over the next 5 years. Over the next decade, the Nation will need to bring 2,000,000 new teachers into public schools.

(2) Too many teachers and principals do not receive adequate preparation for their jobs.

(3) More than one-third of children in grades 7-12 are taught by a teacher who lacks both a college major and certification in the subject being taught. Rates of "out-of-field teaching" are especially high in high-poverty schools.

(4) Seventy percent of mathematics classes in high-poverty middle schools are assigned to teachers without even a minor in mathematics or a related field.

(5) Teacher turnover is a serious problem, particularly in urban and rural areas. Over one-third of new teachers leave the profession within their first 3 years of teaching, and 14 percent of new teachers leave the field within the first year. After 5 years—the average time it takes for teachers to maximize students' learning—half of all new teachers will have exited the profession. Rates of teacher attrition are highest in high-poverty schools. Between 2000 and 2001, 1 out of 5 teachers in the Nation's high-poverty schools either left to teach in another school or dropped out of teaching altogether.

(6) Fourth graders who are poor score dramatically lower on the National Assessment of Educational Progress (NAEP) than their counterparts who are not poor. Over 85 percent of fourth graders who are poor failed to attain NAEP proficiency standards in 2003.

(7) African-American, Latino, and low-income students are much less likely than other students to have highly-qualified teachers.

(8) Research shows that individual teachers have a great impact on how well their students learn. The most effective teachers have been shown to be able to boost their pupils' learning by a full grade level relative to students taught by less effective teachers.

(9) Although nearly half (42 percent) of all teachers hold a master's degree, fewer than 1 in 4 secondary teachers have a master's degree in the subject they teach.

(10) Young people with high SAT and ACT scores are much less likely to choose teaching as a career. Those who have higher SAT or ACT scores are twice as likely to leave the profession after only a few years.

(11) Only 16 States finance new teacher induction programs, and fewer still require inductees to be matched with mentors who teach the same subject.

TITLE I—RECRUITING TALENTED NEW TEACHERS

SEC. 101. AMENDMENTS TO HIGHER EDUCATION ACT OF 1965.

(a) TEACH GRANTS.—Title II of the Higher Education Act of 1965 (20 U.S.C. 1021 et seq.) is amended by adding at the end the following new part:

"PART C—TEACH GRANTS

"SEC. 231. PURPOSES.

"The purposes of this part are—

"(1) to improve student academic achievement;

"(2) to help recruit and prepare teachers to meet the national demand for a highly qualified teacher in every classroom; and

"(3) to increase opportunities for Americans of all educational, ethnic, class, and geographic backgrounds to become highly qualified teachers.

"SEC. 232. PROGRAM ESTABLISHED.

"(a) PROGRAM AUTHORITY.—

"(1) PAYMENTS REQUIRED.—For each of the fiscal years 2006 through 2013, the Secretary shall pay to each eligible institution such sums as may be necessary to pay to each eligible student (defined in accordance with section 484) who files an application and agreement in accordance with section 233, and qualifies under subsection (a)(2) of such section, a TEACH Grant in the amount of \$4,000 for each academic year during which that student is in attendance at an institution of higher education.

"(2) REFERENCE.—Grants made under this part shall be known as 'Teacher Education Assistance for College and Higher Education Grants' or 'TEACH Grants'.

"(b) PAYMENT METHODOLOGY.—

"(1) PREPAYMENT.—Not less than 85 percent of such sums shall be advanced to eligible institutions prior to the start of each payment period and shall be based upon an amount requested by the institution as needed to pay eligible students until such time as the Secretary determines and publishes in the Federal Register with an opportunity for comment, an alternative payment system that provides payments to institutions in an accurate and timely manner, except that this sentence shall not be construed to limit the authority of the Secretary to place an institution on a reimbursement system of payment.

"(2) DIRECT PAYMENT.—Nothing in this section shall be interpreted to prohibit the Secretary from paying directly to students, in advance of the beginning of the academic term, an amount for which they are eligible, in cases where the eligible institution elects not to participate in the disbursement system required by paragraph (1).

"(3) DISTRIBUTION OF GRANTS TO STUDENTS.—Payments under this part shall be made, in accordance with regulations promulgated by the Secretary for such purpose, in such manner as will best accomplish the purposes of this part. Any disbursement allowed to be made by crediting the student's account shall be limited to tuition and fees and, in the case of institutionally owned housing, room and board. The student may elect to have the institution provide other such goods and services by crediting the student's account.

"(c) REDUCTIONS IN AMOUNT.—

"(1) PART TIME STUDENTS.—In any case where a student attends an institution of higher education on less than a full-time basis (including a student who attends an institution of higher education on less than a half-time basis) during any academic year, the amount of the TEACH Grant to which that student is eligible shall be reduced in proportion to the degree to which that student is not so attending on a full-time basis, in accordance with a schedule of reductions established by the Secretary for the purpose of this part, computed in accordance with this part. Such schedule of reductions shall be established by regulation and published in the Federal Register in accordance with section 482 of this Act.

"(2) NO EXCEEDING COST.—No TEACH Grant for a student under this part shall exceed the cost of attendance (as defined in section 472) at the institution at which such student is in attendance. If, with respect to any student, it is determined that the amount of a TEACH Grant exceeds the cost of attendance for that year, the amount of the TEACH Grant shall be reduced until the TEACH Grant does not exceed the cost of attendance at such institution.

"(d) PERIOD OF ELIGIBILITY FOR GRANTS.—

"(1) UNDERGRADUATE STUDENTS.—The period during which an undergraduate student may receive TEACH Grants shall be the period required for the completion of the first undergraduate baccalaureate course of study being pursued by that student at the institution at which the student is in attendance, except that—

"(A) any period during which the student is enrolled in a noncredit or remedial course of study, subject to paragraph (3), shall not be counted for the purpose of this paragraph; and

"(B) the total amount that a student may receive under this part for undergraduate study shall not exceed \$16,000.

"(2) GRADUATE STUDENTS.—The period during which a graduate student may receive TEACH Grants shall be the period required for the completion of a master's degree course of study being pursued by that student at the institution at which the student is in attendance, except that the total amount that a student may receive under this part for graduate study shall not exceed \$8,000.

"(3) REMEDIAL COURSE; STUDY ABROAD.—Nothing in this section shall exclude from eligibility courses of study that are non-credit or remedial in nature (including courses in English language acquisition) that are determined by the institution to be necessary to help the student be prepared for the pursuit of a first undergraduate baccalaureate degree or certificate or, in the case of courses in English language instruction, to be necessary to enable the student to utilize already existing knowledge, training, or skills. Nothing in this section shall exclude from eligibility programs of study abroad that are approved for credit by the home institution at which the student is enrolled.

"SEC. 233. ELIGIBILITY AND APPLICATIONS FOR GRANTS.

"(a) APPLICATIONS; DEMONSTRATION OF ELIGIBILITY.—

"(1) FILING REQUIRED.—The Secretary shall from time to time set dates by which students shall file applications for TEACH Grants under this part. Each student desiring a TEACH Grant for any year shall file an application therefore containing such information and assurances as the Secretary may deem necessary to enable the Secretary to carry out the functions and responsibilities of this part.

"(2) DEMONSTRATION OF ELIGIBILITY.—Each such application shall contain such information as is necessary to demonstrate that—

"(A) if the applicant is an enrolled student—

"(i) the student is an eligible student for purposes of section 484 (other than subsection (r) of such section);

"(ii) the student—

"(I) has a grade point average that is determined, under standards prescribed by the Secretary, to be comparable to a 3.25 average on a zero to 4.0 scale, except that, if the student is in the first year of a program of undergraduate education, such grade point average shall be determined on the basis of the student's cumulative high school grade point average; or

"(II) displayed high academic aptitude by receiving a score above the 75th percentile on at least one of the batteries in an undergraduate or graduate school admissions test; and

"(iii) the student is completing coursework and other requirements necessary to begin a career in teaching, or plans to complete such coursework and requirements prior to graduating; or

"(B) if the applicant is a current or prospective teacher applying for a grant to obtain a graduate degree—

"(i) the applicant is a teacher or a retiree from another occupation with expertise in a field in which there is a shortage of teachers, such as mathematics, science, special education, English language acquisition, or another high-need subject; or

"(ii) the applicant is or was a teacher who is using high-quality alternative certification routes, such as Teach for America, to get certified.

"(b) AGREEMENTS TO SERVE.—Each application under subsection (a) shall contain or be accompanied by an agreement by the applicant that—

"(1) the applicant will—

"(A) serve as a full-time teacher for a total of not less than 4 academic years within 8

years after completing the course of study for which the applicant received a TEACH Grant under this part;

“(B) teach—

“(i) in a school described in section 465(a)(2)(A); and

“(ii) in any of the following fields: mathematics, science, a foreign language, bilingual education, or special education, or as a reading specialist, or another field documented as high-need by the Federal Government, State government, or local education agency and submitted to the Secretary;

“(C) submit evidence of such employment in the form of a certification by the chief administrative officer of the school upon completion of each year of such service; and

“(D) comply with the requirements for being a highly qualified teacher as defined in section 9101 of the Elementary and Secondary Education Act of 1965; and

“(2) in the event that the applicant is determined to have failed or refused to carry out such service obligation, the sum of the amounts of such Teach Grants will be treated as a loan and collected from the applicant in accordance with subsection (c) and the regulations thereunder.

“(c) REPAYMENT FOR FAILURE TO COMPLETE SERVICE.—In the event that any recipient of a TEACH Grant fails or refuses to comply with the service obligation in the agreement under subsection (b), the sum of the amounts of such Grants provided to such recipient shall be treated as a Direct Loan under part D of title IV, and shall be subject to repayment in accordance with terms and conditions specified by the Secretary in regulations promulgated to carry out this part.”

(b) RECRUITING TEACHERS WITH MATHEMATICS, SCIENCE, OR LANGUAGE MAJOR.—Title II of the Higher Education Act of 1965 (20 U.S.C. 1021 et seq.), as amended by subsection (a), is further amended by adding at the end the following:

“PART D—RECRUITING TEACHERS WITH MATHEMATICS, SCIENCE, OR LANGUAGE MAJORS

“SEC. 241. PROGRAM AUTHORIZED.

“(a) GRANTS AUTHORIZED.—From the amounts appropriated under section 242, the Secretary shall make competitive grants to institutions of higher education to improve the availability and recruitment of teachers from among students majoring in mathematics, science, foreign languages, special education, or teaching the English language to students with limited English proficiency. In making such grants, the Secretary shall give priority to programs that focus on preparing teachers in subjects in which there is a shortage of highly qualified teachers and that prepare students to teach in high-need schools.

“(b) APPLICATION.—Any institution of higher education desiring to obtain a grant under this part shall submit to the Secretary an application at such time, in such form, and containing such information and assurances as the Secretary may require, which shall—

“(1) include reporting on baseline production of teachers with expertise in mathematics, science, a foreign language, or teaching English language learners; and

“(2) establish a goal and timeline for increasing the number of such teachers who are prepared by the institution.

“(c) USE OF FUNDS.—Funds made available by a grant under this part—

“(1) shall be used to create new recruitment incentives to teaching from other majors, with an emphasis on high-need subjects such as mathematics, science, foreign languages, and teaching the English language to students with limited English proficiency;

“(2) may be used to upgrade curriculum in order to provide all students studying to be-

come teachers with high-quality instructional strategies for teaching reading and teaching the English language to students with limited English proficiency, and for modifying instruction to teach students with special needs;

“(3) may be used to integrate school of education faculty with other arts and science faculty in mathematics, science, foreign languages, and teaching the English language to students with limited English proficiency through steps such as—

“(A) dual appointments for faculty between schools of education and schools of arts and science; and

“(B) integrating coursework with clinical experience; and

“(4) may be used to develop strategic plans between schools of education and local school districts to better prepare teachers for high-need schools, including the creation of professional development partnerships for training new teachers in state-of-the-art practice.

“SEC. 242. AUTHORIZATION OF APPROPRIATIONS.

“There are authorized to be appropriated to make grants under this part \$200,000,000 for fiscal year 2006 and such sums as may be necessary for each of the 5 succeeding fiscal years.”

(c) PART A AUTHORIZATION.—Section 210 of the Higher Education Act of 1965 (20 U.S.C. 1030) is amended—

(1) by striking “\$300,000,000 for fiscal year 1999” and inserting “\$400,000,000 for fiscal year 2006”; and

(2) by striking “4 succeeding” and inserting “5 succeeding”.

SEC. 102. EXTENDING AND EXPANDING TEACHER LOAN FORGIVENESS.

(a) PERMANENT EXTENSION.—Section 3(b)(3) of the Taxpayer-Teacher Protection Act of 2004 (P.L. 108-409; 118 Stat. 2300) is amended by striking “1998, and before October 1, 2005” and inserting “1998”.

(b) INCREASED AMOUNT; APPLICABILITY OF EXPANDED PROGRAM TO READING SPECIALIST.—Sections 428J(c)(3) and 460(c)(3) of the Higher Education Act of 1965 (20 U.S.C. 1078-10(c)(3), 1087j(c)(3)) are each amended—

(1) by striking “\$17,500” and inserting “\$20,000”;

(2) by striking “and” at the end of subparagraph (A)(ii);

(3) by striking the period at the end of subparagraph (B)(iii) and inserting “; and”; and

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

“(C) an elementary or secondary school teacher who primarily teaches reading and who—

“(i) has obtained a separate reading instruction credential from the State in which the teacher is employed; and

“(ii) is certified by the chief administrative officer of the public or nonprofit private elementary school or secondary school in which the borrower is employed to teach reading—

“(I) as being proficient in teaching the essential components of reading instruction, as defined in section 1208 of the Elementary and Secondary Education Act of 1965; and

“(II) as having such credential.”

(c) ANNUAL INCREMENTS INSTEAD OF END OF SERVICE LUMP SUMS.—

(1) FFEL LOANS.—Section 428J(c) of the Higher Education Act of 1965 (20 U.S.C. 1078-10(c)) is amended by adding at the end the following:

“(4) ANNUAL INCREMENTS.—Notwithstanding paragraph (1), in the case of an individual qualifying for loan forgiveness under paragraph (3), the Secretary shall, in lieu of waiting to assume an obligation only upon completion of 5 complete years of service, assume the obligation to repay—

“(A) after each of the first and second years of service by an individual in a position qualifying under paragraph (3), 15 percent of the total amount of principal and interest of the loans described in paragraph (1) to such individual that are outstanding immediately preceding such first year of such service;

“(B) after each of the third and fourth years of such service, 20 percent of such total amount; and

“(C) after the fifth year of such service, 30 percent of such total amount.”

(2) DIRECT LOANS.—Section 460(c) of the Higher Education Act of 1965 (20 U.S.C. 1087j(c)) is amended by adding at the end the following:

“(4) ANNUAL INCREMENTS.—Notwithstanding paragraph (1), in the case of an individual qualifying for loan cancellation under paragraph (3), the Secretary shall, in lieu of waiting to assume an obligation only upon completion of 5 complete years of service, assume the obligation to repay—

“(A) after each of the first and second years of service by an individual in a position qualifying under paragraph (3), 15 percent of the total amount of principal and interest of the loans described in paragraph (1) to such individual that are outstanding immediately preceding such first year of such service;

“(B) after each of the third and fourth years of such service, 20 percent of such total amount; and

“(C) after the fifth year of such service, 30 percent of such total amount.”

