

Maine (Ms. COLLINS) were added as cosponsors of amendment No. 4825 proposed to S. 3036, a bill to direct the Administrator of the Environmental Protection Agency to establish a program to decrease emissions of greenhouse gases, and for other purposes.

AMENDMENT NO. 4833

At the request of Mr. KERRY, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of amendment No. 4833 intended to be proposed to S. 3036, a bill to direct the Administrator of the Environmental Protection Agency to establish a program to decrease emissions of greenhouse gases, and for other purposes.

AMENDMENT NO. 4836

At the request of Mr. BIDEN, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of amendment No. 4836 intended to be proposed to S. 3036, a bill to direct the Administrator of the Environmental Protection Agency to establish a program to decrease emissions of greenhouse gases, and for other purposes.

AMENDMENT NO. 4838

At the request of Mr. SANDERS, the names of the Senator from Washington (Ms. CANTWELL) and the Senator from Rhode Island (Mr. REED) were added as cosponsors of amendment No. 4838 intended to be proposed to S. 3036, a bill to direct the Administrator of the Environmental Protection Agency to establish a program to decrease emissions of greenhouse gases, and for other purposes.

AMENDMENT NO. 4839

At the request of Mr. SANDERS, the name of the Senator from Washington (Ms. CANTWELL) was added as a cosponsor of amendment No. 4839 intended to be proposed to S. 3036, a bill to direct the Administrator of the Environmental Protection Agency to establish a program to decrease emissions of greenhouse gases, and for other purposes.

AMENDMENT NO. 4844

At the request of Mr. WARNER, his name was added as a cosponsor of amendment No. 4844 intended to be proposed to S. 3036, a bill to direct the Administrator of the Environmental Protection Agency to establish a program to decrease emissions of greenhouse gases, and for other purposes.

AMENDMENT NO. 4853

At the request of Mr. BARRASSO, the names of the Senator from Wyoming (Mr. ENZI) and the Senator from Mississippi (Mr. WICKER) were added as cosponsors of amendment No. 4853 intended to be proposed to S. 3036, a bill to direct the Administrator of the Environmental Protection Agency to establish a program to decrease emissions of greenhouse gases, and for other purposes.

AMENDMENT NO. 4855

At the request of Mr. BARRASSO, the names of the Senator from Idaho (Mr. CRAIG) and the Senator from Wyoming (Mr. ENZI) were added as cosponsors of

amendment No. 4855 intended to be proposed to S. 3036, a bill to direct the Administrator of the Environmental Protection Agency to establish a program to decrease emissions of greenhouse gases, and for other purposes.

AMENDMENT NO. 4856

At the request of Mr. BARRASSO, the name of the Senator from Wyoming (Mr. ENZI) was added as a cosponsor of amendment No. 4856 intended to be proposed to S. 3036, a bill to direct the Administrator of the Environmental Protection Agency to establish a program to decrease emissions of greenhouse gases, and for other purposes.

AMENDMENT NO. 4857

At the request of Mr. WARNER, his name was added as a cosponsor of amendment No. 4857 intended to be proposed to S. 3036, a bill to direct the Administrator of the Environmental Protection Agency to establish a program to decrease emissions of greenhouse gases, and for other purposes.

At the request of Mr. DORGAN, the names of the Senator from Colorado (Mr. SALAZAR), the Senator from Wyoming (Mr. ENZI), the Senator from Virginia (Mr. WEBB), the Senator from North Dakota (Mr. CONRAD), the Senator from Ohio (Mr. BROWN), the Senator from Louisiana (Ms. LANDRIEU) and the Senator from Montana (Mr. TESTER) were added as cosponsors of amendment No. 4857 intended to be proposed to S. 3036, supra.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TESTER (for himself, Mr. CRAPO, Mr. BAUCUS, and Mr. CRAIG):

S. 3085. A bill to require the Secretary of the Interior to establish a cooperative watershed management program, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. TESTER. Mr. President, I rise today to introduce the Cooperative Watershed Act of 2008 with my colleagues Senators CRAPO, BAUCUS and CRAIG.

This is an important piece of legislation because it deals with being good caretakers of our water.

Water is life. It is as simple as that folks. If we do not manage what we have, well then people are going to be in trouble. In Montana, we are currently suffering through almost a decade of drought, and with growing demand, increased pollution, and a changing climate, our water resources will only become more stressed in the coming years.

Now folks in Montana are not the type to sit back and wait for someone else to come along and fix a problem for them. No, folks in Montana have long since started coming together to form local groups to ensure their water resources are properly managed. These groups consist of irrigators, farmers, environmental groups, scientists, and governmental officials all working to-

gether. Unfortunately, these groups often are limited by a lack of funding for projects and a full time administrator. These groups hold so much potential, but are being held back by the simple lack of funding. That is why I, along with Senators CRAPO, BAUCUS, and CRAIG, have introduced the Cooperative Watershed Act of 2008.

The Cooperative Watershed Act of 2008 sets up a granting program under the Department of the Interior to help local stakeholders come together and form or expand watershed-wide management groups that can cooperatively manage their local water resources. The funds in this bill will help these groups build the capacity to act as grassroots, nonregulatory entities to address local water availability and quality issues within a watershed.

By getting all the different stakeholders involved in the management process, these groups will help reduce the need for Federal regulation and litigation, and result in the best overall use of the available, and often limited, water supply. Make no mistake, in Montana we understand that local stakeholders are in the best position to manage their own resources, but Federal support must play a role in helping them establish the capacity to do so.

Now in granting funds, this bill takes into account that different strokes are needed for different folks. To accommodate the varying stages of development of different groups, the grant program is divided into three phases: an initial planning phase to help new groups form and begin to formulate ideas and project proposals, a pilot project phase to help semi-established groups gain the capacity to conduct projects and studies, and an implementation phase to help fully formed and functioning groups undertake large-scale, multi-year projects.

Montana has been a leader in implementing water resources planning on a watershed scale for years, and the funding provided in this bill will allow Montanans and other interested States to increase their capacity to effectively manage their vital water resources as we move into the future.

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

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

S. 3085

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 "Cooperative Watershed Management Act of 2008".

SEC. 2. DEFINITIONS.

In this Act:

(1) **AFFECTED STAKEHOLDER.**—The term "affected stakeholder" means an entity that significantly affects, or is significantly affected by, the quality or quantity of water in a watershed, as determined by the Secretary.

(2) **GRANT RECIPIENT.**—The term "grant recipient" means an eligible management entity that the Secretary has selected to receive a grant under section 3(c)(2).

(3) **MANAGEMENT GROUP.**—The term “management group” means a self-sustaining, cooperative watershed-wide management group that—

(A) is comprised of each affected stakeholder of the watershed that is the subject of the management group;

(B) incorporates the perspectives of a diverse array of stakeholders;

(C) is designed to be carried out as a grassroots, nonregulatory entity to address local water availability and quality issues within the watershed that is the subject of the management group; and

(D) is capable of managing in a sustainable manner the water resources of the watershed that is the subject of the management group and improving the functioning condition of rivers and streams through—

- (i) water conservation;
- (ii) improved water quality;
- (iii) ecological resiliency; and
- (iv) the reduction of water conflicts.

(4) **PROGRAM.**—The term “program” means the cooperative watershed management program established by the Secretary under section 3(a).

(5) **SECRETARY.**—The term “Secretary” means the Secretary of the Interior.

SEC. 3. PROGRAM.

(a) **ESTABLISHMENT.**—Not later than 180 days after the date of enactment of this Act, the Secretary shall establish a program, which shall be known as the “cooperative watershed management program”, under which the Secretary shall provide grants to eligible management entities—

(1) to form a management group;

(2) to enlarge a management group, of which the eligible management entity is a member; or

(3) to conduct 1 or more projects in accordance with the goals of a management group, of which the eligible management entity is a member.

(b) **ELIGIBILITY.**—To be eligible to receive a grant under this section, an eligible management entity shall be comprised of each affected stakeholder of the watershed that is the subject of the eligible management entity, including to the maximum extent practicable—

- (1) representatives of private interests, including representatives of—
 - (A) hydroelectric production;
 - (B) livestock grazing;
 - (C) timber production;
 - (D) land development;
 - (E) recreation or tourism;
 - (F) irrigated agricultural production; and
 - (G) the environment;
- (2) any Federal agency that has authority with respect to the watershed, including not less than 1 representative of—
 - (A) the Department of Agriculture;
 - (B) the Department of the Interior; and
 - (C) the National Oceanic and Atmospheric Administration;
- (3) any State or local agency that has authority with respect to the watershed; and
- (4) any member of an Indian tribe that owns land within the watershed or has land in the watershed held in trust.

(c) **APPLICATION.**—

(1) **ESTABLISHMENT OF APPLICATION PROCESS; CRITERIA.**—Not later than 1 year after the date of enactment of this Act, the Secretary shall establish—

- (A) an application process under which each eligible management entity may apply for a grant under this section; and
- (B) criteria for consideration of the application of each eligible management entity.

(2) **APPLICATION PROCESS.**—To be eligible to receive a grant under this section, an eligible management entity shall submit to the Secretary an application in accordance with the

application process and criteria established by the Secretary under paragraph (1).

(d) **DISTRIBUTION OF GRANT FUNDS.**—

(1) **IN GENERAL.**—In distributing grant funds under this section, the Secretary shall comply with paragraph (2).

(2) **FUNDING PROCEDURE.**—

(A) **FIRST PHASE.**—

(i) **IN GENERAL.**—During the first phase of a grant established under this subparagraph, the Secretary may provide to a grant recipient a grant in an amount of not greater than \$100,000 each year for a period of not more than 3 years.

(ii) **MANDATORY USE OF FUNDS.**—A grant recipient that receives funds through a grant during the first phase shall use the funds—

(I) to establish or enlarge a management group;

(II) to develop a mission statement for the management group; and

(III) to develop project concepts.

