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House of Representatives

APPOINTMENT OF CONFEREES ON H.R. 333, BANKRUPTCY ABUSE PREVENTION AND CONSUMER PROTECTION ACT OF 2001

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 333) to amend title 11, United States Code, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

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

There was no objection.

MOTION TO INSTRUCT OFFERED BY MS. BALDWIN

Ms. BALDWIN. Mr. Speaker, I offer a motion to instruct conferees.

The Clerk read as follows:

Ms. BALDWIN of Wisconsin moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the Senate amendment to the House bill (H.R. 333) be instructed to agree to title X (relating to protection of family farmers and family fishermen) of the Senate amendment.

The SPEAKER pro tempore (Mr. SUNUNU). Pursuant to the rule, the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentlewoman from Wisconsin (Ms. BALDWIN) each will control 30 minutes.

The Chair recognizes the gentlewoman from Wisconsin (Ms. BALDWIN).

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

Mr. Speaker, Chapter 12 bankruptcy protection was created to help farmers in crisis keep their family farms. H.R. 333 makes Chapter 12 permanent. While waiting for this comprehensive bankruptcy reform legislation, Chapter 12 has expired five times. Just during the current Congress, we have been forced to pass two extensions to Chapter 12. It is time to treat our family farmers with the respect that they have earned. Adjusting eligibility to more properly reflect the needs of real family farmers

would make a significant improvement to the underlying bill.

This motion on H.R. 333, the Bankruptcy Abuse Prevention and Consumer Protection Act of 2001 would instruct the House conferees to accept Senate language on Chapter 12 bankruptcy protection. The other body expanded the definition of family farmer to allow more family farmers to file under the protections of Chapter 12. These changes do three simple things to allow more of our family farmers to qualify for Chapter 12 bankruptcy protection.

First, the amendment will increase from \$1.5 million to \$3 million the amount of aggregate debt that may be accrued by the family farmer. This is necessary because many family farmers accrue more than the \$1.5 million in debt before filing for bankruptcy.

Second, the amendment will reduce from 80 percent to 50 percent the value of a family farm's aggregate non-contingent liquidated debts that must be related to the farming operation. Again, this expanded definition will allow for more families to keep their farms under chapter 12 rather than having to liquidate their farm assets.

Finally, under current law, the person or family must earn more than 50 percent of their gross income from farming in the year prior to bankruptcy. The amendment would look at one of the last 3 years prior to the bankruptcy rather than just the prior year. This change is very important because many farm families split their time between farm and other employment out of necessity. It is not at all unusual for one spouse to work on a nonfarm job to secure health or other benefits for the entire family. In a year prior to declaring bankruptcy, that nonfarm income may easily exceed farm-related income, since low prices and crop failures can dramatically reduce gross income in that year. Looking at one of the 3 years prior to bank-

ruptcy filing will keep true family farms from being denied chapter 12 relief.

During committee consideration, I proposed similar language to expand the definition of family farmer. The majority did not accept the amendment due to a desire to maintain the language negotiated by the Bankruptcy Conference Committee in the 106th Congress in an attempt to avoid a conference committee in this session. My discussions with the bill's author and others in the majority revealed no substantive objection to expanding this definition. Now that the other body has decided to include it in their version of the bill, I hope the House will incorporate it into the bill.

This motion also instructs conferees to accept the Senate language with respect to extending chapter 12 bankruptcy protection to family fishermen. Family fishermen face the same type of financial pressures that are beyond their control as family farmers do. They harvest the oceans like our family farmers harvest the land. Allowing family fishermen to reorganize their debts without losing their equipment that is essential to their livelihood will ensure the continued viability of our family fishermen.

Mr. Speaker, I urge my colleagues to vote in favor of this motion to instruct conferees to accept the chapter 12 positions from the other body. These commonsense amendments will improve the Bankruptcy Abuse Prevention and Consumer Protection Act of 2001 to protect some of the most vulnerable families in America and allow them to maintain their farms and their livelihoods.

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

GENERAL LEAVE

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

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remarks and to include extraneous material on the motion to instruct conferees currently under debate.

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

There was no objection.

Mr. SENSENBRENNER. Mr. Speaker, I yield myself such time as I may consume first to state that I have no objection to the motion to instruct, and I would urge that the House go on and speedily approve it, hopefully without a rollcall.

Secondly, a concern that I have, and I am looking at the Senate amendment and I am not sure whether it is properly drafted, is to make sure that a family fisherman is a commercial fisherman, rather than having someone claim to be a sport fisherman and thus protecting very expensive yachts, that are used occasionally for fishing purposes, from being sold and the assets distributed amongst the creditors. So the provision in the Senate bill might need some clarification.

But with that reservation, I am happy to support the motion to instruct.

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

Ms. BALDWIN. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from New York (Mr. NADLER), a member of the Committee on the Judiciary.

Mr. NADLER. Mr. Speaker, I rise in support of the motion offered by the gentlewoman from Wisconsin, and I want to commend her for her consistent and forceful stand on behalf of this Nation's embattled family farmers.

The proposed instruction is very straightforward and should not draw any opposition. The Senate language represents a bipartisan consensus that family farmers and embattled family fishermen who now face a crisis ought to be able to reorganize their debts and continue the work on the land or on the water that their families have pursued for generations. That is what this is all about.

The Senate language would expand eligibility for chapter 12 to reflect the current economic realities, not the economic realities of 1986. It increases eligibility from \$1.5 million in debt to \$3 million in debt. The House bill does not do that. It merely allows the amounts to be adjusted in the future, but does not take into account 15 years of inflation.

Like the House bill, the Senate provision would make chapter 12 permanent. Unlike the House bill, it would recognize for the first time that many family farmers, especially those in distress, do not receive more than 50 percent of their income from farming because one spouse may need to work off the farm to keep the farm afloat. We should not now penalize these people for doing everything in their power to avoid bankruptcy through hard work.

The proposed amendment also extends chapter 12 protection to family

fishermen for the first time. They too are subject to the stresses of fluctuating commodity prices, and they also have similar problems of large capital investments and significant pre-season debts against the coming harvest which characterize family farmers, and for which chapter 12 has been specifically tailored.

Chapter 12 is not a bailout, it is merely a way for a family farmer, or as we extend it for a family fisherman, to reorganize debts and stay on the land or on the water. It protects family farmers from being swallowed up by agribusiness or suburbanization, it protects our watersheds and drinking water, and it protects those families and communities who have been the backbone of rural America and of our Nation.

Again I commend the gentlewoman from Wisconsin for this motion, and I urge everyone to support it.

Ms. BALDWIN. Mr. Speaker, I yield myself such time as I may consume to respond to the gentleman's concerns relating to the language adopted in title X by the other body. As I read the definition of family fisherman, I feel quite confident that this is limited to commercial fishing enterprises and operations and that the gentleman's concern of individuals trying to protect yachts and other luxury boats not used in a commercial fishing venture would not be covered under this.

I am wondering whether the gentleman is supportive of the entire motion or whether he might want to read and satisfy himself that this is indeed protecting only commercial fishing operations.

Mr. SENSENBRENNER. Mr. Speaker, will the gentlewoman yield?

Ms. BALDWIN. I yield to the gentleman from Wisconsin.

Mr. SENSENBRENNER. Mr. Speaker, I am not sure that the definition of commercial fishing operation contained in section 1007 in the Senate bill is sufficiently tightly worded to prevent someone who uses a yacht for sport fishing and derives income therefrom from being able to protect the yacht under the bankruptcy code. That is what my concern is.

What I am suggesting to the gentlewoman from Wisconsin, my colleague, is that perhaps section 1007 should be looked at very closely to make sure we are not creating a loophole and that it not be treated as holy writ, not subject to any modification whatsoever.

Mr. CONYERS. Mr. Speaker, I rise in strong support of the Motion to Instruct. This will put the House on the record as supporting Senate passed provisions that are more favorable to our farmers and fishermen.

We always talk about the special need to protect our farmers. They face harsh weather and are constantly being squeezed by corporate farms and big buyers and wholesalers. The least we can do is help honest farmers and fishermen reorganize their affairs so they can stay in business.

The Senate bill is preferable to the House bill in four key respects. First, it reduces from

80 percent to 50 percent the amount of total debt that must be related to farming. Many farm families are forced to seek multiple outside jobs in order to keep their farms afloat. This should not be a reason that you lose your farm in bankruptcy.

Second, the Senate provision permits family farmers to file for Chapter 12 if they meet the 50 percent requirement in any of the three years prior to filing. For farm families that split their income, low prices or crop failures can dramatically reduce gross income in the year prior to filing. Allowing consideration of any of three years prior to filing will keep farm families from being unfairly denied Chapter 12 relief.

Third, the Senate provision increases the jurisdictional debt limit for filing Chapter 12 from \$1.5 million to \$3 million. This new figure offsets the effects of inflation of the last 15 years. The \$1.5 million limit was established in 1986.

Finally, the Senate bill extends protections to family fishermen so they can protect their boats and fishing equipment. Like agricultural farmers, fishermen face a hostile economic environment and thousands of fishermen leave the business every year. There is no reason to discriminate between family farmers and family fishermen in providing basic key protections.

These provisions will help rural and coastal communities retain their unique character and allow farmers and fishermen to keep their farms and boats. I urge a yes vote on the Motion to Instruct.

Ms. BALDWIN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

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

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to instruct.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentlewoman from Wisconsin (Ms. BALDWIN).

The motion to instruct was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees:

From the Committee on the Judiciary for consideration of the House bill and the Senate amendment, and modifications committed to conference: Messrs. SENSENBRENNER, HYDE, GEKAS, SMITH of Texas, CHABOT, BARR of Georgia, CONYERS, BOUCHER, NADLER, and WATT of North Carolina.

From the Committee on Financial Services, for consideration of sections 901 through 906, 907A through 909, 911, and 1301 through 1309 of the House bill, and sections 901 through 906, 907A through 909, 911, and 913-4 and title XIII of the Senate amendment, and modifications committed to conference: Messrs. OXLEY, BACHUS, and LAFALCE.

From the Committee on Energy and Commerce, for consideration of title XIV of the Senate amendment, and modifications committed to conference: Messrs. TAUZIN, BARTON of Texas, and DINGELL.

From the Committee on Education and the Workforce, for consideration of section 1403 of the Senate amendment, and modifications committed to conference: Messrs. BOEHNER, CASTLE and KILDEE.

There was no objection.

□ 1845

RAILROAD RETIREMENT AND SURVIVORS' IMPROVEMENT ACT OF 2001

Mr. YOUNG of Alaska. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1140) to modernize the financing of the railroad retirement system and to provide enhanced benefits to employees and beneficiaries, as amended.

The Clerk read as follows:

H.R. 1140

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Railroad Retirement and Survivors' Improvement Act of 2001".

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

Sec. 1. Short title; table of contents.

TITLE I—AMENDMENTS TO RAILROAD RETIREMENT ACT OF 1974

Sec. 101. Expansion of widow's and widower's benefits.

Sec. 102. Retirement age restoration.

Sec. 103. Vesting requirement.

Sec. 104. Repeal of railroad retirement maximum.

Sec. 105. Investment of railroad retirement assets.

Sec. 106. Elimination of supplemental annuity account.

Sec. 107. Transfer authority revisions.

Sec. 108. Annual ratio projections and certifications by the Railroad Retirement Board.

TITLE II—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986

Sec. 201. Amendments to the Internal Revenue Code of 1986.

Sec. 202. Exemption from tax for National Railroad Retirement Investment Trust.

Sec. 203. Repeal of supplemental annuity tax.

Sec. 204. Employer, employee representative, and employee tier 2 tax rate adjustments.

TITLE I—AMENDMENTS TO RAILROAD RETIREMENT ACT OF 1974

SEC. 101. EXPANSION OF WIDOWS AND WIDOWER'S BENEFITS.

(a) IN GENERAL.—Section 4(g) of the Railroad Retirement Act of 1974 (45 U.S.C. 231c(g)) is amended by adding at the end the following new subdivision:

"(10)(i) If for any month the unreduced annuity provided under this section for a widow or widower is less than the widow's or widower's initial minimum amount computed pursuant to paragraph (ii) of this subdivision, the unreduced annuity shall be increased to that initial minimum amount. For the purposes of this subdivision, the unreduced annuity is the annuity without regard to any deduction on account of work, without regard to any reduction for entitlement to an annuity under section 2(a)(1) of this Act, without regard to any reduction for entitlement to a benefit under title II of the

Social Security Act, and without regard to any reduction for entitlement to a public service pension pursuant to section 202(e)(7), 202(f)(2), or 202(g)(4) of the Social Security Act.

"(ii) For the purposes of this subdivision, the widow or widower's initial minimum amount is the amount of the unreduced annuity computed at the time an annuity is awarded to that widow or widower, except that—

"(A) in subsection (g)(1)(i) '100 per centum' shall be substituted for '50 per centum'; and

"(B) in subsection (g)(2)(ii) '130 per centum' shall be substituted for '80 per centum' both places it appears.

"(iii) If a widow or widower who was previously entitled to a widow's or widower's annuity under section 2(d)(1)(ii) of this Act becomes entitled to a widow's or widower's annuity under section 2(d)(1)(i) of this Act, a new initial minimum amount shall be computed at the time of award of the widow's or widower's annuity under section 2(d)(1)(i) of this Act."

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section shall take effect on the first day of the first month that begins more than 30 days after enactment, and shall apply to annuity amounts accruing for months after the effective date in the case of annuities awarded—

(A) on or after that date; and

(B) before that date, but only if the annuity amount under section 4(g) of the Railroad Retirement Act of 1974 (45 U.S.C. 231c(g)) was computed under such section, as amended by the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35; 95 Stat. 357).

(2) SPECIAL RULE FOR ANNUITIES AWARDED BEFORE THE EFFECTIVE DATE.—In applying the amendment made by this section to annuities awarded before the effective date, the calculation of the initial minimum amount under new section 4(g)(10)(ii) of the Railroad Retirement Act of 1974 (45 U.S.C. 231c(g)(10)(ii)), as added by subsection (a), shall be made as of the date of the award of the widow's or widower's annuity.

SEC. 102. RETIREMENT AGE RESTORATION.

(a) EMPLOYEE ANNUITIES.—Section 3(a)(2) of the Railroad Retirement Act of 1974 (45 U.S.C. 231b(a)(2)) is amended by inserting after "(2)" the following new sentence: "For purposes of this subsection, individuals entitled to an annuity under section 2(a)(1)(ii) of this Act shall, except for the purposes of recomputations in accordance with section 215(f) of the Social Security Act, be deemed to have attained retirement age (as defined by section 216(1) of the Social Security Act)."

(b) SPOUSE AND SURVIVOR ANNUITIES.—Section 4(a)(2) of the Railroad Retirement Act of 1974 (45 U.S.C. 231c(a)(2)) is amended by striking "if an" and all that follows through "section 2(c)(1) of this Act" and inserting "a spouse entitled to an annuity under section 2(c)(1)(ii)(B) of this Act".

(c) CONFORMING REPEALS.—Sections 3(a)(3), 4(a)(3), and 4(a)(4) of the Railroad Retirement Act of 1974 (45 U.S.C. 231b(a)(3), 231c(a)(3), and 231c(a)(4)) are repealed.

(d) EFFECTIVE DATES.—

(1) GENERALLY.—Except as provided in paragraph (2), the amendments made by this section shall apply to annuities that begin to accrue on or after January 1, 2002.

(2) EXCEPTION.—The amount of the annuity provided for a spouse under section 4(a) of the Railroad Retirement Act of 1974 (45 U.S.C. 231c(a)) shall be computed under section 4(a)(3) of such Act, as in effect on December 31, 2001, if the annuity amount provided under section 3(a) of such Act (45 U.S.C. 231b(a)) for the individual on whose

employment record the spouse annuity is based was computed under section 3(a)(3) of such Act, as in effect on December 31, 2001.

SEC. 103. VESTING REQUIREMENT.

(a) CERTAIN ANNUITIES FOR INDIVIDUALS.—Section 2(a) of the Railroad Retirement Act of 1974 (45 U.S.C. 231a(a)) is amended—

(1) by inserting in subdivision (1) "(or, for purposes of paragraphs (i), (iii), and (v), five years of service, all of which accrues after December 31, 1995)" after "ten years of service"; and

(2) by adding at the end the following new subdivision:

"(4) An individual who is entitled to an annuity under paragraph (v) of subdivision (1), but who does not have at least ten years of service, shall, prior to the month in which the individual attains age 62, be entitled only to an annuity amount computed under section 3(a) of this Act (without regard to section 3(a)(2) of this Act) or section 3(f)(3) of this Act. Upon attainment of age 62, such an individual may also be entitled to an annuity amount computed under section 3(b), but such annuity amount shall be reduced for early retirement in the same manner as if the individual were entitled to an annuity under section 2(a)(1)(iii)."

(b) COMPUTATION RULE FOR INDIVIDUALS' ANNUITIES.—Section 3(a) of the Railroad Retirement Act of 1974 (45 U.S.C. 231b(a)), as amended by section 102 of this Act, is further amended by adding at the end the following new subdivision:

"(3) If an individual entitled to an annuity under section 2(a)(1)(i) or (iii) of this Act on the basis of less than ten years of service is entitled to a benefit under section 202(a), section 202(b), or section 202(c) of the Social Security Act which began to accrue before the annuity under section 2(a)(1)(i) or (iii) of this Act, the annuity amount provided such individual under this subsection, shall be computed as though the annuity under this Act began to accrue on the later of (A) the date on which the benefit under section 202(a), section 202(b), or section 202(c) of the Social Security Act began, or (B) the date on which the individual first met the conditions for entitlement to an age reduced annuity under this Act other than the conditions set forth in sections 2(e)(1) and 2(e)(2) of this Act and the requirement that an application be filed."

(c) SURVIVORS' ANNUITIES.—Section 2(d)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231a(d)(1)) is amended by inserting "(or five years of service, all of which accrues after December 31, 1995)" after "ten years of service".

(d) LIMITATION ON ANNUITY AMOUNTS.—Section 2 of the Railroad Retirement Act of 1974 (45 U.S.C. 231a) is amended by adding at the end the following new subsection:

"(i) An individual entitled to an annuity under this section who has completed five years of service, all of which accrues after 1995, but who has not completed ten years of service, and the spouse, divorced spouse, and survivors of such individual, shall not be entitled to an annuity amount provided under section 3(a), section 4(a), or section 4(f) of this Act unless the individual, or the individual's spouse, divorced spouse, or survivors, would be entitled to a benefit under title II of the Social Security Act on the basis of the individual's employment record under both this Act and title II of the Social Security Act."

(e) COMPUTATION RULE FOR SPOUSES' ANNUITIES.—Section 4(a) of the Railroad Retirement Act of 1974 (45 U.S.C. 231c(a)), as amended by section 102 of this Act, is further amended by adding at the end the following new subdivision:

"(3) If a spouse entitled to an annuity under section 2(c)(1)(ii)(A), section

2(c)(1)(ii)(C), or section 2(c)(2) of this Act or a divorced spouse entitled to an annuity under section 2(c)(4) of this Act on the basis of the employment record of an employee who will have completed less than 10 years of service is entitled to a benefit under section 202(a), section 202(b), or section 202(c) of the Social Security Act which began to accrue before the annuity under section 2(c)(1)(ii)(A), section 2(c)(1)(ii)(C), section 2(c)(2), or section 2(c)(4) of this Act, the annuity amount provided under this subsection shall be computed as though the annuity under this Act began to accrue on the later of (A) the date on which the benefit under section 202(a), section 202(b), or section 202(c) of the Social Security Act began or (B) the first date on which the annuitant met the conditions for entitlement to an age reduced annuity under this Act other than the conditions set forth in sections 2(e)(1) and 2(e)(2) of this Act and the requirement that an application be filed."

(f) APPLICATION DEEMING PROVISION.—Section 5(b) of the Railroad Retirement Act of 1974 (45 U.S.C. 231d(b)) is amended by striking the second sentence and inserting the following new sentence: "An application filed with the Board for an employee annuity, spouse annuity, or divorced spouse annuity on the basis of the employment record of an employee who will have completed less than ten years of service shall be deemed to be an application for any benefit to which such applicant may be entitled under this Act or section 202(a), section 202(b), or section 202(c) of the Social Security Act. An application filed with the Board for an annuity on the basis of the employment record of an employee who will have completed ten years of service shall, unless the applicant specified otherwise, be deemed to be an application for any benefit to which such applicant may be entitled under this Act or title II of the Social Security Act."

(g) CREDITING SERVICE UNDER THE SOCIAL SECURITY ACT.—Section 18(2) of the Railroad Retirement Act of 1974 (45 U.S.C. 231q(2)) is amended—

(1) by inserting "(or less than five years of service, all of which accrues after December 31, 1995)" after "ten years of service" every place it appears; and

(2) by inserting "(or five or more years of service, all of which accrues after December 31, 1995)" after "ten or more years of service".

(h) AUTOMATIC BENEFIT ELIGIBILITY ADJUSTMENTS.—Section 19 of the Railroad Retirement Act of 1974 (45 U.S.C. 231r) is amended—

(1) by inserting "(or five or more years of service, all of which accrues after December 31, 1995)" after "ten years of service" in subsection (c); and

(2) by inserting "(or five or more years of service, all of which accrues after December 31, 1995)" after "ten years of service" in subsection (d)(2).

(i) CONFORMING AMENDMENTS.—

(1) Section 6(e)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231e(1)) is amended by inserting "(or five or more years of service, all of which accrues after December 31, 1995)" after "ten years of service".

(2) Section 7(b)(2)(A) of the Railroad Retirement Act of 1974 (45 U.S.C. 231f(b)(2)(A)) is amended by inserting "(or five or more years of service, all of which accrues after December 31, 1995)" after "ten years of service".

(3) Section 205(i) of the Social Security Act (42 U.S.C. 405(i)) is amended by inserting "(or five or more years of service, all of which accrues after December 31, 1995)" after "ten years of service".

(4) Section 6(b)(2) of the Railroad Retirement Act of 1974 (45 U.S.C. 231e(b)(2)) is

amended by inserting "(or five or more years of service, all of which accrues after December 31, 1995)" after "ten years of service" the second place it appears.

(j) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2002.

SEC. 104. REPEAL OF RAILROAD RETIREMENT MAXIMUM.

(a) EMPLOYEE ANNUITIES.—

(1) IN GENERAL.—Section 3(f) of the Railroad Retirement Act of 1974 (45 U.S.C. 231b(f)) is amended—

(A) by striking subdivision (1); and

(B) by redesignating subdivisions (2) and (3) as subdivisions (1) and (2), respectively.

(2) CONFORMING AMENDMENTS.—

(A) The first sentence of section 3(f)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231b(f)(1)), as redesignated by paragraph (1)(B), is amended by striking "with-out regard to the provisions of subdivision (1) of this subsection."

(B) Paragraphs (i) and (ii) of section 7(d)(2) of the Railroad Retirement Act of 1974 (45 U.S.C. 231f(d)(2)) are each amended by striking "section 3(f)(3)" and inserting "section 3(f)(2)".

(b) SPOUSE AND SURVIVOR ANNUITIES.—Section 4 of the Railroad Retirement Act of 1974 (45 U.S.C. 231c) is amended by striking subsection (c).

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2002, and shall apply to annuity amounts accruing for months after December 2001.

SEC. 105. INVESTMENT OF RAILROAD RETIREMENT ASSETS.

(a) ESTABLISHMENT OF NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST.—Section 15 of the Railroad Retirement Act of 1974 (45 U.S.C. 231n) is amended by inserting after subsection (i) the following new subsection:

"(j) NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST.—

"(1) ESTABLISHMENT.—The National Railroad Retirement Investment Trust (hereinafter in this subsection referred to as the "Trust") is hereby established as a trust domiciled in the District of Columbia and shall, to the extent not inconsistent with this Act, be subject to the laws of the District of Columbia applicable to such trusts. The Trust shall manage and invest its assets in the manner set forth in this subsection.

"(2) NOT A FEDERAL AGENCY OR INSTRUMENTALITY.—The Trust is not a department, agency, or instrumentality of the Government of the United States and shall not be subject to title 31, United States Code.

"(3) BOARD OF TRUSTEES.—

"(A) GENERALLY.—

"(i) MEMBERSHIP.—The Trust shall have a Board of Trustees, consisting of 7 members. Three shall represent the interests of labor, 3 shall represent the interests of management, and 1 shall be an independent Trustee. The members of the Board of Trustees shall not be considered officers or employees of the Government of the United States.

"(ii) SELECTION.—

"(I) The 3 members representing the interests of labor shall be selected by the joint recommendation of labor organizations, national in scope, organized in accordance with section 2 of the Railway Labor Act, and representing at least ⅓ of all active employees, represented by such national labor organizations, covered under this Act.

"(II) The 3 members representing the interests of management shall be selected by the joint recommendation of carriers as defined in section 1 of the Railway Labor Act employing at least ⅔ of all active employees covered under this Act.

"(III) The independent member shall be selected by a majority of the other 6 members of the Board of Trustees.

A member of the Board of Trustees may be removed in the same manner and by the same constituency that selected that member.

"(iii) DISPUTE RESOLUTION.—In the event that the parties specified in subclause (I), (II), or (III) of the previous clause cannot agree on the selection of Trustees within 60 days of the date of enactment or 60 days from any subsequent date that a position of the Board of Trustees becomes vacant, an impartial umpire to decide such dispute shall, on the petition of a party to the dispute, be appointed by the District Court of the United States for the District of Columbia.

"(B) QUALIFICATIONS.—Members of the Board of Trustees shall be appointed only from among persons who have experience and expertise in the management of financial investments and pension plans. No member of the Railroad Retirement Board shall be eligible to be a member of the Board of Trustees.

"(C) TERMS.—Except as provided in this subparagraph, each member shall be appointed for a 3-year term. The initial members appointed under this paragraph shall be divided into equal groups so nearly as may be, of which one group will be appointed for a 1-year term, one for a 2-year term, and one for a 3-year term. The Trustee initially selected pursuant to clause (ii)(III) shall be appointed to a 3-year term. A vacancy in the Board of Trustees shall not affect the powers of the Board of Trustees and shall be filled in the same manner as the selection of the member whose departure caused the vacancy. Upon the expiration of a term of a member of the Board of Trustees, that member shall continue to serve until a successor is appointed.

"(4) POWERS OF THE BOARD OF TRUSTEES.—The Board of Trustees shall—

"(A) retain independent advisers to assist it in the formulation and adoption of its investment guidelines;

"(B) retain independent investment managers to invest the assets of the Trust in a manner consistent with such investment guidelines;

"(C) invest assets in the Trust, pursuant to the policies adopted in subparagraph (A);

"(D) pay administrative expenses of the Trust from the assets in the Trust; and

"(E) transfer money to the disbursing agent or as otherwise provided in section 7(b)(4), to pay benefits payable under this Act from the assets of the Trust.

"(5) REPORTING REQUIREMENTS AND FIDUCIARY STANDARDS.—The following reporting requirements and fiduciary standards shall apply with respect to the Trust:

"(A) DUTIES OF THE BOARD OF TRUSTEES.—The Trust and each member of the Board of Trustees shall discharge their duties (including the voting of proxies) with respect to the assets of the Trust solely in the interest of the Railroad Retirement Board and through it, the participants and beneficiaries of the programs funded under this Act—

"(i) for the exclusive purpose of—

"(I) providing benefits to participants and their beneficiaries; and

"(II) defraying reasonable expenses of administering the functions of the Trust;

"(ii) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;

"(iii) by diversifying investments so as to minimize the risk of large losses and to

avoid disproportionate influence over a particular industry or firm, unless under the circumstances it is clearly prudent not to do so; and

“(iv) in accordance with Trust governing documents and instruments insofar as such documents and instruments are consistent with this Act.

“(B) PROHIBITIONS WITH RESPECT TO MEMBERS OF THE BOARD OF TRUSTEES.—No member of the Board of Trustees shall—

“(i) deal with the assets of the Trust in the trustee’s own interest or for the trustee’s own account;

“(ii) in an individual or in any other capacity act in any transaction involving the assets of the Trust on behalf of a party (or represent a party) whose interests are adverse to the interests of the Trust, the Railroad Retirement Board, or the interests of participants or beneficiaries; or

“(iii) receive any consideration for the trustee’s own personal account from any party dealing with the assets of the Trust.

“(C) EXCULPATORY PROVISIONS AND INSURANCE.—Any provision in an agreement or instrument that purports to relieve a trustee from responsibility or liability for any responsibility, obligation, or duty under this Act shall be void: *Provided, however*, That nothing shall preclude—

“(i) the Trust from purchasing insurance for its trustees or for itself to cover liability or losses occurring by reason of the act or omission of a trustee, if such insurance permits recourse by the insurer against the trustee in the case of a breach of a fiduciary obligation by such trustee;

“(ii) a trustee from purchasing insurance to cover liability under this section from and for his own account; or

“(iii) an employer or an employee organization from purchasing insurance to cover potential liability of one or more trustees with respect to their fiduciary responsibilities, obligations, and duties under this section.

“(D) BONDING.—Every trustee and every person who handles funds or other property of the Trust (hereafter in this subsection referred to as ‘Trust official’) shall be bonded. Such bond shall provide protection to the Trust against loss by reason of acts of fraud or dishonesty on the part of any Trust official, directly or through the connivance of others, and shall be in accordance with the following:

“(i) The amount of such bond shall be fixed at the beginning of each fiscal year of the Trust by the Railroad Retirement Board. Such amount shall not be less than 10 percent of the amount of the funds handled. In no case shall such bond be less than \$1,000 nor more than \$500,000, except that the Railroad Retirement Board, after consideration of the record, may prescribe an amount in excess of \$500,000, subject to the 10 percent limitation of the preceding sentence.

“(ii) It shall be unlawful for any Trust official to receive, handle, disburse, or otherwise exercise custody or control of any of the funds or other property of the Trust without being bonded as required by this subsection and it shall be unlawful for any Trust official, or any other person having authority to direct the performance of such functions, to permit such functions, or any of them, to be performed by any Trust official, with respect to whom the requirements of this subsection have not been met.