TITLE II—CLOSING THE TEACHER DISTRIBUTION GAP

SEC. 201. GRANTS TO LOCAL EDUCATIONAL AGENCIES TO PROVIDE PREMIUM PAY TO TEACHERS IN HIGH-NEED SCHOOLS.

Title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6601 et seq.) is amended by adding at the end the following:

“PART E—TEACHER EXCELLENCE FOR ALL CHILDREN

“SEC. 2500. DEFINITIONS.

“In this part:

“(1) The term ‘high-need local educational agency’ means a local educational agency—

“(A) that serves not fewer than 10,000 children from families with incomes below the poverty line, or for which not less than 20 percent of the children served by the agency are from families with incomes below the poverty line; and

“(B) that is having or expected to have difficulty filling teacher vacancies or hiring new teachers who are highly qualified.

“(2) The term ‘value-added longitudinal data system’ means a longitudinal data system for determining value-added student achievement gains.

“(3) The term ‘value-added student achievement gains’ means student achievement gains determined by means of a system that—

“(A) is sufficiently sophisticated and valid—

“(i) to deal with the problem of students with incomplete records;

“(ii) to enable estimates to be precise and to use all the data for all students in multiple years, regardless of sparseness, in order to avoid measurement error in test scores (such as by using multivariate, longitudinal analyses); and

“(iii) to protect against inappropriate testing practices or improprieties in test administration;

“(B) includes a way to acknowledge the existence of influences on student growth, such as pull-out programs for support beyond

standard delivery of instruction, so that affected teachers do not receive an unfair advantage; and

“(C) has the capacity to assign various proportions of student growth to multiple teachers when the classroom reality, such as team teaching and departmentalized instruction, makes such type of instruction an issue.

“Subpart 1—Distribution

“SEC. 2501. PREMIUM PAY; LOAN REPAYMENT.

“(a) GRANTS.—The Secretary shall make grants to local educational agencies to provide higher salaries to exemplary, highly qualified principals and exemplary, highly qualified teachers with at least 3 years of experience, including teachers certified by the National Board for Professional Teaching Standards, if the principal or teacher agrees to serve full-time for a period of 4 consecutive school years at a public high-need elementary school or a public high-need secondary school.

“(b) USE OF FUNDS.—A local educational agency that receives a grant under this section may use funds made available through the grant—

“(1) to provide to exemplary, highly qualified principals up to \$15,000 as an annual bonus for each of 4 consecutive school years if the principal commits to work full-time for such period in a public high-need elementary school or a public high-need secondary school; and

“(2) to provide to exemplary, highly qualified teachers—

“(A) up to \$10,000 as an annual bonus for each of 4 consecutive school years if the teacher commits to work full-time for such period in a public high-need elementary school or a public high-need secondary school; or

“(B) up to \$12,500 as an annual bonus for each of 4 consecutive school years if the teacher commits to work full-time for such period teaching a subject for which there is a documented shortage of teachers in a public high-need elementary school or a public high-need secondary school.

“(c) TIMING OF PAYMENT.—A local educational agency providing an annual bonus to a principal or teacher under subsection (b) shall pay the bonus on completion of the service requirement by the principal or teacher for the applicable year.

“(d) GRANT PERIOD.—The Secretary shall make grants under this section in yearly installments for a total period of 4 years.

“(e) OBSERVATION, FEEDBACK, AND EVALUATION.—The Secretary may make a grant to a local educational agency under this section only if the State in which the agency is located or the agency has in place or proposes a plan, developed on a collaborative basis with the local teacher organization, to develop a system in which principals and, if available, master teachers rate teachers as exemplary. Such a system shall be—

“(1) based on strong learning gains for students;

“(2) based on classroom observation and feedback at least four times annually;

“(3) conducted by multiple sources, including master teachers and principals; and

“(4) evaluated against research-validated rubrics that use planning, instructional, and learning environment standards to measure teaching performance.

“(f) APPLICATION REQUIREMENTS.—To seek a grant under this section, a local educational agency shall submit an application at such time, in such manner, and containing such information as the Secretary reasonably requires. At a minimum, the application shall include the following:

“(1) A description of the agency’s proposed new teacher hiring timeline, including interim goals for any phase-in period.

“(2) An assurance that the agency will—

“(A) pay matching funds for the program carried out with the grant, which matching funds may be derived from funds received under other provisions of this title;

“(B) commit to making the program sustainable over time;

“(C) create incentives to bring a critical mass of exemplary, highly qualified teachers to each school whose teachers will receive assistance under this section;

“(D) improve the school’s working conditions through activities that may include but are not limited to—

“(i) reducing class size;

“(ii) ensuring availability of classroom materials, textbooks, and other supplies;

“(iii) improving or modernizing facilities; and

“(iv) upgrading safety; and

“(E) accelerate the timeline for hiring new teachers in order to minimize the withdrawal of high-quality teacher applicants and secure the best new teacher talent for their hardest-to-staff schools.

“(3) An assurance that, in identifying exemplary teachers, the system described in paragraph (1) will take into consideration—

“(A) growth of the teacher’s students on any tests required by the State educational agency;

“(B) value-added student achievement gains if such teacher is in a State that uses a value-added longitudinal data system;

“(C) National Board for Professional Teaching Standards certification; and

“(D) evidence of teaching skill documented in performance-based assessments.

“(g) HIRING HIGHLY QUALIFIED TEACHERS EARLY AND IN A TIMELY MANNER.—

“(1) IN GENERAL.—In addition to the requirements of subsection (f), an application under such subsection shall include a description of the steps the local educational agency will take to enable all or a subset of the agency’s schools to hire new highly qualified teachers early and in a timely manner, including—

“(A) requiring a clear and early notification date for retiring teachers that is no later than March 15 each year;

“(B) providing schools with their staffing allocations no later than April of the preceding school year;

“(C) enabling schools to consider external candidates at the same time as internal candidates for available positions;

“(D) moving up the teacher transfer period to April and not requiring schools to hire transferring or ‘excessed’ teachers from other schools without selection and consent; and

“(E) establishing and implementing a new principal accountability framework to ensure that principals with increased hiring authority are improving teacher quality.

“(2) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to alter or otherwise affect the rights, remedies, and procedures afforded school or district employees under Federal, State, or local laws (including applicable regulations or court orders) or under the terms of collective bargaining agreements, memoranda of understanding, or other agreements between such employees and their employers.

“(h) PRIORITY.—In providing higher salaries to principals and teachers under this section, a local educational agency shall give priority to principals and teachers at schools identified under section 1116 for school improvement, corrective action, or restructuring.

“(i) DEFINITIONS.—In this section:

“(1) The term ‘high-need’ means, with respect to an elementary school or a secondary school, a school that serves an eligible school attendance area in which not less

than 65 percent of the children are from low-income families, based on the number of children eligible for free and reduced priced lunches under the Richard B. Russell National School Lunch Act, or in which not less than 65 percent of the children enrolled are from such families.

“(2) The term ‘documented shortage of teachers’—

“(A) means a shortage of teachers documented in the needs assessment submitted under section 2122 by the local educational agency involved or some other official demonstration of shortage by the local education agency; and

“(B) may include such a shortage in mathematics, science, a foreign language, special education, bilingual education, or reading.

“(3) The term ‘exemplary, highly qualified principal’ means a principal who—

“(A) demonstrates a belief that every student can achieve at high levels;

“(B) demonstrates an ability to drive substantial gains in academic achievement for all students while closing the achievement gap for those farthest from meeting standards;

“(C) uses data to drive instructional improvement;

“(D) provides ongoing support and development for teachers; and

“(E) builds a positive school community, treating every student with respect and reinforcing high expectations for all.

“(4) The term ‘exemplary, highly qualified teacher’ means a highly qualified teacher who is rated as exemplary pursuant to a system described in subsection (e).

“(j) AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated \$2,200,000,000 for fiscal year 2006 and such sums as may be necessary for each of the 5 succeeding fiscal years.

“SEC. 2502. CAREER LADDERS FOR TEACHERS PROGRAM.

“(a) GRANTS.—The Secretary may make grants to local educational agencies to establish and implement a Career Ladders for Teachers Program in which the agency—

“(1) augments the salary of teachers in high-need elementary schools and high-need secondary schools to correspond to the increasing responsibilities and leadership roles assumed by the teachers as they take on new professional roles (such as serving on school leadership teams, serving as instructional coaches, and serving in hybrid roles), including by—

“(A) providing up to \$10,000 as an annual augmentation to master teachers (including teachers serving as master teachers as part of a state-of-the-art teacher induction program under section 2511); and

“(B) providing up to \$5,000 as an annual augmentation to mentor teachers (including teachers serving as mentor teachers as part of a state-of-the-art teacher induction program under section 2511);

“(2) provides up to \$4,000 as an annual bonus to all career teachers, master teachers, and mentor teachers in high-need elementary schools and high-need secondary schools based on a combination of—

“(A) at least 3 classroom evaluations over the course of the year that shall—

“(i) be conducted by multiple evaluators, including master teachers and the principal;

“(ii) be based on classroom observation at least 3 times annually; and

“(iii) be evaluated against research-validated benchmarks that use planning, instructional, and learning environment standards to measure teacher performance; and

“(B) the performance of the teacher’s students as determined by—

“(i) student growth on any test that is required by the State educational agency or

local educational agency and is administered to the teacher's students; or

“(ii) in States or local educational agencies with value-added longitudinal data systems, whole-school value-added student achievement gains and classroom-level value-added student achievement gains; or

“(3) provides up to \$4,000 as an annual bonus to principals in elementary schools and secondary schools based on the performance of the school's students, taking into consideration whole-school value-added student achievement gains in States that have value-added longitudinal data systems and in which information on whole-school value-added student achievement gains is available.

“(b) **ELIGIBILITY REQUIREMENT.**—A local educational agency may not use any funds under this section to establish or implement a Career Ladders for Teachers Program unless—

“(1) the percentage of teachers required by prevailing union rules votes affirmatively to adopt the program; or

“(2) in States that do not recognize collective bargaining between local educational agencies and teacher organizations, at least 75 percent of the teachers in the local educational agency vote affirmatively to adopt the program.

“(c) **DEFINITIONS.**—In this section:

“(1) The term ‘career teacher’ means a teacher who has a bachelor's degree and full credentials or alternative certification including a passing level on elementary or secondary subject matter assessments and professional knowledge assessments.

“(2) The term ‘mentor teacher’ means a teacher who—

“(A) has a bachelor's degree and full credentials or alternative certification including a passing level on any applicable elementary or secondary subject matter assessments and professional knowledge assessments;

“(B) has a portfolio and a classroom demonstration showing instructional excellence;

“(C) has an ability, as demonstrated by student data, to increase student achievement through utilizing specific instructional strategies;

“(D) has a minimum of 3 years of teaching experience;

“(E) is recommended by the principal and other current master and mentor teachers;

“(F) is an excellent instructor and communicator with an understanding of how to facilitate growth in the teachers the teacher is mentoring; and

“(G) performs well as a mentor in established induction and peer review and mentoring programs.

“(3) The term ‘master teacher’ means a teacher who—

“(A) holds a master's degree in the relevant academic discipline;

“(B) has at least 5 years of successful teaching experience, as measured by performance evaluations, a portfolio of work, or National Board for Professional Teaching Standards certification;

“(C) demonstrates expertise in content, curriculum development, student learning, test analysis, mentoring, and professional development, as demonstrated by an advanced degree, advanced training, career experience, or National Board for Professional Teaching Standards certification;

“(D) presents student data that illustrates the teacher's ability to increase student achievement through utilizing specific instructional interventions;

“(E) has instructional expertise demonstrated through model teaching, team teaching, video presentations, student achievement gains, or National Board for

Professional Teaching Standards certification;

“(F) may hold a valid National Board for Professional Teaching Standards certificate, may have passed another rigorous standard, or may have been selected as a school, district, or State teacher of the year; and

“(G) is currently participating, or has previously participated, in a professional development program that supports classroom teachers as mentors.

“(4) The term ‘high-need’, with respect to an elementary school or a secondary school, has the meaning given to that term in section 2501.

“(d) **AUTHORIZATION OF APPROPRIATIONS.**—To carry out this section, there is authorized to be appropriated \$200,000,000 for fiscal year 2006 and such sums as may be necessary for each of the 5 succeeding fiscal years.”.

TITLE III—IMPROVING TEACHER PREPARATION

SEC. 301. AMENDMENT TO ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.

Part E of title II of the Elementary and Secondary Education Act of 1965, as added by title II of this Act, is amended by adding at the end the following:

“Subpart 2—Preparation

“SEC. 2511. ESTABLISHING STATE-OF-THE-ART TEACHER INDUCTION PROGRAMS.

“(a) **GRANTS.**—The Secretary may make grants to States and eligible local educational agencies for the purpose of developing state-of-the-art teacher induction programs.

“(b) **ELIGIBLE LOCAL EDUCATIONAL AGENCY.**—In this section, the term ‘eligible local educational agency’ means—

“(1) a high-need local educational agency; or

“(2) a partnership of a high-need local educational agency and an institution of higher education, a teacher organization, or any other nonprofit education organization.

“(c) **USE OF FUNDS.**—A State or an eligible local educational agency that receives a grant under subsection (a) shall use the funds made available through the grant to develop a state-of-the-art teacher induction program that—

“(1) provides new teachers a minimum of 3 years of extensive, high-quality, comprehensive induction into the field of teaching; and

“(2) includes—
“(A) structured mentoring from highly qualified master or mentor teachers who are certified, have teaching experience similar to the grade level or subject assignment of the new teacher, and are trained to mentor new teachers;

“(B) at least 90 minutes each week of common meeting time for a new teacher to discuss student work and teaching under the direction of a master or mentor teacher;

“(C) regular classroom observation in the new teacher's classroom;

“(D) observation by the new teacher of the mentor teacher's classroom;

“(E) intensive professional development activities for new teachers that result in improved teaching leading to student achievement, including lesson demonstration by master and mentor teachers in the classroom, observation, and feedback;

“(F) training in effective instructional services and classroom management strategies for mainstream teachers serving students with disabilities and students with limited English proficiency;

“(G) observation of teachers and feedback at least 4 times each school year by multiple evaluators, including master teachers and the principals, using research-validated benchmarks of teaching skills and standards that are developed with input from teachers;

“(H) paid release time for the mentor teacher for mentoring, or salary supplements under section 2502, for mentoring new teachers at a ratio of one full-time mentor to every 12 new teachers;

“(I) a transition year to the classroom that includes a reduced workload for beginning teachers; and

“(J) a standards-based assessment of every beginning teacher to determine whether the teacher should move forward in the teaching profession, which assessment may include examination of practice and a measure of gains in student learning.

“(d) **ADDITIONAL REQUIREMENT.**—The Secretary shall commission an independent evaluation of state-of-the-art teacher induction programs supported under this section in order to compare the design and outcome of various models of induction programs.

“(e) **AUTHORIZATION OF APPROPRIATIONS.**—To carry out this section, there is authorized to be appropriated \$300,000,000 for fiscal year 2006 and such sums as may be necessary for each of the 5 succeeding fiscal years.

“SEC. 2512. PEER MENTORING AND REVIEW PROGRAMS.