(iii) **ANNUAL DETERMINATION OF ELIGIBILITY.**—

(I) **DETERMINATION.**—For each year of the first phase, not later than 270 days after the date on which a grant recipient first receives grant funds for the year, the Secretary shall determine whether the grant recipient has made sufficient progress during the year to justify additional funding.

(II) **EFFECT OF DETERMINATION.**—If the Secretary determines under subclause (I) that the progress of a grant recipient during the year covered by the determination justifies additional funding, the Secretary shall provide to the grant recipient grant funds for the year following the year during which the determination was made.

(iv) **ADVANCEMENT CONDITIONS.**—A grant recipient shall not be eligible to receive grant funds during the second phase described in subparagraph (B) until the date on which the Secretary determines that the management group established by the grant recipient is—

(I) fully formed, including the drafting and approval of articles of incorporation and bylaws governing the organization; and

(II) fully functional, including holding regular meetings, having reached a consensus on the mission of the group, and having developed project concepts.

(B) **SECOND PHASE.**—

(i) **IN GENERAL.**—During the second phase of a grant established under this subparagraph, the Secretary may provide to a grant recipient a grant in an amount of not greater than \$1,000,000 each year for a period of not more than 4 years.

(ii) **MANDATORY USE OF FUNDS.**—A grant recipient that receives funds through a grant under the second phase shall use the funds to carry out watershed management projects.

(iii) **ANNUAL DETERMINATION OF ELIGIBILITY.**—

(I) **DETERMINATION.**—For each year of the second phase, not later than 270 days after the date on which a grant recipient first receives grant funds for the year, the Secretary shall determine whether the grant recipient has made sufficient progress during the year to justify additional funding.

(II) **EFFECT OF DETERMINATION.**—If the Secretary determines under subclause (I) that the progress of a grant recipient during the year covered by the determination justifies additional funding, the Secretary shall provide to the grant recipient grant funds for the year following the year during which the determination was made.

(iv) **ADVANCEMENT CONDITION.**—A grant recipient shall not be eligible to receive grant funds during the third phase described in subparagraph (C) until the date on which the Secretary determines that the grant recipient has—

(I) completed each requirement with respect to each year of the second phase; and

(II) demonstrated that 1 or more pilot projects of the grant recipient have resulted in demonstrable improvements in the functioning condition of at least 1 river or stream in the watershed.

(C) **THIRD PHASE.**—

(i) **FUNDING LIMITATION.**—

(I) **IN GENERAL.**—Except as provided in subclause (II), during the third phase of a grant established under this subparagraph, the Secretary may provide to a grant recipient a grant in an amount of not greater than \$5,000,000 for a period of not more than 5 years.

(II) **EXCEPTION.**—The Secretary may provide to a grant recipient a grant in an amount that is greater than the amount described in subclause (I) if the Secretary determines that the grant recipient is capable of using the additional amount to achieve an appropriate increase in an economic, social, or environmental benefit that could not otherwise be achieved by the grant recipient through the amount described in subclause (I).

(ii) **MANDATORY USE OF FUNDS.**—A grant recipient that receives funds through a grant under the third phase shall use the funds to carry out not less than 1 watershed management project of the grant recipient.

(3) **PERMISSIVE USE OF FUNDS.**—A grant recipient that receives funds through a grant under this section may use the funds—

(A) to pay for—

(i) the administrative costs of the management group of the grant recipient;

(ii) the salary of not more than 1 full-time employee of the management group of the grant recipient; and

(iii) any legal fees of the grant recipient arising from the establishment of the management group of the grant recipient;

(B) to fund—

(i) studies of the watershed that is managed by the management group of the grant recipient; and

(ii) any project—

(I) described in the mission statement of the management group of the grant recipient; and

(II) to be carried out by the management group of the grant recipient to achieve any goal of the management group;

(C) to carry out demonstration projects relating to water conservation or alternative water uses; and

(D) to expand a management group that is established by the grant recipient.

(4) **REQUIREMENT OF CONSENSUS OF MEMBERS OF MANAGEMENT GROUP.**—A management group of a grant recipient may not use grant funds for any initiative of the management group unless the group reaches a consensus decision.

(e) **COST SHARE.**—

(1) **PLANNING.**—The Federal share of the cost of any activity of a management group of a grant recipient relating to any use required under subsection (d)(2)(A)(ii) shall be 100 percent.

(2) **PROJECTS CARRIED OUT UNDER SECOND PHASE.**—

(A) **IN GENERAL.**—Subject to subparagraph (B), the Federal share of the costs of any activity of a management group of a grant recipient relating to a watershed management project described in subsection (d)(2)(B)(ii) shall not exceed 60 percent of the total costs of the watershed management project.

(B) **LIMITATION.**—To pay for any costs relating to administrative expenses incurred for a watershed management project described in subsection (d)(2)(B)(ii), a management group of a grant recipient may use grant funds in an amount not greater than the lesser of—

(i) \$100,000; or

(ii) 20 percent of the total amount of the Federal share provided to the management group to carry out the watershed management project.

(C) FORM OF NON-FEDERAL SHARE.—The non-Federal share under subparagraph (A) may be in the form of any in-kind contributions.

(3) PROJECTS CARRIED OUT UNDER THIRD PHASE.—

(A) IN GENERAL.—Subject to subparagraph (B), the Federal share of the costs of any activity of a management group of a grant recipient relating to a watershed management project described in subsection (d)(2)(C)(ii) shall not exceed 50 percent of the total costs of the watershed management project.

(B) LIMITATION.—To pay for any costs relating to administrative expenses with respect to a watershed management project described in subsection (d)(2)(C)(ii), a management group of a grant recipient may use grant funds in an amount not greater than the lesser of—

(i) \$100,000; or

(ii) 20 percent of the total amount of the Federal share provided to the management group to carry out the watershed management project.

(C) FORM OF NON-FEDERAL SHARE.—The non-Federal share under subparagraph (A) may be in the form of any in-kind contributions.

(f) ANNUAL REPORTS.—

(1) IN GENERAL.—Not later than 1 year after the date on which a management group of a grant recipient first receives funds through a grant under this section, and annually thereafter, in accordance with paragraph (2), the management group shall submit to the Secretary a report that describes, for the period covered by the report, the progress of the management group with respect to the duties of the management group.

(2) REQUIRED DEGREE OF DETAIL.—The contents of an annual report required under paragraph (1) shall contain a degree of detail that is sufficient to enable the Secretary to complete each report required under subsection (g), as determined by the Secretary.

(g) REPORT.—Not later than 5 years after the date of enactment of this Act, and every 5 years thereafter, the Secretary shall submit to the appropriate committees of Congress a report that describes—

(1) the manner by which the program enables the Secretary—

(A) to address water conflicts;

(B) to conserve water; and

(C) to improve water quality; and

(2) each benefit that is achieved through the administration of the program, including, to the maximum extent practicable, a quantitative analysis of each economic, social, and environmental benefit.

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

(1) \$2,000,000 for each of fiscal years 2008 and 2009;

(2) \$5,000,000 for fiscal year 2010;

(3) \$10,000,000 for fiscal year 2011; and

(4) \$20,000,000 for each of fiscal years 2012 through 2020.

By Mr. DURBIN:

S. 3086. A bill to amend the antitrust laws to ensure competitive market-based fees and terms for merchants' access to electronic payment systems; to the Committee on the Judiciary.

Mr. DURBIN. Mr. President, I rise today to introduce the Credit Card Fair Fee Act of 2008. This legislation will provide fairness and transparency in the setting of credit card interchange

fees. This bill is companion legislation to a bipartisan bill introduced in the House of Representatives by Chairman JOHN CONYERS of the House Judiciary Committee and Representative CHRIS CANNON. The Conyers-Cannon bill currently has an additional 19 Democratic and 16 Republican cosponsors.

This legislation is supported by the Merchants Payments Coalition, a coalition of retailers, supermarkets, convenience stores, drug stores, fuel stations, on-line merchants and other businesses. The coalition's member associations collectively represent about 2.7 million stores with approximately 50 million employees.

Interchange fees may not be well known to most Americans, but they should be. Last year, U.S. retailers, and by extension their customers, paid approximately \$42 billion in interchange fees to the banks that issue credit cards. The billions that are paid in interchange fees each year significantly cut into the profit margins of retailers and pinch the pocketbooks of consumers. And neither retailers nor consumers have a say in how these interchange fees are set within the Visa and MasterCard systems, which together account for over 70 percent of the credit and debit card market. The current lack of meaningful competition, negotiation and transparency in the setting of interchange fees represents a market failure, one that affects every American retailer and every American consumer.

My legislation takes a measured approach to address this market failure. My bill would identify credit and debit card payment systems that have significant market power, and would permit the retailers who use those systems to collectively negotiate with the providers of the systems over the fees for system access and use. If the retailers and providers are unable to agree voluntarily on a consensus set of fees, the bill would direct an impartial panel of judges to consider the two parties' fee proposals, and to select the proposal that most closely reflects what a hypothetical perfectly competitive market would produce. As I will discuss further below, this approach will protect retailers and consumers by preventing credit card companies from using their market power to charge unreasonable fees through an unfair process.

So what are interchange fees, and why do they pose a problem? Whenever a consumer uses a credit or debit card to make a purchase from a retailer, the banks and credit card companies involved in the transaction charge a number of fees that are passed on to the retailer and ultimately to the consumer. The interchange fee is one such fee. It is a fee charged by the card-issuing bank to the retailer's bank.

Here is an example of how an interchange fee is charged. When a consumer buys \$100 in goods from a retailer using a Visa or MasterCard, the retailer first submits the transaction

information to the retailer's bank (the "acquiring bank"). The acquiring bank submits this information, via the Visa or MasterCard network, to the bank that issued the card to the consumer, the issuing bank. The issuing bank either authorizes or denies the transaction. If the transaction is authorized, the issuing bank sends to the acquiring bank, via the Visa or MasterCard network, the purchase amount minus an interchange fee that is retained by the issuing bank.