“(iii) It shall be unlawful for any person to procure any bond required by this subsection from any surety or other company or through any agent or broker in whose business operations such person has any control or significant financial interest, direct or indirect.

“(E) AUDIT AND REPORT.—

“(i) The Trust shall annually engage an independent qualified public accountant to audit the financial statements of the Trust.

“(ii) The Trust shall submit an annual management report to the Congress not later than 180 days after the end of the Trust’s fiscal year. A management report under this subsection shall include—

“(I) a statement of financial position;

“(II) a statement of operations;

“(III) a statement of cash flows;

“(IV) a statement on internal accounting and administrative control systems;

“(V) the report resulting from an audit of the financial statements of the Trust conducted under clause (i); and

“(VI) any other comments and information necessary to inform the Congress about the operations and financial condition of the Trust.

“(iii) The Trust shall provide the President, the Railroad Retirement Board, and the Director of the Office of Management and Budget a copy of the management report when it is submitted to Congress.

“(F) ENFORCEMENT.—The Railroad Retirement Board may bring a civil action—

“(i) to enjoin any act or practice by the Trust, its Board of Trustees, or its employees or agents that violates any provision of this Act; or

“(ii) to obtain other appropriate relief to redress such violations, or to enforce any provisions of this Act.

“(6) RULES AND ADMINISTRATIVE POWERS.—The Board of Trustees shall have the authority to make rules to govern its operations, employ professional staff, and contract with outside advisers, including the Railroad Retirement Board, to provide legal, accounting, investment advisory, or other services necessary for the proper administration of this subsection. In the case of contracts with investment advisory services, compensation for such services may be on a fixed contract fee basis or on such other terms and conditions as are customary for such services.

“(7) QUORUM.—Five members of the Board of Trustees constitute a quorum to do business. Investment guidelines must be adopted by a unanimous vote of the entire Board of Trustees. All other decisions of the Board of Trustees shall be decided by a majority vote of the quorum present. All decisions of the Board of Trustees shall be entered upon the records of the Board of Trustees.

“(8) FUNDING.—The expenses of the Trust and the Board of Trustees incurred under this subsection shall be paid from the Trust.”

(b) CONFORMING AND TECHNICAL AMENDMENTS GOVERNING INVESTMENTS.—Section 15(e) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n(e)) is amended—

(1) in the first sentence, by striking “, the Dual Benefits Payments Account” and all that follows through “may be made only” in the second sentence and inserting “and the Dual Benefits Payments Account as are not transferred to the National Railroad Retirement Investment Trust as the Board may determine”;

(2) by striking “the Second Liberty Bond Act, as amended” and inserting “chapter 31 of title 31”; and

(3) by striking “the foregoing requirements” and inserting “the requirements of this subsection”.

Amend section 105 by adding at the end the following new subsection:

(c) MEANS OF FINANCING.—For all purposes of the Congressional Budget Act of 1974, the Balanced Budget and Emergency Deficit Control Act of 1985, and chapter 11 of title 31, United States Code, and notwithstanding section 20 of the Office of Management and Budget Circular No. A-11, the purchase or sale of non-Federal assets (other than gains

or losses from such transactions) by the National Railroad Retirement Investment Trust shall be treated as a means of financing.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the first day of the month that begins more than 30 days after enactment.

SEC. 106. ELIMINATION OF SUPPLEMENTAL ANNUITY ACCOUNT.

(a) SOURCE OF PAYMENTS.—Section 7(c)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231f(c)(1)) is amended by striking “payments of supplemental annuities under section 2(b) of this Act shall be made from the Railroad Retirement Supplemental Account, and”.

(b) ELIMINATION OF ACCOUNT.—Section 15(c) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n(c)) is repealed.

(c) AMENDMENT TO RAILROAD RETIREMENT ACCOUNT.—Section 15(a) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n(a)) is amended by striking “, except those portions of the amounts covered into the Treasury under sections 321(b),” and all that follows through the end of the subsection and inserting a period.

(d) TRANSFER.—

(1) DETERMINATION.—As soon as possible after December 31, 2001, the Railroad Retirement Board shall—

(A) determine the amount of funds in the Railroad Retirement Supplemental Account under section 15(c) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n(c)) as of the date of such determination; and

(B) direct the Secretary of the Treasury to transfer such funds to the National Railroad Retirement Investment Trust under section 15(j) of such Act (as added by section 105).

(2) TRANSFER BY THE SECRETARY OF THE TREASURY.—The Secretary of the Treasury shall make the transfer described in paragraph (1).

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Subject to paragraph (2), the amendments made by subsections (a), (b), and (c) shall take effect January 1, 2002.

(2) ACCOUNT IN EXISTENCE UNTIL TRANSFER MADE.—The Railroad Retirement Supplemental Account under section 15(c) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n(c)) shall continue to exist until the date that the Secretary of the Treasury makes the transfer described in subsection (d)(2).

SEC. 107. TRANSFER AUTHORITY REVISIONS.

(a) RAILROAD RETIREMENT ACCOUNT.—Section 15 of the Railroad Retirement Act of 1974 (45 U.S.C. 231n) is amended by adding after subsection (j) the following new subsection:

“(k) TRANSFERS TO THE TRUST.—The Board shall, upon establishment of the National Railroad Retirement Investment Trust and from time to time thereafter, direct the Secretary of the Treasury to transfer, in such manner as will maximize the investment returns to the Railroad Retirement system, that portion of the Railroad Retirement Account that is not needed to pay current administrative expenses of the Board to the National Railroad Retirement Investment Trust. The Secretary shall make that transfer.”

(b) TRANSFERS FROM THE NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST.—Section 15 of the Railroad Retirement Act of 1974 (45 U.S.C. 231n), as amended by subsection (a), is further amended by adding after subsection (k) the following new subsection:

“(l) NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST.—The National Railroad Retirement Investment Trust shall from time to time transfer to the disbursing agent described in section 7(b)(4) or as otherwise

directed by the Railroad Retirement Board pursuant to section 7(b)(4), such amounts as may be necessary to pay benefits under this Act (other than benefits paid from the Social Security Equivalent Benefit Account or the Dual Benefit Payments Account).”.

(C) SOCIAL SECURITY EQUIVALENT BENEFIT ACCOUNT.—

(1) TRANSFERS TO TRUST.—Section 15A(d)(2) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n-1(d)(2)) is amended to read as follows:

“(2) Upon establishment of the National Railroad Retirement Investment Trust and from time to time thereafter, the Board shall direct the Secretary of the Treasury to transfer, in such manner as will maximize the investment returns to the Railroad Retirement system, the balance of the Social Security Equivalent Benefit Account not needed to pay current benefits and administrative expenses required to be paid from that Account to the National Railroad Retirement Investment Trust, and the Secretary shall make that transfer. Any balance transferred under this paragraph shall be used by the National Railroad Retirement Investment Trust only to pay benefits under this Act or to purchase obligations of the United States that are backed by the full faith and credit of the United States pursuant to chapter 31 of title 31, United States Code. The proceeds of sales of, and the interest income from, such obligations shall be used by the Trust only to pay benefits under this Act.”.

(2) TRANSFERS TO DISBURSING AGENT.—Section 15A(c)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n-1(c)(1)) is amended by adding at the end the following new sentence: “The Secretary shall from time to time transfer to the disbursing agent under section 7(b)(4) amounts necessary to pay those benefits.”.

(3) CONFORMING AMENDMENT.—Section 15A(d)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n-1(d)(1)) is amended by striking the second and third sentences.

(d) DUAL BENEFITS PAYMENTS ACCOUNT.—Section 15(d)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n(d)(1)) is amended by adding at the end the following new sentence: “The Secretary of the Treasury shall from time to time transfer from the Dual Benefits Payments Account to the disbursing agent under section 7(b)(4) amounts necessary to pay benefits payable from that Account.”.

(e) CERTIFICATION BY THE BOARD AND PAYMENT.—Paragraph (4) of section 7(b) of the Railroad Retirement Act of 1974 (45 U.S.C. 231f(b)(4)) is amended to read as follows:

“(4)(A) The Railroad Retirement Board, after consultation with the Board of Trustees of the National Railroad Retirement Investment Trust and the Secretary of the Treasury, shall enter into an arrangement with a nongovernmental financial institution to serve as disbursing agent for benefits payable under this Act who shall disburse consolidated benefits under this Act to each recipient. Pending the taking effect of that arrangement, benefits shall be paid as under the law in effect prior to the enactment of the Railroad Retirement and Survivors' Improvement Act of 2001.

“(B) The Board shall from time to time certify—

“(i) to the Secretary of the Treasury the amounts required to be transferred from the Social Security Equivalent Benefit Account and the Dual Benefits Payments Account to the disbursing agent to make payments of benefits and the Secretary of the Treasury shall transfer those amounts;

“(ii) to the Board of Trustees of the National Railroad Retirement Investment Trust the amounts required to be transferred

from the National Railroad Retirement Investment Trust to the disbursing agent to make payments of benefits and the Board of Trustees shall transfer those amounts; and

“(iii) to the disbursing agent the name and address of each individual entitled to receive a payment, the amount of such payment, and the time at which the payment should be made.”.

(f) BENEFIT PAYMENTS.—Section 7(c)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231f(c)(1)) is amended—

(1) by striking “from the Railroad Retirement Account” and inserting “by the disbursing agent under subsection (b)(4) from money transferred to it from the National Railroad Retirement Investment Trust or the Social Security Equivalent Benefit Account, as the case may be”; and

(2) by inserting “by the disbursing agent under subsection (b)(4) from money transferred to it” after “Public Law 93-445 shall be made”.

(g) TRANSITIONAL RULE FOR EXISTING OBLIGATION.—In making transfers under sections 15(k) and 15A(d)(2) of the Railroad Retirement Act of 1974, as amended by subsections (a) and (c), respectively, the Railroad Retirement Board shall consult with the Secretary of the Treasury to design an appropriate method to transfer obligations held as of the date of enactment of this Act or to convert such obligations to cash at the discretion of the Railroad Retirement Board prior to transfer. The National Railroad Retirement Investment Trust may hold to maturity any obligations so received or may redeem them prior to maturity, as the Trust deems appropriate.

SEC. 108. ANNUAL RATIO PROJECTIONS AND CERTIFICATIONS BY THE RAILROAD RETIREMENT BOARD.

(a) PROJECTIONS.—Section 22(a)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231u(a)(1)) is amended—

(1) by inserting after the first sentence the following new sentence: “On or before May 1 of each year beginning in 2003, the Railroad Retirement Board shall compute its projection of the account benefits ratio and the average account benefits ratio (as defined by section 3241(c) of the Internal Revenue Code of 1986) for each of the next succeeding five fiscal years.”; and

(2) by striking “the projection prepared pursuant to the preceding sentence” and inserting “the projections prepared pursuant to the preceding two sentences”.

(b) CERTIFICATIONS.—The Railroad Retirement Act of 1974 (45 U.S.C. 231 et seq.) is amended by adding at the end the following new section:

“COMPUTATION AND CERTIFICATION OF ACCOUNT BENEFIT RATIOS

“SEC. 23. (a) INITIAL COMPUTATION AND CERTIFICATION.—On or before November 1, 2003, the Railroad Retirement Board shall—

“(1) compute the account benefits ratios for each of the most recent 10 preceding fiscal years, and

“(2) certify the account benefits ratios for each such fiscal year to the Secretary of the Treasury.

“(b) COMPUTATIONS AND CERTIFICATIONS AFTER 2003.—On or before November 1 of each year after 2003, the Railroad Retirement Board shall—

“(1) compute the account benefits ratio for the fiscal year ending in such year, and

“(2) certify the account benefits ratio for such fiscal year to the Secretary of the Treasury.

“(c) DEFINITION.—As used in this section, the term ‘account benefits ratio’ has the meaning given that term in section 3241(c) of the Internal Revenue Code of 1986.”.

TITLE II—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986

SEC. 201. AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986.

Except as otherwise provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 202. EXEMPTION FROM TAX FOR NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST.

Subsection (c) of section 501 is amended by adding at the end the following new paragraph:

“(28) The National Railroad Retirement Investment Trust established under section 15(j) of the Railroad Retirement Act of 1974.”.

SEC. 203. REPEAL OF SUPPLEMENTAL ANNUITY TAX.

(a) REPEAL OF TAX ON EMPLOYEE REPRESENTATIVES.—Section 3211 is amended by striking subsection (b).

(b) REPEAL OF TAX ON EMPLOYERS.—Section 3221 is amended by striking subsections (c) and (d) and by redesignating subsection (e) as subsection (c).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years beginning after December 31, 2001.

SEC. 204. EMPLOYER, EMPLOYEE REPRESENTATIVE, AND EMPLOYEE TIER 2 TAX RATE ADJUSTMENTS.

(a) RATE OF TAX ON EMPLOYERS.—Subsection (b) of section 3221 is amended to read as follows:

“(b) TIER 2 TAX.—

“(1) IN GENERAL.—In addition to other taxes, there is hereby imposed on every employer an excise tax, with respect to having individuals in his employ, equal to the applicable percentage of the compensation paid during any calendar year by such employer for services rendered to such employer.

“(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the term ‘applicable percentage’ means—

“(A) 15.6 percent in the case of compensation paid during 2002,

“(B) 14.2 percent in the case of compensation paid during 2003, and

“(C) in the case of compensation paid during any calendar year after 2003, the percentage determined under section 3241 for such calendar year.”.

(b) RATE OF TAX ON EMPLOYEE REPRESENTATIVES.—Section 3211, as amended by section 203, is amended by striking subsection (a) and inserting the following new subsections:

“(a) TIER 1 TAX.—In addition to other taxes, there is hereby imposed on the income of each employee representative a tax equal to the applicable percentage of the compensation received during any calendar year by such employee representative for services rendered by such employee representative. For purposes of the preceding sentence, the term ‘applicable percentage’ means the percentage equal to the sum of the rates of tax in effect under subsections (a) and (b) of section 3101 and subsections (a) and (b) of section 3111 for the calendar year.

“(b) TIER 2 TAX.—

“(1) IN GENERAL.—In addition to other taxes, there is hereby imposed on the income of each employee representative a tax equal to the applicable percentage of the compensation received during any calendar year by such employee representatives for services rendered by such employee representative.

“(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the term ‘applicable percentage’ means—

“(A) 14.75 percent in the case of compensation received during 2002,

“(B) 14.20 percent in the case of compensation received during 2003, and

“(C) in the case of compensation received during any calendar year after 2003, the percentage determined under section 3241 for such calendar year.

“(c) CROSS REFERENCE.—

“For application of different contribution bases with respect to the taxes imposed by subsections (a) and (b), see section 3231(e)(2).”.

(c) RATE OF TAX ON EMPLOYEES.—Subsection (b) of section 3201 is amended to read as follows:

“(b) TIER 2 TAX.—

“(1) IN GENERAL.—In addition to other taxes, there is hereby imposed on the income of each employee a tax equal to the applicable percentage of the compensation received during any calendar year by such employee for services rendered by such employee.

“(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the term ‘applicable percentage’ means—

“(A) 4.90 percent in the case of compensation received during 2002 or 2003, and

“(B) in the case of compensation received during any calendar year after 2003, the percentage determined under section 3241 for such calendar year.”.

(d) DETERMINATION OF RATE.—Chapter 22 is amended by adding at the end the following new subchapter:

“Subchapter E—Tier 2 Tax Rate Determination

“Sec. 3241. Determination of tier 2 tax rate based on average account benefits ratio.

“SEC. 3241. DETERMINATION OF TIER 2 TAX RATE BASED ON AVERAGE ACCOUNT BENEFITS RATIO.

“(a) IN GENERAL.—For purposes of sections 3201(b), 3211(b), and 3221(b), the applicable percentage for any calendar year is the percentage determined in accordance with the table in subsection (b).

“(b) TAX RATE SCHEDULE.—

“Average account benefits ratio		Applicable percentage for sections 3211(b) and 3221(b)	Applicable percentage for section 3201(b)
At least	But less than		
	2.5	22.1	4.9
2.5	3.0	18.1	4.9
3.0	3.5	15.1	4.9
3.5	4.0	14.1	4.9
4.0	6.1	13.1	4.9
6.1	6.5	12.6	4.4
6.5	7.0	12.1	3.9
7.0	7.5	11.6	3.4
7.5	8.0	11.1	2.9
8.0	8.5	10.1	1.9
8.5	9.0	9.1	0.9
9.0		8.2	0

“(c) DEFINITIONS RELATED TO DETERMINATION OF RATES OF TAX.—

“(1) AVERAGE ACCOUNT BENEFITS RATIO.—For purposes of this section, the term ‘average account benefits ratio’ means, with respect to any calendar year, the average determined by the Secretary of the account benefits ratios for the 10 most recent fiscal years ending before such calendar year. If the amount determined under the preceding sentence is not a multiple of 0.1, such amount shall be increased to the next highest multiple of 0.1.

“(2) ACCOUNT BENEFITS RATIO.—For purposes of this section, the term ‘account benefits ratio’ means, with respect to any fiscal year, the amount determined by the Railroad Retirement Board by dividing the fair market value of the assets in the Railroad Retirement Account and of the National Railroad Retirement Investment Trust (and for years before 2002, the Social Security Equivalent Benefits Account) as of the close of such fiscal year by the total benefits and administrative expenses paid from the Railroad Retirement Account and the National Railroad Retirement Investment Trust during such fiscal year.

“(d) NOTICE.—No later than December 1 of each calendar year, the Secretary shall publish a notice in the Federal Register of the rates of tax determined under this section which are applicable for the following calendar year.”.

(e) CONFORMING AMENDMENTS.—

(1) Section 24(d)(3)(A)(iii) is amended by striking “section 3211(a)(1)” and inserting “section 3211(a)”.

(2) Section 72(r)(2)(B)(i) is amended by striking “3211(a)(2)” and inserting “3211(b)”.

(3) Paragraphs (2)(A)(iii)(II) and (4)(A) of section 3231(e) are amended by striking “3211(a)(1)” and inserting “3211(a)”.

(4) Section 3231(e)(2)(B)(ii)(I) is amended by striking “3211(a)(2)” and inserting “3211(b)”.

(5) The table of subchapters for chapter 22 is amended by adding at the end the following new item:

“Subchapter E. Tier 2 tax rate determination.”.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years beginning after December 31, 2001.

The SPEAKER pro tempore (Mr. SUNUNU). Pursuant to the rule, the gentleman from Alaska (Mr. YOUNG) and the gentleman from Minnesota (Mr. OBERSTAR) each will control 20 minutes.

Mr. SAM JOHNSON of Texas. Mr. Speaker, does the gentleman from Minnesota oppose the bill?

Mr. OBERSTAR. No, I do not.

Mr. SAM JOHNSON of Texas. Mr. Speaker, I am opposed and I would claim the time in opposition.

The SPEAKER pro tempore. The gentleman from Alaska (Mr. YOUNG) and the gentleman from Texas (Mr. SAM JOHNSON) each will control 20 minutes.

The Chair recognizes the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Speaker, I ask unanimous consent to yield 10 minutes to the gentleman from Minnesota (Mr. OBERSTAR) for purposes of control.

The SPEAKER pro tempore. Without objection, the gentleman from Minnesota will control 10 minutes of the time.

There was no objection.

The SPEAKER pro tempore. The gentleman from Alaska is recognized for 10 minutes.

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

I strongly support H.R. 1140, the Railroad Retirement and Survivors' Improvement Act of 2001. Thanks to the heroic efforts of the Speaker of the House, the Honorable DENNIS HASTERT, we have been able to reach an agreement on this historic legislation.

H.R. 1140 is virtually identical to the railroad retirement bill that passed the House last year, 391 to 25, but was not taken up by the other body. This Congress made several technical changes, such as inserting updated effective dates. We have also included language drafted by the House Committee on the Budget that clarifies the authors' intent that transferring funds to the new investment trust does not result in outlays.

To address concerns raised about protecting the investment of tier 2 pension assets from possible influence by the Federal Government, we have also included labor and management selection process for the board of trustees who will manage those assets.

By moving a portion of the Railroad Retirement Trust Fund out of mandatory investment in Treasury bonds and giving it more investment flexibility, this landmark bill will provide enhanced benefits to railroad retirees, as

well as reduced taxes on railroad employers.

A 2 percent increase in the rate of return, which is quite conservative based on historical trends, will provide the needed boost to allow for these benefit increases and payroll tax cuts.

H.R. 1140 includes safety provisions that automatically adjust payroll tax rates upward if historically predicted increases in retirement fund returns do not materialize. The burden of higher taxes will fall entirely on railroad employers, not the employees.

I would like to commend the subcommittee chairman, the gentleman from New York (Mr. QUINN), for prompting the negotiations between labor and management that produced this legislation.

The bipartisan comprehensive reform package we have before us today reduces the financial burden on employers as well as the employees, while providing an overall increase in benefits, a targeted increase for widows and widowers of railroad retirees, and a reduced tier 2 retirement age.

Let me briefly mention an unfounded concern that has been voiced about this bill. Many people have been told this bill involves a \$15 billion first-year hit on the U.S. Treasury. Thanks to the hard work of the Speaker of the House, the OMB and the House leadership have agreed on legislative language that avoids this fictional outlay. This language reflects the fact that taking the \$15 billion tier 2 pension fund out of the current approach of investing only in Treasury bonds, and allowing professional, diversified management of the investment, is not spending.

Mr. Speaker, the wisdom and widespread support of this bill is demonstrated by the fact that it has 371 sponsors. And for those who say the bill raids the Treasury, let me advise them that 30 of the 42 members of the Committee on the Budget are sponsors of the bill. Furthermore, even the CBO admits that the scoring of this bill is ill-suited to the type of reinvestment this bill would allow.

Mr. Speaker, this bill represents several years' effort and difficult negotiations between railroad labor and railroad management. I commend my colleagues on the railroading industry for their diligence and cooperation.

I am also very pleased that the bipartisan leadership of this committee worked cooperatively to move this legislation again in the 107th Congress. Working on a bipartisan basis in this committee has allowed us to enact significant legislation on behalf of our constituents. H.R. 1140 will set yet another example of this proud record.

I thank my colleague and ranking Democrat on the committee, the gentleman from Minnesota (Mr. OBERSTAR), and the subcommittee ranking member, the gentleman from Tennessee (Mr. CLEMENT) for their cooperation and support.

I urge swift passage of H.R. 1140.

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

Mr. SAM JOHNSON of Texas. Mr. Speaker, in deference to my colleagues both on that side and this side, I appreciate their position on this, but I rise in strong opposition to the Railroad Retirement and Survivors' Improvement Act.

This bill really is a fake, a fraud and a phony. It breaks every promise we have made to the American people and treats every other senior citizen as a second-class citizen.

This legislation gives preferential treatment to a select few, 900,000 railroad people. It raids the Social Security-Medicare Trust Funds. It is absurd that the Federal Government allows one group of people to retire at age 60 while others will have to wait until they turn 65 or in the future, age 67, and this bill does just that.

Under this fatally flawed legislation, railroad retirees will be able to retire at age 60 and receive Social Security equivalent retirement benefits. Every other American has to wait until at least age 65 to get full Social Security, and 67 for those that are following us.

For the same group of railroaders, we have decided to break open the Social Security and Medicare lockbox to give railroaders their new benefits. Nobody can say with a straight face that this measure will not raid the Social Security and Medicare Trust Funds.

A provision added to the bill today would direct the OMB to pretend that the bill does not cost anything. In reality, it costs \$15 billion in the first year and an additional \$7 billion over the next 10 years, and the Committee on Transportation and Infrastructure's own analysis cites that.

Worse, the program is already receiving subsidies from the Social Security Trust Fund. Since 1958, the Railroad Trust Fund has needed money. The subsidy has been nearly \$84 billion, and last year alone, the railroad retirement bilked \$3.5 from the Social Security Trust Fund. In fact, the Social Security Administration spends more money on the railroad retirement system than it spends on all Social Security administrative costs, not to mention this bill sets a terrible precedent for the future of Social Security. Instead of private accounts, it puts the government in charge.

The bill, as written, sets up a government-run investment board that makes decisions about where the money is invested. These are not private accounts, nor is there a private board making these decisions. The board is controlled by six railroad insiders, with only one representative looking out for the American taxpayer.

In short, this bill allows the government to use tax dollars to play in the market. This is wrong. The Federal Government ought not be involved in the stock market.

Railroad retirement benefits are substantially higher than Social Security benefits. For instance, on average, it

gives career railroad retirement retirees more than double the amount of money per month than all other seniors collecting Social Security.

It is wrong for the American taxpayer and the Social Security Trust Fund to subsidize these higher benefits. It is not fair to treat one group of retirees better than anyone else. To add insult to injury, this bill allows felons sitting in jail to receive railroad benefits. Why should they? Felons were eliminated from the Social Security program in welfare reform several years ago. What is next, telling all of the people with the letter "J" in their last name they can retire at 63.5?

Lastly, the measure also violates three of President Bush's five sacred Social Security reform proposals. One, the bill demands using Social Security funds to subsidize other benefits. Two, the Federal Government, disguised as the investment trust, would invest in the private sector. Three, the bill would prohibit personal retirement accounts for railroad employees or retirees.

Every one of the 407 Members of Congress who voted for the Medicare-Social Security lockbox ought to vote against this bill because this bill will raid Social Security and Medicare. Just last week the Office of Management and Budget and the Congressional Budget Office both scored this bill at a cost of \$15 billion in its first year; but all of a sudden today it now costs the taxpayer nothing.

How can that be? How can we cash in \$15 billion of U.S. Treasury bonds, and say that it does not have an effect on the Medicare and Social Security surplus. I just do not understand. Are we cooking the books?

Call your Senator if you are listening, (202) 225-3121, to stop this fraud in America.

Mr. Speaker, I urge my colleagues to vote against raiding the Social Security-Medicare Trust Funds, and to vote against this bill.

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

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

Mr. Speaker, notwithstanding the relatively hostile remarks and misguided comments of our very otherwise thoughtful colleague from Texas, I today brought with me my 83-year-old railroad watch, 15 size Illinois, in memory of the railroad workers who have waited nearly that long for justice in their retirement program.

This legislation will bring truly significant benefits to the more than one-quarter million men and women who work on America's railroads, and to the 700,000 retirees and survivors of retired railroad workers.

The bill allows for a significant reduction in payroll taxes paid by the U.S. railroads. This is one of those special occasions in the legislative arena when all parties benefit. In this case, railroads, railroad labor, retired railroad workers, and their survivors. All of them come out ahead.

This legislation, as our chairman so well expressed, is the result of an historic agreement reached by railroad management and labor over more than 2 years of intense, difficult negotiations. The benefit improvements, as well as tax cuts, are made possible by changing current law that limits the investment of Railroad Retirement Trust Fund assets to government securities.

The proposed changes governing the Railroad Retirement Trust Fund will not affect the solvency of the railroad retirement system. The tier 1 program which provides Social Security benefits, will continue to be invested only in government securities. Only tier 2 funds, the original railroad retirement program, will be eligible for investment in assets other than government securities.

The projected increases in Trust Fund income from these changes are based on fairly conservative forecasts of the rates of returns that could be earned by a diversified portfolio. That would be about 2 percentage points above the return on government securities.

But more importantly, if the investments fail to perform as well as expected, worker's pensions are protected because the legislation requires, as agreed to in the negotiations between management and labor, requires the railroads to absorb any future tax increases that might be necessary to keep the system solvent. Ultimately, the Federal Government continues to be responsible for the security of the railroad retirement system.

This is the first really significant benefit in 25 years, although as I said, it seems more like 83. Those benefits are: The age at which employees can retire with full benefits is reduced from 62 to 60 with 30 years of service; the number of years required for vesting is reduced from 10 to 5 years; the benefits of widows and widowers are expanded; and the limits on tier 2 annuities are repealed.

The bill calls for automatic future improvements if the retirement plan becomes overfunded. It reduces the payroll taxes paid by railroads. That means that for tier 2 benefits, the railroad's taxes decline from 16.1 percent to 13.1 percent.

By the third year after passage of this bill, after enactment of this legislation, the railroads stand to gain nearly \$400 million annually from lower payroll taxes, and that will allow them to invest that money into needed rail and track and rolling stock improvements, and it allows them also to improve the wages and working conditions of railroad workers.

Mr. Speaker, we passed this bill last year, with former Chairman SHUSTER and me working together on a bipartisan basis, and I want to reflect again on the splendid working relationship we have had with the gentleman from Alaska (Mr. YOUNG) on bringing this legislation through to this point.

We passed this bill last year 391 to 25. We ought to do the same this year.

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

□ 1900

Mr. YOUNG of Alaska. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. QUINN), chairman of the Subcommittee on Railroads.

Mr. QUINN. Mr. Speaker, I appreciate the gentleman from Alaska yielding time. I also want to begin by thanking the gentleman from Alaska (Mr. YOUNG); the gentleman from Minnesota (Mr. OBERSTAR); and the gentleman from Tennessee (Mr. CLEMENT), my partner on the Subcommittee on Railroads, for the work that has been done, 2 long years now. I also want to thank the gentleman from Texas (Mr. SAM JOHNSON) for his observations.

We bring this bill forward, this afternoon, Mr. Speaker, in a real spirit of bipartisanship. A couple of our speakers have already mentioned that this is 2 years in the works. We have back and forth talked about the interests, particularly since the new administration has come into town, about not confusing this issue with Social Security. My esteemed colleague, the gentleman from Texas, suggests that we pick out the letter J in somebody's last name for Social Security. I would like to suggest that we use the letter J in somebody's first name, in my father's name who was a railroad worker for 35 years and in my grandfather's name when he came from Ireland and began to work on the railroad when he first came to America.