“(a) **GRANTS.**—The Secretary shall make grants to local educational agencies for peer mentoring and review programs.

“(b) **USE OF FUNDS.**—A local educational agency that receives a grant under this section shall use the funds made available through the grant to establish and implement a peer mentoring and review program. Such a program shall be established through collective bargaining agreements or, in States that do not recognize collective bargaining between local educational agencies and teacher organizations, through joint agreements between the local educational agency and affected teacher organizations.

“(c) **APPLICATION.**—To seek a grant under this section, a local educational agency shall submit an application at such time, in such manner, and containing such information as the Secretary may reasonably require. The Secretary shall require each such application to include the following:

“(1) Data from the applicant on recruitment and retention prior to implementing the induction program.

“(2) Measurable goals for increasing retention after the induction program is implemented.

“(3) Measures that will be used to determine whether teacher effectiveness is improved through participation in the induction program.

“(4) A plan for evaluating and reporting progress toward meeting the applicant's goals.

“(d) **PROGRESS REPORTS.**—The Secretary shall require each grantee under this section to submit progress reports on an annual basis.

“(e) **AUTHORIZATION OF APPROPRIATIONS.**—To carry out this section, there are authorized to be appropriated \$50,000,000 for fiscal year 2006 and such sums as may be necessary for each of the 5 succeeding fiscal years.

“SEC. 2513. ESTABLISHING STATE-OF-THE-ART PRINCIPAL TRAINING AND INDUCTION PROGRAMS AND PERFORMANCE-BASED PRINCIPAL CERTIFICATION.

“(a) **GRANTS.**—The Secretary may make grants to not more than 10 States to develop, implement, and evaluate pilot programs for performance-based certification and training of exemplary, highly qualified principals who can drive gains in academic achievement for all children.

“(b) **PROGRAM REQUIREMENTS.**—A pilot program developed under this section—

“(1) shall pilot the development, implementation, and evaluation of a statewide performance-based system for certifying principals;

“(2) shall pilot and demonstrate the effectiveness of statewide performance-based certification through support for innovative performance-based programs on a smaller scale;

“(3) shall provide for certification of principals by institutions with strong track records, such as a local educational agency, nonprofit organization, or business school, that is approved by the State for purposes of such certification and has formalized partnerships with in-State local educational agencies;

“(4) may be used to develop, sustain, and expand model programs for recruiting and training aspiring and new principals in both instructional leadership and general management skills;

“(5) shall include evaluation of the results of the pilot program and other in-State programs of principal preparation (which evaluation may include value-added assessment scores of all children in a school and should emphasize the correlation of academic achievement gains in schools led by participating principals and the characteristics and skills demonstrated by those individuals when applying to and participating in the program) to inform the design of certification of individuals to become school leaders in the State; and

“(6) shall make possible interim certification for up to 2 years for aspiring principals participating in the pilot program who—

“(A) have not yet attained full certification;

“(B) are serving as assistant principals or principal residents, or in positions of similar responsibility; and

“(C) have met clearly defined criteria for entry into the program that are approved by the applicable local educational agency.

“(c) PRIORITY.—In selecting grant recipients under this section, the Secretary shall give priority to States that will use the grants for one or more high-need local educational agencies and schools.

“(d) TERMS OF GRANT.—A grant under this section—

“(1) shall be for not more than 5 years; and

“(2) shall be performance-based, permitting the Secretary to discontinue funding based on failure of the State to meet benchmarks identified by the State.

“(e) USE OF EVALUATION RESULTS.—A State receiving a grant under this section shall use the evaluation results of the pilot program conducted pursuant to the grant and similar evaluations of other in-State programs of principal preparation (especially the correlation of academic achievement gains in schools led by participating principals and the characteristics and skills demonstrated by those individuals when applying to and participating in the pilot program) to inform the design of certification of individuals to become school leaders in the State.

“(f) DEFINITIONS.—For the purposes of this section:

“(1) The term ‘exemplary, highly qualified principal’ has the meaning given to that term in section 2501.

“(2) The term ‘performance-based certification system’ means a certification system that—

“(A) is based on a clearly defined set of standards for skills and knowledge needed by new principals;

“(B) is not based on numbers of hours enrolled in particular courses;

“(C) certifies participating individuals to become school leaders primarily based on—

“(i) their demonstration of those skills through a formal assessment aligned to these standards; and

“(ii) academic achievement results in a school leadership role such as a residency or an assistant principalship; and

“(D) awards certification to individuals who successfully complete programs at institutions that include local educational agencies, nonprofit organizations, and business schools approved by the State for purposes of such certification and have formalized partnerships with in-State local educational agencies.

“(g) AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated \$100,000,000 for fiscal year 2006 and such sums as may be necessary for each of the 5 succeeding fiscal years.

“SEC. 2514. STUDY ON DEVELOPING A PORTABLE PERFORMANCE-BASED TEACHER ASSESSMENT.

“(a) STUDY.—

“(1) IN GENERAL.—The Secretary shall enter into an arrangement with an objective evaluation firm to conduct a study to assess the validity of any test used for teacher certification or licensure by multiple States, taking into account the passing scores adopted by multiple States. The study shall determine the following:

“(A) The extent to which tests of content knowledge represent subject mastery at the baccalaureate level.

“(B) Whether tests of pedagogy reflect the latest research on teaching and learning.

“(C) The relationship, if any, between teachers’ scores on licensure and certification exams and other measures of teacher effectiveness, including learning gains achieved by the teachers’ students.

“(2) REPORT.—The Secretary shall submit a report to the Congress on the results of the study conducted under this subsection.

“(b) GRANT TO CREATE A MODEL PERFORMANCE-BASED ASSESSMENT.—

“(1) GRANT.—The Secretary may make 1 grant to an eligible partnership to create a model performance-based assessment of teaching skills that reliably evaluates teaching skills in practice and can be used to facilitate the portability of teacher credentials and licensing from one State to another.

“(2) CONSIDERATION OF STUDY.—In creating a model performance-based assessment of teaching skills, the recipient of a grant under this section shall take into consideration the results of the study conducted under subsection (a).

“(3) ELIGIBLE PARTNERSHIP.—In this section, the term ‘eligible partnership’ means a partnership of—

“(A) an independent professional organization; and

“(B) an organization that represents administrators of State educational agencies.”.

SEC. 302. AMENDMENT TO THE HIGHER EDUCATION ACT OF 1965: TEACHER QUALITY ENHANCEMENT GRANTS.

Part A of title II of the Higher Education Act of 1965 is amended by striking sections 206 through 209 (20 U.S.C. 1026–1029) and inserting the following:

“SEC. 206. ACCOUNTABILITY AND EVALUATION.

“(a) STATE GRANT ACCOUNTABILITY REPORT.—An eligible State that receives a grant under section 202 shall submit an annual accountability report to the Secretary, the Committee on Health, Education, Labor, and Pensions of the Senate, and the Committee on Education and the Workforce of the House of Representatives. Such report shall include a description of the degree to which the eligible State, in using funds provided under such section, has made substantial progress in meeting the following goals:

“(1) PERCENTAGE OF HIGHLY QUALIFIED TEACHERS.—Increasing the percentage of highly qualified teachers in the State as required by section 1119 of the Elementary and

Secondary Education Act of 1965 (20 U.S.C. 6319).

“(2) STUDENT ACADEMIC ACHIEVEMENT.—Increasing student academic achievement for all students, which may be measured through the use of value-added assessments, as defined by the eligible State.

“(3) RAISING STANDARDS.—Raising the State academic standards required to enter the teaching profession as a highly qualified teacher.

“(4) INITIAL CERTIFICATION OR LICENSURE.—Increasing success in the pass rate for initial State teacher certification or licensure, or increasing the numbers of qualified individuals being certified or licensed as teachers through alternative routes to certification and licensure.

“(5) DECREASING TEACHER SHORTAGES.—Decreasing shortages of highly qualified teachers in poor urban and rural areas.

“(6) INCREASING OPPORTUNITIES FOR RESEARCH-BASED PROFESSIONAL DEVELOPMENT.—Increasing opportunities for enhanced and ongoing professional development that—

“(A) improves the academic content knowledge of teachers in the subject areas in which the teachers are certified or licensed to teach or in which the teachers are working toward certification or licensure to teach; and

“(B) promotes strong teaching skills.

“(7) TECHNOLOGY INTEGRATION.—Increasing the number of teachers prepared effectively to integrate technology into curricula and instruction and who use technology to collect, manage, and analyze data to improve teaching, learning, and parental involvement decisionmaking for the purpose of increasing student academic achievement.

“(b) ELIGIBLE PARTNERSHIP EVALUATION.—Each eligible partnership applying for a grant under section 203 shall establish, and include in the application submitted under section 203(c), an evaluation plan that includes strong performance objectives. The plan shall include objectives and measures for—

“(1) increased student achievement for all students, as measured by the partnership;

“(2) increased teacher retention in the first 3 years of a teacher’s career;

“(3) increased success in the pass rate for initial State certification or licensure of teachers;

“(4) increased percentage of highly qualified teachers; and

“(5) increasing the number of teachers trained effectively to integrate technology into curricula and instruction and who use technology to collect, manage, and analyze data to improve teaching, learning, and decisionmaking for the purpose of improving student academic achievement.

“(c) REVOCATION OF GRANT.—

“(1) REPORT.—Each eligible State or eligible partnership receiving a grant under section 202 or 203 shall report annually on the progress of the eligible State or eligible partnership toward meeting the purposes of this part and the goals, objectives, and measures described in subsections (a) and (b).

“(2) REVOCATION.—

“(A) ELIGIBLE STATES AND ELIGIBLE APPLICANTS.—If the Secretary determines that an eligible State or eligible applicant is not making substantial progress in meeting the purposes, goals, objectives, and measures, as appropriate, by the end of the second year of a grant under this part, then the grant payment shall not be made for the third year of the grant.

“(B) ELIGIBLE PARTNERSHIPS.—If the Secretary determines that an eligible partnership is not making substantial progress in meeting the purposes, goals, objectives, and measures, as appropriate, by the end of the third year of a grant under this part, then

the grant payments shall not be made for any succeeding year of the grant.

“(d) EVALUATION AND DISSEMINATION.—The Secretary shall evaluate the activities funded under this part and report annually the Secretary’s findings regarding the activities to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and the Workforce of the House of Representatives. The Secretary shall broadly disseminate successful practices developed by eligible States and eligible partnerships under this part, and shall broadly disseminate information regarding such practices that were found to be ineffective.

“SEC. 207. ACCOUNTABILITY FOR PROGRAMS THAT PREPARE TEACHERS.

“(a) STATE REPORT CARD ON THE QUALITY OF TEACHER AND PRINCIPAL PREPARATION.—Each State that receives funds under this Act shall provide to the Secretary annually, in a uniform and comprehensible manner that conforms with the definitions and methods established by the Secretary, a State report card on the quality of teacher preparation in the State, both for traditional certification or licensure programs and for alternative certification or licensure programs, which shall include at least the following:

“(1) A description of the teacher and principal certification and licensure assessments, and any other certification and licensure requirements, used by the State.

“(2) The standards and criteria that prospective teachers and principals must meet in order to attain initial teacher and principal certification or licensure and to be certified or licensed to teach particular subjects or in particular grades within the State.

“(3) A demonstration of the extent to which the assessments and requirements described in paragraph (1) are aligned with the State’s standards and assessments for students.

“(4) The percentage of students who have completed the clinical coursework for a teacher preparation program at an institution of higher education or alternative certification program and who have taken and passed each of the assessments used by the State for teacher certification and licensure, and the passing score on each assessment that determines whether a candidate has passed that assessment.

“(5) For students who have completed the clinical coursework for a teacher preparation program at an institution of higher education or alternative certification program, and who have taken and passed each of the assessments used by the State for teacher certification and licensure, each such institution’s and each such program’s average raw score, ranked by teacher preparation program, which shall be made available widely and publicly.

“(6) A description of each State’s alternative routes to teacher certification, if any, and the number and percentage of teachers certified through each alternative certification route who pass State teacher certification or licensure assessments.

“(7) For each State, a description of proposed criteria for assessing the performance of teacher and principal preparation programs in the State, including indicators of teacher and principal candidate skills, placement, and retention rates (to the extent feasible), and academic content knowledge and evidence of gains in student academic achievement.

“(8) For each teacher preparation program in the State, the number of students in the program, the number of minority students in the program, the average number of hours of supervised practice teaching required for those in the program, and the number of full-

time equivalent faculty, adjunct faculty, and students in supervised practice teaching.

“(9) For the State as a whole, and for each teacher preparation program in the State, the number of teachers prepared, in the aggregate and reported separately by—

“(A) level (elementary or secondary);

“(B) academic major;

“(C) subject or subjects for which the student has been prepared to teach; and

“(D) teacher candidates who speak a language other than English and have been trained specifically to teach English-language learners.

“(10) The State shall refer to the data generated for paragraphs (8) and (9) to report on the extent to which teacher preparation programs are helping to address shortages of qualified teachers, by level, subject, and specialty, in the State’s public schools, especially in poor urban and rural areas as required by section 206(a)(5).

“(b) REPORT OF THE SECRETARY ON THE QUALITY OF TEACHER PREPARATION.—

“(1) REPORT CARD.—The Secretary shall provide to Congress, and publish and make widely available, a report card on teacher qualifications and preparation in the United States, including all the information reported in paragraphs (1) through (10) of subsection (a). Such report shall identify States for which eligible States and eligible partnerships received a grant under this part. Such report shall be so provided, published and made available annually.

“(2) REPORT TO CONGRESS.—The Secretary shall report to Congress—

“(A) a comparison of States’ efforts to improve teaching quality; and

“(B) regarding the national mean and median scores on any standardized test that is used in more than 1 State for teacher certification or licensure.

“(3) SPECIAL RULE.—In the case of programs with fewer than 10 students who have completed the clinical coursework for a teacher preparation program taking any single initial teacher certification or licensure assessment during an academic year, the Secretary shall collect and publish information with respect to an average pass rate on State certification or licensure assessments taken over a 3-year period.

“(c) COORDINATION.—The Secretary, to the extent practicable, shall coordinate the information collected and published under this part among States for individuals who took State teacher certification or licensure assessments in a State other than the State in which the individual received the individual’s most recent degree.

“(d) INSTITUTION AND PROGRAM REPORT CARDS ON QUALITY OF TEACHER PREPARATION.—

“(1) REPORT CARD.—Each institution of higher education or alternative certification program that conducts a teacher preparation program that enrolls students receiving Federal assistance under this Act shall report annually to the State and the general public, in a uniform and comprehensible manner that conforms with the definitions and methods established by the Secretary, both for traditional certification or licensure programs and for alternative certification or licensure programs, the following information, disaggregated by major racial and ethnic groups:

“(A) PASS RATE.—(i) For the most recent year for which the information is available, the pass rate of each student who has completed the clinical coursework for the teacher preparation program on the teacher certification or licensure assessments of the State in which the institution is located, but only for those students who took those assessments within 3 years of receiving a de-

gree from the institution or completing the program.

“(ii) A comparison of the institution or program’s pass rate for students who have completed the clinical coursework for the teacher preparation program with the average pass rate for institutions and programs in the State.