As a result of the interchange fee and other processing fees imposed upon the retailer by the acquiring bank, collectively, these fees are known as the "merchant discount fee," the retailer typically only receives approximately \$97.50 out of the \$100 sale. In order to cover this cost and continue to make a profit, retailers typically raise the retail price of their goods, meaning that consumers must pay more regardless of whether they pay with cash or plastic.

Visa and MasterCard set the interchange fee rates for all the banks and all the retailers that participate in the Visa and MasterCard systems. Those interchange rates are frequently charged as a percentage of the sale amount plus a flat fee; for example, an interchange fee might equal 1.75 percent + 20 cents per transaction. The interchange fee rate varies for certain types of Visa and MasterCard cards and transaction categories, and is typically higher for cards that involve rewards programs for cardholders.

What is the rationale for assessing interchange fees? According to Visa, MasterCard, and the banks that issue them, these fees are used to pay for important functions within the credit and debit card systems. For example, interchange fees can be used to cover the costs of processing and authorizing credit card transactions, including the costs of ensuring data security and safeguarding against fraud. Interchange fees can also help protect an issuing bank from the risk that a consumer may not pay his or her credit card bill, which would leave the issuing bank on the hook for the amount that it gave to the acquiring bank at the time of a credit card transaction.

In addition to covering these costs and risks, interchange fees have been used to generate income for issuing banks. This income can be retained by the issuing banks as profit, or can be devoted to other uses such as consumer marketing campaigns or rewards programs for certain cardholders.

In addition to the benefits that interchange fees provide for issuing banks, Visa, MasterCard and their participating banks argue that interchange fees have also provided benefits to retailers and consumers by helping to make credit and debit card transactions more efficient and more prevalent. Visa, MasterCard and the banks claim that the growing use of credit and debit cards saves retailers from certain expenses involved with transacting business with cash or

checks. They also claim that their cards bring benefits to consumers, including extra convenience, the availability of short-term credit, and rewards programs that are offered to some cardholders.

It is clear that interchange fees do play an important part in the credit and debit card systems, and that overall these systems have created efficiencies and benefits for banks, merchants and consumers. However, it is also clear that those who must ultimately pay interchange fees—retailers and their consumers—have no say in negotiating how much the interchange fees should be. As a result, interchange fees are being set at rates that would not be agreed upon in a competitive market, and that may favor banks to the detriment of merchants and consumers.

Why are retailers unable to negotiate changes in Visa's and MasterCard's interchange fee rates? There are several reasons. First, because of Visa's and MasterCard's market power, the overwhelming majority of American retailers have no choice but to accept Visa and MasterCard as a method of payment. Credit and debit cards are currently used for over 40 percent of all transactions in the U.S., and that percentage is increasing, in part due to extensive marketing by the card companies and the banks. Visa and MasterCard control over 70 percent of the market for credit and debit cards. Most retailers simply cannot survive unless they agree to accept those cards.

Second, within an electronic payment system the only party with whom retailers are able to negotiate effectively is the retailer's acquiring bank, and interchange fees are not covered in those negotiations. In their efforts to obtain retailers' business, including the business of processing the retailers' credit card transactions, acquiring banks will negotiate and compete over many of the component fees that make up the merchant discount fee. However, the interchange fee is typically by far the largest component of the merchant discount fee, and acquiring banks do not negotiate with retailers on interchange rates nor do they compete to offer retailers lower interchange rates. Instead, interchange rates are set by Visa and MasterCard, who claim that their rates are set without the involvement of the banks. Accordingly, the acquiring banks tell their retailer customers that the interchange rate component cannot be negotiated or reduced below the level set by Visa and MasterCard.

The interchange fee thus serves as a de facto price floor for the overall merchant discount fee—a floor that is fixed in a nontransparent, nonnegotiable fashion by card companies with significant market power. Although I have asked the credit card companies on several occasions for information that would help me understand the cost components that contribute to their

interchange rates, it is still unclear how much profit margin is built into that floor. The margin may be significant, and as long as issuers and acquirers are happy with it, there is no incentive for card companies to help merchants and consumers by reducing it. Additionally, it should be noted that many if not most acquiring banks also serve as issuing banks, and therefore have almost no incentive to compete to lower the interchange rates that they themselves receive. Because the acquirers and issuers are often the same banks, no one negotiates with issuers about interchange fees on the retailers' behalf, and the retailers are left to negotiate for themselves.

Third, while some retailers may try to negotiate directly with Visa or MasterCard to lower the interchange fee component of their merchant discount fees, most retailers have no leverage in these negotiations since at the end of the day they will likely have to agree to accept Visa and MasterCard in order to stay in business.

As a result of this vast disparity in negotiating power, Visa and MasterCard can essentially impose interchange rates upon retailers and those retailers have no choice but to accept them. Furthermore, Visa and MasterCard also frequently impose take-it-or-leave-it contractual terms and conditions on retailers, such as acceptance rules that require retailers to honor all cards issued by that credit card company, even if the card is a rewards card with a higher interchange rate.

Because there is no competition and no real retailer negotiation involved in the setting of interchange fees, it is not surprising that interchange fees are being charged at levels that would not be agreed upon in a fair and competitive market. This has been demonstrated in a number of ways.

For example, as economies of scale and advances in technology have brought down the cost of credit card transaction processing in recent years, normal market pressures would suggest that interchange rates would have similarly decreased. But as noted in a March 29, 2008 Wall Street Journal editorial, "The Visa interchange fee has increased over the past decade to 1.76 percent from an average of 1.5 percent. Economies of scale should be driving fees down, as in most other service-fee industries." In March 2006, the American Banker reported that "according to the credit card industry newsletter The Nilson Report, interchange rates for Visa and MasterCard International have risen steadily every year since 1997."

Also, interchange fees continue to be charged as a percentage of the sale price, so even though the cost of processing a \$1 credit card transaction is comparable to processing a \$1,000 transaction, the interchange fee paid on that \$1,000 sale is much higher and much more lucrative for the issuing bank.

Additionally, Americans are paying higher interchange fees than are consumers in other countries who use the same Visa and MasterCard cards. According to a report by the Federal Reserve Bank in Minneapolis, U.S. interchange fees average around 1.75 percent, while in other industrialized countries such as Britain interchange fees typically average around 0.7 percent.

In 2001, the total amount of interchange fees collected in the U.S. was \$16.6 billion. By 2007, that amount grew to approximately \$42 billion, an increase of over 150 percent since 2001. What are banks doing with the tens of billions of dollars they are collecting in interchange fees each year? There is a serious lack of transparency on this issue, but one study indicates that only around 13 percent of collected interchange fees are devoted to covering the cost of processing credit card transactions. According to this study, the majority of the collected fees went toward profits for the issuing banks, rewards programs that benefit mostly affluent cardholders, and marketing campaigns.

Visa and MasterCard and the banks that use them argue that their interchange fee rates are set at levels that best balance benefits and costs to card issuers and to merchants. If the card companies and the banks truly believe that interchange fee rates are already set at a level that is fair to merchants, it seems they should have no objection to formalizing a process for setting interchange rates that is fair and transparent and that gives merchants a legitimate voice in the process.

That is what the Credit Card Fair Fee Act would do. This legislation would apply to widely-used credit and debit card systems. Recognizing that these electronic payment systems have become nearly as important to our consumer economy as cash and that most retailers cannot stay in business without accepting them, the bill would ensure that retailers have access to these electronic payment systems at fair rates and terms.

Under the bill, if any electronic payment system has significant market power, i.e., 20 percent or more of the credit and debit card market, retailers would receive limited antitrust immunity to engage in collective negotiations with the providers of that electronic payment system over the fees and terms for access to the system.

The bill would establish a mandatory period for negotiations between the retailers and providers over fees and terms. If the negotiations between the retailers and providers do not result in an agreement, the matter would be brought before a panel of expert Electronic Payment System Judges, who would be appointed by the Department of Justice Antitrust Division and the Federal Trade Commission.

These Judges would conduct a period of discovery during which information about fees, terms, and market conditions for electronic payment systems

would be disclosed. At the end of the discovery period, the Judges would order a mandatory 21-day settlement conference to facilitate a settlement between the retailers and electronic payment system providers. If the settlement conference failed to result in an agreement, the Judges would conduct a hearing where each side would present their final offer of fees and terms. The Judges would then select the offer of fees and terms that most closely represented the fees and terms that would be negotiated in a hypothetical perfectly competitive market where neither party had market power.

After choosing between the two offers put forth by the parties, the Judges would enter an order providing that these fees and terms would govern access to the electronic payment system by the merchants for a period of 3 years, unless the parties supersede this agreement with a voluntarily negotiated agreement. Decisions by the Judges would be appealable to the D.C. Circuit Court of Appeals.

The Credit Card Fair Fee Act is modeled after the Copyright Royalty and Distribution Reform Act of 2004, which created a similar system for the use of copyrighted music works.

Credit card companies and banks may claim that this legislation involves government price setting, but this is not the case. This legislation does not permit the government to establish on its own accord what the fees and terms for retailer usage of credit card systems ought to be. Rather, it sets up a process whereby retailers would be able to make their case as to what fees and terms are fair, and if the retailers and credit card providers fail to agree voluntarily on those fees and terms, independent judges would evaluate the parties' offers and select the offer that most closely resembles what the result would be in a fair and competitive market. In contrast, currently Visa and MasterCard can use their overwhelming market power to establish non-negotiable interchange fees and terms, and retailers are forced to abide by these fees and terms or else be denied access to payment systems that account for a huge percentage of all U.S. transactions. This type of unaccountable fee-setting runs far more risk of harm for retailers and consumers.

Under my legislation, if the credit card companies and the banks are able to persuade the Judges that current interchange rates are justifiable, then the rates would remain as they are today. If, on the other hand, the retailers are persuasive in arguing that current interchange rates cannot be justified by competitive market dynamics, then the Judges would likely rule that alternative interchange rates would better represent the result of a perfectly competitive market. In either case, at a minimum the interests of retailers and consumers would be much better represented in this fundamentally important market.