I do not have a personal ax to grind in this discussion this afternoon, Mr. Speaker; but I can tell the gentleman from Texas, I can tell anybody else who wants to listen, that I know a little bit about railroaders and their families. We have not tried to structure this bill this afternoon to give anybody an unfair advantage. We have not structured it to give anybody an opportunity to take advantage of the Social Security fund. We are not talking, Mr. Speaker, about tier 1. We are talking only about tier 2 money. This is the workers' own money. This is their money.

We have described it to our friends as we have talked on the subcommittee and we have had 380 to 400 cosponsors almost. It is like this commonsense approach, that if you have money in the bank and you decided to take it from the bank and put it in a mutual fund, you would not be spending that money on a car, you would not be depositing the money at the front doorstep of the bank, and you would not be raiding anybody else's money, such as the Social Security system.

What we have tried to do in this bipartisan effort these last 2 years is to strike a balance. We would like to say that we can get rail labor and rail management together with retired workers on the railroads and their widows and widowers to say that we will let you do what you think is best with that por-

tion of the money that does not affect Social Security. The provision reflects a commonsense approach that trading in a bank account for a retirement savings account is not the same as taking that money in the bank account and spending it on a car. It is just not the same.

I want to thank the Members that have worked with us these past 2 years, particularly in the last 3 or 4 months, and most particularly the last 24 hours, to get us through a discussion with the administration, with those people who disagree with some of the things that we have talked about, but disagree respectfully.

Finally, I would like to thank the gentleman from Minnesota (Mr. OBERSTAR) and the gentleman from Tennessee (Mr. CLEMENT) both for their efforts these long 2 years, particularly the last 4 or 5 months.

I urge my colleagues to vote "yes" when they have an opportunity this afternoon.

Mr. SAM JOHNSON of Texas. Mr. Speaker, I yield myself such time as I may consume.

I appreciate the comments the gentleman made, his father and previous people in his family. I love the railroaders. They are good guys. We ought to take care of them, but I do not think they ought to get extra dollars. The railroad trust fund gets roughly a \$300 million subsidy from general revenues when income taxes on tier 2 private pension equivalent, which the gentleman is talking about, are returned to the trust fund rather than general revenue. No other Americans have the taxes on their pensions returned to their pension funds.

The railroad retirement needed a \$3.5 billion subsidy in 2000 from Social Security to stay afloat. I just find it hard to believe that you can say that you are looking out for them, and I hope you will, but to drop the age limit down to 60 when Social Security is up to 65 to 67, going to 67, it is hard to rationalize that.

Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. SMITH).

Mr. SMITH of Michigan. Mr. Speaker, there are a couple of concerns that I have about this legislation:

One, it does mean absolutely that we are going to raid the Social Security and Medicare Trust Fund lockbox next year. So that is a real concern. Regardless of the kind of scoring, it is going to take the \$15 billion coming from someplace. And so that is real money and that comes out of the surplus because it is dollars that are going to be given to this fund.

My second concern is that eventually, sometime, someplace, somewhere down the road we take the American taxpayer off the hook and say, Look, you're not going to be responsible for this private pension plan anymore.

It dates back to 1934 when we started Social Security. At that time railroaders were put under the Social Security Act. Railroaders had already

started a pretty good pension forum, and so they came to Congress with significant political influence, as they have today. They came to Congress and said, Look, we want you to allow us to have the equivalent of a Social Security deduction on our payroll, but we want to go into our own private account. So by 1937, the Congress changed the law and allowed them to have this sort of quasi-governmental retirement system.

The other problem that I think is significant, by not taking the American taxpayer off the hook to bail out this system again, we are looking at a situation that by 2028, the revenues coming into the trust fund are going to be way below what is needed to meet the requirements of benefits. The simple bottom line fact is this bill increases benefits, it increases benefits to widowers, and says that you only have to be 60 years old now to receive full benefits if you put the required number of years in service.

So we increase the benefits, where in Social Security instead of 60 years old, you have got to go till 67 years old eventually down the road. That is the bill that we passed. So we are reducing the revenues contributed by railroad management, and we are increasing the benefits to retirees; and we are taking \$15 billion out of our surplus money. That means we have got to go into the lockbox, and we are simply never taking the American taxpayer off the hook.

So when these taxes are required to go up to 40 and 50 percent in the year 2028, what do you think is going to happen in terms of the railroaders coming back to Congress to say, Look, having that kind of a payroll tax is impossible?

I would like to ask somebody sometime, why do we not consider taking the American taxpayer off the hook? Let me just give Members the statistics on what the gentleman from Texas was saying in terms of the Federal contribution. The railroad retirement system has spent more than it has collected in payroll taxes every year since 1957, an average of \$4 billion a year they spend in benefits more than they take in in their payroll contribution towards that benefit plan. The cumulative shortfall now exceeds \$90 billion. But because of taxpayer subsidies for this railroad fund, we end up with an accounting that in the trust fund is \$20 billion, \$15 billion of which we are going to take and say it is going to help solve the problems of the railroad retirement system.

Everybody wants fairness for every pension plan. The question is, how often, how much should the American taxpayer be asked to fund this system? And so with interest it is the equivalent of \$90 billion now and the \$15 billion is going out of the lockbox of Social Security and Medicare.

I think the challenge for us is certainly to assist the railroad retirees but not in the way that it is going to

jeopardize the benefits of future Social Security recipients.

Mr. OBERSTAR. Mr. Speaker, I yield 2½ minutes to the gentleman from Tennessee (Mr. CLEMENT), the ranking member of the Subcommittee on Railroads.

Mr. CLEMENT. Mr. Speaker, I thank the gentleman from Minnesota for yielding me this time. I always refer to the gentleman from Minnesota (Mr. OBERSTAR), our leader on the Democratic side on the Committee on Transportation and Infrastructure, as our walking encyclopedia and historian, because I do not think there is anyone who knows more about the facts and the information than he does when it comes to some of these tough, controversial decisions.

I want to also say to the gentleman from Alaska (Mr. YOUNG), the gentleman is our new chairman of the Committee on Transportation and Infrastructure and is doing an outstanding job. He had many others prior to him. He has gotten off to a very, very good start, not only representing the great State of Alaska but our entire country. And to the gentleman from New York (Mr. QUINN), who is the chairman of the Subcommittee on Railroads, and I am the ranking Democrat, we are working together as partners. That is somewhat unusual in the U.S. House of Representatives for a Democrat and Republican to work so closely together for the common good of the people of this country. We have worked together and the Subcommittee on Railroads has been very active. This is a prime example of something that we worked on very hard, and we made up our mind very early that other Congresses had tried but not been able to move this legislation, and we want to move it.

We know that a quarter of a million men and women work on America's railroads that will be affected by this legislation. There are 700,000 retirees and survivors of retired railroad workers that will be affected by this legislation. H.R. 1140, the Railroad Retirement Improvement Act of 2001, what we are talking about tonight, is important legislation. I am pleased to be one of the original cosponsors. We have almost every Member of Congress that has signed on as a cosponsor.

Every week in my office, railroad workers and retirees call me about the status of this bill. In my district, the Fifth District of Tennessee, there are 364 active railroad workers. My district includes 1,226 beneficiaries of the railroad retirement system. This number includes retired employees, their spouses and survivors.

This legislation is important. Let us pass it now and send it to the U.S. Senate where hopefully they will take action.

Mr. SAM JOHNSON of Texas. Mr. Speaker, I yield such time as he may consume to the gentleman from Connecticut (Mr. SHAYS).

Mr. SHAYS. Mr. Speaker, I thank the gentleman for yielding time. I thank

him for his courage and service to our country, and frankly his courage tonight. This is not a pleasant thing that the gentleman is having to do. He is having to basically oppose his friends. He is having to ask for time in opposition. He is doing it because I believe when he got elected to Congress, he wanted us to be honest with each other. I believe when he got elected to Congress, he wanted us to tell the truth.

The truth is quite simple. Rail management and unions came to an agreement. It is a wonderful agreement. It is also bipartisan, Republicans and Democrats. It is a great plan: increase the benefits, reduce contributions to the fund, and have the taxpayers pay for it. What a system. Why would management oppose that?

□ 1915

The taxpayers pay. Why would the beneficiaries oppose? They will get increased benefits, and they will contribute less. It is a wonderful plan, so why are we not all for it? There are over 300 for it, and why would they not be for it? They are going to have everybody call them up, all their railroad workers, and we all have them, and they are saying increase my benefits, take care of my needs.

So that is logical. Let us take care of their needs. It is just dishonest. It is blatantly dishonest. It is asking the taxpayers to pay for something that is, in fact, a private benefit.

We are going to reduce the contributions to the fund, we are going to increase the benefits from the fund, and we are going to ask the taxpayers to pay for it, and we all should just fall in line, fall in step. There is a problem with that. The problem is, we have a responsibility to run the government. We have a moral obligation to run this government.

We reduced taxes in this government. I did. I was happy to reduce taxes, because it seemed very clear to me why we should do it: if we leave the money on the table, it is going to be spent, and this is one of the great examples.

We beat our chests and say how we are protecting the Social Security trust fund, but we are not, because right now we are going to raid it. And we say we are going to increase the age of retirement for beneficiaries from 65 to 67, but we are allowing railroad workers to retire at age 60 using Social Security trust fund money.

Give me a break. I do not get it. I do not understand why we do it.

I just thank the gentleman from Texas (Mr. SAM JOHNSON) for exhibiting the same kind of courage he exhibited when he was in Vietnam, to say this is wrong, we have got to stop it, and we should not do it. He was a hero for me for many years. I read his book, and I am just proud to be fighting the same cause.

Mr. OBERSTAR. Mr. Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Speaker, I appreciate the gentleman's courtesy in sharing a few of these scarce moments with me.

I join, first of all, in expressing my appreciation to the leadership of our committee that has focused on the health and future of America's railroads. The gentleman from Alaska (Chairman YOUNG), the gentleman from Minnesota (Mr. OBERSTAR), the gentleman from Tennessee (Mr. CLEMENT), the gentleman from New York (Mr. QUINN), I think are doing an outstanding job; and I am looking forward to working in the future with them.

One of the important parts of their job is to modernize this pension program. It is not Social Security. If they were part of Social Security and had been for years, this would be a much different situation. This is independently funded. These people are paying now 36.3 percent of total payroll into this. It is a significant tax on industry and these individuals.

The proposal that has been worked out retains the individual contribution, and it is still going to be 33 percent total investment. They are not pulling rabbits out of the hat. They are modernizing the system with a tier 2 benefits like you would any other modern pension program and diversifying the investment, moving beyond low-yield bonds.

I think we are going to be able to hit the target and exceed the target. This is certainly more conservative than the assumptions that some people have used to justify voting for the Bush tax program, but that is a different issue.

We have, I do think, an obligation to be honest; and I think we are doing a good job in terms of putting forward alternative sources of revenue, modernizing the rate of return, allowing industry to reinvest in badly needed infrastructure, being fair to almost 1 million participants, and bring this pension plan into the modern era.

But, please, do not confuse this with Social Security. It took us up until a few minutes ago, and I do not know what the chair and ranking member did to convince OMB to understand that this is a separate program. They have done it. I am glad you could do it with OMB. I hope you will be as successful with some of the other programs.

Mr. YOUNG of Alaska. Mr. Speaker, I yield 1 minute to the gentleman from Nebraska (Mr. TERRY).

Mr. TERRY. Mr. Speaker, I thank the gentleman for yielding to speak on this important act for the 7500 retirees in my district.

I rise in support of this act. Why? Because these reforms in this act allow the railroad workers to move to a pension system that, frankly, mirrors most in the industrial world, manufacturing, teachers, firemen. These reforms allow railroad workers to have some level of control over their money and their pensions, being able to direct them into safe investments and earn a

greater return so they can pay them back with better benefits.

Yes, government will continue to hold the majority of these dollars in the tier 1, the archaic system, but at least we inch forward to a modern system. These reforms allow for greater benefits for widows, who now receive 50 percent of their deceased spouse's benefit. I have heard from many widows in my district who have a great deal of difficulty making ends meet. This act will allow these widows a little bit more money and a lot of peace of mind.

Mr. SAM JOHNSON of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to point out that there are not a lot of other industries that have a retirement program such as this. The steel industry does not, and teachers and other people do not either. They pay into their own programs, but not into Social Security, for the most part. Social Security does not finance them.

Let me make a point here that Social Security, according to the reform proposal that was handed out that goes with this bill and that has been occurring for a long time, tier 1 tax revenues are benefited by the Social Security benefit account. The Social Security benefit account also makes periodic transfers to tier 2, which is supported also by Social Security. So to say Social Security is not involved is a misnomer.

The fact of the matter is, the gentleman from Connecticut (Mr. SHAYS) pointed out earlier that I have a military background, and I have to tell you, I am scared to death that we are neglecting our military. If we pass this thing, which is a \$15 billion hit almost immediately, there is not going to be any money left for our military to survive. To me, that is what the Congress ought to be talking about, is protecting our Nation.

I would like to add at this point that the Citizens for Sound Economy are urging a "no" vote on this bill, and they say, "Perhaps the most troubling part of the bill is it pretends to pay for itself. The railroad retirement trust fund currently holds \$15.3 billion in government bonds. H.R. 1140," that is the bill number, "would cash them in and set up a new railroad retirement investment trust to invest the money in the stock market."

They are going to score this as a key vote. I thought Members should know that.

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

Mr. SMITH of Michigan. Mr. Speaker, they are having a real problem with railroad retirement, but almost every corporation and company that is in the United States, as people live longer, as our medical technology allows them to live longer, we end up having problems, whether it is Social Security or other pension plans. To say that the Federal Government should bail out this private pension plan I think is probably

an unfair imposition on the rest of our taxpayers and on the Social Security system.

Now, Social Security right now has three workers, we are down to three workers, for every one retiree. Thirty years ago we had 30 workers financing every one retiree. Today there are three workers financing Social Security. Guess what it is in the railroad system? There is one worker trying to fund three railroad retirees, one worker in railroad trying to fund three retirees.

Mr. Speaker, that is a huge burden, but, still, they have to run their own pension system. They cannot keep coming back to government. Again, \$4 billion every year that they pay out in benefits more than they withhold in their taxes.

Mr. SAM JOHNSON of Texas. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. GILMAN).

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

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I rise in strong support of H.R. 1140, the Railroad Retirement Survivors Improvement Act of 2001. I commend the gentleman from Alaska (Mr. YOUNG) for proposing this important measure.

This bill will bring much needed improvements to the 65-year-old railroad retirement program on which our Nation's retired railroad employees and families rely. The modernization of this program includes steps toward the increased privatization of the program's tier 2 pension plan, which will be achieved through the establishment of a nonprofit Railroad Retirement Investment Trust which will oversee and invest the assets of the program's trust fund. The trust will be managed by a panel of trustees, who have been chosen by rail management and rail labor and that will give greater control of the program to the men and women who benefit from it.

H.R. 1140 also contains a provision which will permit retired railroad employees to work in non-rail jobs with no penalties to their benefits. In addition, the bill also allows widows and widowers of retired rail workers to collect the full amount of their deceased spouses' pension.

It is clear that this Roosevelt-era program is due for an appropriate restructuring that will reflect the current needs of our Nation's rail workers and their families. Accordingly, I urge my colleagues to fully support H.R. 1140.

Mr. YOUNG of Alaska. Mr. Speaker, I yield 1 minute to my good friend and new colleague, the gentleman from Pennsylvania (Mr. SHUSTER).

Mr. SHUSTER. Mr. Speaker, I rise in strong support of H.R. 1140, the Railroad Retirement and Survivors Improvement Act. This landmark legislation will reform an antiquated retirement system, improve benefits for railroad retirees, increase benefits for approximately 50,000 railroad retiree widows, and reduce taxes on railroad employees.

Opponents of H.R. 1140 say the bill will have a first year cost of \$15 billion and will reduce funds available for other important programs. The truth is, truth in budgeting, and this bill should never have been scored the way it was. We restore truth in budgeting through this bill.

H.R. 1140 has the support of both labor and industry management and deserves the overwhelming support of this House.

This legislation is good for railroad families, it is good for America, and I urge the strong support for this legislation.

Mr. OBERSTAR. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I listened with great interest to the gentleman from Connecticut who said, "I don't get it." Well, the reason he does not get it is that he does not understand it.

The fact is that only tier 2 benefits are affected by this legislation. You cannot get early retirement under Social Security as a railroad worker. You have got to wait until your time under the Social Security law. You get your retirement early under the tier 2 benefits for railroad workers under that ancient law that predates Social Security. We are just trying to update it.

This is not a raid on the taxpayers, for heavens sakes. We are reducing the tax that the railroad companies pay into this system and the workers pay into their tier 2 benefits.

So, we are trying to make it a little bit better. But it is not a raid on Social Security. They waited their time to get those benefits.

Just read the law. When all else fails and you do not understand it, read the bill. And the bill is very clear, we are only dealing with railroad workers' benefits.

Mr. YOUNG of Alaska. Mr. Speaker, I yield 1 minute to the gentlewoman from West Virginia (Mrs. CAPITO), a member of the committee.

Mrs. CAPITO. Mr. Speaker, I thank the gentleman from Alaska (Chairman YOUNG) and the ranking member, the gentleman from Minnesota (Mr. OBERSTAR).

Mr. Speaker, I rise quickly to express my support for the passage of H.R. 1140, the Railroad Retirement Survivors Improvement Act. As the title suggests, this bill aims to provide equitable and fitting compensation for those who have served and those who are currently serving the railroad industry.

The move to modernize the railroad retirement trust fund is revolutionary, yet vital. With this bill, the railroad retirement trust fund will receive in-

creased revenues for its beneficiaries through investment in a diversified portfolio.

In my home State of West Virginia, almost 12,000 railroad employees, retirees, spouses, and widows have benefitted from this plan. In my district alone, 3,000 railroad beneficiaries would benefit from this. Many of these people have called my office over the past few months asking me to support this bipartisan effort. Widows of former rail workers have told me stories about the minimum benefits they receive, where they can barely pay their bills. Such stories should encourage us to act and act quickly.

Over the past century, the hard work, long hours, and true dedication of many men and women have built an effective network of rail tracks around this country.

Mr. Speaker, I urge this body to pass this legislation.

Mr. SAM JOHNSON of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to read from a letter from the U.S. Railroad Retirement Board, from a person who is a labor member there.

□ 1930

They ask, how do the average monthly railroad retirement and Social Security benefits paid to retired employees and their spouses compare?

The average age annuity being paid by the Railroad Retirement Board at the end of 2000 to career railroad employees was \$1,760 a month, and for all employees, the average was \$1,300. The average age retirement benefit being paid by Social Security was about \$800 a month, and spouse benefits averaged about \$530.

So the Railroad Retirement Act does not need fixing, it needs support monetarily, and guess where they are going to get it? They are going to get it from the Social Security Trust Fund.

Mr. Speaker, I would like to just reiterate that the President's proposals under this bill are violated. The bill demands using Social Security funds to subsidize other benefits. The Federal Government, disguised as the investment trust, would invest in the private sector, and also the bill would prohibit personal retirement accounts for railroad employees. Every one of us should vote against this bill.

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

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

I want to compliment everybody who has spoken tonight. I would just suggest again that this is tier 2; it is their money, they want to reinvest it. Yes, it is in government bonds, but it came from the workers. I thought this body was trying to set up a system where we did not take money from the workers to spend on other things. This is our retirement system. This is the railroad retirement system. It only affects tier 2.

For those people who are not on the floor tonight, I urge people watching the show to vote for this legislation. Keep in mind, this had 371 cosponsors. I expect 380 votes on this. It is the right thing to do for our railroads and our railroad workers.

Mr. WELLER. Mr. Speaker, I rise in strong support of H.R. 1140, The Railroad Retirement and Survivors' Improvement Act of 2001.

The Railroad Retirement and Survivors' Improvement Act of 2001 is historic legislation that will improve the lives of railroad workers and their spouses. I am proud to be a cosponsor with 367 of my colleagues of this important bill. H.R. 1140 guarantees a better standard of retirement for the nearly 3,500 retirees in the 11th Congressional District of Illinois which I represent and for all future retirees and their families.

Under H.R. 1140, the quality of life for widows and widowers is significantly improved. Under current law, spouses are limited to one-half of the deceased employee's Tier 2 benefits. However, under this legislation, the bill increases Tier 2 benefits for widows and widowers to 100 percent of the deceased employee's benefits on the date of death. Thus, widows and widowers will continue to receive the same benefits as their spouse received prior to death. Widows should not have to face a loss of income in addition to the death of a spouse. This bill ensures that is no longer a reality—widows will receive full benefits under this legislation.

Additionally, H.R. 1140 reduces the years of covered service to be vested in the railroad retirement system from the present 10 years to 5 years. Ten years is too long to wait to be vested in the railroad retirement system, and this legislation corrects this problem. Further, the retirement age is reduced from 62 to 60. By reducing this age, workers are given the opportunity to retire earlier without a corresponding loss of benefits.

H.R. 1140 also fixes the cap on the "maximum benefit." Present law limits the total amount of monthly railroad retirement benefits payable to an employee and an employee's spouse at the time the employee's annuity payout begins. The Railroad Retirement and Survivors' Improvement Act of 2000 removes this cap so that there is not a maximum benefit limit.

Further, the legislation ensures the solvency of the Railroad Retirement Investment Trust. Through private investing, the trust fund will grow faster while decreasing taxes assessed on railroads. Seven private individuals will oversee the Railroad Retirement Investment Trust, thus ensuring any possible implication of a government role in investing is eliminated. Labor and rail management will each select three trustees to reflect their interests, and these six trustees will select the seventh trustee. Approximately one-quarter of all employees in the rail industry work for commuter and passenger rail, a growing industry. It is my sincere hope that the Trust include a representative from all three categories of rail service: commuter, passenger and freight from among those appointees designated for rail management.

Mr. Speaker, this is good, important legislation that will help 670,000 retirees and dependents and 245,000 active rail employees. I ask for all my colleagues to cast their vote in favor of H.R. 1140.

Mr. RAHALL. Mr. Speaker, in the Third District of West Virginia, we have 8,300 citizens who will benefit from the Railroad Retirement and Survivors' Improvement Act of 2001. This ranks southern West Virginia seventh in the nation.

My constituents have been calling and writing to me on an ongoing basis, asking me when this bill will come to the House floor for a vote. Today I hope to be able to tell them it will pass in the House and we can send it on to the other body, where we hope it will get speedy consideration.

I want to thank the Chairman and Ranking Member of the Transportation Committee, Mr. YOUNG and Mr. OBERSTAR, for working to bring this bill to the floor with overwhelming bi-partisan support.

I also want to thank the Chairman and Ranking Member of the Railroad Subcommittee, Mr. QUINN and Mr. CLEMENT, for bringing this bill through the Subcommittee process quickly. And I want to thank the Ways and Means Committee for their cooperation.

My constituents have been anxious to see this bill get enacted into law because it will double benefits for widows of railroad retirees, reduce the retirement age from 62 to 60 years of age with 30 years of service, and allow a person to be vested in the system after five years of service, rather than 10 years, as currently required.

This bill includes the exact provisions of H.R. 4844, which I helped to write last year, and which passed the House by an overwhelming vote.

My constituents were disappointed and frustrated last year when the bill was not enacted into law, especially since it is a product of two years of negotiation between railroad workers and management of the railroad industry. With 368 co-sponsors in the House, this bill has overwhelming bi-partisan support, once again.

With 71 bi-partisan cosponsors in the Senate, I look forward to its passage on the Senate floor, and I ask President Bush to sign the bill into law expeditiously.

Once this bill becomes law, it will enable railroad retirees and widows to enjoy a better quality of life, by receiving the increased benefits they worked for and deserve. They spent their working lives paying into their retirement and they deserve to reap good benefits.

Mr. CRANE. Mr. Speaker, I rise, today, to discuss a specific issue regarding H.R. 1140, the Railroad Retirement and Survivors' Improvement Act of 2001, specifically, the representation of commuter rail on the Board of Trustees for the Railroad Retirement Investment Trust that is created by the bill. My district is served by Metra, the nation's second largest commuter rail system in the country. Last year, Metra provided nearly 82 million passenger trips—setting a 32-year ridership record. Over the years, Metra has received numerous awards and accolades for its outstanding service, and none of those would have been possible were it not for the hard work and dedication of its more than 2,500 employees.

These 2,500 employees of Metra join their counterparts in other commuter and passenger rail systems around the country, and together they account for approximately one-quarter of all employees in the rail industry. This percentage of commuter and passenger rail employees is only expected to increase in the near future as customer demand for more

commuter rail service grows. I have long-supported Metra and commuter rail, and I believe their unique interests deserve a voice on the Board of Trustees created in this legislation. Consequently, it is my hope that the Board of Trustees will include a representative from the ranks of commuter rail along with representatives from the other categories of rail service—passenger and freight. Such representation would ensure that commuter rail's interests are heard along with the interests of the other rail industry categories. This representation would be a substantial acknowledgement of the growing importance of commuter rail.

Mr. ENGLISH. Mr. Speaker, this legislation represents the culmination of years of discussions between rail management and a sizable majority of rail labor.

I am pleased to support the Railroad Retirement and Survivors' Improvement Act of 2001. This legislation is designed to improve significantly the financing and benefits of railroad retirement benefits.

H.R. 1140 improves the performance of the Railroad Retirement Account (RRA) by enhancing employees benefits, reducing employer and employee tax rates, and promoting financial growth of the railroad retirement trust fund. More than 3,400 of my constituents in northwestern Pennsylvania will benefit from reforming the current railroad retirement system. In fact, many of those people have called my offices urging Congress to pass this legislation that represents benefit improvements for them and their families including:

- an expansion of widow(er)s' benefit by guaranteeing no less than the amount of the annuity that the retiree received;

- liberalized early retirement which allows retirement at age 60 with 30 years of service without a benefit reduction; and

- expanded vesting which means bringing this requirement consistent with private industry practices. This entails the reductions of the ten-year requirement to vest for Tier I and Tier II annuities to five years.

This is a strong proposal and I urge my colleagues to support it.

Thank you Mr. Speaker. I yield back the balance of my time.

Mr. CUMMINGS. Mr. Speaker, I urge my colleagues to vote in support of H.R. 1140, the Railroad Retirement and Survivors' Improvement Act of 2001.

This legislation serves to modernize the current railroad retirement system and will benefit hundreds of thousands of retirees, and surviving widows and dependents. I believe that passage of this bill would bring us significantly closer to achieving retirement security for rail workers and retirees. Surviving spouses and dependents suffer substantial reductions in benefits upon the death of a railroad worker or retiree. This bill will provide a guaranteed minimum benefit for survivors. While benefiting survivors, H.R. 1140 will also benefit railroads by reducing payroll taxes.

This is a good piece of legislation—it's good for workers, it's good for survivors, and it's good for the railroads. Following two years of negotiations between railroad management and rail labor we have a bill whose time has come.

H.R. 1140 is essentially the same legislation that we overwhelmingly passed last year by a vote of 391 to 25. Let us be just as supportive this time around.

I strongly urge my colleagues pass H.R. 1140.

Mr. UDALL of New Mexico. Mr. Speaker, I strongly support H.R. 1140, the Railroad Retirement and Survivors' Improvements Act of 2001. This critical legislation makes important improvements in the benefit structure for retired railroad workers, especially for widows and widowers.

After many railroad bankruptcies during the Depression, the government assumed responsibility for workers' pensions, financed with a special payroll tax paid by both rail concerns and their employees. The system is now \$40 billion short of what would be required to pay benefits to all the workers who have yet to retire and their survivors.

Congress has a responsibility to provide railroad retirees and their survivors with increased benefits, as well as making necessary changes to update and modernize the railroad employee benefit system.

To that end, I urge my colleagues to join me in support of H.R. 1140. More than 670,000 retirees and dependents and 245,000 active rail employees will benefit from the improvements made by the Railroad Retirement and Survivors' Improvement Act of 2001. Please support our nation's railroad workers, rail retirees and spouses by supporting this critical reform package. Vote yes on H.R. 1140.

Mr. REYES. Mr. Speaker, I rise today in strong support of the Railroad Retirement and Survivors' Improvement Act of 2001. This bill has almost 370 cosponsors and I urge my colleagues to vote in favor of this bill. This bill amends the Railroad Retirement Act of 1974 and increases benefits to railroad employees and their beneficiaries. In addition, this important legislation provides for full annuities to employees and their spouses at age 60 with 30 years of service. This bill also reduces the vesting requirement for railroad retirement benefits for employees and survivors from ten to five years of service. This legislation is fair and must be enacted into law.

El Paso, Texas has a long history and association with the railroad. In fact, the original Arizona & Southwestern Railroad, built in 1888–1889 by the Copper Queen Consolidated Mining Co., a subsidiary of Phelps Dodge Corporation, was built to transport copper from a smelter in Bisbee, Arizona to a refinery in El Paso, Texas. The railroad and its workers have always played an integral role in the fabric of our city.

The Railroad Retirement and Survivors' Improvement Act of 2001 recognizes the work that our rail workers perform in service of this country and takes into account their extremely physical work. Again, Mr. Speaker, there are almost 370 cosponsors of this legislation representing literally millions of people across the country. I urge my colleagues to vote in favor of this extremely important piece of legislation.

Mr. PETRI. Mr. Speaker, with many railroad retirees amongst my constituents, I am pleased to rise in strong support of this legislation.

Several years ago, as Chairman of the Surface Transportation Subcommittee, I became aware of the need to increase the retirement security of our nation's railroad workers. The members of the Transportation committee worked hard to bring all the stakeholders together to work out a comprehensive plan to reform the railroad retirement system.

I am quite pleased that this legislation represents the product of that work. By diversifying the investment vehicles for retirement accounts, this legislation improves retirement

benefits and reduces taxes on railroad employers. This sensible legislation is supported by both railroad management and most labor unions.

Last year, this House overwhelmingly passed similar legislation, but the Senate failed to act on it. Let's not make our railroad retirees and their families wait any longer for this needed reform. I urge my colleagues in both chambers to support quick passage and enactment of this legislation.

Mr. YOUNG of Alaska. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SUNUNU). The question is on the motion offered by the gentleman from Alaska (Mr. YOUNG) that the House suspend the rules and pass the bill, H.R. 1140, as amended.