“(iii) In the case of programs with fewer than 10 students who have completed the clinical coursework for a teacher preparation program taking any single initial teacher certification or licensure assessment during an academic year, the institution shall collect and publish information with respect to an average pass rate on State certification or licensure assessments taken over a 3-year period.

“(B) PROGRAM INFORMATION.—The number of students in the program, the average number of hours of supervised practice teaching required for those in the program, and the number of full-time equivalent faculty and students in supervised practice teaching.

“(C) STATEMENT.—In States that require approval or accreditation of teacher education programs, a statement of whether the institution’s program is so approved or accredited, and by whom.

“(D) DESIGNATION AS LOW-PERFORMING.—Whether the program has been designated as low-performing by the State under section 208(a).

“(2) REQUIREMENT.—The information described in paragraph (1) shall be reported through publications such as school catalogs and promotional materials sent to potential applicants, secondary school guidance counselors, and prospective employers of the institution’s program graduates, including materials by electronic means.

“(3) FINES.—In addition to the actions authorized in section 487(c), the Secretary may impose a fine not to exceed \$25,000 on an institution of higher education for failure to provide the information described in this subsection in a timely or accurate manner.

“(e) DATA QUALITY.—Either—

“(1) the Governor of the State; or

“(2) in the case of a State for which the constitution or law of such State designates another individual, entity, or agency in the State to be responsible for teacher certification and preparation activity, such individual, entity, or agency; shall attest annually, in writing, as to the reliability, validity, integrity, and accuracy of the data submitted pursuant to this section.

“SEC. 208. STATE FUNCTIONS.

“(a) STATE ASSESSMENT.—In order to receive funds under this Act, a State shall have in place a procedure to identify and assist, through the provision of technical assistance, low-performing programs of teacher preparation within institutions of higher education. Such State shall provide the Secretary an annual list of such low-performing institutions that includes an identification of those institutions at risk of being placed on such list. Such levels of performance shall be determined solely by the State and may include criteria based upon information collected pursuant to this part. Such assessment shall be described in the report under section 207(a). A State receiving Federal funds under this title shall develop plans to close or reconstitute underperforming programs of teacher preparation within institutions of higher education.

“(b) TERMINATION OF ELIGIBILITY.—Any institution of higher education that offers a program of teacher preparation in which the State has withdrawn the State’s approval or terminated the State’s financial support due to the low performance of the institution’s teacher preparation program based upon the

State assessment described in subsection (a)—

“(1) shall be ineligible for any funding for professional development activities awarded by the Department of Education; and

“(2) shall not be permitted to accept or enroll any student who receives aid under title IV of this Act in the institution’s teacher preparation program.

“SEC. 209. GENERAL PROVISIONS.

“In complying with sections 207 and 208, the Secretary shall ensure that States and institutions of higher education use fair and equitable methods in reporting and that the reporting methods do not allow identification of individuals.”

SEC. 303. ENFORCING NCLB’S TEACHER EQUITY PROVISION.

Subpart 2 of part E of title IX of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7901 et seq.) is amended by adding at the end the following:

“SEC. 9537. ASSURANCE OF REASONABLE PROGRESS TOWARD EQUITABLE ACCESS TO TEACHER QUALITY.

“(a) IN GENERAL.—The Secretary may not provide any assistance to a State under this Act unless, in the State’s application for such assistance, the State—

“(1) provides the plan required by section 1111(b)(8)(C) and at least one public report pursuant to that section;

“(2) clearly articulates the measures the State is using to determine whether poor and minority students are being taught disproportionately by inexperienced, unqualified, or out-of-field teachers;

“(3) includes an evaluation of the success of the State’s plan required by section 1111(b)(8)(C) in addressing any such disparities;

“(4) with respect to any such disparities, proposes modifications to such plan; and

“(5) includes a description of the State’s activities to monitor the compliance of local educational agencies in the State with section 1112(c)(1)(L).

“(b) EFFECTIVE DATE.—This section applies with respect to any assistance under this Act for which an application is submitted after the date of the enactment of this section.”

TITLE IV—EQUIPPING TEACHERS, SCHOOLS, LOCAL EDUCATIONAL AGENCIES, AND STATES WITH THE 21ST CENTURY DATA, TOOLS, AND ASSESSMENTS THEY NEED

SEC. 401. 21ST CENTURY DATA, TOOLS, AND ASSESSMENTS.

Part E of title II of the Elementary and Secondary Education Act of 1965, as added by titles II and III of this Act, is amended by adding at the end the following:

“Subpart 3—21st Century Data, Tools, and Assessments

“SEC. 2521. DEVELOPING VALUE-ADDED DATA SYSTEMS.

“(a) TEACHER AND PRINCIPAL EVALUATION.—

“(1) GRANTS.—The Secretary shall make grants to States to develop and implement statewide data systems to collect and analyze data on the effectiveness of elementary school and secondary school teachers and principals, based on value-added student achievement gains, for the purposes of—

“(A) determining the distribution of effective teachers and principals in schools across the State;

“(B) developing measures for helping teachers and principals to improve their instruction; and

“(C) evaluating effectiveness of teacher and principal preparation programs.

“(2) DATA REQUIREMENTS.—At a minimum, a statewide data system under this section shall—

“(A) track student course-taking patterns and teacher characteristics, such as certifi-

cation status and performance on licensure exams; and

“(B) allow for the analysis of gains in achievement made by individual students over time, including gains demonstrated through student academic assessments under section 1111 and tests required by the State for course completion.

“(3) STANDARDS.—The Secretary shall develop standards for the collection of data with grant funds under this section to ensure that such data are statistically valid and reliable.

“(4) APPLICATION.—To seek a grant under this section, a State shall submit an application at such time, in such manner, and containing such information as the Secretary may require. At a minimum, each such application shall demonstrate to the Secretary’s satisfaction that the assessments used by the State to collect and analyze data for purposes of this subsection—

“(A) are aligned to State standards;

“(B) have the capacity to assess the highest- and lowest-performing students; and

“(C) are statistically valid and reliable.

“(b) TEACHER TRAINING.—The Secretary may make grants to institutions of higher education, local educational agencies, non-profit organizations, and teacher organizations to develop and implement innovative programs to provide preservice and in-service training to elementary and secondary schools on—

“(1) understanding increasingly sophisticated student achievement data, especially data derived from value-added longitudinal data systems; and

“(2) using such data to improve classroom instruction.

“(c) STUDY.—The Secretary shall enter into an agreement with the National Academy of Sciences—

“(1) to evaluate the quality of data on the effectiveness of elementary and secondary school teachers, based on value-added student achievement gains; and

“(2) to compare a range of models for collecting and analyzing such data.

“(d) AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated \$200,000,000 for the period of fiscal years 2006 and 2007 and such sums as may be necessary for each of the 4 succeeding fiscal years.”

SEC. 402. COLLECTING NATIONAL DATA ON DISTRIBUTION OF TEACHERS.

Section 155 of the Education Sciences Reform Act of 2002 (20 U.S.C. 9545) is amended by adding at the end the following:

“(d) SCHOOLS AND STAFFING SURVEY.—Not later than the end of fiscal year 2006, and every 3 years thereafter, the Statistics Commissioner shall publish the results of the Schools and Staffing Survey (or any successor survey).”

TITLE V—RETENTION: KEEPING OUR BEST TEACHERS IN THE CLASSROOM

SEC. 501. AMENDMENT TO ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.

Part E of title II of the Elementary and Secondary Education Act of 1965, as added by titles II, III, and IV of this Act, is amended by adding at the end the following:

“Subpart 4—Retention and Working Conditions

“SEC. 2531. IMPROVING PROFESSIONAL DEVELOPMENT OPPORTUNITIES.

“(a) GRANTS.—The Secretary may make grants to eligible entities for the establishment and operation of new teacher centers or the support of existing teacher centers.

“(b) SPECIAL CONSIDERATION.—In making grants under this section, the Secretary shall give special consideration to any application submitted by an eligible entity that is—

“(1) a high-need local educational agency; or

“(2) a consortium that includes at least one high-need local educational agency.

“(c) DURATION.—Each grant under this section shall be for a period of 3 years.

“(d) REQUIRED ACTIVITIES.—A teacher center receiving assistance under this section shall carry out each of the following activities:

“(1) Providing high-quality professional development to teachers to assist them in improving their knowledge, skills, and teaching practices in order to help students to improve their achievement and meet State academic standards.

“(2) Providing teachers with information on developments in curricula, assessments, and educational research, including the manner in which the research and data can be used to improve teaching skills and practice.

“(3) Providing training and support for new teachers.

“(e) PERMISSIBLE ACTIVITIES.—A teacher center may use assistance under this section for any of the following:

“(1) Assessing the professional development needs of the teachers and other instructional school employees, such as librarians, counselors, and paraprofessionals, to be served by the center.

“(2) Providing intensive support to staff to improve instruction in literacy, mathematics, science, and other curricular areas necessary to provide a well-rounded education to students.

“(3) Providing support to mentors working with new teachers.

“(4) Providing training in effective instructional services and classroom management strategies for mainstream teachers serving students with disabilities and students with limited English proficiency.

“(5) Enabling teachers to engage in study groups and other collaborative activities and collegial interactions regarding instruction.

“(6) Paying for release time and substitute teachers in order to enable teachers to participate in the activities of the teacher center.

“(7) Creating libraries of professional materials and educational technology.

“(8) Providing high-quality professional development for other instructional staff, such as paraprofessionals, librarians, and counselors.

“(9) Assisting teachers to become highly qualified and paraprofessionals to become teachers.

“(10) Assisting paraprofessionals to meet the requirements of section 1119.

“(11) Developing curricula.

“(12) Incorporating additional on-line professional development resources for participants.

“(13) Providing funding for individual- or group-initiated classroom projects.

“(14) Developing partnerships with businesses and community-based organizations.

“(15) Establishing a teacher center site.

“(f) TEACHER CENTER POLICY BOARD.—

“(1) IN GENERAL.—A teacher center receiving assistance under this section shall be operated under the supervision of a teacher center policy board.

“(2) MEMBERSHIP.—

“(A) TEACHER REPRESENTATIVES.—The majority of the members of a teacher center policy board shall be representatives of, and selected by, the elementary and secondary school teachers to be served by the teacher center. Such representatives shall be selected through the teacher organization, or if there is no teacher organization, by the teachers directly.

“(B) OTHER REPRESENTATIVES.—The members of a teacher center policy board—

“(i) shall include at least two members who are representative of, or designated by, the school board of the local educational agency to be served by the teacher center;

“(ii) shall include at least one member who is a representative of, and is designated by, the institutions of higher education (with departments or schools of education) located in the area; and

“(iii) may include paraprofessionals.

“(g) APPLICATION.—

“(1) IN GENERAL.—To seek a grant under this section, an eligible entity shall submit an application at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

“(2) ASSURANCE OF COMPLIANCE.—An application under paragraph (1) shall include an assurance that the applicant will require any teacher center receiving assistance through the grant to comply with the requirements of this section.

“(3) TEACHER CENTER POLICY BOARD.—An application under paragraph (1) shall include the following:

“(A) An assurance that—

“(i) the applicant has established a teacher center policy board;

“(ii) the board participated fully in the preparation of the application; and

“(iii) the board approved the application as submitted.

“(B) A description of the membership of the board and the method of its selection.

“(h) DEFINITIONS.—In this section:

“(1) The term ‘eligible entity’ means a local educational agency or a consortium of 2 or more local educational agencies.

“(2) The term ‘teacher center policy board’ means a teacher center policy board described in subsection (f).

“(i) AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated \$100,000,000 for fiscal year 2006 and such sums as may be necessary for each of the 5 succeeding fiscal years.”.

SEC. 502. EXCLUSION FROM GROSS INCOME OF COMPENSATION OF TEACHERS AND PRINCIPALS IN CERTAIN HIGH-NEED SCHOOLS OR TEACHING HIGH-NEED SUBJECTS.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 139A the following new section:

“SEC. 139B. COMPENSATION OF CERTAIN TEACHERS AND PRINCIPALS.

“(a) TEACHERS AND PRINCIPALS IN HIGH-NEED SCHOOLS.—

“(1) IN GENERAL.—In the case of an individual employed as a teacher or principal in a high-need school during the taxable year, gross income does not include so much remuneration for such employment (which would but for this paragraph be includable in gross income) as does not exceed \$15,000.

“(2) HIGH-NEED SCHOOL.—For purposes of this subsection, the term ‘high-need school’ means any public elementary school or public secondary school eligible for assistance under section 1114 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6314).

“(b) TEACHERS OF HIGH-NEED SUBJECTS.—

“(1) IN GENERAL.—In the case of an individual employed as a teacher of high-need subjects during the taxable year, gross income does not include so much remuneration for such employment (which would but for this paragraph be includable in gross income) as does not exceed \$15,000.

“(2) TEACHER OF HIGH-NEED SUBJECTS.—For purposes of this subsection, the term ‘teacher of high-need subjects’ means any teacher in a public elementary or secondary school who—

“(A) (i) teaches primarily 1 or more high-need subjects in 1 or more grades 9 through 12, or

“(ii) teaches 1 or more high-need subjects in 1 or more grades kindergarten through 8,

“(B) received a baccalaureate or similar degree from an eligible educational institution (as defined in section 25A(f)(2)) with a major in a high-need subject, and

“(C) is highly qualified (as defined in section 9101(23) of the Elementary and Secondary Education Act of 1965).

“(3) HIGH-NEED SUBJECTS.—For purposes of this subsection, the term ‘high-need subject’ means mathematics, science, engineering, technology, special education, teaching English language learners, or any other subject identified as a high-need subject by the Secretary of Education for purposes of this section.

“(c) LIMITATION ON TOTAL REMUNERATION TAKEN INTO ACCOUNT.—In the case of any individual whose employment is described in subsections (a)(1) and (b)(1), the total amount of remuneration which may be taken into account with respect to such employment under this section for the taxable year shall not exceed \$25,000.”.

(b) CLERICAL AMENDMENT.—The table of section of such part is amended by inserting after the item relating to section 139A the following new item:

“Sec. 139B. Compensation of certain teachers and principals”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to remuneration received in taxable years beginning after the date of the enactment of this Act.

SEC. 503. ABOVE-THE-LINE DEDUCTION FOR CERTAIN EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS INCREASED AND MADE PERMANENT.

(a) IN GENERAL.—Subparagraph (D) of section 62(a)(2) of the Internal Revenue Code of 1986 is amended by striking “In the case of” and all that follows through “\$250” and inserting “The deductions allowed by section 162 which consist of expenses, not in excess of \$500”.

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

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 601. CONFORMING AMENDMENTS.

The table of contents at section 2 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) is amended—

(1) by inserting after the items relating to part D of title II of such Act the following new items:

“PART E—TEACHER EXCELLENCE FOR ALL CHILDREN

“Sec. 2500. Definitions.

“SUBPART 1—DISTRIBUTION

“Sec. 2501. Premium pay; loan repayment.

“Sec. 2502. Career ladders for teachers program.

“SUBPART 2—PREPARATION

“Sec. 2511. Establishing state-of-the-art teacher induction programs.

“Sec. 2512. Peer mentoring and review programs.

“Sec. 2513. Establishing state-of-the-art principal training and induction programs and performance-based principal certification.

“Sec. 2514. Study on developing a portable performance-based teacher assessment.