My legislation represents a measured approach to addressing the current market failure with interchange fee-setting. Other countries have addressed the problem of unfair interchange fees through far more drastic solutions. For example, Australia has imposed a system of direct regulation of interchange fees through its central bank, and Mexico's central bank has negotiated rate reductions with the card companies. My legislation represents a middle ground between the current flawed system and these aggressive foreign regulatory frameworks.

In short, the Credit Card Fair Fee Act would address the market power imbalance between retailers and credit card companies in setting interchange fee rates. It would create a forum where these fees can be fairly negotiated by parties with equal bargaining power. It would ensure that interchange fees and terms are fair to both banks and retailers. And if retailers are able to negotiate interchange rates that reduce the transaction cost of doing business with plastic, it would be beneficial to consumers as well.

How do we know that retailers will not just pocket any savings they get through any reduction in interchange fees that they are able to negotiate? We know because unlike the credit card interchange rate-setting process, the retail industry is highly competitive, and that competition is largely based on price.

Also, sometimes we hear the banks and card companies argue that if interchange fees are reduced, they will have to raise fees and penalties on cardholders to make up for the revenue shortfall. If these companies stand by this argument, I would expect them to stand by its converse and reduce their cardholder fees and penalties whenever their interchange fee collections increase. However, interchange fee collections have increased 150 percent since 2001, and we have seen no corresponding decrease in fees and penalties imposed upon all cardholders. Unless you are one of the small percentage of cardholders with a current balance, no annual fees, and a lavish rewards program, your issuing bank is probably taking two bites at your wallet—one with interchange fees and one with the fees on your statement.

The Credit Card Fair Fee Act will protect consumers and retailers by preventing credit card companies from using their market power to charge unreasonable fees through an unfair process. This is important legislation, and I urge my colleagues to support its passage.

By Ms. SNOWE:

S. 3087. A bill to amend title 38, United States Code, to make certain improvements in the home loan guaranty programs administered by the Secretary of Veterans Affairs, and for other purposes; to the Committee on Veterans' Affairs.

Ms. SNOWE. Mr. President, I rise today to introduce legislation that

would expand and strengthen the guaranteed home loan program administered by the Department of Veterans' Affairs. This action is particularly timely given the many readjustment challenges faced by our veterans and their families in this time of war, challenges that have been compounded for veterans by the current subprime mortgage market crisis and credit crunch. Mr. President, this legislation is intended to be the companion legislation to H.R. 4884, Helping Our Veterans Keep Their Homes Act of 2008, introduced in the House by Chairman FILNER of the House Veterans' Affairs Committee.

For some time, we have heard from many veterans that the current structure of the VA Home Loan guarantee program has not been responsive to the needs of veterans in today's market. For example, the current home loan limit is \$417,000. Unfortunately, in many states with the largest population of veterans, reservists, and active duty personnel, the average home price is well above the national average and above the current loan ceiling. In contrast, the Federal Housing Authority home loan program constrains the loan dollar value by State and county. I strongly believe that veterans and service members should not be penalized for geographic differences in the housing market—particularly when, for many, where they live is not of their own choosing but directed by the military organization in which they are serving in the defense of the Nation.

We have also learned that for veterans and lenders, the VA loan process can be costly, both with respect to personal finance and time. The fees that are required for participation in the program impose costs on the veteran and family that reduce the financial attractiveness of the VA loan. In fact, it has been suggested that those fees, the bureaucratic red-tape, and the loan dollar value constraints that I previously noted, contributed to the conditions that resulted in far too many veterans being steered toward subprime loans in the first place.

Equally disturbing are reports that veterans and reservists did not have access to prime rate loans because of the tumult created in their lives due to repeated deployments to Iraq, Afghanistan, or both. Unbelievably, despite their wartime service, these patriots were assessed to have less than the desired level of personal financial stability sought by prime rate lenders and received low credit scores. With access to prime loans limited, subprimes became an option of necessity for many veterans.

What has become a point of frustration for veterans now trapped in the mortgage debacle is that the guaranteed home loan program is limited in its ability to provide relief for veterans who have fallen victim to unscrupulous lenders who prey on military families.

Given the sacrifices of our veterans and their families, and the disruption

in their lives created when they patriotically answer their Nation's call to service, we must do better by our veterans by providing a readjustment benefit that reflects the realities of today's housing market. The legislation that I am introducing today would provide for the following: (1) increase the maximum home loan guarantee amount to \$729,750; (2) decrease the equity requirement to refinance a home loan; (3) require the VA Secretary to review and streamline the process of using a guaranteed home loan to purchase a condominium; (4) eliminate the home loan funding fees; (5) reduce the home loan refinance fees to one percent; (6) extend the adjustable rate mortgage demonstration project to 2018; (7) extend the hybrid adjustable rate mortgage demonstration project to 2012; (8) raise the maximum loan guarantee for refinancing a home to \$729,750; and (9) authorize the VA to offer a 30 percent guaranty for loans made on homes determined by VA and HUD to be affordable housing.

Clearly, this is the right thing to do. I should note that this legislation is supported by the veterans' services organizations, including the Veterans of Foreign Wars and the American Legion. I sincerely hope that my colleagues will join me and offer their support for this important legislation.

By Mr. WYDEN:

S. 3088. A bill to designate certain land in the State of Oregon as wilderness, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. WYDEN. Mr. President, today I am pleased to introduce two bills to protect two unique places in the high desert of Central and Eastern Oregon as wilderness. These areas both reflect the wild, rugged beauty that makes Oregon's terrain east of the Cascade Mountains so incomparable.

The first bill I am introducing, the Oregon Badlands Wilderness Act of 2008, S. 3088, would designate as wilderness almost 30,000 acres of the area known as the Badlands. The Badlands consists of high desert that is located just 15 miles east of Bend, Oregon, and straddles the Deschutes-Crook county border. The Badlands is made up of pockets of soft sand, lichen-covered lava flows and 1,000-year-old ancient junipers. It is home to pronghorn, deer, and elk.

The effort to protect the Badlands was led by a Bend schoolteacher, Alice Elshoff, in the 1980s. According to an article about Ms. Elshoff's efforts, "Huge chunks of basalt rock jut out of the soft desert sand like blisters that burst from within the earth. Twisted juniper trees, some hundreds of years old, seem to desperately cling to the jagged rock formations. And beneath the trees and nearly hidden in narrow hideaways among the rocks are faint red drawings, messages left by prehistoric Indians who called this rugged part of the world home. This is the Badlands."

In addition to its natural attributes, many Bend business leaders understand that an Oregon Badlands Wilderness adds to the area's national reputation as a hub for diverse outdoor recreation. In the Bend area, people can enjoy almost any outdoor activity—boating, biking, skiing, horseback riding, hunting, riding off-road vehicles and hiking. Within roughly an hour's drive of Bend, there are more than 400,000 acres of public lands available to motorized recreation—and I look forward to continuing to work with the Central Oregon off road and snowmobile communities. The region's diverse recreational options are a true example of multiple use. Into that mix we now add the peace and solitude of a wilderness recreation experience. These kinds of diverse recreational opportunities and scenic natural areas are part of what has attracted companies and new residents to the Bend area and, with them, booming economic development. According to the 2007 article in *The Economist* entitled "Booming Bend," "Fabulous scenery attracts people with fabulous amounts of money." To sum it up, people seek places to live and work with the kind of high quality of life the Bend area can offer. The natural beauty and recreational opportunities of an area like Bend propel this growth.

The Bend community has been talking about protecting the special place known as the Badlands for many years. Volunteers have been working with long-time Oregon ranchers, notably Bev and Ray Clarno, whose family has worked the land for generations, along with conservationists, irrigators, and more than 200 local businesses to gain protection for the Badlands as wilderness.

This designation is also a tribute to a remarkable young woman, Rachel Sedoris, who grew up driving and training her sled dog team through this area—and the bill provides that she may continue doing so for as long as she chooses. Ms. Sedoris is legally blind, and she recently completed in her third Iditarod sled dog race.

This wilderness designation has been a long time in coming; it has been over two decades since the BLM began reviewing which lands should be considered candidates for wilderness. From that time forward, BLM has repeatedly concluded that the Badlands should be protected as Wilderness. It is time to make it happen. This unique part of the Oregon high desert needs to be permanently protected for generations to come.

The second bill I am introducing is the Spring Basin Wilderness Act of 2008, S. 3089. This region is further east and even more remote than the Badlands. Spring Basin is one of Central Oregon's premier wild areas. Overlooking the John Day Wild and Scenic River, the rolling hills of Spring Basin burst with color during the spring wildflower bloom. It boasts canyons and diverse geology that offers recreational opportunities for hikers,

horseback riders, hunters, botanists, and other outdoor enthusiasts. The area is important habitat for populations of Mule Deer and Rocky Mountain Elk, as well as many bird species. To preserve this natural treasure, my bill would designate approximately 8,600 acres as the Spring Basin Wilderness.

During the past several years, many community leaders and adjacent landowners have approached me advocating for Wilderness designation for this spectacular land that borders the Wild and Scenic John Day River and the nearby John Day Fossil Beds. The area is known across Oregon for its profusion of spring wildflowers. The Confederated Tribes of Warm Springs, local landowners, the County Commission and the Federal Bureau of Land Management all support Wilderness designation for Spring Basin. In fact, Spring Basin was recommended to Congress as a wilderness area by the Bureau of Land Management in 1989. Protecting this scenic jewel will add to Oregon's treasured wilderness and the unique recreational opportunities it provides.

I want to express my thanks to all the volunteers and supporters who have worked tirelessly to protect this area and reached out to diverse community groups to build support. I also want to thank the Confederated Tribes of the Warm Springs for their engagement and support. The Confederated Tribes of the Warm Springs own and manage approximately 30,000 acres of adjacent land that they manage to the north and east of Spring Basin. The Tribes manage these lands for the improvement of fish and wildlife habitat and I look forward to working with them to implement this legislation.