The question was taken.

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

Mr. YOUNG of Alaska. Mr. Speaker, on that, I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 384, nays 33, not voting 16, as follows:

[Roll No. 305]

YEAS—384

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

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

NAYS—33

Ballenger	Jones (NC)	Schaffer
Chabot	Kolbe	Sensenbrenner
Cox	Largent	Shadegg
DeLay	Miller (FL)	Shays
DeMint	Miller, Gary	Smith (MI)
Flake	Myrick	Stenholm
Frelinghuysen	Paul	Sununu
Hefley	Pence	Tancredo
Herger	Pitts	Taylor (MS)
Hoekstra	Rohrabacher	Thomas
Johnson, Sam	Royce	Weldon (FL)

NOT VOTING—16

Cramer	Lipinski	Spence
Hastings (FL)	Markey	Stark
Hutchinson	Moran (VA)	Toomey
Hyde	Nadler	Watson (CA)
Jones (OH)	Oxley	
Leach	Peterson (MN)	

□ 1956

Mr. THOMAS and Mr. TAYLOR of Mississippi changed their vote from "yea" to "nay."

Mr. BLUNT changed his vote from "nay" to "yea."

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

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Ms. WATSON of California. Mr. Speaker, on rollcall No. 305, had I not been detained at a speaking event, I would have voted "aye" on rollcall No. 305.

GENERAL LEAVE

Mr. YOUNG of Alaska. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1140, the bill just passed.

The SPEAKER pro tempore (Mr. SUNUNU). Is there objection to the request of the gentleman from Alaska?

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. SMITH) is recognized for 5 minutes.

(Mr. SMITH of Michigan addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. BROWN) is recognized for 5 minutes.

(Mr. BROWN of Ohio addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

□ 2000

BONUSES FOR TOP U.S. POSTAL SERVICE EXECUTIVES

The SPEAKER pro tempore (Mr. SHUSTER). Under a previous order of the House, the gentleman from North Carolina (Mr. JONES) is recognized for 5 minutes.

Mr. JONES of North Carolina. Mr. Speaker, I wanted to take just a few minutes tonight to talk about the raises that the executives in the post office decided to give themselves, which is kind of ironic when small businesses in America, as well as those who need to send out flyers about their businesses and what they are hoping to do to increase their business, are paying the rates.

Let me give an example. I have a Washington Post article that ran last week, and the first part of the article says, "The U.S. Postal Service is starting at a \$2 billion deficit this year, yet

the postmaster general has told its top managers that they could see performance bonuses of up to 25 percent of their salaries."

Now, Mr. Speaker, I think when an agency or a business, whatever it might be, is losing a projected \$2 billion this year, yet they are giving bonuses to their top management of 25 percent, with the taxpayers of this country who use the postal system paying the freight for that increase, there is something wrong.

The second part of the paragraph says, "The postal service has increased postal rates twice this year, but United States Postal Service officials are still projecting a deficit of \$1.6 billion to \$2.4 billion, blaming higher fuel costs and increasing competition from online services."

Mr. Speaker, the reason I wanted to come forward is because in the year 2000, the post office ended the year with a \$1.9 million loss, yet that same year, the year 2000, they paid out \$197 million in bonuses to employees. Again, I came to the floor tonight because I think there is something seriously wrong when the U.S. Postal Service is losing that kind of money yet paying those kind of bonuses.

In this great Nation that we live, America, we are usually rewarded for being successful, not for losing money and then charging the customer the rates they have been charging. Let me read a couple other points to my colleagues.

This is from the Federal Times Postal News, and it says "The outlook may appear sour for this year for the U.S. Postal Service, which is facing a potential \$2 billion deficit, but many postal service executives may be on the brink of a banner year. Postmaster General John Potter told top postal executives if the postal service continues increasing productivity this year, their bonuses could amount to 25 percent of their salaries."

He says they are increasing productivity, yet they are still losing between \$1 billion and \$2 billion. That is kind of laughable to me, quite frankly, Mr. Speaker. Let me also mention that in 2000, which I mentioned earlier, they paid out over \$208 million while losing money.

Mr. Speaker, I guess the reason I wanted to come to the floor tonight is simply to point out that the American people are looking to those of us in the United States Congress to tell the post office to get their act straight, to start serving the people and making some money, and then maybe those bonuses will be worth it.

I have put in a resolution that would deal with this. It is a nonbinding resolution, quite frankly, but it would give Members of the House a chance to come to the floor and talk about the fact that they are not worthy of this kind of increase in their bonuses, in my opinion.

I will make quick reference to a Washington Times article of this past

Friday called "Going Postal Bonus," and it talks about just how absolutely ridiculous it is that the post office is giving themselves this kind of bonus and raise when they are losing money.

So, Mr. Speaker, in closing, I would just like to say to my fellow colleagues in the United States House of Representatives that I hope my colleagues will support my nonbinding resolution so we can come to the floor of the House and speak on behalf of those small businesses and patrons of the United States Postal Service who are paying a whole lot in increases while the executives, who are losing money, up to \$2 billion, are giving themselves a bonus.

As my colleague, the gentleman from Ohio (Mr. TRAFICANT), would say, shame on them and shame on us if we do not debate this on the floor of the House.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from American Samoa (Mr. FALEOMAVAEGA) is recognized for 5 minutes.

(Mr. FALEOMAVAEGA addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

TRIBUTE TO ISABEL BRIGGS MYERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BOEHLERT) is recognized for 5 minutes.

Mr. BOEHLERT. Mr. Speaker, I rise today to talk about an interesting conference that will soon take place in my congressional district. On September 20 and 22, 2001, Hartwick College in Oneonta, New York, is sponsoring a symposium in honor of a truly remarkable woman: Isabel Briggs Myers. Isabel Briggs Myers devoted more than half her lifetime to the observation, study, and measurement of personality and gave us the Myers-Briggs Type Indicator, the most widely used personality instrument in the world.

The story of Isabel Myers and the Type Indicator is unique in the history of psychology and shows how much a single individual can achieve in the face of formidable obstacles. The story begins with Isabel's mother, Katharine Cook Briggs, a thinker, a reader, and a quiet observer who became intrigued with the similarities and differences in human personality. Katharine Cook Briggs became interested in the work of a Swiss psychologist named Carl Jung. She passed that interest on to her daughter, Isabel.

Isabel Briggs, after being home schooled except for a year in public school, entered Swarthmore College at age 17 and graduated first in her class in 1919. At the end of her junior year, she married Clarence Myers. Until the outbreak of World War II, she functioned as a mother and homemaker although she found time to publish two successful mystery novels.

The outbreak of World War II stirred her desire to contribute to the national effort. With the departure of much of the male workforce into the armed services and the emergence of many women new to the industrial workplace to fill their jobs, she saw a place where she could help. She was convinced that an understanding for human personality differences could help a person find a successful and rewarding kind of job and avoid unnecessary stress and conflict. Having long since absorbed her mother's admiration of Jungian typology, she determined to devise a method of making the theory of practical use. Thus was born the idea of the Type Indicator.

With no formal training in psychology, with no academic sponsorship or research grants, Isabel Myers began the painstaking task of developing a set of questions that would tap the attitudes, feelings, perceptions, and behaviors of the different psychological types as she and her mother had come to understand them. A habitual reader, she haunted libraries and taught herself what she needed to know of statistics and test construction. She persuaded countless school principals in eastern Pennsylvania to allow her to test their students, and she spent many a long evening scoring questions and tabulating data.

Isabel Myers Briggs spent decades working to perfect the Myers-Briggs Type Indicator. At the age of 82, she was still at work on a revised manual for the indicator, long after she was profoundly weakened by her final illness. Today, the Myers-Briggs Type Indicator has been translated into over 30 languages and is used by career counselors, colleges and universities, the Department of Defense, and numerous corporations.

On September 22, 2001, Hartwick College will confer, posthumously, an honorary doctorate degree to Isabel Briggs Myers. It is well deserved.

Mr. Speaker, in closing, I would like to bid the symposium attendees and Isabel's family my best wishes for the success of their event; and I applaud their desire to honor such an able scholar and true visionary: Isabel Briggs Myers.

SUPPORT OF BIPARTISAN PATIENT PROTECTION ACT, H.R. 2563

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. LANGEVIN) is recognized for 5 minutes.

Mr. LANGEVIN. Mr. Speaker, I rise tonight to voice my strong support of the Ganske-Dingell-Norwood-Berry patients' bill of rights. I am a proud cosponsor of this bill which our wise counterparts in the Senate passed more than 1 month ago.

Over 800 organizations endorse the Ganske-Dingell-Norwood-Berry patient bill of rights, and numerous surveys show overwhelming support for the

kind of bipartisan commonsense protections this bill provides. We must pass this bill and not delay or deny the American public what so many of us have promised them time and time again since 1998.

More than 160 million Americans receive health services through managed care. Sixty-three percent of the insured population in this country have employment-based insurance. This patients' bill of rights would not only ensure a basic minimal level of health care for these Americans but also ensure that doctors, and not bureaucrats, are making decisions when it comes to patient care.

We must pass the newly revised Ganske-Dingell-Norwood-Berry patients' bill of rights, H.R. 2563. This bill gives HMO patients the right to choose their own doctor, covers all Americans with employer-based insurance, ensures that external reviews are conducted by independent and qualified physicians, and holds a plan accountable when it makes a decision that harms or kills someone. It also provides access to emergency room care, OB-GYNs, pediatricians, specialty care providers, and clinical trials and prescription drugs.

And while it does allow patients to sue in Federal and State courts, the newly revised bill makes it clear that employers will not be sued for wrongs committed by health plans. It limits employer liability by providing an exemption for self-employed plans and permitting employers to appoint a decisionmaker to immunize them from lawsuits.

Mr. Speaker, furthermore, this legislation narrows the scope of defined violations to provide meaningful protections for employers trying to provide the best care they can for employers and employees.

Mr. Speaker, an understandable and equally important concern for many of America's hardworking employers is the increased cost of providing health care for their employees. H.R. 2563 has been crafted to minimize this risk as well. The Congressional Budget Office issued a cost analysis of the McCain-Edwards-Kennedy bill, which is virtually identical to H.R. 2563, and concluded it would increase health insurance premiums by only a de minimis amount.

Moreover, a cost increase may never occur, since many HMOs have changed their policies over the past 3 years to ensure that patients can obtain medically necessary care. I applaud these HMOs and hope that others will follow, especially since some Members of the House seem determined to never let H.R. 2563 be considered on the House floor. I think that would be a travesty, Mr. Speaker. This patients' bill of rights represents a critical step toward improving our health care system by placing control of patient care firmly in the hands of patients and their doctors.

I implore my colleagues on both sides of the aisle to think of their constitu-

ents and the promises that we have made to improve health care in America. We must pass meaningful health care reform. We must pass this patients' bill of rights, and we must do it now.

RURAL CLEANSING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. DUNCAN) is recognized for 5 minutes.

Mr. DUNCAN. Mr. Speaker, we can never satisfy government's appetite for money or land. If we gave every department or agency up here twice what they are getting now, they would be happy for a short time but then they would be coming back to us crying about a shortfall in funding. But it is this threat to land and to private property that especially concerns me tonight.

The Federal Government today owns over 30 percent of the land in this country, and State and local governments and quasi-governmental agencies own another 20 percent. So that half the land today is in some type of public control.

□ 2015

The alarming thing is the rapid rate at which that government control of land has been increasing in the last 30 or 40 years. Then on top of that, we continue to put more and more restrictions on what people can do with the private property that remains in their hands.

We have to realize at some point, Mr. Speaker, that private property is one of the few things that has set us apart from countries like the former Soviet Union and Cuba and other socialist and communist nations. We need to recognize that private property is a very, very important part of our freedom and our prosperity.

I have talked about these restrictions on what people can do with their land. There are groups all over the country that protest any time anybody wants to dig for coal, drill for any oil, cut any trees, or produce any natural gas. What they are doing is hurting the poor and lower- and middle-income people most of all by destroying jobs and driving up prices on everything.

I want to bring to the attention of my colleagues tonight a column that was in the Wall Street Journal a few days ago called "Rural Cleansing" by Kimberley Strassel, who is an assistant editor and columnist for the Wall Street Journal.

She wrote a column, most of which I want to read at this time. She talks about the cut off of water to 1,500 farm families in Oregon and California's Klamath Basin in April because of the sucker fish: "The environmental groups behind the cut off continue to declare that they were simply concerned for the welfare of a bottom feeder. But last month these environmentalists revealed another motive

when they submitted a polished proposal for the government to buy off the farmers and move them off their lands. This is what is really happening in Klamath. Call it rural cleansing. It is repeating itself in environmental battles across the country.

"Indeed, the goal of many environmental groups from the Sierra Club and others is no longer to protect nature. It is to expunge humans from the countryside.

"The strategy of these environmental groups is nearly always the same. To sue or lobby the government into declaring rural areas off limits to people who live and work there. The tools for doing this include the Endangered Species Act and local preservation laws. In some cases, owners lose their property outright. More often, the environmentalists' goal is to have restrictions placed on the land that either render it unusable or persuade owners to leave of their own accord."

The column continues that there was a court decision in this case. "Since that decision, the average value of an acre of farm property in Klamath has dropped from \$2,500 to about \$35. Most owners have no other source of income. So with the region suitably desperate, the enviros dropped their bomb. Last month they submitted a proposal urging the government to buy the farmers off.

"The council has suggested a price of \$4,000 an acre which makes it more likely the owners will sell only to the government. While the amount is more than the property's original value, it is nowhere near enough to compensate people for the loss of their livelihoods and their children's future.

"The environmental groups have picked their fight specifically with the farmers but its acts will likely mean the death of an entire community. The farming industry there will lose \$250 million this year. But the property tax revenues will also decrease under new property assessments. That will strangle road and municipal projects. Local business are dependent on the farmers and are now suffering financially. Should the farm acreage be cleared of people entirely meaning no tax and no shoppers, the community is likely to disappear."

"Environmentalists argue," this columnist continues, "that farmers should never have been in the dry Klamath Valley in the first place and that they put undue stress on the land. But the West is a primarily arid region. Its history is one of turning inhospitable areas into thriving communities through prudent and thoughtful relocation of water."

The columnist goes on, "But, of course, this is the goal. Environmentalist groups have spoken openly of their desire to concentrate people into the cities turning everything outside city limits into a giant park. Do the people who give money to environmental groups realize the end game is to evict people from their land? I doubt it."

Ms. Strassel says, "The American dream has always been to own a bit of property on which to pursue happiness. And we are very slowly doing away with that in this country."

GENOCIDE AGAINST TAMILS IN SRI LANKA

The SPEAKER pro tempore (Mr. SHUSTER). Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

Mr. DAVIS of Illinois. Mr. Speaker, genocide is often described as the planned and systemic annihilation of a racial, political or cultural group. As we look at different situations around the world, we often see instances in which genocidal activities are being carried out. We examine the struggle for self-determination in Kosovo, the ethnic conflicts in Bosnia and Macedonia and every other place where we have gone to safeguard the rights of ethnic minorities.

We failed to do that in Rwanda, and I do not want us to ever sit by and allow this level of atrocity to occur again without our intervention.

Unfortunately, there is another serious ethnic conflict under way of an almost genocidal bent in another part of the world. Let me tell you where it is and why we, the American people, do not know much about it despite the fact that our government is involved. The conflict of which I speak is the ethnic conflict that is taking place in Sri Lanka where the Tamil minority is systemically being destroyed by the Sinhalese-dominated Government and its military.

I have every reason to believe that the Tamil minority in Sri Lanka has been denied their legitimate rights and are being subjected to the most inhumane treatment by the Sinhalese-dominated Government since the nation became independent in 1948.

Since the Tamil people and the Sinhalese people are concentrated predominantly on different parts of the island since ancient times, Sinhalese politicians have virtually ignored the legitimate concerns of the Tamil minority because they are elected almost exclusively by Sinhalese electorates.

The Tamil minority, which yearned to share the benefits of their newly found freedom with the Sinhalese, were dumbfounded when the Sinhalese-dominated Government rejected Tamil demands for the use of their language for regional administration, seek administration to universities based on merit, to secure employment opportunities without discrimination, to prevent their traditional homeland from being settled by Sinhalese citizens under government-sponsored colonization schemes and to develop their districts.

Furthermore, Tamil demands for any measure of regional autonomy for Tamil areas receive rejection by the Sinhalese-Buddhist clergy on the grounds that it would threaten the

spiritual and ethnic integrity of the Sinhalese-Buddhist nation.

Every peaceful demonstration staged by Tamils to show their displeasure with the government was broken by force, mostly with the tacit approval of Sinhalese politicians. Hundreds of Tamils have been killed; their property damaged. As a result, almost half a million Tamils have had to take refuge in foreign countries. Another half million have been displaced from their homes within Sri Lanka. Their most treasured library along with some of the rarest books describing their ancient history and culture were deliberately burned by the army also with the tacit approval of a government minister.

Under these circumstances, Tamils felt as if they had no choice but to encourage its youth to organize, and many of their young people have taken military action, fighting back as part of a self-determination and liberation front.

The LTTE, as in every civil war, has carried out some violent acts that targeted government establishments in Sinhalese areas to counter the brutal activities of the Sri Lanka Government and has succeeded in some instances. Now comes the time for the real intervention that is needed. We ought not stand by and allow this ethnic conflict to continue to the demise of a people, specially those who constitute the minority.

Therefore, I hope that our government, this government, will become more diplomatically involved, will try and bring about peaceful resolution of this conflict that is wrecking a nation.

ENERGY POLICIES FOR THE FUTURE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Pennsylvania (Mr. PETERSON) is recognized for 60 minutes as the designee of the majority leader.

Mr. PETERSON of Pennsylvania. Mr. Speaker, tonight a group of us here would like to talk about energy. We have heard a lot of discussion about energy. In fact now that gasoline prices have kind of dropped off, home heating prices have declined and things have sort of settled down, electric shortages in the West have not been happening for a few weeks, people say there is no crisis, it is just a lot of hype, a lot of smoke.

I am not one who believes that, and I agree with President George Bush and Vice President DICK CHENEY. This country needs a comprehensive energy policy. Let us look at the record and see the trends happening.

Recent trends, everybody has concern that the dependency on oil was coming from parts of the world that do not care about us, OPEC nations. We are approaching the 60 percent factor. That is not a healthy thing for our country.

Coal, there has been a very flat use of coal and a resistance to the new clean coal-use technologies. Coal use has been flat in this country, and maybe slightly declining.

Then look at nuclear where the percentage is slowly dropping. There has been a moratorium on new nuclear uses ever since the problem that happened in Pennsylvania many years ago. There have been no new plants built or planned; and the interesting part is in a recent report from the Department of Energy, the problem with nuclear continuing is the resistance of relicensing of existing nuclear plants. If we do not relicense our current plants, we are going to lose a great deal of our electricity.

Then we have hydro. The Department of Energy had the same mark beside hydro: flat, slightly declining, difficult to relicense. That is the view of the Department of Energy.

Then we have renewables, and we would like to see them grow and expand and take up the marketplace. In renewables, we have had very slow growth in solar, wind, geothermal, and more recently fuel cells. I think fuel cells are the one with the huge promise, probably sooner than others. There are those who think solar and wind can solve our problems. Every graph I look at shows them slow, almost no growth.

Then we have the infrastructure issue that we take for granted. We do not worry about how our electricity gets to us, or how our natural gas gets to us; but we have a gas transmission system that is not well connected and not large enough, and does not cover some parts of the country so there are parts of the country that do not have access to natural gas.

Electric transmission. We do not think much about those electric lines going from community to community; but that is how we get our power, and that system is aging, inadequate to supply the needs of today.

The refining capacity in this country has been slowing declining, the number of refiners; and yet our use of petroleum products has been climbing at a fast rate. Is that a healthy situation to be in?

If we really want to have energy that is affordable and dependable, we have to have stable prices. To have stable prices, we have to have ample supplies of all kinds of energy.

A few years ago we were sort of drunk in this country on \$9 and \$10 oil, and \$1.50 natural gas, and that made us very complacent about conservation. It made fuel costs very insignificant. But that has all changed, and it can continue to change.

If we have an energy plan in this country that meets our future economic needs, we need to have one that increases energy efficiency and conservation, one that ensures adequate energy supplies in generation, renew and expands the energy infrastructure. We need to encourage investment in energy technologies, provide energy assistance to low-income households, and

ensure appropriate consideration of the impacts of all the regulatory policies.

Mr. Speaker, I think there are a lot of things to do. These are all complicated issues. I am going to conclude my comments and then call on the gentlewoman from New Mexico, but just look at where we are at today.

Today, petroleum is 40 percent of our energy; natural gas is 23 percent; coal is 22 percent; nuclear is 8 percent; and renewables are 7 percent. We look down the road 19 years to the year 2020, and there is really not much change on those who are estimating.

□ 2030

Our gas usage will increase because we are now using a lot of gas for power generation, something we did not do, will go from 23 percent to 28 percent. Petroleum will drop from 40 percent to 39 percent. Coal will drop from 22 to 21 percent. Nuclear will drop from 8 to 5 percent. Renewables will remain at 7 percent. That is the projections of the Department of Energy. In my view, we have some very large issues that need to be dealt with. We have some mountains to climb if we are going to provide affordable energy to the American citizens.

With this I will call on my good friend from New Mexico (Mrs. WILSON).

Mrs. WILSON. I thank the gentleman from Pennsylvania. I also thank him for hosting this 1-hour discussion this afternoon. We are actually on the eve of a very important debate here in the House, the first debate on a comprehensive energy plan for this country that has occurred here for 20 years. I think the leadership in this House, on both sides of the aisle, deserves a lot of credit for the work that has gone on over the last month to bring forward a very balanced and in many ways bipartisan bill that sets up a long-term energy policy for the country. It certainly has behind it the leadership of the President and Vice President CHENEY, and his administration that has put forward some ideas that were then worked on here in the House, in the Committee on Commerce, in the Committee on Science, in the Committee on Ways and Means to bring to the floor of the House tomorrow a comprehensive, long-term energy plan for the country.

This plan does not just rely on increased production; it also emphasizes conservation. But it recognizes that you have to do both. We cannot conserve our way out of the energy problem, but we cannot drill our way out of the energy problem, either. We have to have a long-term, balanced approach to our energy policy. I think the bill that we are bringing to the floor of the House tomorrow accomplishes that, and I think the leadership on both sides should be commended for all of their work in this area.

Most folks do not know that we are more dependent on foreign oil today than we were at the height of the energy crisis in the 1970s. We get 56 per-

cent of our oil from abroad, mostly from the Mideast. The number six supplier of oil to the United States and the fastest growing supplier of oil to the United States is Saddam Hussein. America should not be that dependent on its enemies for its sources of oil. We are going to be even more dependent on them by 2010. Estimates are that two-thirds of our oil will come from abroad.

But it is not only oil that this bill is about. We are going to be increasing our consumption of natural gas; yet natural gas prices have soared over the last year to triple what they were a year before. We have had no nuclear plants licensed in this country for over 10 years. If we do not do something to make sure that nuclear power continues to be a viable option, continues to be part of our energy mix, then it will decline over the next 20 years. Yet nuclear power is the safest, most reliable source of energy that we have and emits no greenhouse gases. If we are going to have a balanced energy policy, nuclear power must be part of that equation.

We have not built any gasoline refineries in over 10 years in this country. We have put on these requirements, regional requirements, in some cases local requirements for what are called boutique fuels, different requirements from one city to another city about what kind of reformulated gas you have to use. It changes by the season, so you might have one formula of gas required in Milwaukee and another one in Chicago, and then it changes on different dates and you have filling stations having to drain their tanks and get the new gas. It creates local shortages.

In this bill we are bringing to the floor tomorrow, to the floor of the House, we will address this problem of boutique fuels that are causing gas-price spikes across the country. We need to expand our refining capacity so that if we have a fire or a pipe break at a refinery, we do not see everybody's gas prices go up in the West, particularly right in the summer when we need the gas most.

I think the bill that we will bring to the floor of the House tomorrow is a balanced and comprehensive bill. A lot of people, Democrats and Republicans here in the House, have worked very hard to make sure that it is so and it is a product we are all going to be able to be proud of when we leave here tomorrow night. I thank the gentleman for asking me to join him. I think this bill is very important for consumers in this country, to be confident that when you flick the switch, the lights go on and that when you go to the pump, you pay a reasonable price for the gas that you get, and the appliances that you buy are as efficient as they can be, so that people do not have to worry about these things because we prevent the next energy crunch from ever occurring.

Mr. PETERSON of Pennsylvania. I thank the gentlewoman from New Mexico for her thoughtful comments.

Mr. Speaker, I yield to the gentleman from Michigan (Mr. EHLERS), a physicist of the body here, a man who is used to very complicated issues. I am interested to hear his views tonight of where he thinks America is in energy.

Mr. EHLERS. I thank the gentleman from Pennsylvania. As he noted, I am a physicist, but I am going to try to keep this discussion very simple and not get into any complicated equations, although it would be fun to do that; but as you know, a physicist cannot think without a chalk board, and so I will not be able to do that tonight.

Energy, energy, energy, energy. That is all we are hearing these days, especially on the floor of the House. Tomorrow we are going to hear even more, energy, energy, energy, because for the first time in 20 years we will be talking about a new national energy policy.

What is the big fuss? Why are we so concerned about this? What is energy? What is it all about? Let me put it in the simplest terms I can. Energy represents the ability to do work and, to put it in even more simple terms, you get up in the morning, you say, oh, I feel full of energy today. That means you have got lots of vim and vigor, you are eager to work. You can do things. Or if you get up and say, oh, I'm really dragging today, it means you do not have much energy.

But where do we get our energy, our personal energy? From the food we eat. We may enjoy eating for other reasons, but the basic biological reason for eating is because we need the energy from the food that we eat.

For millennia, the people on this planet did not have any energy other than the energy from the food they ate. And so the work that they did, they had to do themselves, and their work was converting food energy into useful work. Agriculture developed only after people discovered how to use other than human energy, namely, animal energy. As soon as they could use animals to pump water, to pull the plows, to thresh the grain, then we began agriculture, because we had learned how to capture the energy of something other than ourselves.

Today throughout this world, over two-thirds of this world still thinks of the most basic form of energy as the most important, the energy in food, because they do not have enough to eat. And without enough to eat, they do not have enough energy to work. Without the energy to work, they have trouble producing enough food to feed themselves. But that brings us into another issue which we are not discussing here.

Throughout the ages, we have tried to do work, but to get other things to do the work. First human energy, then animal energy; then when we entered the industrial era, we found ways to use fossil fuels as energy. Extracting the energy which is really stored solar energy within the earth, we found that we could use that energy, whether it is coal, oil, natural gas. We could use

that to produce energy which allowed us to do work.

Physicists became involved in this about that time. In fact, you would not have had the Industrial Revolution without the work of physicists who developed the three laws of thermodynamics and allowed them to build very efficient engines, steam engines in particular, and that led later on to other engines. That meant we no longer depended on human energy; we no longer depended on animal energy. We then began to depend on energy recovered from artificial sources, fossil fuels in this case. And then later on we developed nuclear energy with Einstein's discovery that $E=MC^2$, in other words, you could convert matter into energy which is what a nuclear reactor does. All of this represents the ability to do work, and that is what it is all about.

But how does that affect us today? It affects us in so many ways we do not even begin to realize it. We walk in the house, we flick the light switch, the light goes on, where did that energy come from? Not from the switch, not from the wires, although that transmitted it there. It came from a power plant, either nuclear, gas-fired or coal-fired that converted energy from that form into a very usable form of electricity.

Suppose we want to go to the store and get some groceries. It takes very little energy for those groceries to get from the store to our home, because they are fairly light, a few pounds, 10 pounds, 15 pounds. It does not even take that much energy for us to get to the store and back home. We could walk it if we had to. But we take our car, and it takes a lot of energy to get that car to the store and back. If you do not believe that, next time you go into the store, do not drive your car there, push it and see how much energy you use just moving that car around. That is where our major sources of energy are today, not in feeding ourselves, not in manual work but in all the many things we have to do work for us.

Every one of those things cost money. But they are also totally essential to the economy we have. Sometimes we do not realize it, but it is no secret why every shortage of energy was followed by a recession or at least an economic slowdown. This happened in 1973 with the shortage then, in the early 1980s, roughly in 1990, and now today energy prices went up, we now are in an economic slowdown. There is a cause and effect there, because energy is so vital to our economy. We do not even recognize it, but it is and that controls our fates to a large extent. Why is that?

Suppose you want to manufacture something. It could be a tin can; it could be a car. Sometimes it is hard to tell the difference. But in any event to start with, you have to dig a hole in the ground to get at the ore, the iron ore, or the aluminum ore, whatever

you may have. That takes energy to dig that hole. It takes energy to take the ore out. It takes energy to transport it to the smelting plant, to purify it and make it into ingots. Once again it takes energy to transfer it to a rolling mill where it gets rolled into steel or aluminum. It takes energy to transport that rolled steel or aluminum to the factory. It takes energy to fabricate it into the tin can or to the car, and then it takes energy to transport the tin can or the car to your home. Every single step of the way requires the use of energy. That is why we are so totally dependent on energy.

But why do we not recognize this? For a very simple reason: energy is intangible. We cannot see it, we cannot touch it, we cannot perceive it. It is not like a material resource. In fact, it is totally different from a material resource. And so we are using this energy that we do not understand, we cannot see, and we cannot see the effects of very easily. How do we know it is there? One tangible way is the price at the gas pump. And so we get very upset when that price goes up. That means energy is in shorter supply. Our utility bill is another tangible evidence. But we do not see it and we do not feel it; we do not recognize its effect in our lives.

That is why it is so extremely important that President Bush took it upon himself to try to develop a national energy plan. He knows about energy. He has been in the oil business. He understands the importance of energy. I have wanted an energy plan for this Nation for a long time, but it has been very hard to get the attention of the people without a shortage of energy. We had a shortage of energy this year. We still have looming potential shortages of energy, as you can see from this chart that the gentlewoman from New Mexico used; and we have to be aware of that. We have to try to develop new sources of energy at reasonable cost. Energy is so important that we absolutely need a good energy policy.