“SUBPART 3—21ST CENTURY DATA, TOOLS, AND ASSESSMENTS

“Sec. 2521. Developing value-added data systems.

“SUBPART 4—RETENTION AND WORKING CONDITIONS

“Sec. 2531. Improving professional development opportunities.”; and

(2) by inserting after the items relating to subpart 2 of part E of title IX of the Elementary and Secondary Education Act of 1965 the following new item:

“Sec. 9537. Assurance of reasonable progress toward equitable access to teacher quality.”.

By Mr. BURNS:

S. 1219. A bill to authorize certain tribes in the State of Montana to enter into a lease or other temporary conveyance of water rights to meet the water needs of the Dry Prairie Rural Water Association, Inc; to the Committee on Energy and Natural Resources.

Mr. BURNS. Mr. President, today I am introducing legislation that provides an important clarification to the Fort Peck Reservation Rural Water System Act of 2000. The water project authorized by that legislation will provide desperately needed drinking water to the residents of the Fort Peck Indian Reservation and the communities surrounding the Reservation Dry Prairie Rural Water System.

In order to accomplish this, the Assiniboine and Sioux Tribes of the Fort Peck Reservation and Dry Prairie are set to enter into an agreement, allowing Dry Prairie to use the water. The Dry Prairie allocation will be approximately 2,800 acre feet of water. The agreement is consistent with the provisions of the Tribes’ Water Compact. However, to address any possible questions regarding the Tribes’ grant of use of this water to Dry Prairie, both the Tribes and Dry Prairie would like the Secretary’s authority to approve this water use agreement to be clearly approved by Congress. The legislation I am introducing today provides this clarification.

The Project, as authorized, calls for the water to be diverted from the Missouri River at a single location south of Poplar, MT, to an intake system or an infiltration gallery. The estimated amount of annual project diversion is 6,000 acre feet for the entire Project area. The Missouri River at the point of diversion has an average annual streamflow of approximately 7.5 million acre feet.

The Tribes, pursuant to their tribal-state water rights compact, one of the first in the Nation, hold a water right to nearly one million acre feet in the Missouri River. This compact has been approved by the Montana Water Court and is binding on all the parties. This Project will finally enable the Fort Peck Tribes to receive critical benefits from its water settlement with the United States and the State of Montana. As a result of this settlement, the Tribes are able to make a significant contribution to the Project: the water that will be used for the entire system. My legislation will provide the legal clarity necessary to ensure this project moves forward as intended.

By Mr. DODD (for himself, Ms. COLLINS, and Mr. LEAHY):

S. 1220. A bill to assist law enforcement in their efforts to recover missing

children and to strengthen the standards for State sex offender registration programs; to the Committee on the Judiciary.

Mr. DODD. Mr. President, I am pleased to join with my colleague from Maine, Senator COLLINS, and my colleague from Vermont, Senator LEAHY, to introduce legislation today to protect America's children from the vicious criminals who prey on them.

While we've made some progress in the last few years, anyone who picks up a newspaper today can see that far too many of our kids are still too vulnerable.

The most recent annual data shows that about 58,000 children were abducted by nonfamily members, usually people who are strangers to the children. The most frequent victims were teenage girls. Almost one-half of these victims were sexually molested.

Our bill, "The Prevention and Recovery of Missing Children Act of 2005", will take 3 common-sense steps to better protect the children of America.

First, it will require that information on a missing child be disseminated throughout the country within 2 hours through the National Crime Information Center database. The reason for this requirement is that time is of the essence. In cases where a child is killed, the evidence shows that the child died within the first three hours of being kidnapped. The more quickly that police throughout the country can be alerted, the more likely it is that we can save a child before a child is harmed.

Second, the bill will make it tougher for convicted sex offenders to escape the law and the watchful eye of the community in which they live. We know that far too many jurisdictions rely essentially on the voluntary actions of the convicted sex offender to register his residence, his car and license plate, and other pertinent information. Moreover, requirements vary from state to state and jurisdiction to jurisdiction.

Therefore the legislation we are introducing today will provide tough national standards that will require these criminals to register before they are released from prison. It will require, within 48 hours of moving to a new residence, that these individuals report to local law enforcement and provide information about their residence, a current photograph, DNA sample, as well as report the make, model, and license plate number of his or her vehicle and get a drivers license or ID. Every 90 days, they would have to verify their registry information and annually provide a new photograph. Failure to comply with these requirements would subject the criminal to a felony.

These new requirements are tough, but our children's safety is far too important to be left to patchwork laws and the voluntary action of convicted criminals whose likelihood of repeating the crime is extremely high.

Third, the legislation removes a current requirement that the names of

missing children be deleted from the national database when those children turn 18. Just because a child turns 18 doesn't mean that our country should not try to find that child and certainly doesn't mean that the child should be forgotten.

Nothing we do as a Nation is more important than building a better future for our children. And, nothing is more important to building that future than keeping our children safe today.

Therefore, in my view, no legislation is more important to be enacted in this Congress than this legislation to protect our children from every parent's nightmare. I ask unanimous consent to have a brief summary of the bill printed in the RECORD.

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

PREVENTION AND RECOVERY OF MISSING CHILDREN ACT OF 2005—BRIEF SUMMARY

The most recent annual data shows that 58,000 children were abducted by nonfamily members, mostly strangers to the children. Most of the victims were teenage girls and nearly half were sexually molested. The National Crime Information Center (NCIC) database is a critical means of cooperation, linking 16,000 Federal, State, and local law enforcement agencies. Currently, registration for convicted sex offender rules vary by state. A number of States rely on sex offenders to self-report.

Improves missing child reporting requirements. Stops the practice of removing a missing child entry from the NCIC database when the child reaches age 18, to increase the chances for child recovery and investigative information available for other cases.

Improves the chances for recovery of missing children. Requires entry of child information into the NCIC database within 2 hours of receipt. Immediate entry is critical as evidenced by the fact that in 74 percent of abduction homicide cases the child is dead within 3 hours and 91 percent are killed within 24 hours.

Strengthens sex offender registration requirements. Each of the following suggested amendments are currently part of the statutory sex offender registration policies and procedures in at least one or more states.

Requires States to register sex offenders before they are released from prison. Permitting sex offenders to self-register can lead to under-registration and loss of potentially vital investigative information for law enforcement.

Requires the registering agency to obtain current fingerprints and a photograph (annually), as well as a DNA sample, from an offender at the time of registration. Up-to-date identifying information is a vital investigative tool and may help law enforcement connect seemingly unrelated cases in different jurisdictions.

Requires registrants to obtain either a driver's license or an identification card from the department of motor vehicles. This provides another mechanism through which law enforcement can track the location of potential re-offenders.

Requires that registration changes occur within 48 hours of the changes taking effect. The delay of registering changes creates a "loophole" through which sex offenders can re-offend and remain undetected.

Requires all registered sex offenders to verify their registry information every 90 days. Currently, this requirement is imposed for sexually violent predators only. Obtain-

ing up-to-date registry information from all sex offenders is a vital investigative tool for law enforcement and obtaining it every 90 days provides earlier warning to law enforcement of non-compliant offenders who may have traveled into other jurisdictions, placing new communities at risk.

Requires States to inform another state when a known registered person is moving into its jurisdiction. Placing this burden solely on the sex offender leads to under-registration and places communities at risk.

In order to give sex offenders a strong incentive to comply with registry requirements, the bill mandates a felony designation for the crime of non-compliance. Non-compliance must be viewed as an ongoing offense.

By Mr. STEVENS (for himself, Mr. INOUE, and Ms. CANTWELL):

S. 1222. A bill to amend the Internal Revenue Code of 1986 to reinstate the Oil Spill Liability Trust Fund tax and to maintain a balance of \$3 billion in the Oil Spill Liability Trust Fund; to the Committee on Finance.

Mr. STEVENS. Mr. President, I introduce legislation today to maintain the solvency of the Oil Spill Liability Trust Fund established pursuant to the Oil Pollution Act of 1990. Shortly after midnight on March 24, 1989 the Exxon Valdez went aground on Bligh reef and caused an oil spill in Prince William Sound that is to this day still being monitored, studied, and restored. I wrote the Oil Pollution Act of 1990 in the aftermath of this disaster to provide the needed regulatory safeguards to reduce the potential for a similar spill to happen again and mitigate the environmental impacts in such an instance. The Oil Spill Liability Trust Fund is the cornerstone of the Oil Pollution Act ensuring funds for expeditious oil removal and providing for uncompensated damages to the environment. It is the "polluter pays" policy under the Act that requires the responsible party to pay back into the Fund all costs and damages related to a spill.

Unfortunately, the Oil Spill Liability Trust Fund is rapidly running out of money. At a recent Commerce Committee hearing the Commandant of the Coast Guard testified that the Oil Spill Liability Trust Fund would likely be depleted by 2009. And in its report on the "Implementation of the Oil Pollution Act of 1990", released May 12, 2005, the Coast Guard announced at the end of fiscal year 2004 there was \$842 million remaining in the Fund. This is compared to previous years when the un-obligated balance was well over \$1 billion, as was required under the Act through a 5 cents per barrel of oil tax collected from the oil industry on petroleum produced in or imported to the United States. The tax was suspended on July 1, 1993 when the un-obligated balance in the Fund exceeded \$1 billion. Thereafter, the tax was reinstated on July 1, 1994 when the balance declined below \$1 billion. However, the tax expired on December 31, 1994 pursuant to the sunset provision under the Act.

Since this time, the Oil Spill Liability Trust Fund has been unable to maintain a funding level above \$1 billion from its various revenue sources prescribed under the Act, which consist of transfers from other existing pollution funds, interest on the Fund principal from U.S. Treasury investments, cost recoveries from responsible parties, and penalties. The only viable option to maintain the Fund's solvency is the reinstatement of the 5 cents per barrel of oil tax. The bill I introduce today will require the 5 cents tax go into effect after the last day of the first calendar quarter ending more than 30 days after the date of enactment. In addition, the bill provides that the Oil Spill Liability Trust Fund be funded at \$3 billion, and if the fund drops below \$2 billion the 5 cents per barrel tax will automatically be reinstated until the fund exceeds \$3 billion.

By Mr. DODD:

S. 1223. A bill to amend the Public Health Service Act to improve the quality and efficiency of health care delivery through improvements in health care information technology, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. DODD. Mr. President, today I am pleased to announce the reintroduction of the Information Technology for Health Care Quality Act. By encouraging health care providers to invest in information technology (IT), this legislation has the potential to bring skyrocketing health care costs under control and improve the overall quality of care in our nation.

We are facing a health care crisis in our country. According to the Census Bureau, 45 million Americans were without health insurance in 2003—an increase of 1.4 million over 2002. In many respects, we have the greatest health system in the world, but far too many Americans are unable to take advantage of this system.

The number of uninsured continues to rise because the cost of health care continues to soar. Year after year, health care costs increase by double-digit percentages. The cost of employer-sponsored coverage increased by 11 percent last year, after a 14-percent increase in 2003. Employers are dropping health care coverage because they can no longer afford to foot the bill.

One of the ways to provide health care coverage to every American is to reign in health care costs. And expanding the use of IT in health care is the best tool we have to control costs. Studies have shown that as much as one-third of health care spending is for redundant or inappropriate care. Estimates suggest that up to 14 percent of laboratory tests and 11 percent of medication usage are unnecessary. Finally, and perhaps most disturbingly, we know that it takes, on average, 17 years for evidence to be incorporated into clinical practice. Along these same lines, a recent study showed that

patients receive the best evidence-based treatment only about half the time.

Significant cost-savings will undoubtedly be realized simply by moving away from a paper-based system, where patient charts and test results are easily lost or misplaced, to an electronic system where data is easily stored, transferred from location to location, and retrieved at any time. With health IT, physicians will have their patients' medical information, at their fingertips. A physician will no longer have to take another set of X-Rays because the first set was misplaced, or order a test that the patient had six months ago in another hospital because she is unaware that the test ever took place. The potential for cost-savings from simply eliminating redundancies and unnecessary tests, and reducing administrative and transaction costs, is substantial.

Of course, when we consider the improved quality of care and patient safety that will result from wider adoption of health IT, the impact on cost is even greater. For example, IT can provide decision support to ensure that physicians are aware of the most up-to-date, evidence-based best practices regarding a specific disease or condition, which will reduce expensive hospitalizations. Given all of these benefits, estimates suggest that Electronic Health Records (EHRs) alone could save more than \$100 billion each year. The full benefits of IT could be multiple hundreds of billions annually. Such a significant reduction in health care costs would allow us to provide coverage to millions of uninsured Americans.

The benefits of IT go beyond economics. I am sure that all of my colleagues are familiar with the Institute of Medicine (IOM) estimate that up to 98,000 Americans die each year as a result of medical errors. A RAND Corporation study from last year showed that, on average, patients receive the recommended care for certain widespread chronic conditions only half of the time. That is an astonishing figure. To put it in a slightly different way, for many of the health conditions with which physicians should be most familiar, half of all patients are essentially being treated incorrectly.

Most experts in the field of patient safety and health care quality, including the IOM, agree that improving IT is one of the crucial steps towards safer and better health care. By providing physicians with access to patients' complete medical history, as well as electronic cues to help them make the correct treatment decisions, IT has the potential to significantly impact the care that Americans receive. It is impossible to put a value on the potential savings in human lives that would undoubtedly result from a nationwide investment in health care information technology.

It might seem counterintuitive that we can realize tremendous cost savings while, at the same time, improving

care for patients. But in fact, improving patient care is essential to reducing costs. IT is the key to unlocking the door—it has the potential to lead to improvements in care and efficiency that will save patients' lives, reduce costs, and reduce the number of uninsured.

Unfortunately, despite the impact that IT can have on cost, efficiency, patient safety, and health care quality, most health care providers have not yet begun to invest in new technologies. The use of IT in most hospitals and doctors' offices lags far behind almost every other sphere of society. The vast majority of written work, such as patient charts and prescriptions, is still done using pen and paper. This leads to mistakes, higher costs, reduced quality of care, and in the most tragic cases, death.

There is no question in my mind that the federal government has a significant role to play in expanding investment in health IT. The legislation that I am introducing today defines that role. First, this bill would establish federal leadership in defining a National Health Information Infrastructure (NHII) and adopting health IT standards. While I am pleased that the administration has already appointed a National Coordinator for Health Information Technology, I believe that the authority given to the Coordinator and the resources at his disposal are not equal to the enormity of his task. That is why my legislation creates an office in the White House, the Office of Health Information Technology, to oversee all of the Federal Government's activities in the area of health IT, and to create and implement a national strategy to expand the adoption of IT in health care.

This office would also be responsible for leading a collaborative effort between the public and private sectors to develop technical standards for health IT. These standards will ensure that health care information can be shared between providers, so that a family moving from Connecticut to California will not have to leave their medical history behind. At the same time, this bill would ensure that the adopted standards protect the privacy of patient records. While the creation of portable electronic health records is an important goal, privacy and confidentiality must not be sacrificed.

This legislation would also provide financial assistance to individual health care providers to stimulate investment in IT, and to communities to help them set up interoperable IT infrastructures at the local level, often referred to as Local Health Information Infrastructures—LHIIs. IT requires a huge capital investment. Many providers, especially small doctors offices, and safety-net and rural hospitals and health centers, simply cannot afford to make the type of investment that is needed.