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

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

S. 3088

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 "Oregon Badlands Wilderness Act of 2008".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) certain Bureau of Land Management land in central Oregon qualifies for addition to the National Wilderness Preservation System;

(2) 1 of the chief economic assets of the central Oregon region is the rich diversity of available recreation, with the region offering a wide variety of multiple-use areas for skiing, biking, hunting, off-highway vehicle use, boating, and other motorized recreation;

(3) there are over 400,000 acres of public land near Bend, Oregon, available for off-highway vehicles and other motorized recreation uses;

(4) motorized recreation users in central Oregon should continue to have access to an abundance of land managed, in part, for their use;

(5) the proposed Oregon Badlands Wilderness would increase the offerings in the region by making an additional 30,000 acres in

central Oregon available for wilderness recreation and solitude; and

(6) certain land exchanges that would consolidate Federal land holdings within or near to the proposed wilderness to enhance wilderness values and management are in the public interest.

(b) PURPOSES.—The purposes of this Act are—

(1) to designate the Oregon Badlands Wilderness in the State of Oregon; and

(2) to authorize, direct, and facilitate several land exchanges to consolidate Federal land holdings within or near the Oregon Badlands Wilderness.

SEC. 3. DEFINITIONS.

In this Act:

(1) DISTRICT.—The term “District” means the Central Oregon Irrigation District, which has offices in Redmond, Oregon.

(2) LANDOWNER.—The term “Landowner” means Ray Clarno, a resident of Redmond, Oregon.

(3) SECRETARY.—The term “Secretary” means the Secretary of the Interior.

(4) STATE.—The term “State” means the State of Oregon.

(5) WILDERNESS.—The term “Wilderness” means the Oregon Badlands Wilderness designated by section 4(a).

(6) WILDERNESS MAP.—The term “wilderness map” means the map entitled “Badlands Wilderness” and dated June 4, 2008.

SEC. 4. OREGON BADLANDS WILDERNESS.

(a) DESIGNATION.—In accordance with the Wilderness Act (16 U.S.C. 1131 et seq.), approximately 29,837 acres of Bureau of Land Management land in the State, as depicted on the wilderness map, is designated as Wilderness and as a component of the National Wilderness Preservation System, to be known as the “Oregon Badlands Wilderness”.

(b) MAP AND LEGAL DESCRIPTION.—

(1) SUBMISSION OF MAP AND LEGAL DESCRIPTION.—As soon as practicable after the date of enactment of this Act, the Secretary shall file a map and legal description of the Wilderness with—

(A) the Committee on Energy and Natural Resources of the Senate; and

(B) the Committee on Natural Resources of the House of Representatives.

(2) FORCE OF LAW.—The map and legal description filed under paragraph (1) shall have the same force and effect as if included in this Act, except that the Secretary may correct any errors in the map or legal description.

(3) PUBLIC AVAILABILITY.—The map and legal description filed under paragraph (1) shall be on file and available for public inspection in the appropriate offices of the Secretary.

(c) ADMINISTRATION OF WILDERNESS.—

(1) IN GENERAL.—Subject to valid existing rights, the Wilderness shall be administered by the Secretary in accordance with the Wilderness Act (16 U.S.C. 1131 et seq.), except that—

(A) any reference in the Wilderness Act to the effective date of the Wilderness Act shall be considered to be a reference to the date of enactment of this Act; and

(B) any reference in that Act to the Secretary of Agriculture shall be considered to be a reference to the Secretary of the Interior.

(2) INCORPORATION OF ACQUIRED LAND AND INTERESTS.—Any land or interest in land within the boundary of the Wilderness that is acquired by the United States shall—

(A) become part of the Wilderness; and

(B) be managed in accordance with this Act, the Wilderness Act (16 U.S.C. 1131 et seq.), and any other applicable law.

(3) WITHDRAWAL.—Subject to valid existing rights, the Federal land designated as wilder-

ness by this Act is withdrawn from all forms of—

(A) entry, appropriation, or disposal under the public land laws;

(B) location, entry, and patent under the mining laws; and

(C) disposition under the mineral leasing, mineral materials, and geothermal leasing laws.

(4) GRAZING.—The grazing of livestock in the Wilderness, if established before the date of enactment of this Act, and the maintenance of facilities in existence on the date of enactment of this Act relating to grazing, shall be permitted to continue subject to such reasonable regulations as are considered necessary by the Secretary in accordance with—

(A) section 4(d)(4) of the Wilderness Act (16 U.S.C. 1133(d)(4)); and

(B) the guidelines set forth in Appendix A of the report of the Committee on Interior and Insular Affairs of the House of Representatives accompanying H.R. 2570 of the 101st Congress (H. Rept. 101-405).

(5) ACCESS TO PRIVATE PROPERTY.—The Secretary shall provide any owner of private property within the boundary of the Wilderness adequate access to the property to ensure the reasonable use and enjoyment of the property by the owner.

(6) TRIBAL RIGHTS.—Nothing in this Act—

(A) affects, alters, amends, repeals, interprets, extinguishes, modifies, or is in conflict with—

(i) the treaty rights of an Indian tribe, including the rights secured by the Treaty of June 25, 1855, between the United States and the Tribes and Bands of Middle Oregon (12 Stat. 963); or

(ii) any other rights of an Indian tribe; or

(B) prevents, prohibits, terminates, or abridges the exercise of treaty-reserved rights, including the rights secured by the Treaty of June 25, 1855, between the United States and the Tribes and Bands of Middle Oregon (12 Stat. 963)—

(i) within the boundaries of the Wilderness; or

(ii) on land acquired by the United States under this Act.

SEC. 5. SCDORIS CORRIDOR.

(a) EXISTING USE.—

(1) IN GENERAL.—Subject to subsection (b), the route depicted on the wilderness map shall be included in a corridor with a width of 25 feet to be excluded from the Wilderness to accommodate the existing use of the route for purposes relating to the training of sled dogs by Rachael Sedoris.

(2) INCLUSION IN WILDERNESS.—On final and total termination of the use of the route for the purposes described in paragraph (1), the corridor described in that paragraph shall—

(A) become part of the Wilderness; and

(B) be managed in accordance with this Act, the Wilderness Act (16 U.S.C. 1131 et seq.), and any other applicable law.

(b) INTERIM MANAGEMENT.—Except as provided in subsection (a), the corridor shall otherwise be managed as wilderness.

(c) WITHDRAWAL.—Subject to valid existing rights, the corridor described in subsection (a)(1) is withdrawn from all forms of—

(1) entry, appropriation, or disposal under the public land laws;

(2) location, entry, and patent under the mining laws; and

(3) disposition under the mineral leasing, mineral materials, and geothermal leasing laws.

SEC. 6. RELEASE OF WILDERNESS STUDY AREAS.

(a) FINDING.—Congress finds that, for the purposes of section 603 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1782), the Bureau of Land Management land identified as the Badlands wilder-

ness study area has been adequately studied for wilderness designation.

(b) RELEASE.—Any public land described in subsection (a) that is not designated as wilderness by this Act—

(1) is no longer subject to section 603(c) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1782(c)); and

(2) shall be managed in accordance with the applicable land management plans adopted under section 202 of that Act (43 U.S.C. 1712).

SEC. 7. LAND EXCHANGES.

(a) CLARNO LAND EXCHANGE.—

(1) CONVEYANCE OF LAND.—If the Landowner offers to convey to the United States all right, title, and interest of the Landowner in and to the non-Federal land described in paragraph (2)(A), the Secretary shall—

(A) accept the offer; and

(B) on receipt of acceptable title to the non-Federal land and subject to valid existing rights, convey to the Landowner all right, title, and interest of the United States in and to the Federal land described in paragraph (2)(B).

(2) DESCRIPTION OF LAND.—

(A) NON-FEDERAL LAND.—The non-Federal land referred to in paragraph (1) is the approximately 240 acres of non-Federal land identified on the wilderness map as “Clarno to Federal Government”.

(B) FEDERAL LAND.—The Federal land referred to in paragraph (1)(B) is the approximately 245 acres of Federal land identified on the wilderness map as “Federal Government to Clarno”.

(3) SURVEYS.—The exact acreage and legal description of the Federal land and non-Federal land described in paragraph (2) shall be determined by surveys approved by the Secretary.

(b) DISTRICT EXCHANGE.—

(1) CONVEYANCE OF LAND.—If the District offers to convey to the United States all right, title, and interest of the District in and to the non-Federal land described in paragraph (2)(A), the Secretary shall—

(A) accept the offer; and

(B) on receipt of acceptable title to the non-Federal land and subject to valid existing rights, convey to the District all right, title, and interest of the United States in and to the Federal land described in paragraph (2)(B).

(2) DESCRIPTION OF LAND.—

(A) NON-FEDERAL LAND.—The non-Federal land referred to in paragraph (1) is the approximately 564 acres of non-Federal land identified on the wilderness map as “COID to Federal Government”.

(B) FEDERAL LAND.—The Federal land referred to in paragraph (1)(B) is the approximately 686 acres of Federal land identified on the wilderness map as “Federal Government to COID”.

(3) SURVEYS.—The exact acreage and legal description of the Federal land and non-Federal land described in paragraph (2) shall be determined by surveys approved by the Secretary.

(c) APPLICABLE LAW.—Except as otherwise provided in this section, the Secretary shall carry out the land exchanges under this section in accordance with section 206 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1716).

(d) VALUATION, APPRAISALS, AND EQUALIZATION.—

(1) IN GENERAL.—The value of the Federal land and the non-Federal land to be conveyed in a land exchange under this section—

(A) shall be equal, as determined by appraisals conducted in accordance with paragraph (2); or

(B) if not equal, shall be equalized in accordance with paragraph (3).

(2) APPRAISALS.—

(A) IN GENERAL.—The Federal land and the non-Federal land to be exchanged under this section shall be appraised by an independent, qualified appraiser that is agreed to by the Secretary and the owner of the non-Federal land to be exchanged.