Tomorrow, the House of Representatives will debate such a policy. It has taken months of work, first on the part of the Vice President and his working group, secondly the support and work of the President, and now it is in the hands of the Congress. We have spent months working on it in different committees, conducting hearings, learning from the experts, trying to put together a package that has all the essential elements. There has been a lot of disagreement. There are a lot of different ideas of how to approach it. Some want to drill for more oil; some want to import oil from Canada and natural gas so we can make use of their resources and also from Mexico. Others want alternative sources of energy. Others say, let us conserve more. The point is, we have to do all of the above.

The President's energy plan does all of the above. You may still quibble and say, well, there is not enough conservation, or there is too much of this, there is too much of that.

□ 2045

That is something we will continue to work on. The important factor is we have an energy plan here before us. It represents the hard work of the administration and the Congress. It is up to us to pass that energy plan, to educate the people of our Nation about the nature of energy and how important it is and how it should be used.

I urge my colleagues tomorrow as we discuss this issue that we not lose sight of the main goal, and that is to develop an energy plan and policy for the United States which will benefit every single one of us.

So I urge that we all work together and adopt this plan, and I hope the Senate will join us in this so that we can have a good plan for the future and not run into the pit that was outlined by the gentlewoman from New Mexico (Mrs. WILSON) of becoming dependent on Saddam Hussein and other dictators who control oil, and that we can develop low-cost, dependable sources of energy of various types, both new ones and existing ones, so that the people of this country will once again enjoy a good economy.

Mr. PETERSON of Pennsylvania. Mr. Speaker, I thank the gentleman from Michigan for his wise words. You can tell the gentleman is a physicist by his thought processes.

We are delighted to be joined now by the gentlewoman from West Virginia (Mrs. CAPITO), who comes from what I would call coal country.

Mrs. CAPITO. Mr. Speaker, I thank the gentleman very much. It is a pleasure to be here this evening to talk about the impending energy legislation that will be before us tomorrow.

I was listening to the gentleman from Michigan (Mr. EHLERS) discuss his definition of energy: When you wake up in the morning you feel energized, or sometimes you do not feel so energized.

When I think about this energy plan, another word comes to mind to me, and that is balance. I think as a new Congresswoman, I am trying to learn myself how to balance things in my life; how to balance my work with my leisure, if I have any, and my family, in my new surroundings here in Washington. It is a matter of making choices, it is a matter of setting priorities, and it is a matter of being realistic about what is before me as a new Congresswoman. I see the new energy plan much in the same way.

For the past 20 years, America has coasted blindly into the future, naively trusting that our sufficient resources would be ready and available whenever we would need them. But we know the recent blackouts in California and serious fluctuations in the prices of gasoline have shown that our well of energy has dried up a bit.

Fortunately, we have an administration before us now with President Bush and Vice President Cheney who have compiled a plan that is balanced and comprehensive, and it provides for our energy in a safe and clean manner.

The Bush plan calls for increased production, but it also calls for greater technology, greater research and development, and also has a large component of conservation, there again, striking a balance between all the elements. Not only will this help protect the American consumer from future blackouts and huge electricity price spikes, but, for me, living in West Virginia, one of the bonuses is it will create more jobs. That is welcome news for us as West Virginians.

We see the depth of the diversity in the plan in the amount of research in funding that goes to green energy, a new resource, and alternate sources such as biomass. There is an expansion of the biomass tax credit and more funding for biopower energy programs.

The reason I bring this up, even though coal is a great part of what I want to talk about, just last week a few of my constituents came in to see me about implementing a potential biomass energy production project in my district. Because our State of West Virginia also has a large timber industry, they proposed using the energy from the wood scraps and the leftover wood by-products to provide local power. Their proposal, I thought, was very impressive. They were creating green power out of what has basically been and formerly been a waste product from the timber industry. They have a wonderful idea of how to use another West Virginia resource in an environmentally clean way and to provide for that basic need, energy.

Aside from being environmentally friendly, the use of this type of energy positively impacts our local rural economies. For instance, to transport the timber would be very expensive, so you place the power plant very close to the fuel crop of timber, and then you can use that raw material to generate green power. This creates a new plant and jobs in the community.

The Bush energy plan directs more time and resources to exploring these projects and others like them. For instance, about a month ago I went to West Virginia State College, a college in my district, in Institute, West Virginia. They had just imported from another area in my district, Moorefield, that has quite a few chicken farms, and they had imported a digester. They are taking the chicken by-products and with the digester using them to create power, small levels of power, but enough to power the football field, some of the athletic facilities, at West Virginia State College. It is experimental, but, there again, a different approach to creating energy.

In addition to producing more alternative fuels like biomass, we see more production in this plan for the traditional sources of power. Another one we have in abundance in West Virginia is natural gas. We are one of the largest exporters of natural gas in the whole country. We are digging deeper and becoming more productive in our ways of getting natural gas.

This energy plan we have before us has a large component of natural gas. I think the gentleman from Pennsylvania (Mr. PETERSON) mentioned in his opening statement that natural gas is still the largest fuel used for energy.

I would like to turn to coal. With 35.4 billion tons of coal in reserve, West Virginia has a ripe opportunity to help in this time of a national energy crunch. The amount of coal that lays sleeping in our West Virginia hills amounts to \$4.5 trillion in value.

Last year in West Virginia the coal industry alone employed 21,000 West Virginians, up almost 4 percent from a year ago. It is clear that increasing production of this resource would be good for economic development in West Virginia, a state that is always searching for more jobs.

Last year in West Virginia in the transportation and public utilities industry we employed 37,000 people. Well, with new clean coal technology and an advanced way to burn and use our coal more efficiently, not only would we have more coal production, but we would also have offshoots of this, like transportation in the construction industry. A plan that calls for more production of energy resources, more construction of power plants, and more infrastructure will make these 70,000 employees more productive and more useful.

I see a tremendous amount of potential in this energy plan, because it is balanced. We are not finding one solution to a very large problem; we are looking at a myriad of solutions to try to meet an enormous problem and to face the future of the next at least 25 to 30 years.

I think timing is everything in politics, they say, and I think in terms of facing energy needs, there could be no more timeliness than the present moment. America cannot walk blindly into the future and naively assume, I think as we have in the past, that our children's energy needs will be met. We must have long-term vision and must plan not only to produce, we must learn to conserve, and we must learn now to act tomorrow to implement what I think is an innovative, exciting energy plan for the country.

Mr. PETERSON of Pennsylvania. Mr. Speaker, I thank the gentlewoman from West Virginia for her very thoughtful comments, especially about coal.

We are now joined by our friend the gentleman from Utah (Mr. CANNON). Welcome to our discussion on energy.

Mr. CANNON. I thank the gentleman from Pennsylvania (Mr. PETERSON). I thank my friend from Pennsylvania, another coal state, for his time here. And while I think it is very important that we produce green energy, I really love coal, and it is what fires America, keeps our lights on.

I want to say H.R. 4 is a carefully crafted bill that balances energy conservation and increased production. It is the product of the work of the gen-

tleman from Utah (Chairman HANSEN), the gentleman from Louisiana (Mr. TAUZIN) and the gentleman from New York (Mr. BOEHLERT), and it is one that we should all support for the good of our Nation.

I do believe there is a need for additional work on an important facet of our country's energy policy, the role that American Indian and Native Alaska Tribal Governments can play in the development of new energy resources. Some tribes, like the Utes in my district in Utah, are ideally located on or near oil, shale, coal, petroleum or natural gas reserves, and others have the good fortune of being located near the power grid and thus could easily become energy producers.

Indian energy also provides an opportunity for us in Congress to put our money where our mouths are when it comes to tribal sovereignty and economic independence. Many of my friends on both sides of the aisle are concerned about the increasing dependence on gaming as a means of economic development for Indian country.

None of us in this chamber want to see Tribal governments relying on gaming solely for job creation and economic empowerment. Indeed, I think I speak for many of us in saying that we would like to broaden the economies of Indian Tribes so that gaming becomes less and less important over time.

Energy production is the ideal opportunity to fulfill our trust responsibilities to these local governments and provide Tribes with the tools to help their members, but how do we do that? One answer is to establish more Federal bureaucracies that, while well-intended, often create more burdens than benefits. Such solutions often do more harm than good by furthering Federal paternalism that undermines the concept of sovereignty. Rather than create more bureaucracies, we must ensure that the President's recent order to reduce regulatory barriers to energy production also applies to the Bureau of Indian Affairs.

But we should consider doing more. Many proposals to date have overlooked key issues, and instead provide for new Federal programs and loan guarantees that do not address the full spectrum of energy issues.

We should look to streamlining the process for Tribes to take lands into trust, specifically for energy production, so long as the local communities continue to have input into such acquisitions. We should also consider allowing Tribal governments to do their own environmental assessments, rather than having to rely on the Federal bureaucracy in Washington, D.C. Congress should consider whether, as sovereign governments, Tribes should have licensing and permitting authority for Federal production facilities.

Most of all, Mr. Speaker, we must fully consult with Tribal governments to see what they feel is necessary to encourage the development of new energy sources on Indian lands.

I look forward in the weeks and months to come to working with my colleagues on both sides of the aisle and our friends in the Native American community. Specifically I hope to move legislation in the Committee on Resources that will promote Tribal sovereignty and self-sufficiency while fostering meaningful economic development.

I would like to thank the gentleman from Pennsylvania for his efforts.

Mr. PETERSON of Pennsylvania. Mr. Speaker, we thank the gentleman from Utah. We hear now an Indian perspective of energy potential also.

We are really covering the country tonight, from one end of the country to the other. We are now at the far West Coast, where there have been real challenging, interesting energy problems.

I yield to my good friend, the gentleman from California (Mr. RADANOVICH).

Mr. RADANOVICH. Mr. Speaker, I thank the gentleman. I think together we represent both the East and West Coast versions of national energy. I want to thank the gentleman for providing this time.

Also I want to thank the President of the United States for putting together an energy policy for this country, because it has been so long overdue and so important. I thank him for providing the leadership on this issue. So much can be done when you are President of the United States, and yet so many presidents I think tend to look at what the polls are and judge their administrative actions and their job as president by what the polls dictate.

We had a similar situation like that in California about a year ago, last May, when it looked like it began to become apparent that a law that was passed in 1995, a phony deregulation bill, I guess I would call it, began to show signs of wear and tear on energy in California. Consequently, the prices of energy in California began to kind of jump through the roof, starting in San Diego.

Unfortunately, the leadership in California looked at the polls, and the polls said that if you did what was necessary, you might suffer in your polls, at least on a temporary basis, because the remedy for that was a very, very modest increase. About a year ago it would have been something like 20 to 25 percent in power rates would have brought things back in line, in addition to negotiating long-term contracts in California. It would have corrected the flaws in this 1995 deregulation bill.

Because that leadership was not provided in California, of course, we began to be familiar with the terms "rolling blackouts" and "price spikes" and "\$3,800 power," these kinds of things. It was because the leadership was not provided at the State level.

It makes me more appreciative of this president, the fact he has come up to the plate and decided to take on issues that may not be all that popular. But they need to be addressed in

this country. Because as in California, and we are thankful that the temperatures have not gotten too hot, that we have not had the rolling blackouts, yet, that we had anticipated for this summer, but the threat is still there, and because the President is tackling I think the energy situation in the United States, I think it will save a lot of the rest of the country what California has had to go through in learning tough lessons.

So, the President is providing the leadership, and I think it is up to us in the House to pass his package, which I fully support. It is a balanced package. It is not over reliant on any one type of energy. It spreads our liability through many, and also makes us more dependent on our own resources, which I think is really the moral thing to do in the United States.

As much as we do not like a power plant perhaps in our backyard, we certainly do like to flip the switch and see the lights come on, and we certainly do like to turn the faucet and see water come out of it. That is the bottom line for the United States.

So, again, I applaud the President. I think he is doing a great job in his policy. I support this energy plan, and I look forward to its passage in the House tomorrow.

□ 2100

Mr. Speaker, I appreciate the gentleman from Pennsylvania yielding me time.

Mr. PETERSON of Pennsylvania. Mr. Speaker, I would ask the gentleman, what kind of electric cost increases are happening in California?

Mr. RADANOVICH. Right now, because the Governor waited so long to do any price increases, the PUC eventually raised prices up to about 48 percent. We have a home in California and pay generally when we are not there about \$48 a month, and it went up to about, in our particular case, almost \$200 a month, even when we are not there on occasion, and so the price increases are very steep in California.

Californians are beginning to feel that right now. But they should know that had the Governor acted earlier, the price increases would have only been about 20 to 25 percent and would have corrected the problem and, frankly, saved the State billions of dollars, at least \$8 billion, probably \$20 billion.

Mr. PETERSON of Pennsylvania. Well, the energy prices are important ones to ourselves, along with our traveling costs and our home costs. But we pay them again in our education costs, we pay them again in our health care costs. And in business, we pay them again in business; if one owns a business, that is a high energy user, so it hits us a lot of ways when energy prices spike that much.

Mr. RADANOVICH. Well, there is a good side, if we want to call it that, to price increases in that it does cause us to conserve energy. Price increases, unfortunately, are the best conservation

method there is out there. But, there is a big difference between 20 and 25 percent and a 48 percent increase. It really was not necessary to raise rates that high had he acted earlier in order to affect the kind of savings that we actually could get in California.

Mr. PETERSON of Pennsylvania. The other issue is, I remember rolling brownouts during a winter a few years ago when energy was short in Pennsylvania and it was zero degree weather and the problems that were caused when electric was off just for a few hours. Maybe the gentleman could share with us a little bit about what happened. I heard there were industries that were actually deprived power.

Mr. RADANOVICH. Oh, there are. When a rolling blackout happens, unless you are in a district near a hospital somewhere, then you are not protected. And even in that case, you are not protected from some medical emergencies. We had an ophthalmologist, who was doing cataract surgery, in the middle of cataract surgery when the lights went out and they struggled around for about 30 to 60 seconds before they could get their private generators going. The gentleman can imagine, if you are in the chair and you are getting cataract surgery, I assume that you are awake during this whole time, and all of a sudden the power goes out on you.

We also have one of the largest plate glass manufacturing plants if the country. There are about four of them all over the place that use enormous amounts of energy and, of course, in order to make glass, you have to heat it up to where it becomes molten and then it goes through a lot of sophisticated equipment before it comes out as plate glass. When you have a power outage for 8 hours, all of that molten stuff freezes up inside all of that sophisticated machinery and you lose every bit of it.

So these companies in California have been scrambling to make sure that they have an alternative energy supply to click on real fast once we do get a blackout. This generally makes us more reliant on power sources that are not necessarily energy efficient and environmentally efficient. So generally, what we rely on are power plants that pollute the air more than what we want, certainly, or should allow, and cause, I think, more environmental damage in California.

So it is not a good position to be in if one is an energy user or one is concerned about the environment. It kind of swings both ways.

Mr. PETERSON of Pennsylvania. Mr. Speaker, economically, it may take a little while, but when a company in California or any State that has a prolonged energy spikes and the rest of the country does not, we have put that company in a noncompetitive position immediately and, in time, they will not be able to compete with companies that are using a lot more less costly power.

Mr. RADANOVICH. Right. And in California, we pride ourselves as being the seventh largest economy in the world. We rank up there with nations. We are very, very proud of that. But we cannot last long like that if we cannot even supply the basics. This is basic infrastructure we are talking about at an affordable price. When it is more affordable in any other State in the country, business will leave. It will drastically affect the economy of California. So these are the concerns that we have, of course, because being a Californian and those of us that live there, we care about our State and we want to make sure that we get through this reasonably well. But it has vast economic impacts.

Mr. PETERSON of Pennsylvania. Mr. Speaker, just to look at a few of the spikes that were regional in the last few years. In 1999, the fuel oil, truck fuel price was, in the East, from about Pennsylvania up to New England and for most of the winter, trucking companies were calling me and going out of business because they could not compete with their competitors because their fuel prices had doubled. But they were regional problems.

Then, in the year 2000, in Chicago and many areas that had the huge gasoline peaks and gasoline prices there and I think they were over \$2 a gallon. Last winter, the changes, because of the problem the gentleman is having in California, and 95 percent of the new generation for electricity is natural gas. Historically in this country, we did not use natural gas for power generation. Maybe a little bit of peaking, but not regular power generation.

It was basically saved for home fuel and for commercial industrial, as the easy, clean fuel. So now that we are major into using natural gas for power generation, we have spiked the price. Because last winter, gas prices in my part of the country were up 120 percent for home heating. Now, that took a lot of money out of spendable income.

A lot of people have not talked too much about it, but last November and December in this country were the coldest Novembers and Decembers in history since they have been keeping track of temperatures. So they were not real cold temperatures, but they were cold every day of the month, each month. They were very cold months, the coldest on record. So there was tremendous natural gas use and there was inadequate supplies in storage, because they put natural gas in the ground in the summertime in storage caverns and then they use it in the winter.

So last winter, we had gas prices running \$2 and something a thousand retail, they went to \$8, \$9, and \$10 a thousand. In my district I actually lost businesses who depend on natural gas, who are heavy gas users; and we had a fallout from that. I had a company relocating to Louisiana, and another one went out of business because they no longer were competitive because of the natural gas prices.

I think with this great consumption of natural gas now for power generation, until the drilling can catch up, until the gas lines, the transmission lines can be built, in my view, natural gas spikes a couple of winters in a row can really have a huge impact on seniors staying in their homes.

Mr. RADANOVICH. Right. Mr. Speaker, that is why I think the President's plan is wise, because it relies on diversifying our energy sources.

We in California are far too reliant on natural gas, as the gentleman mentioned, and one can never put all our eggs in one basket and not expect to suffer at some point in time. So that is why I applaud the President for not just concentrating on say natural gas reserves or supplies, but also on some of the other Nation's resources, like coal reserves, renewable energy sources, nuclear energy and such. Those are all, I think maybe not equally dependent on all of them, but they all have to be a good part of our energy mix, and that is why I applaud the President for making sure that that is a part of this energy plan.

Mr. PETERSON of Pennsylvania. Mr. Speaker, I think we all should be applauding the President for raising this issue, because it was not a popular political issue, but it is an issue that needs to be addressed. Because if America is going to grow, and our energy use is growing, but maybe we do not give ourselves enough credit. But while the economy in this country grew 126 percent, energy use grew 30 percent. So we have improved our efficiency, we have done that, very much so. But we need to continue to do so.

Now, \$10 oil and \$1.50 gas a few years ago kind of took our eyes off the ball. It made all other forms of energy non-competitive. We could not compete with cheap gas and cheap oil. Now, if the prices do not get too high, but stay stably high to where other energies can compete with them, wind and solar and geothermal and fuel cells have a chance of competing in areas, so they can become a bigger factor when they can compete pricewise.

Mr. RADANOVICH. Right. And I think that conservation and renewable energy sources play a big part in the President's overall energy plan. But if we are going to deal with things realistically, we have to understand that a large portion of our energy is consumed by oil, natural gas, and hopefully, a greater percentage of nuclear energy.

Right now, the technology says that these are our main energy sources. And we can hedge those and help cut back on those by renewable energy sources and conservation, but it all has to work together. The gentleman has the graph, and a large part is oil and natural gas.

Mr. PETERSON of Pennsylvania. Mr. Speaker, I will give the gentleman the figures here. This is the Department of Energy. This is interesting. I will give the gentleman the change.

Currently, 22 percent of our energy is from coal, and they are predicting it will be 21 percent in the year 2020, that is 19 more years. Oil is currently 40 percent and will decrease only to 39 percent. Natural gas is the growth area. It is going to go from 23 to 28 percent. And nuclear they show dropping from 8 percent of our energy source to 5 percent, and they show renewable staying at 7. Now, that will be growth in renewables, but only as much as the growth in energy consumption, because the percentage is not changing.

Now, I hope we can do better than that. I hope renewables could double. But if we double renewables in the next 20 years, we would still only be 14 percent of our overall energy use.

One issue I wanted to mention on natural gas too; now, in oil, as we stop producing enough oil to run our economy, we then started to import from all over the world. We import from like 20 different parts of the world. Unfortunately, a lot of it is from unstable parts of the world that are not real friendly to us. But natural gas, we only import from two countries, Mexico and Canada, where we do it on pipeline. We do import a little bit of natural gas, but it has to be liquefied and I think there is only one port in the United States that can accept tankers of liquefied natural gas, liquefied natural gas from other parts of the world. That is the only way you can transport it is to turn it into liquid and then turn it back into gas again, and we only have one port.

So we cannot import natural gas like we can import oil. Only from Canada and Mexico. We are 80-some percent self-sufficient ourselves currently, but with the amount of power plants we are hooking up; when we hook up a power plant, it takes a lot of gas wells to fill up that pipeline to supply that power plant. So in my view, the next year or two, the amount of natural gas we can have on hand is going to be very important to make sure we do not have spikes in natural gas prices that would push our seniors out of their homes and push businesses out of business.

Mr. RADANOVICH. Mr. Speaker, if I may use a little bit of the gentleman's time to comment on one thing that I think will come up in tomorrow's debate on the energy plan and that is on the issue of price caps. As the gentleman knows, we have been facing that in California quite often; and we have deliberated over it many, many hours when we were putting together this energy plan.

As a result, FERC, the Energy Regulatory Commission, came up with what they call the 7-24, which is a 24-hour, 7-day-a-week price mitigation observation on the market to make sure that if there were any overcharges that they would all be susceptible to refund. After that imposition, it was interesting, because in California, the ISO, the unit that purchases the energy for California now, out of the Department of Water Resources, had the opportunity, or they were buying power at

\$80 a megawatt from a hydro facility up in the Northwestern United States, I believe it was up in Washington. They could have enacted the price mitigation measures that were passed by FERC which would have dropped it down to \$40 a megawatt, which was basically the cap that was set.

The ISO refused to enact on that cap. Even though the leaders in California were wanting to make sure that they had a price cap, they refused to enact the price cap when they had the ability to do it, because the hydro facility in the Northwest would have kept the water behind the dam for their own use later on, or they could have gone somewhere and sold it at a higher price.

This was the real fallacy, I think, behind price caps, because you could never have price caps in California unless you had a for sale agreement in the western grid, which means you would have been calling upon States like Washington, Oregon, Idaho, Montana to suffer while California would not suffer in price increases or energy reliability, and yet those States that are giving away their hydropower would be suffering higher prices and an increased percentage of blackouts.

So it really was a fallacy, and I think it is showing itself to be proven in California now. I am saying this now because this issue is going to come up tomorrow in our debates; I believe that there will be an amendment on price caps. In a free system like what we have, it does not work; and unfortunately, we make other people suffer by even more blackouts and higher prices.

Mr. PETERSON of Pennsylvania. Mr. Speaker, foolish price controls really caused much of California's problems.

Mr. RADANOVICH. They did, yes.

Mr. PETERSON of Pennsylvania. Mr. Speaker, I want to go into one more issue that we have not talked about here and that is ANWR. And that is the one a lot of people are cautious about talking about, but I am not. With the improvements in technology, it will allow us to develop with very little impact on the environment, and we can drill directionally from gravel pads on the surface, roads to drilling sites would be constructed only on ice and would melt in the spring when the snow melts.

□ 2115

We are only going to drill on 2,000 acres of ANWR, when there is actually 19.6 million acres. We are only going to be drilling on 14 percent of Alaska's coastline. So we are not going to endanger all of Alaska, like some people think; and we will have a minimal impact.

The interesting thing is that because of the tremendous reserves there, every well we drill there, and there are two different charts of production in the lower 48 and in Alaska. One chart says 45 wells would have to be drilled in the lower 48 to replace one well in Alaska; the other one would be 70. I personally think the 70 figure is the most accurate.

The U.S. Geological Survey did a study. It came up to 16 billion barrels of oil were available in ANWR. That is enough to replace oil we import from Iraq for 58 years. I see now they are the sixth largest import country.

The opponents would argue that ANWR oil would only supply the U.S. for 180 days. This would only be true if we immediately stopped all other sources of oil, if it was our only source of oil; and we know that is not the case.

Seventy-five percent of Alaskans support it. They know the issue best. Prudhoe Bay, everybody who has been there has said we can drill there safely without harming the environment. We have been drilling there for 25 years. Environmental groups claim it will harm the caribou. They have increased five-fold in Prudhoe Bay since drilling began there in the seventies. Nature and hunters are more of a threat to wildlife than drilling.

ANWR development would create 736,000 new jobs. ANWR is the largest oil accumulation anywhere in the world. Only 14 percent of Alaska's Arctic shoreline would be open to exploration overall. Opponents say 95, but that is not true. Opponents say 5 percent is protected, but actually 86 percent is protected.

The pipeline from Prudhoe Bay is in place. We just have to extend from ANWR to Prudhoe Bay and the pipeline is there. There is also a great source of natural gas there; but again, our problem is how do we get it here.

The ANWR issue is one that I think needs to be looked at very carefully. I personally support it. I think it is better to drill one well in Alaska instead of 70 someplace else. With a pipeline in place, the infrastructure in place, it just makes sense.

Mr. RADANOVICH. I have to say if the North Slope were a Third World country, we would already be using those resources, and in a way that was far more harmful to the environment than under the President's plan right now.

It is unfortunate, but Americans consume 25 percent of the energy consumed on the Earth. Yet we only provide about 2 percent from our own natural resources. To me it is very hypocritical when we are that willing to consume that much; yet we are less willing to use our own resources to do it.

The fact is, if the North Slope were a Third World country, we would be exploiting that oil right now; and the environmental standards would be lower than the ones we are placing on it at this time.

Mr. PETERSON of Pennsylvania. I think this energy plan is going to diversify us. We are far too dependent. Our largest dependence is 40 percent on oil.

I think we need to lower that percentage, because we only have somewhere between 2 and 3 percent of the world's oil in this country under our

own control, when we have 45 percent of the world's coal, we have a lot of our own natural gas, we are producing 80-some percent of our own natural gas without imports.

Mr. RADANOVICH. I think if the gentleman were to go to the coldest, most barren, desolate, unappealing part of the world, that would be the North Slope. I think because so many people have not been there, there is this assumption that caribou are running wild among mountains and there are streams and waterfalls and everything.

This is not an appealing place. I think people need to remember that, that it is not representative of the beautiful State of Alaska at all. This is a cold, barren, desolate place that we would not want to be there.

Mr. PETERSON of Pennsylvania. The animals are only there a few months of the year.

Back to the other issues, in Penn State they have new research that has been very successful at making jet fuel out of coal. They also get a carbon product that could be used in the carbon industries. That is moving to refinery development this year.

They also have some coal boilers that interest me. They have one that would burn gas, powdered coal, or oil. Think if a factory, hospital or business had the ability to burn any one of those three fuels cleanly. And the clean technology is with us; the scrubbers and all the equipment is with this boiler.

Now if you are a business person, a hospital, or one of our educational facilities, we buy the fuel that is the cheapest. We are not in bondage to any one fuel. They also have the fluidized bed boiler that we are utilizing in Pennsylvania a lot for burning our old waste coal piles, with high sulfur and very low Btu. The waste coal was piled on top of the ground. We are now burning and getting rid of it because it was an environmental hazard.

The fluidized bed process will allow us to burn almost anything, that process where we use crushed limestone with whatever we burn, and the limestone locks up with the pollutants. Then with the scrubbers, we really have a very fuel-efficient and a very clean burn.

That is another type of burner that I think we ought to be promoting, because again, we could burn coal and animal waste, or oil, a blend of oil and coal. We could burn whatever was cost effective. In some cases it might be animal waste, animal fat, or different things we know are problematic today to dispose of, they could be burned as fuels. They are doing some very interesting research at our universities to help us diversify our energy needs.

Mr. RADANOVICH. All due to increased technology.

Mr. PETERSON of Pennsylvania. We are in the technology wave.

It is about time to wrap this up. Let us quickly go over the chart down front, America's energy situation. Foreign oil dependence is now 56, and we

will be 66 in 10 years. Natural gas prices soared to triple last year's prices, which caused home heating last year in my area to be a real pain and caused some businesses to go out of business.

No new gasoline refineries built in 10 years; no new nuclear plants licensed in over 10 years. There is new nuclear technology today that is much superior to the past, not nearly as expensive to put in place.

No new coal plants built in 10 years. There is a new one being built in Pennsylvania right now. It is going to be using, again, waste coal that is on top of the ground already.

Gas and electric transmission capacity is overloaded.

Those are some of the problems. Anyone who says we do not have energy problems in this country, we have distribution problems and access problems. As we said in the beginning, for energy to be affordable and available to people and businesses, we need strong, ample supplies of each and every kind of energy. And we need to develop a system that is not so dependent on oil, not so dependent on one fuel, but gives people alternatives. Then people that use a lot of fuel in a business could choose the fuel that is the cheapest for the day.

We have the technology to do it cleanly. We need to, as time goes along, to grow the renewables. I think fuel cells are a great potential. There will be slight growth in wind and solar. I do not think they will be major players. Geothermal has some potential.

None of those will put enough into the system to even take care of our growth in energy needs. Fuel efficiency, conservation and fuel efficiency, can only take up half of the slack of the energy-need growth, so we have to have more energy and a system to deliver it.

Mr. RADANOVICH. I want to thank the President for bringing to the Congress his energy plan, and I hope we pass it tomorrow by wide margins.

Mr. PETERSON of Pennsylvania. I do, too. I thank the gentleman from California, a good friend. So from the east coast to the west coast, we will join hands and hopefully can bring this one home for the people of this country.

I thank all who participated tonight to talk about energy, an issue that is number one in this country and one that I commend President Bush and Vice President CHENEY for having the courage to tackle.

It is our future. Energy is what runs this country; and we must have abundant supplies, a delivery system, and we must use it wisely.