Finally, this legislation would provide for the development of a standard

set of health care quality measures. The creation of these measures is critical to better understanding how our health care system is performing, and where we need to focus our efforts to improve the quality of care. IT has the potential to drastically improve our ability to capture these quality measures. All recipients of Federal funding under this bill would be required to regularly report on these measures, as well as the impact that IT is having on health care quality, efficiency, and cost savings.

The establishment of standard quality measures is also the first step in moving our nation towards a system where payment for health care is more appropriately aligned—a system in which health care providers are paid not simply for the volume of patients that they treat, but for the quality of care that they deliver. To this end, my legislation would require the Secretary of Health and Human Services to report to Congress on possible changes to Federal reimbursement and payment structures that would encourage the adoption of IT to improve health care quality and patient safety.

I know that many of my colleagues, including Senator ENZI, Senator KENNEDY, Senator CLINTON, Senator FRIST and Senator GREGG, have an interest in this issue. I look forward to working with all of them to move legislation this year. It is time for our country to make a concerted effort to bring the health care sector into the 21st century. We must invest in health IT systems, and we must begin to do so immediately. The number uninsured, the skyrocketing cost of care, and the number of medical errors should all serve as a wake-up call. We have a tool at our disposal to address all of these problems, and there is no more time to waste. I urge my colleagues to support this legislation.

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

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

S. 1223

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 “Information Technology for Health Care Quality Act”.

SEC. 2. AMENDMENT TO THE PUBLIC HEALTH SERVICE ACT.

The Public Health Service Act (42 U.S.C. 201 et seq.) is amended by adding at the end thereof the following:

“TITLE XXIX—HEALTH CARE INFORMATION TECHNOLOGY

“SEC. 2901. DEFINITIONS.

“In this title:

“(1) **COVERAGE AREA.**—The term ‘coverage area’ means the boundaries of a local health information infrastructure.

“(2) **DIRECTOR.**—The term ‘Director’ means the Director of the Office of Health Information Technology.

“(3) **HEALTH CARE PROVIDER.**—The term ‘health care provider’ means a hospital,

skilled nursing facility, home health entity, health care clinic, community health center, group practice (as defined in section 1877(h)(4) of the Social Security Act, including practices with only 1 physician), and any other facility or clinician determined appropriate by the Director.

“(4) **HEALTH INFORMATION TECHNOLOGY.**—The term ‘health information technology’ means a computerized system that—

“(A) is consistent with the standards developed pursuant to section 2903;

“(B) permits the secure electronic transmission of information to other health care providers and public health entities; and

“(C) includes—

“(i) an electronic health record (EHR) that provides access in real-time to the patient’s complete medical record;

“(ii) a personal health record (PHR) through which an individual (and anyone authorized by such individual) can maintain and manage their health information;

“(iii) computerized provider order entry (CPOE) technology that permits the electronic ordering of diagnostic and treatment services, including prescription drugs;

“(iv) decision support to assist physicians in making clinical decisions by providing electronic alerts and reminders to improve compliance with best practices, promote regular screenings and other preventive practices, and facilitate diagnoses and treatments;

“(v) error notification procedures so that a warning is generated if an order is entered that is likely to lead to a significant adverse outcome for the patient; and

“(vi) tools to allow for the collection, analysis, and reporting of data on adverse events, near misses, and the quality of care provided to the patient.

“(5) **LOCAL HEALTH INFORMATION INFRASTRUCTURES.**—The term ‘local health information infrastructure’ means an independent organization of health care entities established for the purpose of linking health information systems to electronically share information. A local health information infrastructure may not be a single business entity.

“(6) **OFFICE.**—The term ‘Office’ means the Office of Health Information Technology established under section 2902.

“SEC. 2902. OFFICE OF HEALTH INFORMATION TECHNOLOGY.

“(a) **ESTABLISHMENT.**—There is established within the executive office of the President an Office of Health Information Technology. The Office shall be headed by a Director to be appointed by the President. The Director shall report directly to the President.

“(b) **PURPOSE.**—It shall be the purpose of the Office to—

“(1) improve the quality and increase the efficiency of health care delivery through the use of health information technology;

“(2) provide national leadership relating to, and encourage the adoption of, health information technology;

“(3) direct all health information technology activities within the Federal Government; and

“(4) facilitate the interaction between the Federal Government and the private sector relating to health information technology development and use.

“(c) **DUTIES AND RESPONSIBILITIES.**—The Office shall be responsible for the following:

“(1) **NATIONAL STRATEGY.**—The Office shall develop a national strategy for improving the quality and enhancing the efficiency of health care through the improved use of health information technology and the creation of a National Health Information Infrastructure.

“(2) **FEDERAL LEADERSHIP.**—The Office shall—

“(A) serve as the principle advisor to the President concerning health information technology;

“(B) direct all health information technology activity within the Federal Government, including approving or disapproving agency policies submitted under paragraph (3);

“(C) work with public and private health information technology stakeholders to implement the national strategy described in paragraph (1); and

“(D) ensure that health information technology is utilized as fully as practicable in carrying out health surveillance efforts.

“(3) **AGENCY POLICIES.**—

“(A) **IN GENERAL.**—The Office shall, in accordance with this paragraph, approve or disapprove the policies of Federal departments or agencies with respect to any policy proposed to be implemented by such agency or department that would significantly affect that agency or department’s use of health information technology.

“(B) **SUBMISSION OF PROPOSAL.**—The head of any Federal Government agency or department that desires to implement any policy with respect to such agency or department that would significantly affect that agency or department’s use of health information technology shall submit an implementation proposal to the Office at least 60 days prior to the proposed date of the implementation of such policy.

“(C) **APPROVAL OR DISAPPROVAL.**—Not later than 60 days after the date on which a proposal is received under subparagraph (B), the Office shall determine whether to approve the implementation of such proposal. In making such determination, the Office shall consider whether the proposal is consistent with the national strategy described in paragraph (1). If the Office fails to make a determination within such 60-day period, such proposal shall be deemed to be approved.

“(D) **FAILURE TO APPROVE.**—Except as otherwise provided for by law, a proposal submitted under subparagraph (B) may not be implemented unless such proposal is approved or deemed to be approved under subparagraph (C).

“(4) **COORDINATION.**—The Office shall—

“(A) encourage the development and adoption of clinical, messaging, and decision support health information data standards, pursuant to the requirements of section 2903;

“(B) ensure the maintenance and implementation of the data standards described in subparagraph (A);

“(C) oversee and coordinate the health information technology efforts of the Federal Government;

“(D) ensure the compliance of the Federal Government with Federally adopted health information technology data standards;

“(E) ensure that the Federal Government consults and collaborates on decision making with respect to health information technology with the private sector and other interested parties; and

“(F) in consultation with private sector, adopt certification and testing criteria to determine if electronic health information systems interoperate.

“(5) **COMMUNICATION.**—The Office shall—

“(A) act as the point of contact for the private sector with respect to the use of health information technology; and

“(B) work with the private sector to collect and disseminate best health information technology practices.

“(6) **EVALUATION AND DISSEMINATION.**—The Office shall coordinate with the Agency for Health Research and Quality and other Federal agencies to—

“(A) evaluate and disseminate information relating to evidence of the costs and benefits

of health information technology and to whom those costs and benefits accrue;

“(B) evaluate and disseminate information on the impact of health information technology on the quality and efficiency of patient care; and

“(C) review Federal payment structures and differentials for health care providers that utilize health information technology systems.

“(7) TECHNICAL ASSISTANCE.—The Office shall utilize existing private sector quality improvement organizations to—

“(A) promote the adoption of health information technology among healthcare providers; and

“(B) provide technical assistance concerning the implementation of health information technology to healthcare providers.

“(8) FEDERAL REIMBURSEMENT.—

“(A) IN GENERAL.—Not later than 6 months after the date of enactment of this title, the Office shall make recommendations to the President and the Secretary of Health and Human Service on changes to Federal reimbursement and payment structures that would encourage the adoption of information technology (IT) to improve health care quality and safety.

“(B) PLAN.—Not later than 90 days after receiving recommendations under subparagraph (A), the Secretary shall provide to the relevant Committees of Congress a report that provides, with respect to each recommendation, a plan for the implementation, or an explanation as to why implementation is inadvisable, of such recommendations. The Office shall continue to monitor federally funded and supported information technology and quality initiatives (including the initiatives authorized in this title), and periodically update recommendations to the President and the Secretary.

“(d) RESOURCES.—The President shall make available to the Office, the resources, both financial and otherwise, necessary to enable the Director to carry out the purposes of, and perform the duties and responsibilities of the Office under, this section.

“(e) DETAIL OF FEDERAL EMPLOYEES.—Upon the request of the Director, the head of any Federal agency is authorized to detail, without reimbursement from the Office, any of the personnel of such agency to the Office to assist it in carrying out its duties under this section. Any such detail shall not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

“SEC. 2903. PROMOTING THE INTEROPERABILITY OF HEALTH CARE INFORMATION TECHNOLOGY SYSTEMS.

“(a) DEVELOPMENT, AND FEDERAL GOVERNMENT ADOPTION, OF STANDARDS.—

“(1) ADOPTION.—

“(A) IN GENERAL.—Not later than 2 years after the date of the enactment of this title, the Director, in collaboration with the Consolidated Health Informatics Initiative (or a successor organization to such Initiative), shall provide for the adoption by the Federal Government of national data and communication health information technology standards that promote the efficient exchange of data between varieties of provider health information technology systems. In carrying out the preceding sentence, the Director may adopt existing standards. Except as otherwise provided for in this title, standards adopted under this section shall be voluntary for private sector entities.

“(B) GRANTS OR CONTRACTS.—The Director may utilize grants or contracts to provide for the private sector development of standards for adoption by the Federal Government under subparagraph (A).

“(C) DEFINITION.—In this paragraph, the term ‘provide for’ means that the Director shall promulgate, and each Federal agency

or department shall adopt, regulations to ensure that each such agency or department complies with the requirements of subsection (b).

“(2) REQUIREMENTS.—The standards developed and adopted under paragraph (1) shall be designed to—

“(A) enable health information technology to be used for the collection and use of clinically specific data;

“(B) promote the interoperability of health care information across health care settings;

“(C) facilitate clinical decision support through the use of health information technology; and

“(D) ensure the privacy and confidentiality of medical records.

“(3) PUBLIC PRIVATE PARTNERSHIP.—Consistent with activities being carried out on the date of enactment of this title, including the Consolidated Health Informatics Initiative (or a successor organization to such Initiative), health information technology standards shall be adopted by the Director under paragraph (1) at the conclusion of a collaborative process that includes consultation between the Federal Government and private sector health care and information technology stakeholders.

“(4) PRIVACY AND SECURITY.—The regulations promulgated by the Secretary under part C of title XI of the Social Security Act (42 U.S.C. 1320d et seq.) and sections 261, 262, 263, and 264 of the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. 1320d–2 note) with respect to the privacy, confidentiality, and security of health information shall apply to the implementation of programs and activities under this title.

“(5) PILOT TESTS.—To the extent practical, the Director shall pilot test the health information technology data standards developed under paragraph (1) prior to their implementation under this section.

“(6) DISSEMINATION.—

“(A) IN GENERAL.—The Director shall ensure that the standards adopted under paragraph (1) are widely disseminated to interested stakeholders.

“(B) LICENSING.—To facilitate the dissemination and implementation of the standards developed and adopted under paragraph (1), the Director may license such standards, or utilize other means, to ensure the widespread use of such standards.

“(b) IMPLEMENTATION OF STANDARDS.—

“(1) PURCHASE OF SYSTEMS BY THE SECRETARY.—Effective beginning on the date that is 1 year after the adoption of the technology standards pursuant to subsection (a), the Secretary shall not purchase any health care information technology system unless such system is in compliance with the standards adopted under subsection (a), nor shall the Director approve any proposal pursuant to section 2902(c)(3) unless such proposal utilizes systems that are in compliance with the standards adopted under subsection (a).

“(2) RECIPIENTS OF FEDERAL FUNDS.—Effective on the date described in paragraph (1), no appropriated funds may be used to purchase a health care information technology system unless such system is in compliance with applicable standards adopted under subsection (a).

“(c) MODIFICATION OF STANDARDS.—The Director shall provide for ongoing oversight of the health information technology standards developed under subsection (a) to—

“(1) identify gaps or other shortcomings in such standards; and

“(2) modify such standards when determined appropriate or develop additional standards, in collaboration with standard setting organizations.

“SEC. 2904. LOAN GUARANTEES FOR THE ADOPTION OF HEALTH INFORMATION TECHNOLOGY.

“(a) IN GENERAL.—The Director shall guarantee payment of the principal of and the interest on loans made to eligible entities to enable such entities—

“(1) to implement local health information infrastructures to facilitate the development of interoperability across health care settings to improve quality and efficiency; or

“(2) to facilitate the purchase and adoption of health information technology to improve quality and efficiency.

“(b) ELIGIBILITY.—To be eligible to receive a loan guarantee under subsection (a) an entity shall—

“(1) with respect to an entity desiring a loan guarantee—

“(A) under subsection (a)(1), be a coalition of entities that represent an independent consortium of health care stakeholders within a community that—

“(i) includes—

“(I) physicians (as defined in section 1881(r)(1) of the Social Security Act);

“(II) hospitals; and

“(III) group health plans or other health insurance issuers (as such terms are defined in section 2791); and

“(ii) may include any other health care providers; or

“(B) under subsection (a)(2) be a health care provider;

“(2) to the extent practicable, adopt the national health information technology standards adopted under section 2903;

“(3) provide assurances that the entity shall submit to the Director regular reports on the activities carried out under the loan guarantee, including—

“(A) a description of the financial costs and benefits of the project involved and of the entities to which such costs and benefits accrue;

“(B) a description of the impact of the project on health care quality and safety; and

“(C) a description of any reduction in duplicative or unnecessary care as a result of the project involved;

“(4) provide assurances that not later than 30 days after the development of the standard quality measures pursuant to section 2906, the entity shall submit to the Director regular reports on such measures, including provider level data and analysis of the impact of information technology on such measures;

“(5) prepare and submit to the Director an application at such time, in such manner, and containing such information as the Director may require.

“(c) USE OF FUNDS.—Amounts received under a loan guarantee under subsection (a) shall be used—

“(1) with respect to a loan guarantee described in subsection (a)(1)—

“(A) to develop a plan for the implementation of a local health information infrastructure under this section;

“(B) to establish systems for the sharing of data in accordance with the national health information technology standards developed under section 2903;

“(C) to purchase directly related integrated hardware and software to establish an interoperable health information technology system that is capable of linking to a local health care information infrastructure; and

“(D) to train staff, maintain health information technology systems, and maintain adequate security and privacy protocols;

“(2) with respect to a loan guarantee described in subsection (a)(2)—

“(A) to develop a plan for the purchase and installation of health information technology;

“(B) to purchase directly related integrated hardware and software to establish an interoperable health information technology system that is capable of linking to a national or local health care information infrastructure; and

“(C) to train staff, maintain health information technology systems, and maintain adequate security and privacy protocols; and

“(3) to carry out any other activities determined appropriate by the Director.