(B) REQUIREMENTS.—An appraisal under subparagraph (A) shall be conducted in accordance with—

(i) the Uniform Appraisal Standards for Federal Land Acquisition; and

(ii) the Uniform Standards of Professional Appraisal Practice.

(3) EQUALIZATION.—

(A) IN GENERAL.—If the value of the Federal land and the non-Federal land to be conveyed in a land exchange under this section is not equal, the value may be equalized by—

(i) the Secretary making a cash equalization payment to the owner of the non-Federal land;

(ii) the owner of the non-Federal land making a cash equalization payment to the Secretary; or

(iii) reducing the acreage of the Federal land or the non-Federal land to be exchanged, as appropriate.

(B) CASH EQUALIZATION PAYMENTS.—Any cash equalization payments received by the Secretary under subparagraph (A)(ii) shall be—

(i) deposited in the Federal Land Disposal Account established by section 206(a) of the Federal Land Transaction Facilitation Act (43 U.S.C. 2305(a)); and

(ii) used in accordance with that Act.

(e) CONDITIONS OF EXCHANGE.—

(1) IN GENERAL.—As a condition of a conveyance of Federal land and non-Federal land under this section, the Federal Government and the owner of the non-Federal land shall equally share all costs relating to the land exchange, including the costs of appraisals, surveys, and any necessary environmental clearances.

(2) VALID EXISTING RIGHTS.—The exchange of Federal land and non-Federal land under this section shall be subject to any easements, rights-of-way, or other valid encumbrances in existence on the date of enactment of this Act.

(f) DEADLINE FOR COMPLETION OF LAND EXCHANGE.—It is the intent of Congress that the land exchanges under this section shall be completed not later than 16 months after the date of enactment of this Act.

S. 3089

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 “Spring Basin Wilderness Act of 2008”.

SEC. 2. DEFINITIONS.

In this Act:

(1) FAMILY TRUST.—The term “family trust” means the Bowerman Family Trust, which is the owner of the land described in section 4(d)(2)(A).

(2) KEYS.—The term “Keys” means Bob Keys, a resident of Portland, Oregon.

(3) MCGREER.—The term “McGreer” means H. Kelly McGreer, a resident of Antelope, Oregon.

(4) SECRETARY.—The term “Secretary” means the Secretary of the Interior.

(5) STATE.—The term “State” means the State of Oregon.

(6) TRIBES.—The term “Tribes” means the Confederated Tribes of the Warm Springs Indian Reservation, with offices in Warm Springs, Oregon.

(7) WILDERNESS MAP.—The term “wilderness map” means the map entitled “Spring

Basin Study Area with Exchange Proposals” and dated May 22, 2008.

SEC. 3. SPRING BASIN WILDERNESS.

(a) DESIGNATION.—In accordance with the Wilderness Act (16 U.S.C. 1131 et seq.), the approximately 8,661 acres of Bureau of Land Management land in the State, as depicted on the wilderness map, is designated as wilderness and as a component of the National Wilderness Preservation System, to be known as the “Spring Basin Wilderness”.

(b) ADMINISTRATION OF WILDERNESS.—

(1) IN GENERAL.—Subject to valid existing rights, the Wilderness shall be administered by the Secretary in accordance with the Wilderness Act (16 U.S.C. 1131 et seq.), except that—

(A) any reference in the Wilderness Act to the effective date of the Wilderness Act shall be considered to be a reference to the date of enactment of this Act; and

(B) any reference in that Act to the Secretary of Agriculture shall be considered to be a reference to the Secretary of the Interior.

(2) INCORPORATION OF ACQUIRED LAND AND INTERESTS.—Any land or interest in land within the boundary of the Wilderness that is acquired by the United States shall—

(A) become part of the Wilderness; and

(B) be managed in accordance with this Act, the Wilderness Act (16 U.S.C. 1131 et seq.), and any other applicable law.

(3) GRAZING.—The grazing of domestic livestock in the Wilderness shall be administered in accordance with—

(A) section 4(d)(4) of the Wilderness Act (16 U.S.C. 1133(d)(4));

(B) the guidelines set forth in the report of the Committee on Interior and Insular Affairs of the House of Representatives accompanying H.R. 5487 of the 96th Congress (H. Rept. 96-617); and

(C) the guidelines set forth in Appendix A of the report of the Committee on Interior and Insular Affairs of the House of Representatives accompanying H.R. 2570 of the 101st Congress (H. Rept. 101-405).

(4) ACCESS TO NON-FEDERAL LAND.—In accordance with the Wilderness Act (16 U.S.C. 1131 et seq.), the Secretary shall provide reasonable access to non-Federal land within the boundaries of the Wilderness.

(5) STATE WATER LAWS.—Nothing in this section constitutes an exemption from State water laws (including regulations).

(6) TRIBAL RIGHTS.—Nothing in this section—

(A) affects, alters, amends, repeals, interprets, extinguishes, modifies, or is in conflict with—

(i) the treaty rights of an Indian tribe, including the rights secured by the Treaty of June 25, 1855, between the United States and the Tribes and Bands of Middle Oregon (12 Stat. 963); or

(ii) any other rights of an Indian tribe; or

(B) prevents, prohibits, terminates, or abridges the exercise of treaty-reserved rights, including the rights secured by the Treaty of June 25, 1855, between the United States and the Tribes and Bands of Middle Oregon (12 Stat. 963)—

(i) within the boundaries of the Wilderness; or

(ii) on land acquired by the United States under this Act.

SEC. 4. LAND EXCHANGES.

(a) CONFEDERATED TRIBES OF THE WARM SPRINGS INDIAN RESERVATION LAND EXCHANGE.—

(1) CONVEYANCE OF LAND.—If the Tribes offer to convey to the United States all right, title, and interest of the Tribes in and to the non-Federal land described in paragraph (2)(A), the Secretary shall—

(A) accept the offer; and

(B) on receipt of acceptable title to the non-Federal land and subject to valid existing rights, convey to the Tribes all right, title, and interest of the United States in and to the Federal land described in paragraph (2)(B).

(2) DESCRIPTION OF LAND.—

(A) NON-FEDERAL LAND.—The non-Federal land referred to in paragraph (1) is the approximately 3,635 acres of non-Federal land identified on the wilderness map as “Lands proposed for transfer from the CTWSIR to the Federal Government”.

(B) FEDERAL LAND.—The Federal land referred to in paragraph (1)(B) is the approximately 3,653 acres of Federal land identified on the wilderness map as “Lands proposed for transfer from the Federal Government to CTWSIR”.

(3) SURVEYS.—The exact acreage and legal description of the Federal land and non-Federal land described in paragraph (2) shall be determined by surveys approved by the Secretary.

(b) MCGREER LAND EXCHANGE.—

(1) CONVEYANCE OF LAND.—If McGreer offers to convey to the United States all right, title, and interest of McGreer in and to the non-Federal land described in paragraph (2)(A), the Secretary shall—

(A) accept the offer; and

(B) on receipt of acceptable title to the non-Federal land and subject to valid existing rights, convey to McGreer all right, title, and interest of the United States in and to the Federal land described in paragraph (2)(B).

(2) DESCRIPTION OF LAND.—

(A) NON-FEDERAL LAND.—The non-Federal land referred to in paragraph (1) is the approximately 18 acres of non-Federal land identified on the wilderness map as “Lands proposed for transfer from McGreer to the Federal Government”.

(B) FEDERAL LAND.—The Federal land referred to in paragraph (1)(B) is the approximately 325 acres of Federal land identified on the wilderness map as “Lands proposed for transfer from the Federal Government to McGreer”.

(3) SURVEYS.—The exact acreage and legal description of the Federal land and non-Federal land described in paragraph (2) shall be determined by surveys approved by the Secretary.

(c) KEYS LAND EXCHANGE.—

(1) CONVEYANCE OF LAND.—If Keys offers to convey to the United States all right, title, and interest of Keys in and to the non-Federal land described in paragraph (2)(A), the Secretary shall—

(A) accept the offer; and

(B) on receipt of acceptable title to the non-Federal land and subject to valid existing rights, convey to Keys all right, title, and interest of the United States in and to the Federal land described in paragraph (2)(B).

(2) DESCRIPTION OF LAND.—

(A) NON-FEDERAL LAND.—The non-Federal land referred to in paragraph (1) is the approximately 181 acres of non-Federal land identified on the wilderness map as “Lands proposed for transfer from Keys to the Federal Government”.

(B) FEDERAL LAND.—The Federal land referred to in paragraph (1)(B) is the approximately 183 acres of Federal land identified on the wilderness map as “Lands proposed for transfer from the Federal Government to Keys”.

(3) SURVEYS.—The exact acreage and legal description of the Federal land and non-Federal land described in paragraph (2) shall be determined by surveys approved by the Secretary.

(d) BOWERMAN LAND EXCHANGE.—

(1) CONVEYANCE OF LAND.—If the family trust offers to convey to the United States all right, title, and interest of the family trust in and to the non-Federal land described in paragraph (2)(A), the Secretary shall—

(A) accept the offer; and

(B) on receipt of acceptable title to the non-Federal land and subject to valid existing rights, convey to the family trust all right, title, and interest of the United States in and to the Federal land described in paragraph (2)(B).

(2) DESCRIPTION OF LAND.—

(A) NON-FEDERAL LAND.—The non-Federal land referred to in paragraph (1) is the approximately 34 acres of non-Federal land identified on the wilderness map as “Lands proposed for transfer from Bowerman to the Federal Government”.

(B) FEDERAL LAND.—The Federal land referred to in paragraph (1)(B) is the approximately 24 acres of Federal land identified on the wilderness map as “Lands proposed for transfer from the Federal Government to Bowerman”.

(3) SURVEYS.—The exact acreage and legal description of the Federal land and non-Federal land described in paragraph (2) shall be determined by surveys approved by the Secretary.

(e) APPLICABLE LAW.—Except as otherwise provided in this section, the Secretary shall carry out the land exchanges under this section in accordance with section 206 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1716).