HMO REFORM AND THE REAL PATIENTS' BILL OF RIGHTS

The SPEAKER pro tempore (Mr. SHUSTER). Under the Speaker's announced policy of January 3, 2001, the gentleman from Pennsylvania (Mr.

PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, this evening I plan to talk about HMO reform and what I call the real Patients' Bill of Rights.

Mr. Speaker, I have been here many times before in the last few weeks and even in the last few years to talk about this issue, because I do think it is so important to the American people. We know about many abuses that have occurred within managed care where people have HMOs as their insurance; and frankly, almost a day does not pass by without somebody mentioning to me the problems that they have had with HMOs.

Over the last few years our concern over this, particularly in our Health Care Task Force on the Democratic side, has manifested itself by supporting a bill called the Patients' Bill of Rights, which is sponsored by the gentleman from Michigan (Mr. DINGELL), a Democrat, the gentleman from Iowa (Mr. GANSKE), and the gentleman from Georgia (Mr. NORWOOD), who happen to be two Republicans.

We had a vote in the House of Representatives in the last session of Congress, at which time almost every Democrat supported the Patients' Bill of Rights, and 68 Republicans also supported it. Unfortunately, the Republican leadership here in the House of Representatives has never supported the bill, and continues to oppose it. Also unfortunately, now President Bush has indicated since he took office his opposition to this legislation.

What is happening now is that we had a commitment from the Speaker to bring up the Patients' Bill of Rights over the last few weeks, and specifically last week; but he announced last week that that vote was postponed and delayed because the votes did not exist for an alternative HMO reform bill sponsored by the gentleman from Kentucky (Mr. FLETCHER).

I hate to say it, Mr. Speaker, but the bottom line is that this alternative Fletcher bill is not a real Patients' Bill of Rights; it is a much weaker version, if you will, of HMO reform. I could make a very good case for saying that it does not accomplish anything at all and continues the status quo.

What we hear today is that the Republican leadership plans to bring up HMO reform on Thursday of this week. In fact, in just a few hours there might actually be a markup in the Committee on Rules on the legislation.

But again, the issue, Mr. Speaker, is what are we going to be able to vote on. Will we be able to vote on the real Patients' Bill of Rights, the Dingell-Ganske-Norwood bill, or are we going to see the Fletcher alternative or some other weakening effort, so we do not have a clean vote on the Patients' Bill of Rights?

Unfortunately, Mr. Speaker, I was reading in Congress Daily, the publication that we receive about what is going on on Capitol Hill. It actually in-

dicates tonight that the Republican plan is to somehow separate out various pieces of the Fletcher bill and propose them as amendments to the real Patients' Bill of Rights.

I do not really know what the Republicans' procedure is going to be; but if this is the case, once again, it is a sort of insidious way of trying to kill the real Patients' Bill of Rights.

The Congress Daily says that "likely amendments include the Fletcher liability provisions, an access package of proposals seeking to expand insurance, possibly an amendment replacing the bipartisan bill's patient protections with those in the Fletcher bill. Also possible is an amendment to impose caps on medical malpractice awards."

Let me tell the Members, if any of these things do in fact happen, if this is how the Republican leadership intends to proceed, it once again indicates that they are not in favor of a real Patients' Bill of Rights; that they are not making an effort to bring up this bill, but rather, to kill the bill. I think that is very unfortunate.

I have some of my colleagues here, and I will yield to them. But I just wanted to point out why this Fletcher bill is nothing more than a fig leaf for real HMO reform. It is an effort essentially to peel off votes from the bipartisan Patients' Bill of Rights and undermine the effort to pass real HMO reform this year.

Just as an example, the Fletcher bill contains almost no protections for patients; and it gives patients almost no ability to appeal their HMO's decisions to an independent panel, or to take HMOs to court when they are denied treatment or harmed in any other way.

The real key to HMO reform that is personified, if you will, that is manifested in the Patients' Bill of Rights, the Dingell-Ganske-Norwood bill, is the ability to say that your physician and you as a patient would make decisions about what kind of medical care you get, not the insurance company.

The second most important aspect of the real Patients' Bill of Rights is that if one is denied care because the HMO does not want to give it to us, we have a right to redress our grievances and go to an independent panel, separate and independent of the HMO, to overturn that initial decision. If the Fletcher bill basically does not accomplish those goals, which it does not, then it does not achieve real HMO reform.

I have a lot of other things that I could talk about this evening, and hopefully that we will get to, but I have two of my colleagues here who happen to be both of them from the State of Texas. The State of Texas has a real Patients' Bill of Rights in effect. It has had that since 1997.

I heard some of my Republican colleagues on the other side of this issue say, We do not want the Dingell-Norwood-Ganske bill to pass because if it does, it will mean there will be a lot more lawsuits. The cost of health care will go up, health insurance will go up,

and people will lose their health insurance.

□ 2130

Well, the Texas experience tells us that that is simply not the case. In Texas, over the last 4 years, there have only been 17 suits filed. In Texas, the cost of health insurance has gone up somewhat, but not as much as the national average. So it simply is not the case.

The one thing that I think is most crucial, that I want to mention before I introduce and yield to my two colleagues from Texas, is that what the Fletcher bill does is to preempt a lot of the rights and patient protections that Texas and other States have. Because the Fletcher bill essentially preempts the States' rights and makes all the protections under the Federal law.

What that would mean for States like Texas and New Jersey and about 11 other States that have good patients' bills of rights on the State level, is that they would even be undermined because of what is happening with the Fletcher bill. This is just the opposite of what we would like to see and what we have all been striving for here. It is very unfortunate that we might see this Fletcher bill, or some parts of it, become the focus of debate on Thursday, when this bill comes up.

Mr. Speaker, I wish to yield to a colleague who has been very active on health care issues, not only this one but many of the other health care issues, and who has been speaking out on this issue for a long time, the gentleman from Texas (Mr. TURNER).

Mr. TURNER. Mr. Speaker, I appreciate very much the opportunity to share this hour with the gentleman from New Jersey (Mr. PALLONE) and with my colleague, the gentleman from Texas (Mr. LAMPSON).

We do have a unique perspective on this issue, being from Texas, because Texas was one of the first States in the Nation to pass patient protection legislation. I am sure that there are people tonight listening to us talk about this issue who really wonder what is the big deal about this patients' bill of rights debate in Washington.

We are gathered here tonight on the eve of the consideration of this very important legislation on the floor of this House. We have been at least led to believe that it will be considered either Thursday or Friday. Now, this is not the first time this bill has been on the floor. We considered it over a year ago. We passed it in the House. At that time, the bill died in the Senate.

This year, we have a situation where the bill has passed in the Senate; and it is now up to the House to move on the same legislation. The bill in the Senate, sponsored by Senator MCCAIN, Senator KENNEDY, Senator EDWARDS is almost identical to the bill that we support here in the House, the Norwood-Dingell-Ganske-Berry bill. That is the patients' bill of rights that we believe the American people deserve.

All of this really comes down to one central thought, and that is that when an individual is lying flat on their back in the hospital, fighting for their life, they should not have to be fighting their insurance company. It is important, we believe, to guaranty that patients and their doctors will make the decision about their health care rather than some insurance company clerk in some far away city.

Because managed care companies, HMOs, assume the role of determining whether certain treatment prescribed by an individual's doctor is medically necessary, their opinions often conflict with what a doctor recommends as treatment. Countless doctors have reported to us that they spend hours, literally hours on the telephone arguing with some insurance clerk representing a managed care company trying to get treatment approved, when in many cases we know that mere minutes can mean the difference in life and death.

So the Norwood-Dingell-Ganske bill is a strong piece of legislation designed to ensure certain basic rights and protections for patients: to be sure patients are treated fairly, to be sure they have the opportunity to have the best medical treatment available, to be sure that doctors and not insurance companies practice medicine.

We are very hopeful that this good strong bill will pass this House intact. Now, as the gentleman from New Jersey (Mr. PALLONE) mentioned, there has been another version of the patients' bill of rights sponsored by the gentleman from Kentucky (Mr. FLETCHER). It is a much weaker bill, in my opinion; and it creates many unusual rights for insurance companies, basically designed, in my opinion, to protect them from accountability.

We all believe in this society in personal responsibility, personal accountability. In Texas, we have some good strong patient protection laws. They are working well. What we found in Texas is that when we proposed the legislation in 1995, and I carried that bill as a member of the State Senate, the opponents of the bill said, well, it is going to cause health insurance premium costs to rise and it is going to result in a lot of litigation.

We passed that bill in the State Senate 27 to 3. The House of Representatives in Texas passed it by voice vote. Then Governor Bush vetoed the bill after the legislative session was over. We had no chance to override the veto. The next session of the legislature, in 1997, the identical bill was broken down into four parts. Three of those bills passed and received the Governor's signature. The fourth, passed by an overwhelming majority, related to insurance company accountability and insurance company liability. Then Governor Bush let that one become law without his signature.

Again, the opponents of the bill said it is going to result in higher insurance premiums and it will result in a flood of litigation. We have had that bill in

place as law in Texas for 4 years. The record is clear: health insurance rates in Texas have risen at approximately half of the national average. And as we look at the litigation, we see that there has really been very little litigation. What has happened under the bill is that 1,400 patients and their doctors disagreed with the decision of the insurance company about their treatment, and they utilized the protections of Texas law to appeal that insurance company's denial of care.

Fourteen hundred patients in Texas in 4 years have exercised their right to appeal an insurance company decision. In 52 percent of those cases, the patient prevailed. In 48 percent of the cases, the insurance company prevailed. In the cases where the patient was denied the care that the patient and their doctor sought, only 17 lawsuits have resulted. I hardly call that a flood of litigation, as the opponents asserted when the bill was passed in 1997.

The Norwood-Dingell-Ganske-Berry bill is modeled after the Texas law, and it is very similar to laws in many of our States designed to protect patients. So the States are way ahead of the Federal Government in this area. Today, the Texas law stands as a model for the Nation.

Unfortunately, only about half of those enrolled in managed care in Texas are covered by the Texas law. When we passed the legislation in 1997, we really thought all patients in managed care were covered. But it turned out that a Federal Court ruled in a lawsuit involving Aetna Insurance Company, that basically did not like the Texas law, that an arcane Federal law, called the Employee Retirement Income Security Act, passed in 1972, which was a bill that was thought by most people to cover retirement plans, that that also covered managed care insurance plans that operate in more than one State. Thus, the Federal Court ruled that those enrolled in managed care plans that operate in more than one State are not covered by these State patient protection laws. That is about half the people in Texas and in most other States.

So that is why we are having this debate in Washington. That is the genesis. Because we have the unusual situation in law today that because of this 1972 ERISA law, insurance companies who have managed care health plans stand as the only business in America that have no liability for their wrongful and negligent acts.

So the Norwood-Dingell-Ganske bill is designed to fix that. It is designed to say that every managed care insurance company in this country will be personally responsible and personally accountable, and they will be accountable under the Norwood-Dingell-Ganske bill in the same way that every business and individual in this country is accountable under the laws of our land.

So we believe that this bill is essential to eliminate a loophole that exists

in the law that allows managed care health insurance companies to be the only business in America without responsibility.

The Norwood-Dingell bill has many protections for patients. It sets up a review procedure allowing a patient to make an appeal of a managed care health care decision internally within the plan. If they are dissatisfied, they can appeal to an external independent review panel. And if they are dissatisfied with that decision, they have the right every other business and individual in America has, and that is to go to a court of law and have that matter heard by a jury of one's peers.

That is what our legislation is all about. The Fletcher bill denies that. And I am sure that when the Norwood-Dingell-Ganske bill comes to the floor of this House, there will be many who will do the bidding of the managed care industry and try to carve out a special status under law for the managed care industry.

In Texas, in 1995, we had a major piece of legislation commonly referred to as tort reform. It was one of four planks of Governor Bush's platform when he ran and was elected as governor. He pushed that in the legislature and the legislature agreed that we needed managed care reform in Texas. It resulted in some limits on the amount of damages that can be awarded in lawsuits. It limited what we call punitive damages. That is those damages that can be awarded against a defendant when it turns out that that defendant has acted willfully and wrongfully and with malice and has committed such a grievous tortuous act that they should be punished. That is punitive damages.

And in Texas, in the tort reform effort, the governor and the legislature limited the amount of punitive damages that can be awarded in litigation, and it did so by a formula. That formula says that punitive damages shall be kept at whatever a judge or jury finds to be the economic damages, that is the loss in earnings and wages, multiplied by two, plus up to \$750,000 of noneconomic damages, pain and suffering and those things that cannot be equated easily to dollars. But that was a cap that the legislature and the Governor signed on punitive damages.

Frankly, what we see in the Fletcher bill is a limit on damages that far exceeds any limit we put in the law in Texas. And when we saw the Governor and the legislature pushing tort reform and limits on punitive damages, nobody suggested that there should be a special carve-out, a special exception, a special rule for the HMOs in the managed care industry. Because common sense would tell us that managed care insurance companies should have the same limits of liability, the same degree of accountability, the same degree of responsibility as any other business or individual when faced with an action in the courts of our land.

The Fletcher bill, and some of the amendments I suspect that will be pro-

posed to the Norwood-Dingell-Ganske bill will attempt to carve out a special status for the managed care health insurance industry. And that is wrong. And I think the American people understand that, and that is why I would call upon this Congress and our President to do what we did in Texas when we pursued tort reform and make sure that everybody is treated the same, everybody is equally accountable, everybody is equally responsible for their negligent acts.

That is why we have insurance, because we all know we can make mistakes in business. We can make mistakes in driving an automobile. That is why we have insurance coverage. And there is absolutely no reason to think that a managed care insurance company should have a special set of rules that applies to them. Furthermore, there is no reason to think that the Federal Government ought to get in the business of creating Federal causes of action when it involves tortuous acts.

In law, we talk a lot about torts. That is intentional injuries. Negligent acts resulting in injury. We talk about contracts.

□ 2145

The Norwood-Dingell-Ganske bill makes the logical distinction between those two things. It says matters of contract, matters of health care plan administration shall be subject to the Federal courts if it is a multistate health insurance plan, but it preserves the historic right of the States to pass the laws that govern in the area of personal injury. That is the way it should be.

When we look at the Fletcher bill and some of these amendments that will probably be offered to the Norwood-Dingell-Ganske bill, what we see is an effort to federalize these kinds of issues that traditionally have been the rights of our States.

I know that the members of the Texas legislature are proud of the patient protection legislation that they passed. I know that they believe in States' rights, and I think it would be wrong in an effort by those who would seek to carve out a special exception for the managed care industry to try to federalize a cause of action to create a Federal cause of action that would be able to be tried separate and apart from the protections of law in every State in this country.

That is what this debate is all about: are we going to hold insurance companies who have managed care health insurance plans accountable on the same basis as every other business and individual in our respective States are held accountable and responsible. I hope that when it comes to the debate this Thursday or Friday, that the point of view that I am expressing will prevail because it is consistent with States rights, with the best protections for our patients; and it will get us back to the point where patients and their doc-

tors practice medicine and not insurance companies.

Mr. PALLONE. Mr. Speaker, I thank the gentleman; and I know that he raises a number of points. I think one of the major things I do need to stress, and again because I have two colleagues here from the State of Texas which was the first State to pass a really good Patients' Bill of Rights, it is very unfortunate that the Fletcher bill, the Republican leadership bill, would seek to preempt State laws like those in Texas; and I think this is another indication that the purpose of the Fletcher bill is not to provide for greater protections for people who are in HMOs, but rather to weaken existing protections and essentially kill the effort we have here to have a strong Patients' Bill of Rights.

There is no better manifestation than the fact that the Fletcher bill preempts stronger State laws that protect patients. The Supreme Court made it clear that patients can seek compensation in State courts; yet this Republican bill effectively blocks action in State court and forces patients to pursue these limited remedies in Federal court, which is a much more difficult place to achieve relief. Going to Federal court is not easy. It costs more, it takes longer, and it is a much more difficult place to get any kind of relief.

As the gentleman says, the Fletcher bill continues to shield the HMOs from accountability in State courts where doctors and hospitals are currently held accountable. It is real unfortunate because as the gentleman said, what we have been trying to do with the Patients' Bill of Rights is extend the kinds of protections that exist in Texas to everyone throughout the country, particularly those people who, as the gentleman says, are under ERISA right now, a majority of Americans, who do not even receive protections if they happen to be in Texas or another State which happens to have these good laws.

Mr. Speaker, I yield to the other gentleman from Texas (Mr. LAMPSON), who also has been in the forefront on this and other health care issues.

Mr. LAMPSON. Mr. Speaker, I thank the gentleman from New Jersey (Mr. PALLONE). It has been interesting listening to the gentleman and also the gentleman from Texas (Mr. TURNER), my close neighbor from southeast Texas, talk about this most important issue and the concern we all have about bringing the Patients' Bill of Rights to the floor of the House of Representatives.

I think my colleague from Texas has been too modest. He did not talk about the fact that it was he who played a significant role in the development of that legislation in the Texas senate. It is a lot of his words that became the law in the State of Texas. For him then to be able to have the ability to come to the United States House of Representatives and try to craft the same kind of legislation that he was able to mold in our great State I think is significant. I am proud of him and his

service, and I am proud of the fact that he had the concern of people then in his mind when he tried to fix the problems that we faced in the State of Texas and now has the ability to come here to the United States House of Representatives and try to do the same thing for all of citizens of our country because this is a most, most important concern for everyone in this country.

Mr. Speaker, we need to live up to the promises that we have made to the American people. Bring this truly bipartisan Patients' Bill of Rights that will put medical decision-making back into the hands of physicians and patients here to the floor of the House of Representatives and let us have this debate properly.

I know that we passed it overwhelmingly last year, and it got hung up in a conference committee where there was an intentional effort to appoint those people who had voted against the bill to guarantee that it would not move and it would not become the law of this land and that it would not help people, like a lady who was a friend of mine who was a schoolteacher in Needlewood, Texas, Regina Cowles. She contacted our office after she learned that she had been diagnosed with breast cancer. She found a treatment for that cancer that was growing in her body in Houston, but her insurance company said that that was one particular treatment that they did not recognize, and that they were not going to pay for it. If she wanted to have it, she had to do it on her own.

That was one of many stories that I had heard, and my office became involved, and other offices as well became involved; and several months went by, but ultimately Regina was able to get that treatment that she needed. But unfortunately, it was too little too late, and she died of that ailment.

I wondered then how many more people were going to have to die before we brought this issue to the people's House and resolved it; that we get our colleagues to realize that we are playing not with words on paper, but with people's lives. And to act on it. To change it, to make it right for me and you, everyone that is watching here.

Mr. Speaker, I guess it came home to me in two ways. One of them was one day that I spent, and the gentleman from Texas (Mr. TURNER) talked about the time doctors spend in trying to precertify patients based on what insurance companies will determine they are willing to pay to the doctor to make that treatment possible. I periodically do these programs called Worker for a Day, and one day I was working at a cardiologist's office in Texas, and the doctor had me spend some time with one of his aides in the office making telephone calls to insurance companies to precertify the patients that had come to his office for treatment. I was flabbergasted, to say the least. I spent a significant amount of time talking with people, and I in-

entionally asked what their background was; and oftentimes I was talking with people who had no medical training and they were making the decision as to whether Dr. de Leon would be able to treat the patients who walked into his office complaining about a particular problem.

It does not take very long to realize that is not the way that these decisions need to be made in this country. I do not want someone who has not been to medical school or some particular program that gave them some serious knowledge about medical care, health care, telling a doctor what is going to happen in my life if I need help. I want a qualified health care professional making the decisions that are going to allow me to live and to allow me to live the kind of quality life that I want to be able to live.

I quickly became involved in this piece of legislation following that. It was not long after that I had another incident occur. This time it happened within my own family. I had two different doctors tell my daughter that she was in need of an operation. My own insurance company, the one that represents us here in the House of Representatives, said no, that is cosmetic surgery, we are not going to pay for it. Two different doctors said it was important for her to have this operation.

Well, I did everything that I could possibly do to help my daughter, and she got her operation and she is fine and the insurance company relented. But it made me wonder, what if most people, as most people are in this country, not as aggressive as I am or was in the case of my own daughter and fought for a week or 10 days or whatever it took me before we got the agreement to go forward with that operation. How many of them will take the answers that they get the first or second or third time and put it off and say, well, that is the rule and I guess I will have to go and mortgage my home to make this happen because I want my daughter to have the chance that other people's daughters will have in growing up.

Those are not decisions that we need to be making in our lives. When someone works hard, does the right thing, provides for their families, makes sure that they have insurance coverage for catastrophic problems that face them, and then are turned down because someone decides that it is cosmetic or experimental or that it does not match their specific criteria that they laid down on their papers based on what profit they can make for their company, that is absolutely wrong and we cannot stand for it in the United States of America.

Managed care reform is an issue of the absolute, utmost importance. As more and more stories about HMOs denying care are publicized, it brings it to the forefront of what we need to do to pass this legislation. The public and health care providers have witnessed firsthand that while managed care or-

ganizations such as HMOs may have helped to hold down the cost of medical care, they too have frequently done so at the cost of denying needed care to patients.

Unfortunately, the Republican leadership continues to block consideration of the Ganske-Dingell-Norwood Patients' Bill of Rights that passed overwhelmingly, I think 275 votes last year. They continue to stall on a vote and have introduced their own bill, the Fletcher bill, that the gentleman from Texas (Mr. TURNER) and the gentleman from New Jersey (Mr. PALLONE) have talked about in an attempt to poison this Patients' Bill of Rights that we have been trying so hard to pass.

The assertion that they have crafted a responsible plan is simply untrue. Their plan prevents doctors from disclosing all medical options to patients. It creates a review process that is stacked against the patient, and it removes medical decision-making power from the hands of doctors and patients.

Mr. Speaker, I said a minute ago, 275 members of the House of Representatives voted for a Patients' Bill of Rights that would create a system of accountability for insurance companies and HMOs that routinely and unfairly deny care to patients. This year we again consider legislation that would hold HMOs liable for denial and delay of care. If insurers are going to practice medicine and determine the necessity of care, then they will be held accountable for their decisions.

I join my colleagues and I again want to praise the gentleman from Texas (Mr. TURNER) for the work that he did in Texas and the gentleman from New Jersey (Mr. PALLONE) for continuously bringing this important issue before us.

I urge my Republican colleagues and President Bush both to quit stalling and do what Americans want and need, pass and sign a meaningful patient protection bill that puts control of medical decisions back into the hands of patients and doctors. I thank the gentleman for allowing me to participate this evening.

□ 2200

Mr. PALLONE. I want to thank my colleague, because I think, number one, when you give examples and particularly one from your own personal life, it really highlights and makes people understand, both our colleagues and the public, what we are talking about and how significant it is to pass a Patients' Bill of Rights.

The other thing that my colleague from Texas did which I think is very important is that he pointed out some of the patient protections that are in the real Patients' Bill of Rights, the Dingell-Norwood-Ganske bill, and why they do make a difference. One of the concerns that I have is that, as I mentioned earlier, one of the possible amendments that we may get or that the Republican leadership may make in order and try to push if this bill

comes up on Thursday is replacing the patient protections in the Dingell-Norwood-Ganske, the bipartisan bill, with the patient protections in the Fletcher bill, in the Republican leadership bill. I assure my colleagues that effectively there are no significant protections in the Fletcher bill.

If I could just contrast that a little bit to give us an idea of the differences, some of those differences were mentioned by the gentleman from Texas. He talked about the gag rule and how under the Fletcher bill HMOs could continue to tell physicians that they are not entitled to tell their patients about procedures or medical activity or medical equipment or stay in a hospital or any kind of medical procedure that the HMO does not plan to cover. It is called the gag rule because you never find out what the doctor really thinks you should have done to you because he is not allowed to tell you if the HMO says he is not allowed to.

The other one that comes to mind is the financial incentives. Right now a lot of the HMOs have financial incentives so that if the HMO wants to give the physician a little more money because he is not providing as much care or not having as many operations or not having his patients stay in the hospital for too long, they can provide a financial incentive to him at the end of the month so he gets more money if those things occur, which is an awful thing; but it is the reality with many of the plans today.

The other thing that I think was so important is when the gentleman from Texas (Mr. LAMPSON) talked about how some of these things work out in terms of actual protections for particular kinds of procedures. For example, one of the concerns is that access to specialty care is severely limited both under current law and can be limited by the HMO under the Fletcher bill. The Fletcher bill really does not do much to provide access to specialty care. That can manifest itself in a number of ways. For example, with regard to some of the patient protections for women. In the real Patients' Bill of Rights, the Dingell-Norwood-Ganske bill, you get direct access to OB-GYN care. But the Fletcher bill allows plans or HMOs to require prior authorization for items of services beyond an annual prenatal or perinatal exam.

The Fletcher bill also creates a loophole which allows plans to avoid the requirement of saying that you can go directly to the OB-GYN. It lets the HMOs off the hook for providing direct access to OB-GYN care if they merely allow patients a choice of primary care providers that includes at least one OB-GYN provider.

There are a lot of other differences with regard to care that impacts women. Breast cancer treatment, for example; the hospital length of stay. The Dingell-Norwood-Ganske bill requires coverage for the length of the hospital stay the provider and patient deem appropriate for mastectomies and

lymph node dissections for the treatment of breast cancer. The Fletcher bill omits this coverage as well as coverage for second opinions.

Emergency care, another example that affects not only women but anyone. The Fletcher bill uses a prudent health professional standard rather than the prudent layperson for neonatal emergency care. Let me give Members an example. Right now, as many people in HMOs know, they often cannot go to the emergency room of the hospital closest to them but rather may have to travel 50, 60 miles away to a different hospital. What we are saying is that in the case of an emergency, if the average person would think that they cannot travel that distance and they have to go to the local hospital because otherwise, for example, if they have chest pain and they think that they are having a heart attack, well, that is the prudent layperson's standard, which basically says that if the average person would think that if I get chest pains of this severity that I have got to go to the local hospital rather than 50 miles away, then I go to the local hospital and the HMO has to pay for it. You do not have that kind of standard in the Fletcher bill with regard to neonatal emergency care.

There are so many other cases. Clinical trials. An astonishing number of women suffer from Alzheimer's, Parkinson's, cystic fibrosis and other debilitating disorders. Under the Dingell-Ganske-Norwood bill, it covers all FDA clinical trials. But the Fletcher bill, the Republican leadership bill, only covers FDA cancer trials, preventing women with other serious conditions from receiving potentially lifesaving care. There are so many examples like this. The bottom line is the Fletcher bill makes it very difficult to access specialty care.

We used another example the other night on the floor about pediatricians. Under the Dingell-Norwood-Ganske bill, you have direct access to a pediatrician for your child. You do not have to have prior authorization. But you also have the opportunity to go to a pediatric specialist which now, I have three children, and now you often go to a pediatric specialist rather than a pediatrician, who is almost like a general practitioner. What happens under the Fletcher bill is you do not have that option. So a lot of these specialty-care initiatives which are a very important part of the patient protections simply do not exist under the Republican leadership alternative.

As I said, what we are hearing is that it is very likely that the Committee on Rules tonight will allow all these different provisions in the Fletcher bill that weaken patient protections to be included as amendments and voted on in an effort to try to achieve a bill that is a lot weaker than the real Patients' Bill of Rights. I could go on, but I see that another colleague from Texas is here and she again has been here many nights talking about the Patients' Bill

of Rights and has been a champion on the issue. I yield to her at this time.

Ms. JACKSON-LEE of Texas. I thank the gentleman. I could not help, as I was viewing the presentation on this debate, to remember that we were together just last week, I believe, making the point that the debate on this bill is long overdue. The reasons for this bill, the purpose of going forward is so clear that I question whether or not the will of the American people really is being understood by this body. I think when the American people are frustrated, it is because they have made in every way their voices or their beliefs known to us about the fairness in health care as the Ganske-Dingell bill evidences, and they just do not know why we cannot get it done.

We understand that this bill is likely to come to the floor of the House at the end of the week. I hope so. As you noted, I am delighted to join my colleagues from Texas who have obviously already spoken about how this bill has worked and how it has been effective in the State of Texas. First of all, there has been no increase in premiums and the increase in premiums nationwide generated without a Patients' Bill of Rights. We have not seen an increase in the uninsured which the opponents of the bill have represented would occur. We have not seen a proliferation of frivolous lawsuits. We have not even seen a proliferation of lawsuits under this legislation. It comes to mind that there have been maybe about 27, all meritorious, over the 4 years that the State of Texas has had the opportunity to hold HMOs accountable.

So the real question for the House leadership is why. Why, since this bill in its present form, with a few enhancements, meaning the Ganske-Dingell bill, passed two terms ago, why can this not be the bill that we all conclude is the right direction to go? What is the purpose of putting forward a bill with the idea that it represents an alternative when that is not accurate? Because the Fletcher bill has a number of poison pills. It has medical savings accounts. Not to say those are not meritorious legislative initiatives that this body should not address, but what the American people want most of all now is that when they do have an HMO, which most of the employers are involved in and utilize to create coverage for their employees, that that HMO does not intervene, intercede and stop good health care and procedures for you or your loved one. How clear can we get?

I, when we spoke the last time, noted a lot of tragic stories: the woman in Hawaii who could not get care in Hawaii while she was there because her HMO denied it. She had to get on a plane to Chicago, and my recollection of that final result is that she did not survive, because they denied her the ability to secure health care in Hawaii, because she was not from Hawaii. The tragedy of being denied the most accessible emergency room; the tragedy of

being denied pediatric specialists; the unseemly result of not allowing a woman to choose an OB-GYN specialist as her primary caregiver. That is allowed in the Ganske-Dingell bill.

There are so many positives that the American people have decided that they need and want that are in the bill that we are proposing and supporting, the real Patients' Bill of Rights, along with the array of diverse medical groups that are supporting it, including, I think, one of the strongest medical groups, of course, is the American Medical Association, that has not moved from its position that this is the only bill that they will support and that we should support, and, that is, to ensure the sanctity, if you will, of the patient-physician relationship.