“(d) SPECIAL CONSIDERATIONS FOR CERTAIN ENTITIES.—In awarding loan guarantees under this section, the Director shall give special consideration to eligible entities that—

“(1) provide service to low-income and underserved populations; and

“(2) agree to electronically submit the information described in paragraphs (3) and (4) of subsection (b) on a daily basis.

“(e) SPECIAL CONSIDERATIONS FOR LOCAL HEALTH INFORMATION INFRASTRUCTURES.—In awarding loan guarantees under this section to local health information infrastructures, the Director shall give special consideration to eligible entities that—

“(1) include at least 50 percent of the patients living in the designated coverage area;

“(2) incorporate public health surveillance and reporting into the overall architecture of the proposed infrastructure; and

“(3) link local health information infrastructures.

“(f) AREAS OF SPECIFIC INTEREST.—In awarding loan guarantees under this section, the Director shall include—

“(1) entities with a coverage area that includes an entire State; and

“(2) entities with a multi-state coverage area.

“(g) ADMINISTRATIVE PROVISIONS.—

“(1) AGGREGATE AMOUNT.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), the aggregate amount of principal of loans guaranteed under subsection (a) with respect to an eligible entity may not exceed \$5,000,000. In any 12-month period the amount disbursed to an eligible entity under this section (by a lender under a guaranteed loan) may not exceed \$5,000,000.

“(B) EXCEPTION.—The cumulative total of the principal of the loans outstanding at any time to which guarantees have been issued under subsection (a) may not exceed such limitations as may be specified in appropriation Acts.

“(2) PROTECTION OF FEDERAL GOVERNMENT.—

“(A) IN GENERAL.—The Director may not approve an application for a loan guarantee under this section unless the Director determines that—

“(i) the terms, conditions, security (if any), and schedule and amount of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable, including a determination that the rate of interest does not exceed such percent per annum on the principal obligation outstanding as the Director determines to be reasonable, taking into account the range of interest rates prevailing in the private market for loans with similar maturities, terms, conditions, and security and the risks assumed by the United States; and

“(ii) the loan would not be available on reasonable terms and conditions without the enactment of this section.

“(B) RECOVERY.—

“(i) IN GENERAL.—The United States shall be entitled to recover from the applicant for a loan guarantee under this section the amount of any payment made pursuant to such loan guarantee, unless the Director for good cause waives such right of recovery, and, upon making any such payment, the

United States shall be subrogated to all of the rights of the recipient of the payments with respect to which the loan was made.

“(ii) MODIFICATION OF TERMS.—Any terms and conditions applicable to a loan guarantee under this section may be modified by the Director to the extent the Director determines it to be consistent with the financial interest of the United States.

“(3) DEFAULTS.—The Director may take such action as the Director deems appropriate to protect the interest of the United States in the event of a default on a loan guaranteed under this section, including taking possession of, holding, and using real property pledged as security for such a loan guarantee.

“(h) AUTHORIZATION OF APPROPRIATIONS.—

“(1) IN GENERAL.—There is authorized to be appropriated to carry out this section, \$250,000,000 for each of fiscal years 2006 through 2011.

“(2) AVAILABILITY.—Amounts appropriated under subparagraph (A) shall remain available for obligation until expended.

“SEC. 2905. GRANTS FOR THE PURCHASE OF HEALTH INFORMATION TECHNOLOGY.

“(a) IN GENERAL.—The Director may award competitive grants to eligible entities—

“(1) to implement local health information infrastructures to facilitate the development of interoperability across health care settings; or

“(2) to facilitate the purchase and adoption of health information technology.

“(b) ELIGIBILITY.—To be eligible to receive a grant under section (a) an entity shall—

“(1) demonstrate financial need to the Director;

“(2) with respect to an entity desiring a grant—

“(A) under subsection (a)(1), represent an independent consortium of health care stakeholders within a community that—

“(i) includes—

“(I) physicians (as defined in section 1881(r)(1) of the Social Security Act);

“(II) hospitals; and

“(III) group health plans or other health insurance issuers (as such terms are defined in section 2791); and

“(ii) may include any other health care providers; or

“(B) under subsection (a)(2) be a health care provider that provides health care services to low-income and underserved populations;

“(3) adopt the national health information technology standards developed under section 2903;

“(4) provide assurances that the entity shall submit to the Director regular reports on the activities carried out under the loan guarantee, including—

“(A) a description of the financial costs and benefits of the project involved and of the entities to which such costs and benefits accrue;

“(B) a description of the impact of the project on health care quality and safety; and

“(C) a description of any reduction in duplicative or unnecessary care as a result of the project involved;

“(5) provide assurances that not later than 30 days after the development of the standard quality measures pursuant to section 2906, the entity shall submit to the Director regular reports on such measures, including provider level data and analysis of the impact of information technology on such measures;

“(6) prepare and submit to the Director an application at such time, in such manner, and containing such information as the Director may require; and

“(7) agree to provide matching funds in accordance with subsection (g).

“(c) USE OF FUNDS.—Amounts received under a grant under subsection (a) shall be used to—

“(1) with respect to a grant described in subsection (a)(1)—

“(A) to develop a plan for the implementation of a local health information infrastructure under this section;

“(B) to establish systems for the sharing of data in accordance with the national health information technology standards developed under section 2903;

“(C) to implement, enhance, or upgrade a comprehensive, electronic health information technology system; and

“(D) to maintain adequate security and privacy protocols;

“(2) with respect to a grant described in subsection (a)(2)—

“(A) to develop a plan for the purchase and installation of health information technology;

“(B) to purchase directly related integrated hardware and software to establish an interoperable health information technology system that is capable of linking to a national or local health care information infrastructure; and

“(C) to train staff, maintain health information technology systems, and maintain adequate security and privacy protocols;

“(3) maintain adequate security and privacy protocols; and

“(4) to carry out any other activities determined appropriate by the Director.

“(d) SPECIAL CONSIDERATIONS FOR CERTAIN ENTITIES.—In awarding grants under this section, the Director shall give special consideration to eligible entities that—

“(1) provide service to low-income and underserved populations; and

“(2) agree to electronically submit the information described in paragraphs (4) and (5) of subsection (b).

“(e) SPECIAL CONSIDERATIONS FOR LOCAL HEALTH INFORMATION INFRASTRUCTURES.—In awarding grants under this section to local health information infrastructures, the Director shall give special consideration to eligible entities that—

“(1) include at least 50 percent of the patients living in the designated coverage area;

“(2) incorporate public health surveillance and reporting into the overall architecture of the proposed infrastructure; and

“(3) link local health information infrastructures;

“(f) AREAS OF SPECIFIC INTEREST.—In awarding grants under this section, the Director shall include—

“(1) entities with a coverage area that includes an entire State; and

“(2) entities with a multi-state coverage area.

“(g) MATCHING REQUIREMENT.—

“(1) IN GENERAL.—The Director may not make a grant under this section to an entity unless the entity agrees that, with respect to the costs to be incurred by the entity in carrying out the infrastructure program for which the grant was awarded, the entity will make available (directly or through donations from public or private entities) non-Federal contributions toward such costs in an amount equal to not less than 20 percent of such costs (\$1 for each \$5 of Federal funds provided under the grant).

“(2) DETERMINATION OF AMOUNT CONTRIBUTED.—Non-Federal contributions required under paragraph (1) may be in cash or in kind, fairly evaluated, including equipment, technology, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent

by the Federal Government, may not be included in determining the amount of such non-Federal contributions.

“(h) AUTHORIZATION OF APPROPRIATIONS.—

“(1) IN GENERAL.—There is authorized to be appropriated to carry out this section, \$250,000,000 for each of fiscal years 2006 through 2011.

“(2) AVAILABILITY.—Amounts appropriated under paragraph (1) shall remain available for obligation until expended.”

SEC. 3. STANDARDIZED MEASURES OF QUALITY HEALTH CARE AND DATA COLLECTION.

Title XXIX of the Public Health Service Act, as added by section 2, is amended by adding at the end the following:

“SEC. 2906. STANDARDIZED MEASURES OF QUALITY HEALTH CARE.

“(a) IN GENERAL.—

“(1) COLLABORATION.—The Secretary of Health and Human Services, the Secretary of Defense, and the Secretary of Veterans Affairs (referred to in this section as the ‘Secretaries’), in consultation with the Quality Interagency Coordination Taskforce (as established by Executive Order on March 13, 1998), the Institute of Medicine, the Joint Commission on Accreditation of Healthcare Organizations, the National Committee for Quality Assurance, the American Health Quality Association, the National Quality Forum, the Medicare Payment Advisory Committee, and other individuals and organizations determined appropriate by the Secretaries, shall establish uniform health care quality measures to assess the effectiveness, timeliness, patient-centeredness, efficiency, equity, and safety of care delivered across all federally supported health delivery programs.

“(2) DEVELOPMENT OF MEASURES.—Not later than 18 months after the date of enactment of this title, the Secretaries shall develop standardized sets of quality measures for each of the 20 priority areas for improvement in health care quality as identified by the Institute of Medicine in their report entitled ‘Priority Areas for National Action’ in 2003, or other such areas as identified by the Secretaries in order to assist beneficiaries in making informed choices about health plans or care delivery systems. The selection of appropriate quality indicators under this subsection shall include the evaluation criteria formulated by clinical professionals, consumers, and data collection experts.

“(3) PILOT TESTING.—Each federally supported health delivery program may conduct a pilot test of the quality measures developed under paragraph (2) that shall include a collection of patient-level data and a public release of comparative performance reports.

“(b) PUBLIC REPORTING REQUIREMENTS.—The Secretaries, working collaboratively, shall establish public reporting requirements for clinicians, institutional providers, and health plans in each of the federally supported health delivery program described in subsection (a). Such requirements shall provide that the entities described in the preceding sentence shall report to the appropriate Secretary on the measures developed under subsection (a).

“(c) FULL IMPLEMENTATION.—The Secretaries, working collaboratively, shall implement all sets of quality measures and reporting systems developed under subsections (a) and (b) by not later than the date that is 1 year after the date on which the measures are developed under subsection (a)(2).

“(d) REPORTS.—Not later than 1 year after the date of enactment of this title, and annually thereafter, the Secretary shall—

“(1) submit to Congress a report that details the collaborative efforts carried out under subsection (a), the progress made on standardizing quality indicators throughout

the Federal Government, and the state of quality measurement for priority areas that links data to the report submitted under paragraph (2) for the year involved; and

“(2) submit to Congress a report that details areas of clinical care requiring further research necessary to establish effective clinical treatments that will serve as a basis for additional quality indicators.

“(e) COMPARATIVE QUALITY REPORTS.—Beginning not later than 3 years after the date of enactment of this title, in order to make comparative quality information available to health care consumers, including members of health disparity populations, health professionals, public health officials, researchers, and other appropriate individuals and entities, the Secretaries shall provide for the pooling, analysis, and dissemination of quality measures collected under this section. Nothing in this section shall be construed as modifying the privacy standards under the Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191).

“(f) ONGOING EVALUATION OF USE.—The Secretary of Health and Human Services shall ensure the ongoing evaluation of the use of the health care quality measures established under this section.

“(g) EVALUATION AND REGULATIONS.—

“(1) EVALUATION.—

“(A) IN GENERAL.—The Secretary shall, directly or indirectly through a contract with another entity, conduct an evaluation of the collaborative efforts of the Secretaries to establish uniform health care quality measures and reporting requirements for federally supported health care delivery programs as required under this section.

“(B) REPORT.—Not later than 1 year after the date of enactment of this title, the Secretary of Health and Human Services shall submit a report to the appropriate committees of Congress concerning the results of the evaluation under subparagraph (A).

“(2) REGULATIONS.—

“(A) PROPOSED.—Not later than 6 months after the date on which the report is submitted under paragraph (1)(B), the Secretary shall publish proposed regulations regarding the application of the uniform health care quality measures and reporting requirements described in this section to federally supported health delivery programs.

“(B) FINAL REGULATIONS.—Not later than 1 year after the date on which the report is submitted under paragraph (1)(B), the Secretary shall publish final regulations regarding the uniform health care quality measures and reporting requirements described in this section.

“(h) DEFINITIONS.—In this section, the term ‘federally supported health delivery program’ means a program that is funded by the Federal Government under which health care items or services are delivered directly to patients.”

By Mrs. BOXER (for herself and Mr. LAUTENBERG):

S. 1224. A bill to protect the oceans, and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mrs. BOXER. Mr. President, as we commemorate World Oceans Week, we celebrate the wonder and beauty of the world’s oceans. We celebrate the role our oceans play in commerce, fishing and shipping. We celebrate the beauty of our coral reefs and the potential life-saving cures they might contain. And we celebrate our commitment to improving the health of our oceans, so that our children and grandchildren

will have a chance to enjoy and cherish them.

That is why I am pleased to introduce the National Oceans Protection Act of 2005—comprehensive legislation to improve the health and governance of our oceans. The bill is co-sponsored by Senator LAUTENBERG.

This legislation “was written after two major oceans commission reports in the past two years determined that our oceans are in a state of crisis. The congressionally-established U.S. Commission on Ocean Policy and the independent Pew Oceans Commission provided detailed descriptions of the challenges our oceans are facing as well as specific solutions to improve ocean health.

From pollution to over-fishing to invasive species, there are many factors that have contributed to the current crisis in which we find ourselves. Pollution threatens all aspects of ocean health. Every 8 months, nearly 11 million gallons of oil flow from American roads into our waters—the equivalent of the Exxon Valdez oil spill.

Our oceans are also showing signs of being over-fished, which affects the communities that depend on fish stocks for their livelihood. Many fish populations, including salmon, face the threat of being depleted to seriously low levels. Invasive species—such as the killer algae found near San Diego in 2000—are another threat to ocean health. In the San Francisco Bay alone, more than 175 invasive species threaten to overwhelm native species.

By targeting some of the most serious challenges facing our oceans, as outlined in the Commissions’ reports, my legislation provides a comprehensive national approach to oceans protection and preservation.

Let me just mention a couple of the important provisions in four key areas:

First, the bill improves the governance of the oceans by giving the National Oceanic and Atmospheric Administration the independence it needs to better facilitate the management and oversight of our oceans.

Second, the bill protects and conserves marine wildlife and habitat by, among other things, creating protection areas and authorizing \$50 million per year in grants to local communities to restore fisheries and coastal areas.

Third, the bill strengthens fisheries and encourages sustainable fishing in a number of ways, including requiring that entire ecosystems be taken into account when considering the health of a fishery.

And, fourth, the bill improves the quality of ocean water by establishing maximum amounts of pollution that a body of water can hold and still be healthy. In addition, financial assistance will be provided to local governments to reduce pollution and increase monitoring.

For their contributions to this legislation and their great leadership on

oceans issues, I would like to thank Senators INOUE, GREGG, LAUTENBERG, and LEVIN, as well as former Senator Hollings.

It is my hope that this bill will provide the framework needed to protect and improve our oceans. The great environmentalist and ocean-explorer Jacques Cousteau once said, "If we were logical, the future would be bleak, indeed. But we are more than logical. We are human beings, and we have faith, and we have hope, and we can work."

As we celebrate World Oceans Week, it is my hope that we can work together to provide a bright future for the world's oceans and continue to protect our coastal economy.

I encourage my colleagues to join me in this effort to implement the recommendations of the U.S. Commission on Ocean Policy and the Pew Ocean Commission.