(f) VALUATION, APPRAISALS, AND EQUALIZATION.—

(1) IN GENERAL.—The value of the Federal land and the non-Federal land to be conveyed in a land exchange under this section—

(A) shall be equal, as determined by appraisals conducted in accordance with paragraph (2); or

(B) if not equal, shall be equalized in accordance with paragraph (3).

(2) APPRAISALS.—

(A) IN GENERAL.—The Federal land and the non-Federal land to be exchanged under this section shall be appraised by an independent, qualified appraiser that is agreed to by the Secretary and the owner of the non-Federal land to be exchanged.

(B) REQUIREMENTS.—An appraisal under subparagraph (A) shall be conducted in accordance with—

(i) the Uniform Appraisal Standards for Federal Land Acquisition; and

(ii) the Uniform Standards of Professional Appraisal Practice.

(3) EQUALIZATION.—

(A) IN GENERAL.—If the value of the Federal land and the non-Federal land to be conveyed in a land exchange under this section is not equal, the value may be equalized by—

(i) the Secretary making a cash equalization payment to the owner of the non-Federal land;

(ii) the owner of the non-Federal land making a cash equalization payment to the Secretary; or

(iii) reducing the acreage of the Federal land or the non-Federal land to be exchanged, as appropriate.

(B) CASH EQUALIZATION PAYMENTS.—Any cash equalization payments received by the Secretary under subparagraph (A)(ii) shall be—

(i) deposited in the Federal Land Disposal Account established by section 206(a) of the Federal Land Transaction Facilitation Act (43 U.S.C. 2305(a)); and

(ii) used in accordance with that Act.

(g) CONDITIONS OF EXCHANGE.—

(1) IN GENERAL.—As a condition of the conveyance of Federal land and non-Federal

land under this section, the Federal Government and the owner of the non-Federal land shall equally share all costs relating to the land exchange, including the costs of appraisals, surveys, and any necessary environmental clearances.

(2) VALID EXISTING RIGHTS.—The exchange of Federal land and non-Federal land under this section shall be subject to any easements, rights-of-way, or other valid encumbrances in existence on the date of enactment of this Act.

(h) DEADLINE FOR COMPLETION OF LAND EXCHANGE.—It is the intent of Congress that the land exchanges under this section shall be completed not later than 16 months after the date of enactment of this Act.

By Mr. GRASSLEY:

S. 3093. A bill to extend and improve the effectiveness of the employment eligibility confirmation program; to the Committee on the Judiciary.

Mr. GRASSLEY. Mr. President, today, I am introducing legislation to reauthorize and expand the E-verify program, a web based tool run by the Department of Homeland Security for employers across the country. Known as the Basic Pilot Program since its inception in 1996, E-verify provides employers with a process to verify the work eligibility of new hires. This program is set to expire in November of this year.

The Immigration Reform and Control Act of 1986 made it unlawful for employers to knowingly hire or employ aliens not eligible to work in the United States and required employers to examine the identity and work eligibility documents of all new employees.

Employers are required to participate in a paper-based employment eligibility verification system, commonly referred to as the I-9 system, in which they examine documents presented by new hires to verify identity and work eligibility, and complete and retain I-9 verification forms. Under current law, if the documents provided by an employee reasonably appear on their face to be genuine, the employer has met its document review obligation. However, the easy availability of counterfeit documents and fake identifications has made a mockery of the law.

In 1996, Congress authorized the Basic Pilot Program to help employers verify the eligibility of their workers. Participants in this program electronically verify new hires' employment authorization through the Social Security Administration and, if necessary, the Department of Homeland Security databases.

The Basic Pilot was authorized in 5 States until an expansion of the program was agreed to by Congress in 2003. Now, all States and all employers can take advantage of this voluntary and free program.

The bill I am introducing today isn't broad expansion of the current program, which I would like to see done. I attempted to revamp E-verify in 2006 and 2007 when the Senate debated a comprehensive immigration bill. During those debates, I offered amendments to require all businesses to use

E-verify rather than maintaining it as a voluntary system. Over time, I would like to see this tool as a staple in the workforce. My legislation today doesn't go that far.

My amendment in 2006 and 2007 also would have changed the verification and appeal procedures, and would have improved the ability of the Federal Government to go after employers who knowingly hire illegal aliens.

While I hope that the Congress can one day address these issues, my priority this year is the reauthorization of the E-verify program. We must not let it expire. Employers rely on it, and we must not pull the rug from under them in their attempt to abide by the law.

My legislation would extend the program indefinitely. There's no reason that we should allow this to expire in 1, 5 or 10 years. It should only expire when Congress feels the need to terminate it. Right now, over 61,000 employers use the program. That number is likely to grow, and they need to be able to know that Congress isn't going to let this program die.

Another provision in my bill would require all contractors of the U.S. Government to use E-verify, even though they have the authority to do so today. Under the original statute in 1996, the Federal Government—including the Executive and Legislative Branches—must comply with the terms and conditions of E-verify. I added this provision because I don't like the progress I am seeing from the administration to require contractors to use the program.

In August of this year, Secretary Chertoff announced a series of reforms to address border security and immigration challenges that our country faces. One of the 26 proposed reforms was to require Federal contractors to use the basic pilot program.

Specifically, Secretary Chertoff said that “the Administration will commence a rulemaking process to require all federal contractors and vendors to use E-Verify, the federal electronic employment verification system, to ensure that their employees are authorized to work in the United States.” I firmly believe that the Federal Government ought to lead by example, and they shouldn't wait for my bill to become law.

My bill would also allow employers to check the status of all employees, not just new hires. Since the system is voluntary, businesses should be able to use E-verify to check the work eligibility of all their employees. They would alert the Department of Homeland Security of their desire to check all employees and be required to do the checks not later than 10 days after. If an employer wants to make sure his or her labor force is lawful, or legally allowed to work in the United States, he or she should be afforded that right. Also, the Department of Homeland Security should be able to require repeat offenders of immigration law to check the status of all employees, not just

new hires. My legislation would require certain employers to use E-verify if the Security has reasonable cause to believe that the employer has engaged in the hiring of undocumented workers. This provision will help us hold employers accountable.

My bill would require more information sharing between the agencies at the Department of Homeland Security, Citizenship and Immigration Service, the agency in charge of service and benefits for immigrants, runs the program. However, Immigration and Customs Enforcement has the duty to enforce immigration laws and conduct worksite enforcement. I fear that the two agencies don't communicate enough, especially when it comes to this program. While CIS will provide ICE information about employers who use E-verify upon request, this should be an automatic process. The enforcement agency is better equipped to go after those who hire illegal aliens, and they should have access to such information, including those businesses that receive final non-confirmations through the system. My bill would require CIS to report monthly to ICE.

Finally, as a Senator from a State with many rural communities, I have heard small businesses say they want a system that works and is easy to use. Many towns in Iowa and across the country want to be able to use E-verify but may not have access to computers or the Internet. The Citizenship and Immigration Service has made strides to help businesses learn the system and accommodate their lack of access. As we continue to ramp up the program and potentially make it a requirement for all employers, I would like to see the Federal Government reach out to rural areas and figure out a way to make this work. My bill would authorize the Director of U.S. CIS to establish a demonstration program that assists small businesses in verifying the employment eligibility of their newly hired employees.

In conclusion, I cannot stress enough the importance of making sure E-verify remains intact and operating for employers across the country. We need to reauthorize the program this year so that businesses can continue to abide by our immigration laws. I urge my colleagues to join me in this effort.

By Mr. BAUCUS:

S. 3095. A bill to amend title XVIII of the Social Security Act to expand the Medicare Rural Hospital Flexibility Program to increase the delivery of mental health services and other health services to veterans of Operation Enduring Freedom and Operation Iraqi Freedom and to other residents of rural areas, and for other purposes; to the Committee on Finance.

Mr. BAUCUS. Mr. President, an Iraq veteran named Travis Williams told his story at a field hearing in Great Falls, Montana last summer. After graduating from Capitol High School in Helena in 2002, Travis quickly joined

the Marine Corps. Travis was deployed to Iraq in 2005. He served in Al Anbar province.

Like thousands of other American men and women in uniform, Travis served nobly and with honor under the most difficult of circumstances. He experienced the horrors of combat. He lost numerous friends. And he saw unspeakable violence.

Travis testified that after months of combat, his emotions seemed to dull or shutdown. As he later learned, he was experiencing a normal reaction to a highly abnormal situation. His reaction was a defense mechanism that allowed him to continue to operate in a combat zone. His mind was finding a way to keep going. Thousands of marines, soldiers, airmen and seamen have experienced this phenomenon.

Travis testified that when he arrived home it seemed "surreal." He felt more out of place in his own home than he did in Iraq. Travis isolated himself from his friends. He was frequently drunk and angry. Looking back, he understands that he was on what he called the "path to destruction."

One day, Travis received a phone call from Deb McBee. Deb is a veteran's service officer from the Military Order of the Purple Heart. Deb had heard about Travis' experiences in combat. She recommended that he visit the VA clinic to seek help. Travis took her advice. The VA referred Travis to a veteran's liaison for the Western Montana Mental Health Clinic.

Travis connected immediately with his mental health counselor. The counselor was also a veteran who understood the nightmare of combat and the loneliness of coming home. Over time, the counselor helped Travis to get back on track. Before long, Travis was enrolled in a pre-med program and had overcome many of the feelings of anger and loss he had felt before.

I begin with Travis' story because it offers hope. But it offers hope amid a very dark picture facing our veterans. A recent study by the RAND Corporation revealed that American veterans are facing a crisis of epic proportions. RAND estimates that around 300,000 service members suffer from post-traumatic stress disorder—also known as PTSD—or major depression. And 320,000 individuals reported experiencing probable traumatic brain injury during deployment.

The RAND study found that only 53 percent of service members with post-traumatic stress disorder or depression have seen a doctor or mental health provider in the past year. Of those who had a mental disorder and sought care, about half received only "minimally adequate" treatment.

Tragically, on any single day, on average, 18 veterans commit suicide. More than one out of five of those vets were patients undergoing treatment by the VA. Think of it: Today, 18 veterans are liable to commit suicide.