I would like to thank my good friend for his leadership, and I could not help but join you in hoping that someone might hear us this evening. And, of course, sometimes our words are distant. They fall distant because we are here in Washington. But I can tell you in the conversations that I have had with my constituents who are physicians, the difficulty that they have had in plainly giving good health care, in making the decisions on good medicine, the stories that they have generated, the frustration that they have experienced, the fact that HMOs are able by bureaucrats and computers to deny services to patients is a difficult and overwhelming experience and has changed the practice of medicine to the point of making it distasteful, because our friends who are doctors are there to heal and to help. And lo and behold in the middle of that healing comes a red stop sign that says that there is no more medicine at this door, no more treatment for this patient, no more experimental opportunities to make that patient improve. I think enough is enough.

I would hope that my friends in this House would take heed of the voices of the American people, physicians everywhere, employers everywhere who desire that the HMO coverage that they have for their employees is the best; and might I say we of course have fixed that aspect of concern dealing with employers, and we are ready to move forward. I would hope that they would listen to us on that very issue.

I would note as I close just simply, I brought it up the last time, is the disparity in health care in many of our rural and urban areas and in many of our minority communities. We hear many times some of the higher statistics are certain diseases in one community versus another. Then it makes it very difficult if a bureaucrat tells a physician who treats a particular ethnic group that has a high percentage of a certain disease that you must care for them in one certain way, sort of the boxcar way as opposed to responding to the disparate needs of Americans in their different environmental backgrounds. That will be prevented if we do not pass the Dingell bill and pass

the so-called alternative. I thank the gentleman for giving me this time.

Mr. PALLONE. I want to thank the gentlewoman for coming down again tonight as she has so many other times to express her opinion on the Patients' Bill of Rights. I know it is tough for us because we keep hearing that this bill is going to come up. We are hearing again that it is going to come up this Thursday.

□ 2215

I guess we are at the point we will not believe it until it actually occurs. The gentlewoman mentioned a few points that I have to bring up, because we did not include them as part of the debate tonight, and I think they are very important.

One is the number of health professional groups that support the real Patients' Bill of Rights, the Dingell-Norwood-Ganske bill. The gentlewoman mentioned the American Medical Association, the Nurses Association, all the specialty doctors groups. I think there are something like 700 different groups, all the major health care professional groups.

The bottom line is it is because they are very concerned about the fact they cannot provide care now with the way some of the HMOs operate, and they want the freedom and sort of the ability, we call it the American way, to be able to provide the best care that they think is necessary for their patients.

The other thing that the gentlewoman mentioned, which I think is so important, is, again, the Texas experience; the fact that even though President, then Governor, Bush complained at the time when this legislation was being considered in the Texas legislature that it was going to increase costs for health insurance and was going to cause all this litigation. None of that turned out to be true.

The gentleman from Texas (Mr. TURNER) mentioned earlier that the increased costs for health insurance in Texas is half of the national average. The gentlewoman mentioned approximately 20 or so lawsuits that have been brought in 4 years, which is nothing. What is that, that is like five per year. Because basically what happens is now people have the ability to go to an external independent review to overturn the HMO if they did the wrong thing. We have had almost 1,500 cases of that, and they are handled easily and that is the end of it.

The other thing the gentlewoman mentioned, which I think is so important, I said earlier this evening that my fear is the Committee on Rules, when they meet later this evening, I think they are supposed to go in at midnight, which says a lot about the procedure around here with the Republican leadership, that they may put in order some of these poison pills from the Fletcher bill.

I mentioned earlier in Congress Daily they said likely amendments include a so-called access package, a proposal

seeking to expand insurance through broader access to medical savings accounts and creation of association health plans. Further, it says in Congress Daily, it is possible there will be an amendment to impose caps on medical malpractice awards.

Now, I do not happen to like the medical savings accounts. I think they are sort of a ruse. But whether or not you approve of MSAs or approve of caps on malpractice or approve of these association health plans, the bottom line is there is no reason why these need to be included in this legislation. We know that the majority of the House supports the Patients' Bill of Rights, and they support it because of the patient protections. We do not need to deal with these other much more controversial issues like malpractice and medical savings accounts in the context of this bill.

The only reason the Fletcher bill includes some of those things and the only reason why those parts of the Fletcher bill would be considered under the procedure is because the Republican leadership wants to throw them in, mess this whole thing up, and create a situation where it goes to conference, like it did last time, between the House and Senate, and nothing happens because there is too much controversy over all these other things that are unrelated. That is what I am fearful of, to be honest.

I know we do not have a lot of time left here tonight, but I would, again, appeal to the Republican leadership: All we are asking for is to bring this bill up and allow us a clean vote on the real Patients' Bill of Rights. You can have all the other votes you want, but let us have a clean vote on this bill.

I am confident that if that happens, this bill will pass, because I know that almost every Democrat will vote for it, and that there are probably a significant number of Republicans that will as well.

But I am fearful, honestly, that we are not going to have that opportunity, because we do not control the process. The Republican leadership controls the process. They are particularly mad right now. As the gentlewoman knows, their wrath is against some of the Republicans that are willing to join us and support the real Patients' Bill of Rights, they are being criticized, hauled down to the White House and being told you are not a real Republican. This is not about who is a real Republican or who is a real Democrat, this is about who is a real American and who is going to stand up for the people that need help.

Ms. JACKSON-LEE of Texas. I thank the gentleman very much. As the gentleman was speaking, I was thinking of one point I wanted to add. You have heard those of us from Texas speak about the Texas law, and we are very proud that bill passed out of the State legislature, the House and the Senate. Of course, the gentleman realizes the bill was not signed by the President, it

was simply allowed by our laws in the State of Texas to go into law because there was no action. However, I think the evidence of its success should be very evident for our President, and he would see that we could live with accountability and in fact not have a disastrous situation.

But I do want to note for those who are thinking, well, you have it in the State of Texas, but in many states that do have some form of an HMO accountability plan, it does not cover everyone. So the reason why it is important for this to be passed at a Federal level is that when you pass it at a Federal level, all states must be in compliance. The Patients' Bill of Rights then becomes the law of the land, and whatever your HMO is, you have the opportunity, whether you are in Iowa, in New Jersey, California, New York or Texas, that you have the opportunity to ensure that there is accountability for the HMO.

I think that is very important, because the question has been raised, well, a number of states already have done it, why do you have to do it? Because you have states that have done it, but do not have full coverage, and you have states that have not done it and, therefore, it is important for Federal law for us to act.

Mr. PALLONE. I agree. Reclaiming my time, the bottom line is that even in the states that have strong patient protections, like Texas, a significant amount of people, sometimes the majority, are not covered by those protections, because of the Federal preemption.

I would say right now there are only about 10 states that have protections as strong as Texas, my own being one of them. But the other 40, some have no protections, some have much weaker laws. So this notion that somehow everybody out there is already getting some kind of help is not really accurate for most Americans. That is why we really need this bill.

I think we only have a couple of minutes, so if I could conclude and thank the gentlewoman and my other colleagues from Texas for joining us tonight in saying that we are going to be watching. We will be here again demanding that we have a vote on the real Patients' Bill of Rights. Let us hope we have it on Thursday. But, if we do not, we will continue to demand that the Republican leadership allow a vote.

MISSILE DEFENSE

The SPEAKER pro tempore (Mr. KELLER). Under the Speaker's announced policy of January 3, 2001, the gentleman from Colorado (Mr. MCINNIS) is recognized for 60 minutes.

Mr. MCINNIS. Mr. Speaker, I know it is late in the evening, but this evening I wanted to visit with you about an issue that I think is inherently important to every citizen of America, and not just the citizens of America, but to

the world as a whole, to every country in this world as we go into the future. Tonight I want to speak to you about a subject that I think we have an obligation to use some vision about, to think about future generations, and what this generation needs to do not just to protect our generation, but to protect future generations, to give future generations the type of security that as American citizens they deserve, that as American citizens they can expect their elected officials, they can obligate their elected officials to provide for them. Tonight I want to visit about missile defense.

Now, we have heard a lot of rhetoric in the last few days about missile defense. Well, we do not need it. It is going to escalate the arms race. Why, building a defense to protect your country and to protect your citizens from an incoming missile is not something we should undertake. In fact, the recommendation seems to be, leave our citizens without a shield of protection.

I take just exactly the opposite. I think every one of us have an obligation to protect our citizens with a shield that will mean something, not simple rhetoric.

I have to my left here a poster, and tonight I am going to go through a series of posters. If you will pay close attention, I think you will find that these posters advocate a strong case of why this country, without hesitation, should move forward immediately to engage in a missile defense system, to put into working order with other countries some kind of an understanding that the United States of America feels it has an inherent obligation to protect its citizens with some kind of shield.

Let me go over a couple of points here. First of all, to my left, I call this poster "probability of events." When you look at it, you see my first box, my first yellow box is called intentional launch. There I am referring to an intentional launch of a missile against the United States of America. I call this a probability.

I have the next box called accidental launch. I call this a probability. At some point in the future, against the United States of America, some country, unknown to us today as far as which country will do it, but the facts are that some country will attempt to launch a missile against the United States of America. That is why it is our obligation as elected officials representing the people of America, who swear under our Constitution to protect the Constitution, which within its borders obligates us to provide security for the citizens of the United States, that is why it will be our responsibility to begin to provide that security blanket for the American people and for our allies, that when this intentional missile launch comes, we will be prepared.

The second thing I speak about is an accidental launch. Do not be mistaken. We know the most sophisticated, most

well-designed aircraft in the world, take a civilian plane, a 747, once in awhile they crash. Take the most sophisticated, the finest invention you can think of, whether it is a telephone, whether it is a radio, whether it is a computer, whether it is an electrical system; there are accidents. In fact, I am not so sure that we have had much of any invention that at some point or another does not have an accident.

It is probable that at some point in the future some country, by mistake, will launch a missile towards the United States of America. And, right now, as you know, an accidental launch against us, number one, we would not know whether it was accidental or not, and, two, the only defense we have today, the only defense we have today against an accidental launch, is retaliation. And what is retaliation going to bring? Because of an event, a horrible consequence of a missile launched against us by accident, by accident, our retaliation could initiate the Third World War, the most devastating disaster to occur in the history of the world.

Yet we can avoid this, because if we have a missile defensive system in place and a country launches a missile against the United States by accident, or intentionally, but here we are referring to the accidental launch, the United States of America can shoot that missile down and they can stop that war from occurring.

There are plenty of other less severe, significantly less severe measures, we can take against a country that accidentally launches against us. Retaliation is not one of them that we should take, but retaliation is the only tool left today. I can assure you that the President of the United States, whatever party they belong to, if some country by accident launches a nuclear missile into Los Angeles or New York City or into the core of this country, into the middle of Colorado, where my district is located, the likelihood is that the President would retaliate forthwith.

Now, I had an interesting thing happen to me this evening while I was waiting speak, listening to my colleagues. I was outside talking to a couple of officers, Officer Conrad Smith and Officer Wendell Summers. Good chaps. I was out there visiting with them, and they brought up an interesting point.

They said, "What are you going to speak about tonight, Congressman?"

I said, "I am going to speak about missile defense, like an intentional launch against our country, or an accidental launch against our country."

Do you know what Officer Smith said? I did not think about it, but it is so obvious. Officer Smith said to me, "Do you know what else we could use a missile defense system for? It is space junk. Like, for example, Congressman, if a space station or like the Mir Space Capsule is reentering the United States, we could use our missile defense to destroy that in the air, so that

it doesn't land on some country or kill some people when it reenters from space."

I never thought about that. Now, there is a logical use for a missile defense system; dealing with space junk. As we know, space junk falling out of space as it begins to lose momentum in its orbit is an issue that future generations are going to have to deal with on a fairly extensive basis.

□ 2230

Our generation has gotten away with it because we are launching into space, and by the time our generation moves on, there will be lots of objects in space that have lost their momentum and begin the reentry. Officer Summers and Officer Smith had something to add tonight, and I think they are right, and I can assure my colleagues that I am going to put that right here. We will see a new yellow box on my next poster in regards to missile defense.

Now, what kind of responses do we have? My poster lists the responses. Look, it is real simple. It is not complicated. The responses are: one, we have a defense; or two, no defense. That is the choice. It is as clear as black and white. That is the choice. We either defend against a missile, incoming missile to the United States, or we do not defend against it. There is no muddy waters, there is no middle ground. We either defend against it or we do not defend against it.

Where are we today? Where is the most sophisticated, the most technically advanced country in the history of the world today? We are today check-marked the second box. No defense. What do I mean by that?

We have a military base, we share it with the Canadians, called NORAD, located in Colorado Springs, Colorado, the district of my good friend, the gentleman from Colorado (Mr. HEFLEY) in Cheyenne Mountain, the granite mountain. We went into the mountain, we cored out the center of the mountain, and we put in there an airspace system for detection.

What does that system provide for us? Very simple. It can tell us anywhere in the world at any time of the day, with any kind of weather conditions, under any kind of temperature when a missile has been launched. It can tell us the approximate speed of the missile. It can tell us the target of the missile. It can tell us the estimated time of impact of the missile. It can tell us what type of missile they think it is. It can tell us whether or not, based on the information that they have gathered, whether the missile has the likelihood of a nuclear warhead on top of it. But then, guess what? That is it. That is it.

They can call up the President of the United States, and they say, Mr. President, we have an emergency at NORAD. Mr. President, we have an incoming missile. We believe the target of impact is Los Angeles, California. Mr. President, we think that the time

of impact is 15 minutes and counting. Mr. President, we think this is a realistic threat; our confidence factor is high. We have confirmed an incoming missile. The President thinks, what can we do? Of course, the President knows what we can do, but just for this example, what can we do, Mr. President? The President says, What can we do? to his military commanders, to our space command. Mr. President, you can contact the mayor of Los Angeles, tell them they have an incoming missile, they now have 13 minutes, we will say prayers for them, and that is it.

Now, you tell me that is not a dereliction of duty of every one of us elected in these Chambers. Every one of us in these Chambers, we have the technical capability to put in place a missile defensive system in this country. We have that technical capability, and we have a commitment from this President, who has been very solid on his support and on his leadership. Thank goodness he has stepped forward. President George W. Bush has stepped forward to lead us into a missile defense.

We had a test 3 weeks ago. It was a remarkable test. It shows that we are well on our way towards coming up with the technology that is necessary to deploy a missile defensive system for our country. What happened? They put a target, an incoming missile into the sky. It was approaching at 4½ miles per second; 4¼ miles per second. That fast, 4½ miles. We then fired an intercept missile. Now, remember, these two missiles cannot miss by a foot; they cannot miss by six inches. These missiles have to hit head-on. We cannot afford a missile miss with an incoming nuclear warhead.

What happened? Our intercept missile coming at 4½ miles per second, the incoming missile at 4¼ miles per second, and we brought two speeding bullets together. That is a major accomplishment.

Do we know what is happening around the world? We have heard a lot of publicity lately. The Europeans, for example, Europe is aghast that the United States would even think of abrogating the ABM Treaty, which I will discuss in detail here in a moment. Why would they think about building a missile defense system?

Well, let me, first of all, make it very clear to my colleagues that when we hear people make an objection to our missile defense system and we hear them say, the Europeans are opposed and it is going to break our relationships with the Europeans, let me tell my colleagues something: the Europeans are not unified in their opposition to our missile defense; they are not unified in their opposition to a missile defensive system.

In fact, the leader of Italy has come out and not only strongly supports, but encourages, the United States of America to, as quickly as possible, deploy a missile defensive system. Our good friends, the United Kingdom, the British, who are always at our side, have

come forward. They support this President on building a missile defense system. Spain. Spain has taken a very careful look at the missile defense system.

Do we know what is going to happen? Count on it. Count on it. Just as sure as I am telling my colleagues today, we can count on it. Those European countries, one by one, will have to answer to their citizens why they do not have some type of protective shield, some kind of security blanket like the United States offers for its citizens and, one by one, those European countries will come across the line from opposing and from being a check mark in this box to my left of "no defense," one by one, led by Italy and the United Kingdom and Spain right behind them, one by one, they will cross that territorial line and they will go into the defensive category. They will build, or will be the beneficiary of, a defensive missile system.

Let us talk for a few moments about the new strategic study. We have right now really a three-pronged attack threat against the United States of America. The first one is something that has just come of age here in the last few years called informational warfare. We have all heard about it, I think. In the last few days, we received an alert about a Code Red, some kind of virus that has been put into the computer systems around the world, specifically targeted at the American defense system. It is amazing to hear from the Pentagon how many people, how many people try and break into our national defense computers 24 hours a day.

Now, how many of those culprits are foreign countries or agents of foreign countries? We do not know. And we are not going to be able to figure that out. What we have to do is just the same as we do for our computers. On our computers, we do not put our defense computers out there and say we are not going to build a shield against people who are trying to break into the computer system or put a bug in our system. Do we know what we do with our national computer systems, our defense computer systems, our military computer systems? We build a defense for the bug. We put in shields within our computer programming. We put in walls wherever we can. Those are the technical things; we put in walls to prevent those people from coming in.

Why would we not do the same? What is the difference between an incoming missile and somebody trying to manipulate one of our computers, perhaps manipulate a computer to issue a false order regarding a military exercise, for example. So we have to worry about information warfare. We are addressing that as we speak right now. Obviously it is a priority of the military: How do we protect our communication systems? How do we protect our information systems? How do we protect our software?

The second threat is a terrorist threat. This is a tough one. Now, do

not let people say, well, missiles are not the real threat to this country, the real threat is somebody carries a vial of bacteria and they come to Washington, D.C. and drop it into the water supply. Well, of course it is a threat, but do not discount the third threat, and that is a missile-delivered attack right here, weapons of mass destruction, WMD. The delivery of a weapon of mass destruction attack, a biological weapon, a nuclear weapon, some other type of poisonous weapon.

Some states are developing terrorist and missile capabilities. We know that is happening. I know on here: U.S. reserves the right to strike terrorist bases. We know this. We have to reserve that right. But my point with this poster is we really had that three-pronged attack, information attack, attack on our information systems, and we are building a defense for that. We have a defense in place. We constantly have to change that defense. Because every time we put up a wall, somebody tries to figure out how to get around it. It happens thousands of times every year. It happens around the clock with the Pentagon's computers. We know it is happening.

The second one, the terrorist threat, we are addressing that. We are building defenses against that. We were fortunate enough, for example, to catch a couple of years ago at the Canadian border through a lot of good luck, but nonetheless through a lot of good police work, we would be able to stop what could have been a horrible disaster at one of our airports. Of course, the missile delivered weapons of mass destruction. But what is happening?

I have some of my colleagues on this House Floor who, in my opinion, with all due respect are in make-believe land when they think that we should not build a defensive system for our citizens, to give our citizens protection in the future as soon as we can get it in place against an incoming missile, whether launched by accident, or whether it is intentional.

Now, let us talk about the big roadblocks that some people have been putting up as a reason not to have a missile defense. It is called the Antiballistic Missile Treaty, the ABM Treaty. Let us just go over some of the basics of it. Let me tell my colleagues the basic thought pattern of the Antiballistic Missile Treaty. First of all, understand that this treaty was made almost 30 years ago. It was a treaty not between the United States and a number of other countries; it was a treaty made between the only two countries in the entire world, in 1972, there were only two countries in the entire world that could deliver a missile anywhere in the world; only two. It was the Soviet Union and the United States of America.

So in 1972, the Soviet Union, which, by the way, no longer exists, and the United States of America entered into a treaty. The thinking was that since there are only two countries in the

world, the way to protect ourselves is we will both agree that we cannot defend ourselves. Now, how does that make sense? The theory being, we would be reluctant as the United States to fire a missile against the Soviet Union if we were prohibited from defending a retaliatory attack against us. In other words, we knew that any attack we made on Russia would be retaliated on, because we were not allowed to build a defense. That is the thinking behind the Antiballistic Missile Treaty.

Now, I do not agree with it. I do not think the thinking was very solid in 1972, but it did have some justification in thought in 1972 because it was built entirely, and let me say this repeatedly: the Antiballistic Missile Treaty was built entirely on the premise that only two nations in the world had the capability to deliver a missile anywhere in the world. This treaty, the Antiballistic Missile Treaty, was not built on the premise that a number of countries in the world would have the capability to deliver a missile anywhere in the world, and that is the situation that we face today.

Mr. Speaker, we have had extraordinary circumstances which have changed in the last 30 years. Take a look at your car. Take a look at a car in 1972. There have been a lot of dramatic changes in 1972, and we should not be afraid since 1972 to stand up; in fact, I think we have a responsibility to stand up to the people that we represent. Today, the threat to America, the threat to the citizens of America is a whole lot different and a whole lot more serious than the threat to citizens in 1972. We have an obligation as elected officials to make sure that our country stays up to speed; that our citizens do not drive 1972 cars and our citizens do not rely on a 1972 defensive system or nonsystem to protect them.

Let us look at the treaty very quickly; again, the Antiballistic Missile Treaty. Each party agrees to undertake limited antiballistic missile, these are defensive missile systems, and to adopt other measures in accordance with the treaty. I am going to skip through here at this point.

The treaty, by the way, is not a complicated treaty. It is very easy to get your hands on, 3, 4, 5, 6 pages. It is not a treatise that is a big thick book like that, it simply is 4 or 5 or 6 pages. For the purposes of this treaty, it is a system, a defensive system, the ABM. Each party, and this is crucial language in the Antiballistic Missile Treaty: each party undertakes not to develop, test or deploy ABM defensive missile system, or components which are sea-based, air-based, space-based or mobile land-based.

□ 2245

Each party undertakes not to develop, test, or deploy ABM launchers for launching more than one ABM interceptor missile at a time from each launcher, et cetera, et cetera, et cetera.

What has happened? What is the rest of the treaty about? Let me bring up another part of the treaty.

Remember, this treaty was put together by scholars. This treaty contains within its four corners, within the four corners of the document, this treaty contains certain rights, certain rights bestowed upon the United States of America, certain rights bestowed upon the Soviet Union.

One of those rights which is being wholesally ignored by the rhetoric of the people who are trying to convince the American people that they should not defend themselves in the case of a missile attack, one of the arguments they put forward is ridiculous, to say the least.

What is that argument? Their argument is, oh, my gosh, if you want to abrogate or pull out of, if you want to pull out of the antiballistic missile treaty, that means the United States would start violating treaties all over the place. That means the United States walked away from treaty obligations. That means the United States broke their word on a treaty that they are a signatory to.

That is so inaccurate it borders right on the edge of inaccuracy and an outright lie. The treaty contains within its four corners the right for the United States of America or the right for the Soviet Union to pull out of the treaty. That is a right. It is not a breach of the treaty. It is not described as a breach of the treaty. It is a right that is bestowed by the language, specifically bestowed by the language.

Let us take a look at the specific language that I am speaking of. It is important that we go through this. Please, look at my poster here, Article 15 of the antiballistic missile treaty: "This treaty shall be of unlimited duration."

Now, obviously I highlight this next section. This is the right of which I speak, which we can use. Any time we hear someone say we are breaking a treaty, we are not breaking any treaty. Someone who says we are walking away from a promise we made, that is baloney. This is the treaty right here. These are rights contained within it.

Let us go on.

Number two: "Each party shall," "shall, in exercising its national sovereignty have the right," the right, that is what I have been speaking about, "to withdraw from this treaty if it decides that extraordinary events," and "extraordinary events," that is a key buzz word, "extraordinary events," and I am going to show some extraordinary events very shortly.

Let us go on: "If it decides that extraordinary events related to the subject matter of this treaty have jeopardized its supreme interests." That is another buzz word, "jeopardized."

Do we have in place, number one, extraordinary events, right here, extraordinary events; and do we have a jeopardizing of our national sovereignty? Then, "It shall give notice of its decision to the other party 6 months prior

to the withdrawal of the treaty. Such notice shall include a statement of the extraordinary events the notifying party regards as having jeopardized its supreme interests."

Thank goodness, the President of the United States today, George W. Bush, understands that we cannot have this treaty and a missile defense at the same time. Thank goodness that the President of the United States, George W. Bush, understands that it is not a violation of the treaty to withdraw from the treaty; it is not a violation of the treaty to notify the other side that we will no longer, after a 6-month period of time, be held to the obligations of the treaty. Why? Because within the treaty it is a right for us to withdraw.

Fortunately, the people who drafted this treaty understood and had the foresight that future generations may have extraordinary events that jeopardize the sovereign nationality of their country, that threaten that sovereignty, and that it may be necessary as a basic right of this treaty to withdraw from the treaty.

Let us talk about what could jeopardize the United States of America and our sovereignty, and let us talk about what could be extraordinary events. Do Members know what, I have a poster that I think explains it. A picture, as they say, is much better than words. Take a look at this poster.

Let us talk about an extraordinary event. Remember back in history in 1972, there were two nations in the world, the Soviet Union and the United States of America, that had the capability to deliver a missile anywhere in the world. No other country, no exception, no other country had the capability to deliver a missile anywhere else in the world.

Frankly, no one envisioned that for any reasonable period of time in the future that any other country in the world, that any other country in the world would obtain that capability. Can Members imagine anyone in 1972 imagining that in the scope of 30 years this would happen, this poster to my left?

This is an extraordinary event. Clearly, what this poster depicts jeopardizes the national sovereignty of the United States of America. Let us take a look, extraordinary events: no longer just Russia, no longer what used to be the Soviet Union. Every one of these points, every one of these arrows, see the arrows here on the map, and they are small, Mr. Speaker, but all of these arrows point to one thing. They point to North Korea, they point to Pakistan, they point to India, they point to Israel, they point to China.

All of those countries I just named, every one of those countries has the capability to deliver a nuclear missile, to fire a nuclear missile. That is nuclear.

Let us continue. In addition, Iraq, Iran, Libya, all have ballistic missile technology that can deliver a chemical or a biological weapon. In other words, it is extraordinary that now there are

not two countries but there are any number of countries in the world that can launch a nuclear missile.

I am going to show a poster a little later on to show just exactly what North Korea could do to Alaska, for example. Members do not think, with this kind of threat facing the United States of America, we do not think that as Congressmen of the United States, that we do not have some type of inherent commitment or obligation or duty to provide our citizens with a protective shield. Of course we do. Failure to do that would be the grossest negligence in recent history of this country, in my opinion.

Let us move on.

Do Members want to talk about extraordinary events, a threat or something that jeopardizes the future of the United States of America? Do Members want to see it? It is right here. If Members can take a look at this poster, and after looking at it, walk away and with a straight face say to any one of our constituents that the United States of America should not deploy a missile defense system, then that Member has just performed great disfavor and has brought discredit, discredit to the vision that one is obligated to provide for future generations in this country.

Ballistic missile proliferation, countries that we know today are possessing ballistic missiles. Remember, in 1972, 30 years ago, there were two nations, the United States and the Soviet Union. The treaty that those two nations signed between each other said that we are the two, and the way to defend that this does not get out of hand between us, let us put this treaty into effect.

But when we put this treaty into effect, if we think that if extraordinary events occur, as a right of this treaty, a basic right of this treaty, that jeopardize the national sovereignty of either the Soviet Union or the United States of America, we could walk out of the treaty and withdraw from the treaty. It is not a breach of the treaty; it is a right of the treaty. Here we are. Take a look at it.

Ballistic missiles: Hungary, India, Iran, Iraq, Israel, China, Croatia, the Czech Republic, Egypt, France, North Korea, South Korea, Libya, Pakistan, Saudi Arabia, Russia, Ukraine, United Kingdom, Vietnam, Afghanistan, Argentina, Bulgaria. I think I mentioned Croatia. How much more proof do we need?

Where is the proof? Right here is the proof. We do not call this an extraordinary event? We do not think that this kind of map here, look at the blue. That is where there are ballistic missiles. Are Members telling me that this little area right here, the United States of America, that its elected officials, that its President, should not build a defensive system that protects it from an incoming missile from any one of these countries, either accidental or intentional?

How can Members even step forward with that kind of an argument? There

is only one choice we have. The extraordinary events that have occurred in the last 30 years offer us only one choice. That choice is, we have no option other than to build a defensive security system for the citizens of the United States of America. Failure to do so would be dereliction of our duty and our oath, sitting here on the floor of the House of Representatives.

Let me just reemphasize another startling poster. Let me show something else, in case some of my colleagues so far have not been convinced that extraordinary events have occurred since 1972. If some of my colleagues are not convinced that we face the jeopardizing of our national security, of our national interests, take a look at this poster, just in case they need convincing.

Nuclear proliferation, here we are. Every red spot on this map has the capability of delivering a nuclear missile into the United States of America. Those are the ones we can confirm. We have high suspicion, I think probably verifiable, that we have countries who have that capability today.

They are Iran, maybe not the capability, but right on the edge; Iraq, right on the edge; North Korea, I think they possess the capability to hit the United States of America, first of all Alaska, and soon the coast of California; Libya.

Now add onto that back here Britain, nuclear missile capability; China; France; India; Israel; Pakistan; Russia; and the United States. There has been a proliferation, a proliferation of offensive nuclear weapons in this world. We as leaders have an obligation to step forward and provide for our citizens some type of defensive system.

I mentioned earlier about North Korea and the capability of North Korea. Let us look specifically at North Korea as an example. North Korea can currently reach Alaska with ballistic missiles. It will only be a matter of time before they can reach the continental United States.

What do we mean by "a matter of time"? I mean a matter of months to maybe a few short years, if they do not already have the capability to launch a missile, a ballistic missile, against the continental United States. And remember, maybe not necessarily intentionally. For a little country like North Korea to intentionally launch a nuclear missile against the United States of America, talk about a suicidal thought, the United States would retaliate with a minimum amount of retaliation and wipe North Korea out.

So maybe North Korea would not fire intentionally a missile against the United States, but do Members think that North Korea has the type of fail-safe systems on their nuclear systems that we would feel comfortable with? I do not think they do.

So what if North Korea by accident, by accident hit the button and launched a missile against the United States of America? Do Members think we should be prepared for that kind of

consequence? Do Members think that it is responsibility that demands that we have that kind of preparedness? Of course it is. Look what happens.