I ask unanimous consent that a summary of the bill and list of endorsements be printed in the RECORD.

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

THE NATIONAL OCEANS PROTECTION ACT

1. IMPROVING THE GOVERNANCE OF THE OCEANS The Ernest "Fritz" Hollings National Ocean Policy and Leadership Act

Establishes an independent National Oceanic and Atmospheric Administration (NOAA).

Independence will occur after a two-year transition period.

Creates a Council on Ocean Stewardship that will annually review funding, policy recommendations, and programs for ocean protection.

The Council will function as a federal coordinating body of the various agencies that deal with oceans issues, and will be placed in the Executive Office of the President.

Other Governance Provisions

Requires that all activities on the Outer Continental Shelf—such as wave energy projects, bioextraction by biotech companies, and wind energy projects—receive a federal permit to ensure that projects do not pose an adverse threat to the health of the oceans current law only requires permits for oil and gas activities.

NOAA, working with other relevant agencies such as the EPA or the Army Corps of Engineers, will develop the permitting process, specifically to protect and preserve the marine environment, conserve fisheries and natural resources, and protect public health and safety.

NOAA makes the final determination of whether the activity poses a threat to any of these interests—and if so, a permit will not be given.

Establishes a Trust Fund in the U.S. Treasury and administered by NOAA composed of Federal money generated from these newly permitted activities; funds will be used for ocean conservation, science and research, and assistance to displaced fishermen.

Prohibits NOAA from issuing any lease for marine aquaculture until strong national standards and regulations are issued to protect fish stocks from disease, parasites, and invasive species and to prevent water quality impairment.

2. PROTECTING AND CONSERVING MARINE WILDLIFE AND HABITAT

Provides protection for ecologically-important coral areas by creating "Coral Management Areas."

NOAA must carry out a comprehensive ocean exploration and mapping program to determine areas where coral and other creatures live and the marine environments on which they depend for food and habitat.

Based on this data, NOAA may establish Coral Management Areas, which would trigger protection from certain fishing gear and practices, such as "rockhopper" trawling gear on fishing nets that tear up essential habitat.

Authorizes \$3 million per year for research on the effects of noise pollution (i.e. sonar) on marine mammals.

Establishes a voluntary buyback program for environmentally and ecologically unsafe "gear"—such as boat engines.

Prohibits almost all discharges of ballast water in U.S. waters and requires ships to install technology to capture invasive species in ballast water before discharge—and creates an early detection and rapid response system to provide assistance to states to protect against invasive species.

Authorizes \$50 million per year in grants to local communities to restore fishery and coastal habitats.

Authorizes \$500 million per year in grants to local communities to purchase lands that are vulnerable to development and are important to the protection and preservation of habitats.

3. STRENGTHENING FISHERIES AND FISH HABITAT

Requires that, when determining the health of a fishery, the entire ecosystem be taken into account, not just the health of a particular fish species.

Each regional fishery council must establish a science and statistical committee (SSC) to help develop, collect, and evaluate statistical, biological, economic, social, and other scientific information—the regional councils must then set fish take allowances that are consistent with the SSC determinations, but even greater conservation measures can be taken.

Authorizes \$115 million over five years for NOAA and the regional fishery councils to develop ecosystem-wide plans to protect and sustain fisheries.

Requires NOAA to establish standards for reducing bycatch and authorizes \$55 million over five years to monitor compliance with those standards.

Creates Individual Fishing Quotas (IFQ) that are equitably allocated and that protect against bycatch, overfishing, and economic harm to local communities.

4. IMPROVING THE QUALITY OF OCEAN WATER

Requires EPA to establish maximum amounts of nutrient runoff pollution that a body of water can hold and still be healthy, taking into account regional conditions and reasonable economic considerations.

Requires water utilities to establish water treatment standards to remove nutrient pollution.

Mandates best management practices for agriculture—requiring farmers, to the greatest extent practicable, to take steps to curtail runoff.

Expedites beach pollution testing and posting by determining which beaches are most at risk of dangerous water conditions and requiring beach closures as soon as practicable but not longer than 48 hours after discovery.

Requires public notification and testing of sewer overflows.

Authorizes \$11.2 billion per year in funding for state and local governments to reduce stormwater pollution and to increase monitoring and testing.

Requires a survey and continuous monitoring of contaminated sediments that are threats to bodies of water, and establishes standards to protect sensitive aquatic species from contaminated sediments.

SUPPORT FOR THE NATIONAL OCEANS PROTECTION ACT OF 2005 NATIONAL ORGANIZATIONS

Natural Resources Defense Council; The Ocean Conservancy; Oceana; Sierra Club; National Environmental Trust; Worldwide Fund for Conservation; U.S. PIRG; Defenders of Wildlife; E2 (Environmental Entrepreneurs); Ocean Champions; Blue Frontier Campaign; Pacific Coast Federation of Fishermen's Associations; Marine Fish Conservation Network; The Humane Society; ASPCA; Seaflow; Surfrider; Association of National Estuary Programs; Ocean Defense International; Earth Island Institute; Waterkeepers; America's Whale Alliance; Center for International Environmental Law; Acoustic Ecology Institute; Greenpeace Foundation; Earthtrust; Western Wildlife Conservancy; Mangrove Action Project; The Whaleman Foundation; Campaign to Safeguard America's Waters; Reef Relief; WildLaw; Conservation Law Foundation; Cook Inlet Keeper; Cry of the Water; Global Coral Reef Alliance; Save Our Shoreline, Inc; Marine Conservation Biology Institute; Public Employees for Environmental Responsibility (PEER); Reef Protection International; International Forum on Globalization; The Ocean Mammal Institute; Endangered Species Coalition.

CALIFORNIA ORGANIZATIONS

California League of Conservation Voters; Aquatic Adventures Science Education Foundation, San Diego; The Bay Institute, Novato; Baykeeper, San Francisco; Bolinas Lagoon Foundation, Stinson Beach; California Greenworks, Buena Park; Catalina Island Conservancy, Avalon; Community Environmental Council, Santa Barbara; Crystal Cove Alliance, Corona Del Mar; Endangered Habitats League, Los Angeles; The Environmental Action Committee of West Marin, Point Reyes Station; Environmental Center of San Luis Obispo County, San Luis Obispo; Environmental Defense Center, Santa Barbara; Friends of Santa Ana Zoo, Santa Ana; Friends of the Sea Otter, Pacific Grove; Golden Gate Audubon Society, Berkeley; Grassroots Coalition, Los Angeles; Guadalupe-Nipomo Dunes Center and Guadalupe-Nipomo Dunes Collaborative; Heal the Bay, Santa Monica; Huntington Beach Tree Society, Huntington Beach; The Marine Mammal Center, Sausalito; Monterey Bay Aquarium, Monterey; Monterey Bay Sanctuary Foundation, Monterey; Moss Landing Marine Laboratories, Moss Landing; Newport Bay Naturalists and Friends, Newport Beach; The Ocean Conservancy, Santa Cruz Field Office Ocean Institute, Dana Point; O'Neill Sea Odyssey, Santa Cruz; The Orange County Interfaith Coalition for the Environment, Tustin; PRBO Conservation Science, Stinson Beach; San Diego Audubon Society, San Diego; San Diego Baykeeper San Francisco Zoo, San Francisco; San Luis Bay Surfrider Foundation, San Luis Obispo; San Luis Obispo Coastkeeper, San Luis Obispo; Santa Barbara Channelkeeper, Santa Barbara; Santa Monica Bay Audubon Society, Santa Monica; Save Our Shores, Santa Cruz; Sea Studios Foundation, Monterey; Southwest Wetlands Interpretive Association, Imperial Beach; Steinhart Aquarium at the California Academy of Sciences, San Francisco; Surfrider Foundation, Marin County; Surfrider Foundation—Monterey Chapter; Trillium Press, Brisbane; Wildcoast, Imperial Beach; Wishtoyo Foundation, Oxnard; Baykeeper, San Francisco; Catalina Island Conservancy, Avalon; Environmental Defense Center, Santa Barbara; The Marine Mammal Center, Sausalito.

ELECTED OFFICIALS

Marty Blum, Mayor, City of Santa Barbara; Harold Brown, President, Marin County Board of Supervisors; Denise Moreno

Ducheny, California State Senator, 40th District; Donna Frye, Councilmember, City of San Diego; Fred Keeley, Treasurer-Tax Collector, County of Santa Cruz; Christine Kehoe, California State Senator, 39th District; John Laird, California State Assembly member, 27th Assembly District; Patricia McCoy, Councilmember, City of Imperial Beach; Kevin McKeown, Councilmember, City of Santa Monica; Aaron Peskin, President, San Francisco Board of Supervisors; Wayne Rayfield, Mayor, City of Dana Point; Murray Rosenbluth, Mayor, City of Port Hueneme; Diana Rose, Mayor, City of Imperial Beach; Susan Rose, Supervisor, Santa Barbara County; Bill Rosendahl, Councilmember-Elect, City of Los Angeles; Lori Saldafiña, California State Assembly member and Assistant Majority Whip, 76th District; Esther Sanchez, Deputy Mayor, City of Oceanside; Das Williams, Councilmember, City of Santa Barbara; Mayda Winter, Councilmember, City of Imperial Beach.

INDIVIDUALS

Jean-Michel Cousteau, President, Ocean Futures Society; Dr. Sylvia Earle, Explorer-in Residence, the National Geographic Society; Gary Griggs, Director, Institute of Marine Sciences, University of California Santa Cruz; David Helvar, Author, Blue Frontier—Saving America's Living Seas; Kurt Lieber, President and Founder, Ocean Defenders Alliance; Mark Silberstein, Executive Director, Elkhorn Slough Foundation; Dr. Susan Williams, Director, Bodega Marine Laboratory.

OTHER ORGANIZATIONS

Gulf of Mexico Foundation; Turtle Island Restoration Network; Potomac Riverkeeper; Coastwalk; Gulf Restoration Network; Florida Oceanographic Society; Patapsco Riverkeeper, Inc.; The Coastal Marine Resource Center of New York; New York Whale and Dolphin Action League; San Francisco Ocean Film Festival.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 165—CONGRATULATING THE SMALL BUSINESS DEVELOPMENT CENTERS OF THE SMALL BUSINESS ADMINISTRATION ON THEIR 25 YEARS OF SERVICE TO AMERICA'S SMALL BUSINESS OWNERS AND ENTREPRENEURS

Ms. SNOWE (for herself, Mr. COLEMAN, Mr. ISAKSON, Mr. VITTER, Ms. LANDRIEU, Mr. KERRY, Mr. BURNS, Mr. PRYOR, Mr. BAYH, and Mr. LIEBERMAN) submitted the following resolution; which was referred to the Committee on Small Business and Entrepreneurship:

S. RES. 165

Whereas in 1980, Congress established the Small Business Development Center program to deliver management and technical assistance counseling and provide educational programs to prospective and existing small business owners;

Whereas over the last 25 years, the Small Business Development Center network counseled and trained more than 11,000,000 small business owners and entrepreneurs, helping small businesses start and grow and create jobs in the United States;

Whereas the Small Business Development Centers exemplify the partnership between

private sector institutions of higher education and Government, working together to support small businesses and entrepreneurship;

Whereas the Small Business Development Centers have been a critical partner in the start-up and growth of the Nation's small businesses;

Whereas in 2004, the Small Business Development Centers counseled and trained approximately 750,000 new and existing small businesses;

Whereas the Small Business Development Centers deliver specialized assistance through a network of 63 lead centers and more than 1,100 service locations, in all 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, and American Samoa;

Whereas the Small Business Development Centers provide assistance tailored to the local community and the needs of the client, including counseling and training on financial management, marketing, production and organization, international trade assistance, procurement assistance, venture capital formation, and rural development, among other services that improve the economic environment in which small businesses compete;

Whereas in 2003, the Small Business Development Center's in-depth counseling helped small businesses generate nearly \$6,000,000,000 in revenues and save an additional \$7,000,000,000 in sales;

Whereas in 2003, the Small Business Development Centers helped create and retain over 163,000 jobs across the United States; and

Whereas the Small Business Development Centers proudly celebrate 25 years of service to America's small business owners and entrepreneurs: Now, therefore, be it

Resolved, That the Senate—

(1) congratulates the Small Business Development Centers of the Small Business Administration on their 25 years of service to America's small business owners and entrepreneurs;

(2) recognizes their service in helping America's small businesses start, grow, and flourish; and

(3) directs the Secretary of the Senate to transmit an enrolled copy of this resolution to the Association for Small Business Development Centers for appropriate display.

Ms. SNOWE. Mr. President, I rise today in support of a Senate resolution that honors the Small Business Administration's (SBA's) Small Business Development Centers (SBDCs) on their tremendous service and dedication to America's small businesses and entrepreneurs over the past 25 years.

Small businesses form a solid foundation for economic growth and job creation. The successes of our Nation's 25 million small businesses have helped create nearly three-quarters of all new jobs and produce 50 percent of our country's Gross Domestic Product.

As Chair of the Senate Committee on Small Business and Entrepreneurship, I understand that the spirit of entrepreneurs, to explore beyond their limits, is the engine driving our economy. Each year 3 to 4 million new businesses open their doors to the marketplace and one in 25 adult Americans takes the steps to start a business. Clearly, it is essential we ensure that every American has the necessary resources avail-

able to start, grow and develop a business.

Among the most valuable assets for any entrepreneur is the SBA's Small Business Development Center program. Over the past 25 years, the SBDCs have provided unique one-on-one counseling to over 11 million Americans helping new business start-ups, sustain struggling firms, and expand growth for existing firms.

Through a network of 63 lead centers and more than 1,100 service locations, the SBDCs deliver their services in all 50 States, as well as the District of Columbia, Puerto Rico, the Virgin Islands, Guam, and American Samoa. From financial management, to marketing to procurement assistance, the SBDCs tailor their counseling and training to the needs of the client in each local community.

In addition, the SBDCs have an extraordinary record of excellence. Having counseled and trained more than 50,000 business owners and entrepreneurs in 1980, today they counsel and train almost three-quarters of a million start-ups and existing small businesses annually. Moreover, in 2003, the SBDCs helped create and retain over 163,000 jobs across America.

In 2004 alone, the SBDCs in my home State of Maine assisted entrepreneurs in obtaining over \$16 million in loans, helped create and retain over 700 jobs, counseled nearly 3,000 clients and held 200 training events. Just as there's no question that small businesses are the lifeblood of our economy, SBDCs are truly the lifeline for entrepreneurs.

As we celebrate the SBDCs 25th Anniversary, we must reaffirm our commitment to foster an environment that is favorable to economic growth and development for new and growing firms. On that note, the 36 percent cut in the SBA's budget over the last five years has been a step in the wrong direction, and it is a misjudgement I hope Congress will reverse. I will continue to fight to ensure that the SBA and its resource partners like the SBDCs obtain the valuable resources they deserve.

The challenges of starting a new business are surpassed only by the determination and ingenuity of America's entrepreneurs. By strengthening the SBA's core programs such as the SBDC program, we can encourage job growth and provide American small businesses an even greater opportunity to thrive and prosper.

Today I urge my colleagues to show their support for the Small Business Development Center program during their silver anniversary and support this Resolution. Small Business Development Centers are a critical component to strengthening our Nation's economy and creating American jobs, and they clearly deserve our accolades and recognition.