The VA has responded to this crisis with numerous initiatives that offer

hope to thousands of veterans. This year, the VA will spend more than \$3.5 billion for mental health services. Some of these funds will be invested in a new mental health inpatient ward in Helena, Montana. Over the last several years, the VA has opened up hundreds of new rural health clinics. Today, there are more than 700 of these clinics providing health care to our Nation's veterans. Montana has recently received two new rural health clinics in Lewistown and Cut Bank. The VA is making great strides.

But we need to do more. Thousands of veterans still remain out of reach.

The VA has undertaken an aggressive campaign to make mental health care services available to veterans living in rural areas. But thousands of Americans returning from Iraq and Afghanistan live hundreds of miles away from the health care that they need.

The Veteran's Affairs Office of Policy Analysis and Forecasting counts 118,685 registered highly-rural veterans in America. Of these, only 39,158 live within 2 hours of a VA medical center. Thousands of veterans returning from Iraq and Afghanistan often have to choose between a day-long trip to the VA or no care at all. In my home state of Montana 32,404 rural veterans are enrolled in the VA healthcare system. Over 10,000 of those veterans must drive more than an hour and a half to reach a VA hospital. And thousands of those veterans must drive over two hours both ways. In times of crisis, two hours is much too far to drive.

Research conducted by the Department of Veterans Affairs shows that veterans residing in rural areas are in poorer health than their urban counterparts. Nationwide, one out of every five veterans enrolled in VA health care lives in a rural area. Providing quality health care in a rural setting has proved to be a daunting challenge. Limited numbers of doctors and long highways make inadequate access to care all too common.

But let me return to Travis Williams' story. The key lesson of Travis' story is that getting the right care to veterans is all about teamwork. It wasn't just the VA that saved Travis. It wasn't just professional mental health counselors alone. It wasn't just veterans' service organizations. Travis' willpower alone was not sufficient to get him through the hard times. It was all of those things. All of those factors working together helped Travis to get away from a life of anger and despair, and back to a life full of meaning and purpose.

Teamwork is what the Relief for Rural Veterans Act is all about. The bill would enable small rural hospitals, mental health service providers, and other rural providers to work together to respond to the needs of veterans in crisis. States could apply for funding to increase their capacity to deliver mental health services by using state-of-the-art technology such as tele-health and tele-psychiatry.

More specifically, my bill will give the Secretary of Health and Human Services authority to award grants under the Medicare Rural Hospital Flexibility Program. The Medicare Flex Program has a successful 10-year history of strengthening the rural healthcare infrastructure. Under this new authority, States can apply for grants to increase the capacity of rural providers to provide mental health services to veterans and other rural residents. The bill would authorize an additional \$100 million for this new authority for 2 years.

The Medicare Flex Program is a good way to improve health care services in rural America. It has provided grants to States to develop State rural health care plans. It supports conversion of eligible small rural hospital facilities to critical access status. It supports rural emergency medical services. And it fosters rural health care network development. It makes sense to expand this program to include mental health services needed by veterans in crisis.

Research conducted by the University of Maine found that small rural hospitals are playing a major role in providing emergency health care services to veterans. They are filling a critical gap in caring for veterans in crisis.

But the Federal Government has not thus far provided funds to help rural hospitals to perform this task. The grants authorized in my bill could support crisis intervention services and other health care services needed by Iraq and Afghanistan veterans. My bill will focus upon those veterans who live far from VA facilities. It could provide relief for veterans who have to drive hours to receive emergency mental health care.

An additional benefit of these grants is that all rural residents, regardless of whether they are veterans or not, would be able to take advantage of the increased capacity of their small rural hospitals to deliver improved healthcare services.

Iraq and Afghanistan Veterans of America and the National Alliance on Mental Health Care have endorsed this bill.

The RAND study I mentioned earlier concluded that we need a major national effort to improve the capacity of the mental health system to care for veterans. The report stated that the effort must include the military, veterans, and civilian healthcare systems.

This bill is one answer to that call. This bill is a way to approach the problems facing our veterans from a new perspective. The philosophy behind the bill is that all agencies that can lend a hand to our veterans should do so. The challenges facing our Nation's veterans are too large for the VA to handle on its own.

Researchers estimate that PTSD and depression among returning service members will cost the Nation as much as \$6.2 billion in the 2 years following deployment. That's an amount that includes both direct medical care and

costs for lost productivity and suicide. Investing in more high-quality treatment could save close to \$2 billion within 2 years by substantially reducing those indirect costs.

Last month, Chairman BOB FILNER said this about the crisis facing our veterans: This is not a crisis that only concerns numbers. This is a matter of life and death for the veterans for whom we are responsible.

I urge the VA to continue its efforts to extend its reach into rural areas. I applaud the nation's thousands of volunteers who serve our Nations' veterans. And I offer this legislation as one way to begin a new approach to help those who have sacrificed so much in the name of duty, honor, and country.

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

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

S. 3095

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 "Relief for Rural Veterans in Crisis Act of 2008".

SEC. 2. EXPANSION AND EXTENSION OF THE MEDICARE RURAL HOSPITAL FLEXIBILITY PROGRAM.

(a) IN GENERAL.—Section 1820(g) of the Social Security Act (42 U.S.C. 1395i-4(g)) is amended by adding at the end the following new paragraph:

"(6) PROVIDING MENTAL HEALTH SERVICES AND OTHER HEALTH SERVICES TO VETERANS AND OTHER RESIDENTS OF RURAL AREAS.—

"(A) GRANTS TO STATES.—The Secretary may award grants to States that have submitted applications in accordance with subparagraph (B) for increasing the delivery of mental health services or other health care services deemed necessary to meet the needs of veterans of Operation Iraqi Freedom and Operation Enduring Freedom living in rural areas (as defined for purposes of section 1886(d) and including areas that are rural census tracts, as defined by the Administrator of the Health Resources and Services Administration), including for the provision of crisis intervention services and the detection of post-traumatic stress disorder, traumatic brain injury, and other signature injuries of veterans of Operation Iraqi Freedom and Operation Enduring Freedom, and for referral of such veterans to medical facilities operated by the Department of Veterans Affairs, and for the delivery of such services to other residents of such rural areas.

"(B) APPLICATION.—

"(1) IN GENERAL.—An application is in accordance with this subparagraph if the State submits to the Secretary at such time and in such form as the Secretary may require an application containing the assurances described in subparagraphs (A)(ii) and (A)(iii) of subsection (b)(1).

"(ii) CONSIDERATION OF REGIONAL APPROACHES, NETWORKS, OR TECHNOLOGY.—The Secretary may, as appropriate in awarding grants to States under subparagraph (A), consider whether the application submitted by a State under this subparagraph includes 1 or more proposals that utilize regional approaches, networks, health information technology, telehealth, or telemedicine to deliver services described in subparagraph (A) to individuals described in that subparagraph.

For purposes of this clause, a network may, as the Secretary determines appropriate, include Federally qualified health centers, rural health clinics, home health agencies, community mental health clinics and other providers of mental health services, pharmacists, local government, and other providers deemed necessary to meet the needs of veterans.

"(iii) COORDINATION AT LOCAL LEVEL.—The Secretary shall require, as appropriate, a State to demonstrate consultation with the hospital association of such State, rural hospitals located in such State, providers of mental health services, or other appropriate stakeholders for the provision of services under a grant awarded under this paragraph.

"(iv) SPECIAL CONSIDERATION OF CERTAIN APPLICATIONS.—In awarding grants to States under subparagraph (A), the Secretary shall give special consideration to applications submitted by States in which veterans make up a high percentage (as determined by the Secretary) of the total population of the State. Such consideration shall be given without regard to the number of veterans of Operation Iraqi Freedom and Operation Enduring Freedom living in the areas in which mental health services and other health care services would be delivered under the application.

"(C) COORDINATION WITH VA.—The Secretary shall, as appropriate, consult with the Director of the Office of Rural Health of the Department of Veterans Affairs in awarding grants to States under subparagraph (A).

"(D) USE OF FUNDS.—A State awarded a grant under this paragraph may, as appropriate, use the funds to reimburse providers of services described in subparagraph (A) to individuals described in that subparagraph.

"(E) LIMITATION ON USE OF GRANT FUNDS FOR ADMINISTRATIVE EXPENSES.—A State awarded a grant under this paragraph may not expend more than 15 percent of the amount of the grant for administrative expenses.

"(F) FINAL REPORT.—Not later than 1 year after the date on which the last grant is awarded to a State under subparagraph (A), the Secretary shall submit a report to Congress on the grants awarded under such subparagraph. Such report shall include an assessment of the impact of such grants on increasing the delivery of mental health services and other health services to veterans of the United States Armed Forces living in rural areas (as so defined and including such areas that are rural census tracts), with particular emphasis on the impact of such grants on the delivery of such services to veterans of Operation Enduring Freedom and Operation Iraqi Freedom, and to other individuals living in such rural areas."

(b) USE OF FUNDS FOR FEDERAL ADMINISTRATIVE EXPENSES.—Section 1820(g)(5) of the Social Security Act (42 U.S.C. 1395i-4(g)(5)) is amended—

(1) by striking "beginning with fiscal year 2005" and inserting "for each of fiscal years 2005 through 2008"; and

(2) by inserting "and, of the total amount appropriated for grants under paragraphs (1), (2), and (6) for a fiscal year (beginning with fiscal year 2009)" after "2005)".

(c) EXTENSION OF AUTHORIZATION FOR FLEX GRANTS.—Section 1820(j) of the Social Security Act (42 U.S.C. 1395i-4(j)) is amended—

(1) by striking "and for" and inserting "for"; and

(2) by inserting ", for making grants to all States under paragraphs (1) and (2) of subsection (g), \$55,000,000 in each of fiscal years 2009 and 2010, and for making grants to all States under paragraph (6) of subsection (g), \$50,000,000 in each of fiscal years 2009 and 2010, to remain available until expended" before the period at the end.