Look at this right here. Look at the range. First they were here, then they got out to 1,500 kilometers, then out to 4,000 kilometers; and now look where they are, 6,000 kilometers.

Let me ask the Members, how much more clear can a threat be? Again, for those who are not convinced that any country would ever launch intentionally against the United States, first of all, with due respect, I think they are being naive. But if in fact they truly believe that, how many can assure their constituents, can assure the American public or our allies or our friends that an accidental launch will never occur against the United States of America? They cannot do it, and they know they cannot do it.

Let us for a moment assume the unassumable, the worst kind of scenario we can imagine next to an intentional launch. Let us assume that a nation that has the capability of hitting the core, hitting the middle of the United States or even the eastern border; let us take Philadelphia, for example. It fires a nuclear missile by accident against the United States, and the incoming missile will impact in Philadelphia. Let us say it is not a particularly big missile. It has two warheads on it.

As many know, nuclear missiles have multiple warheads on them. One of our submarines, a Trident submarine in the United States naval force, can deliver, what, 195 missiles because of the multiple missile warheads that we have?

Let us just say that just two of those, a small missile with two warheads on it, was fired accidentally against the city of Philadelphia.

□ 2300

What do we have? Take a look at this poster right to my left. I will tell my colleagues exactly what we have. We will have 410,000 people dead, 410,000 people dead in an accident that was preventable. Dead in an accident because we on the House floor, we in the Senate have neglected to give our President, in my opinion, the necessary support that he is demanding to protect the United States of America with a missile shield, a shield of protection. We have that obligation.

President Bush and the Vice President, Mr. CHENEY, are practically begging us to give them support; not fight them. This is not a partisan issue. Now, some people are trying, as usual, to say that anybody that wants a missile defense system are war mongers. But the fact is this is about as strong a non-partisan issue as exists in the United States House of Representatives today. This is not an issue of the Republicans protecting the United States of America with some kind of protection shield and the Democrats refusing to protect the United States of America. This is an issue that crosses party lines. This

is a responsibility placed squarely on the shoulders of every one of us sitting in this room.

For those of my colleagues who are refusing to carry the weight that has been placed on their shoulders, defending this country, I just want to say, shame on you. Now, why do I say shame on you? Because someday, someday that is going to happen. Those fortunate to be a survivor had darn well better be able to look in the mirror and say, I did what I could for the citizens of America to protect them from exactly what is depicted on this poster to my left.

Now, how does a missile defense system work? I want to show how we can do it. Technologically, this is going to be done. Technologically, future generations are going to have the capability to do exactly what I am saying needs to be done, and that is to provide a system in this country for defense. How does it work? Let us take a look.

Space-based. We know we are going to have a space-based unit. Why? Because a space-based unit, or that staging of our missile defensive system, allows us to do a couple of things. One, satellites we can move. Satellites are not stationary. For example, if we see a threat arising in Pakistan or we see a threat arising in North Korea, we can move our satellite so that satellite is over that country, so that the laser beam that would come out of that satellite, and we have that technology, the laser beam that can come out of that satellite can be shifted around. It is a mobile defense.

What is the other big advantage of having a mobile defense? The other big advantage is we can stop that missile on its launching pad. How many of these countries would want to have a missile preparing to fire against the United States only to face the threat that the United States could fire an instantaneous laser beam and destroy the missile on its pad, meaning that that missile would go off in their country instead of its intended target, the United States of America. That is why we have to have a space-based ingredient in this missile defense system.

The second point. Sea-based. We have to have the capability to hit that missile, if the missile is successfully launched either intentionally or by accident off its launching pad, and we are not able to stop it on the launching pad as it heads over the ocean, we need to have the capability from a ship-based defensive system to take that missile down while it is over the ocean.

Now, we will have wind currents and things like that, but the minimal amount of casualties will occur if we can somehow bring that missile down even without exploding it or detonating it. If we could hit it with some type of laser or some type of device to bring it down without detonation. And if we can do that, we need to do it somewhere over the ocean where, obviously, we do not have a heavy population.

But let us say it goes beyond that. Air-based. Here is a good demonstration. Here is our laser-based satellite. Here is the incoming missile. Now, remember, this entire period of time may take, at a maximum, probably 30 minutes to go from a far point to the United States. We also need an airborne laser so that if we miss it on our satellite laser, if we miss it on our sea-based laser, we still have the capability from aircraft to fire a laser rendering that incoming missile incapable.

And then finally, over here on the end, we have our command and control. We have an interceptor missile. That is the type of missile I was talking about earlier where we had a successful test 3 weeks ago. Now, some people, and I do not understand their argument, but some people are saying, look, if we have a failure, if the test does not work, we should abandon a missile defense system.

Give me a break. Give me a break. How many times did we have to try surgery or try the new invention of a machine, how many times did the Wright brothers and others have to get in those airplanes and figure out accident after accident after accident, test after test after test how to improve it, how to make it work? That is exactly what we have here. Not all our tests are going to be successful. We know that. And we need to admit it up front. Last week we had a successful test. We are going to have more success in the future. And eventually, and I mean in short order, I think in a matter of years with the leadership of our President and the support of this Congress, and the support of future Congresses, through testing and through dedication and through resources and research, we will have fulfilled our duty by developing, from a technological point of view, a missile defense system.

So let me review what I think are a few very, very important points. Let us start out with a premise. We have an anti-ballistic missile treaty that is called the ABM Treaty. That treaty was executed in 1972. It was negotiated in the late 1960s and the early 1970s, and, again, executed in 1972. Now, at that point in time two countries in the world, two countries in the world, the Soviet Union and the United States of America, were the only countries that had the capability to deliver a missile anywhere they wanted in the world.

At that point in time, not China, not North Korea, not South Korea, not India, not Pakistan, not Argentina, not Israel, none of these countries were thought to have at any time in the near future the capability to fire a missile, a nuclear missile, anywhere in the world.

But let me step back just for a moment. The vision of the people who negotiated this treaty on both sides of the treaty was that there could be extraordinary circumstances, for example, other countries having the capability to deliver missiles; for example, many other countries developing nuclear capability; for example, the acts

of terrorism that we have seen in these last few years. Those are extraordinary events. And the drafters of this treaty understood, and though I do not agree with the premise under which they drafted this treaty, they understood there might be extraordinary events that threatened the national sovereignty of a country. And if that occurred, it should be a fundamental right, a basic right contained within the four corners of that treaty, that allowed a country, a United States or a Soviet Union, to withdraw from the treaty.

And that is exactly where we are today. We have no choice, in my opinion, but to withdraw from this treaty, and we have no choice but to offer protection to the American people.

What has happened in these 30 years? We know, from my earlier graph that I showed, that nuclear proliferation now exists throughout the world. We know that the probability of a missile attack against the United States, either intentionally or accidentally, is going to occur at some point. In fact, every day that goes by gives us 1 more day to make sure that when that missile attack occurs or when that accidental launch occurs, we are prepared to defend against it.

Now, if we fail, for example, and the worst failure or the worst scenario I can imagine is some country, because they do not have the fail-safe mechanism that our country has, accidentally launches against the United States. Under those circumstances, right now our only response really is to do nothing, which no President is going to do when you lose hundreds of thousands of people, or to retaliate.

□ 2310

Mr. Speaker, no President is going to go without retaliation. So if anything, you want to have a missile defense system in place so that an accidental launch does not start World War III. So if someone launches against the United States, or if somebody launches against an ally of the United States of America, or let us take it further, let us say some country accidentally launches against an enemy country, let us say someone launches against North Korea, the United States of America, our vision will allow our country to have the capability. We find out from our command center that India has by accident just launched a missile against North Korea; we should have the capability to stop that missile so it does not even hit a country like North Korea throughout the world which can prevent a horrible disaster from occurring, only if, however, my colleagues on this House floor support the President of the United States in demanding that this country forthwith deploy a missile defense system on behalf of the citizens of the United States of America.

That is an accidental launch. Let us talk about an intentional launch. Do you think you will continue to see in

the future a proliferation of missiles if the people building the missiles know there is a system in the country that will stop their missiles on the launching pad? That there is a system that the United States of America possesses that will not only stop an incoming missile from hitting the United States or an ally, but is so technically advanced that they can destroy their missile on their launching pad? How many more missiles do you think they will build?

The vision that I have for the future, for my children's generation, for my grandchildren's generation is that they will look back at us and say, missiles were those useless things back then. Nobody has any use for a missile today because anytime a missile goes off, it is stopped instantaneously. That is the goal.

We should not stand by some treaty that says the way to stop proliferation of missiles in the future is not to defend against them. Give me a break. That is like saying the way to stop the spread of cancer is not to take any chemotherapy. Do not offer chemotherapy as a threat, and maybe then people will stop smoking. That does not make any sense. It is the same thing here. It does not make any sense at all to the way, the theory to stop missile proliferation is not to defend against it.

By the way, there are only two countries in the world subject to the antiballistic missile treaty. India is not subject to it. North Korea is not subject to. China is not, Pakistan is not, Israel is not subject to it. Only two countries: the United States of America and the old Soviet Union. The day has arrived, colleagues. The responsibility has arrived. The duty has arrived. We owe it to the people of America. We owe it to the people of the world to build a missile defense system. We have the technology, or we will secure the technology within the no-too-distant future.

I cannot look at any of you more seriously than I look at you this evening to say that your failure to help this Nation build a missile defense system for its citizens and for the people of the world is a gross dereliction of duty and responsibility bestowed upon you when you took the oath to serve in the United States Congress.

PRESIDENT'S ENERGY POLICY IS HUGE MISSED OPPORTUNITY

THE SPEAKER pro tempore (Mr. KELLER). Under the Speaker's announced policy of January 3, 2001, the gentleman from Washington (Mr. INSLEE) is recognized to address the House not beyond midnight.

Mr. INSLEE. Mr. Speaker, I do not normally participate in Special Orders, especially at this time of night; but there is something that the House is going to consider tomorrow that I believe we are heading in the wrong direction on, to wit, the President's en-

ergy policy, that I felt compelled to come here this evening to speak about the huge missed opportunity that this energy policy represents.

Mr. Speaker, as I was walking over here this evening thinking about what I was going to say, I looked up at the dome and thought how beautiful it is. I thought about some of the great inspirational things, the farsighted things that have actually taken place in this building; and the thing that really got me thinking about this issue is when John F. Kennedy stood right behind me at the rostrum and said that America, this was back in the early sixties, said America should put a man on the moon and bring him home safely within the decade. A huge challenge at that time before computers were existent and we had multistage rockets, an enormous visionary challenge to America to move forward on a technological basis, even though some of the technology was not there yet. President Kennedy understood the nature of the space race and the potential capability of the country to move forward, and challenged America with a policy.

The President's energy policy, unfortunately, does not challenge America to go anywhere. The President's energy policy, which we will vote on tomorrow in this Chamber, is a continuation of the last 100 years of old technology.

I would like to address, Mr. Speaker, why that policy misses so many golden opportunities. Let me say simply that a summary of this energy policy would be simple. It is of the oil and gas companies, it is by the oil and gas companies, and it is for the oil and gas companies. In ways that should be obvious to anyone who will look at this plan, will realize that the oil and gas companies should smile giant smiles when they consider the enormous giveaways by the American taxpayer to this old industry.

Of the \$33 billion of taxpayer money that essentially is handed out through tax incentives and royalty relief, fully 70 percent or more goes to fossil fuel-based industries, our old technological base. Royalty relief in the millions of dollars to excuse payments that are owed by oil and gas companies to the American taxpayers are written off the books, just excused. Billions of dollars in tax incentives, not for a new industry on the cutting edge of technology but for something that we have been doing for over 100 years, drilling holes in the ground to get oil and gas. This may have been a good policy in 1901, 100 years ago. It may have made sense when we needed to perfect technology, and drilling holes in the ground where we needed to give incentives to the automobile industry. But this massive give away encapsulated in this bill is now 100 years out of date. It is a perfect energy plan for a different century.

Mr. Speaker, we would like to make efforts to change that. I have offered an amendment with a Republican colleague of mine, the gentleman from

Connecticut (Mr. SHAYS), and I offered an amendment to try to reorient some over to clean fuels that do not burn carbon and to give people breaks when they buy an energy-efficient car or build an energy-efficient house, to help the geothermal industry, to help get more efficient transmission systems, to shift just a portion of those tax giveaways to the oil and gas industries over to these new cutting-edge technologies.

□ 2320

We felt it makes sense if you are going to give an incentive, don't give it to the giant who has been around for a hundred years stomping through the economy, give it for the new babies on the block who have growth potential, the new technologies.

What happened? We are told as of this moment at least, the majority party will not allow us to even vote on that issue. That is wrong, Mr. Speaker, for the U.S. House not to get to vote on the distribution of these tax incentives.

It is interesting because we are told we are going to be allowed a vote on some policy issues. What I think this proves and oil and gas has said, "Well, you can vote on these policy issues, but don't touch my money. Don't let anybody else have a fair crack at these tax incentives." That is wrong.

The second issue I want to address as to why this energy policy is such a missed opportunity is 3 weeks ago, I was on the shores of the Aichilik River up in the Arctic National Refuge, the national refuge established during the Eisenhower administration. I went there to take a look at this refuge and see in fact whether it is something that America ought to preserve. I also spent a day at the Prudhoe Bay oil field taking a look at what an oil field looks like. I came away with two very distinct impressions after 4 days up on the shores of the Arctic. Number one, this Arctic National Refuge that the President wants to violate is the largest intact ecosystem in America. The President is asking us to create an oil field in the very heart of the most pristine area left in America, an area where the largest caribou herd in North America has its calving grounds. He wants us to put oil processing facilities right smack dab where the porcupine caribou herd, over 100,000 strong, calve once a year in their incredible migration over hundreds of miles across Alaska and Canada. The biologists have told us that that could damage the caribou herds. I saw birds from every one of the 50 States in the union, the most prolific bird life I have ever seen. I have tramped around a lot of back country in this country.

Simply put, this is an intact ecosystem that is unique. I came away concluding that what Dwight David Eisenhower had created, George Bush should not put asunder. The other reason for that is taking a look at Prudhoe Bay, although I saw some peo-

ple who I thought were trying to reduce the impact of an oil field on the environment, the fact of the matter is whenever you think of Prudhoe Bay, it is a major industrial complex. It is not a wildlife refuge. It is time for us instead of doing the Arctic Refuge to explore the options we have.

That is the third point I want to make. This energy package is a huge missed opportunity because it does not explore the known options that America has to deal with their energy crisis. To give you an example, the President has proposed dealing in the Arctic Refuge. It will take 10 years to get any oil out of the Arctic Refuge. But let us assume that there is some oil there. The fact of the matter is even in the optimistic assessments of what we could do by destroying this Arctic Refuge, destroying what I believe is the heart of a unique ecosystem, if we simply increased our CAFE standards, our average mileage standards for our cars, by 1½ miles a gallon, just a tiny little scintilla of an improvement, we would save more oil and gas than we are ever going to get out of the Arctic Refuge over decades. We have a clear option. The option of driving and asking our auto industry to produce more fuel efficient vehicles is not going to destroy the Arctic Refuge, is more economically efficient and is clearly within our scientific technological basis, knowledge bank on how to do. The reason I know is that is the National Academy of Sciences came up with a report yesterday indicating that we could increase our fuel mileage, and the technology exists for that, well beyond 1½ miles a gallon in the next 5 years or 10 years.

We can build a natural gas pipeline across Alaska, something that I support. We can encourage and allow the 1,000 drilling rigs that are already drilling for oil, and there were only 300 of them 2 years ago, we have already had a massive increase in drilling activity in this country. We have got those three options. We ought to use these options that are within our technological data bank before we run off and try to destroy a unique wilderness that America has enjoyed since Dwight David Eisenhower was President. We have got those options, and we ought to pass an amendment to this bill tomorrow to take those. I am hoping that the majority party allows such a vote.

The fourth issue. Two years ago in Bellingham, Washington, a pipeline leaked and the gasoline subsequently exploded. It incinerated three children, three boys. Some time after that a pipeline exploded in New Mexico, killing 10 people, massive fireballs. Since those incredible disasters, guess what the U.S. House of Representatives have done as far as passing meaningful pipeline safety legislation to improve the inspections that are mandated in these pipelines. Absolutely nothing. The U.S. House since those tragedies still, since the U.S. Senate, the other Chamber,

has passed legislation, improved legislation this year, this Chamber has not been given an opportunity to vote this year on pipeline safety. Here we have this 300-plus-page energy package coming to the floor, the need demonstrated to build new gasoline pipelines, and 2 years after those tragedies, we still have not been given an opportunity to vote on a pipeline safety bill that for the first time would have a statutory mandate that these pipelines be inspected.

The pipeline in New Mexico that exploded killing 10 people had not been inspected in 50 years, because there is no law requiring it. It is absurd for us to try to think we are going to have this massive expansion of energy and not move forward on pipeline safety legislation. I am here tonight speaking for the parents of these children who were lost in Bellingham, saying it is a crime against nature if this House passes an energy bill without passing a meaningful pipeline safety bill as well. We ought to have a chance to vote on this tomorrow. Mr. Speaker, I am urging the majority party to allow that vote and allow meaningful pipeline safety legislation to move ahead.

Let me just suggest if I can to the oil and gas pipeline companies. It is in the industry's interest to pass pipeline safety legislation. The reason it is in their interest is if we are going to build these pipelines, we have to site them. The industry knows that is hard. A lot of times people do not like pipelines running through their backyard, for understandable reasons. One of those understandable reasons is because the dang things blow up because we have lousy pipeline inspection criteria in our country. We need to gain public confidence in the pipeline safety system of this Nation. How do we expect to site these things if we do not have the public confidence? And we do not right now for good reasons. If we are going to expand our energy network of distribution, we need to win the public's confidence, we need to have a pipeline safety bill.

The fifth issue I would like to address, another missed opportunity. The science is overwhelming and observation is overwhelming that we have a problem with the change in the Earth's climate. The science is overwhelming that our contribution of certain gases, carbon dioxide being a principal culprit, are contributing to these changes in the global climate. When I was in the Arctic, I talked to a professor at the University of Alaska who told me that the depth of the Arctic ice has been reduced almost in half in the last several decades as a result of increasing temperatures in the Arctic. The extent of the Arctic ice has been reduced 10 percent. Glaciers are in massive retreat across North America. I talked to rangers in Denali National Park who had only been working there for 15 years who had seen the tree line move north several miles due to increasing temperatures in the Arctic.

The Earth's climate is changing and we are one reason for that. But despite that known science, the President has refused to exercise one single ounce of leadership to help this Nation move forward on a technological basis to deal with global climate change. When you look at this 300 pages, I do not have it tonight, but if you look at that several hundred pages of this energy policy, you will not find any commitment to move forward on global climate change issues. It is incredible. It is incredible at the same time the President of the United States tells the rest of the world that they can go hang, we are not going to deal with global climate change, we are just going to come home and do something in America, well, fine, what is the President proposing? In this energy package, nothing meaningful. I have offered an amendment that at least would direct the Department of Energy to report within a year about the most efficient means we could do, things we could do to deal with global climate change, to reduce carbon dioxide emissions.

□ 2330

But instead of even allowing that, this bill has fully three-quarters, three-quarters, of all the tax incentives of \$33 billion go to the industry that is responsible for putting global climate change gasses into the air, the oil and gas and fossil fuel and coal industries. Instead of going forward with new technologies, they want to go backward and ignore this problem of global climate change.

Mr. Speaker, I want to tell you, I am afraid the White House is way behind the American public on this. The American public that I am talking about do get it when it comes to global climate change. They want to see reasonable actions taken. They want to see reasonable research taking place. But, instead of that, this administration has given their political friends 75 percent of all the benefits in this bill, instead of the technologies that could fully move us forward to deal with global climate change. A tremendous missed opportunity.

The sixth issue, and here is a small issue. I will tell you how maybe small things add up. We have introduced a bill that actually has had some bipartisan support called the Home Energy Generation Act. It would allow Americans when they generate electricity in their home or their small business through solar or wind or other fuel cell technology, it would allow them to sell electricity back to the grid. Your meter, when you do this, would run backwards. If you are not using the energy, you sell it back to the utility. Our bill would say to the utility, it has to buy it back from you. A reasonable request.

It is very important to the development of these technologies, solar, wind, fuel cell technology, these distributed energy technologies, it is important be-

cause those are the industries that do not contribute global climate change gasses. It is a small suggestion, but I guess because oil and gas does not like it, it might reduce a little bit our demand for oil and gas and coal, we do not find it in this bill. We do not even get a vote on it. That is wrong. We ought to do some common sense measures on this.

Seventh, here we have a chance for America to lead on these new technologies by having the U.S. Government buy new technologies. Does it not make sense when the U.S. Government is one of the biggest purchasers of equipment in the world to have the U.S. Government lead by buying fuel efficient vehicles, by buying energy efficient electrical appliances, by making sure that our transmission systems are efficient when we do it for the U.S. Government? Does that not make sense, when the climate is changing?

But, no, this bill does not address that issue. It does not have us in the United States Government lead. The only thing the President proposed is to buy a little tiny thing that turns your VCR off when you are not using it. That is a good idea, I suppose, but maybe we can be more effective if we have the U.S. Government buy new fuel efficient vehicles, which we do not do.

We are trying to expect Americans to conserve electricity and use efficient vehicles, and the U.S. Government does not even do it. We hope to have some amendments on the floor to change that tomorrow. We hope the majority party will support it. But, again, a missed opportunity of the energy bill.

Finally, the eighth point I want to make, we have had an energy crisis on the West Coast. I am from the State of Washington. People I represent have seen their energy prices go up 50, 60 percent, and they are going to go up more possibly as a result of this energy crisis. From the beginning, the President has simply said it is a California problem. I am not going to help. He has done a good job of not helping.

We still need some help. I will tell you what we need; we need refunds. The people I represent have been gouged in their electrical bills. For 7 months now we have been beating a drum in this House and outside of this building to ask the administration to lift a finger to help the West Coast, and, finally, after 7 months of banging this drum, the Federal Energy Regulatory Commission finally issued a ruling that they want to move forward with evidentiary hearings to set a price so that in certain circumstances it is not too high. They also finally suggested that there be refunds, at least to the California citizens.

Well, we want to make sure that the energy bill makes sure that this happens, not just in California, but in Washington and Oregon as well. Why should not folks in Washington who have been overcharged for electricity have refunds as well as those in California? We have dragged the adminis-

tration kicking and screaming to do something about this, but this energy bill needs to put it in law so that no one can backslide in this regard.

So, tonight I have offered eight things, and I suspect there are more that need fixing in this bill. We are going to give it every single energy we can tomorrow to repair and fix this bill. But, Mr. Speaker, from what I have heard tonight, we will be denied an opportunity to even vote on quite a number of these subjects. I think that that is wrong.

We think this country is not a desperate country. We do not think we are a desperate people. We think we are a creative people. We think we are an optimistic people. We think we are a positive people. We are positive there are things we can do to get us out of this energy pickle, get us out of this global climate change problem, if we will just look at the future instead of adopting an energy policy for the past.

Tomorrow we will have a chance to move for that future if we fix this bill, and reject it if it is not adequately fixed. It is an opportunity we ought to seize.

RECESS

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

Accordingly (at 11 o'clock and 36 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 0122

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. SESSIONS) at 1 o'clock and 22 minutes a.m.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4, SECURING AMERICA'S FUTURE ENERGY ACT OF 2001

Mr. HASTINGS of Washington, from the Committee on Rules, submitted a privileged report (Rept. No. 107-178) on the resolution (H. Res. 216) providing for consideration of the bill (H.R. 4) to enhance energy conservation, research and development and to provide for security and diversity in the energy supply for the American people, and for other purposes, which was referred to the House Calendar and ordered printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF MOTIONS TO SUSPEND THE RULES

Mr. HASTINGS of Washington, from the Committee on Rules, submitted a privileged report (Rept. No. 107-179) on the resolution (H. Res. 217) providing for consideration of motions to suspend the rules, which was referred to the House Calendar and ordered printed.

Daily Digest

HIGHLIGHTS

Senate passed Legislative Branch Appropriations Act.

The House passed H.R. 2647, Legislative Branch Appropriations for FY 2002.

The House passed H.R. 2505, Human Cloning Prohibition Act of 2001.

Senate

Chamber Action

Routine Proceedings, pages S8403–S8497

Measures Introduced: Fourteen bills and five resolutions were introduced, as follows: S. 1272–1285, S. Res. 142–144, and S. Con. Res. 62–63.

Page S8464–65

Measures Passed:

Commending James W. Ziglar: Senate agreed to S. Res. 144, commending James W. Ziglar for his service to the United States Senate. **Page S8496**

Legislative Branch Appropriations: Senate passed H.R. 2647, making appropriations for the Legislative Branch for the fiscal year ending September 30, 2002, after striking all after the enacting clause and inserting in lieu thereof the text of S. 1172, Senate companion measure, as amended. **Page S8496**

Senate insisted on its amendment, requested a conference with the House thereon, and the Chair was authorized to appoint the following conferees on the part of the Senate: Senators Durbin, Johnson, Reed, Byrd, Bennett, Stevens, and Cochran. **Page S8496**

Subsequently, pursuant to the order of July 19, 2001, passage of S. 1172 be vitiated and the bill be returned to the Senate calendar. **Page S8496**

Human Methods of Slaughter Act Enforcement: Committee on Agriculture, Nutrition, and Forestry was discharged from further consideration of S. Con. Res. 45, expressing the sense of the Congress that the Humane Methods of Slaughter Act of 1958 should be fully enforced so as to prevent needless suffering of animals, and the resolution was then agreed to. **Pages S8496–97**

Emergency Agriculture Assistance Act: Senate continued consideration of S. 1246, to respond to

the continuing economic crisis adversely affecting American agricultural producers, taking action on the following amendments proposed thereto:

Pages S8403–29, S8431–51

Adopted:

Allard Amendment No. 1188, to strike the limitation that permits interstate movement of live birds, for the purpose of fighting, to States in which animal fighting is lawful. **Pages S8433–34**

Rejected:

Lugar Amendment No. 1190, in the nature of a substitute. (By 52 yeas to 48 nays (Vote No. 261, Senate tabled the amendment.) **Pages S8404–28**

Withdrawn:

Specter/Landrieu Amendment No. 1191, to reauthorize the consent of Congress to the Northeast Interstate Dairy Compact and to grant the consent of Congress to the Southern Dairy Compact, a Pacific Northwest Dairy Compact, and an Inter-mountain Dairy Compact. **Pages S8431–33, S8434–37**

Pending:

Lugar Amendment No. 1212, in the nature of a substitute. **Pages S8447–51**

Voinovich Amendment No. 1209, to protect the social security surpluses by preventing on-budget deficits. **Page S8451**

A unanimous-consent agreement was reached providing for further consideration of the bill at 10 a.m., on Wednesday, August 1, 2001. **Page S8497**

Department of Transportation Appropriations—

Agreement: A unanimous-consent agreement was reached providing for further consideration of H.R. 2299, making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 2002, at 11 a.m., on Wednesday, August 1, 2002, with a vote on the motion to close further debate on the bill. **Pages S8451, S8496**

Appointments:

British-American Interparliamentary Group: The Chair, on behalf of the President pro tempore, and upon the recommendation of the Republican Leader, pursuant to 22 U.S.C. 2761, as amended, appointed Senator Cochran as Vice Chairman of the Senate Delegation to the British-American Interparliamentary Group during the 107th Congress.

Page S8496

NATO Parliamentary Assembly: The Chair, on behalf of the Vice President, in accordance with 22 U.S.C. 1928a–1928d, as amended, appointed Senator Gordon Smith as Vice Chairman of the Senate Delegation to the NATO Parliamentary Assembly during the 107th Congress.

Page S8496

Messages From the President: Senate received the following messages from the President of the United States:

Transmitting, pursuant to law, the Report on the National Emergency with Respect to Iraq; to the Banking, Housing, and Urban Affairs. (PM–38)

Page S8461

Transmitting, pursuant to law, the report of the Continuation of Iraqi Emergency; to the Banking, Housing, and Urban Affairs. (PM–39)

Page S8461

Nominations Confirmed: Senate confirmed the following nominations:

James W. Ziglar, of Mississippi, to be Commissioner of Immigration and Naturalization.

Pages S8429–31, S8497

Nominations Received: Senate received the following nominations:

John F. Turner, of Wyoming, to be Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs.

Martin J. Silverstein, of Pennsylvania, to be Ambassador to the Oriental Republic of Uruguay.

John N. Palmer, of Michigan, to be Ambassador to the Republic of Portugal.

Bonnie McElveen-Hunter, of North Carolina, to be Ambassador to the Republic of Finland.

Brian E. Carlson, of Virginia, to be Ambassador to the Republic of Latvia.

Mattie R. Sharpless, of North Carolina, to be Ambassador to the Central African Republic.

R. Barrie Walkley, of California, to be Ambassador to the Republic of Guinea.

John W. Suthers, of Colorado, to be United States Attorney for the District of Colorado for the term of four years.

Anna Mills S. Wagoner, of North Carolina, to be United States Attorney for the Middle District of North Carolina for the term of four years.

Thomas E. Moss, of Idaho, to be United States Attorney for the District of Idaho for the term of four years.

William Walter Mercer, of Montana, to be United States Attorney for the District of Montana for the term of four years.

Michael G. Heavican, of Nebraska, to be United States Attorney for the District of Nebraska for a term of four years.

Todd Peterson Graves, of Missouri, to be United States Attorney for the Western District of Missouri for the term of four years.

John L. Brownlee, of Virginia, to be United States Attorney for the Western District of Virginia for the term of four years.

Paul K. Charlton, of Arizona, to be United States Attorney for the District of Arizona for the term of four years.

Fred L. Dailey, of Ohio, to be a Member of the Board of Directors of the Federal Agricultural Mortgage Corporation.

Grace Trujillo Daniel, of California, to be a Member of the Board of Directors of the Federal Agricultural Mortgage Corporation.

John J. Danilovich, of California, to be Ambassador to the Republic of Costa Rica.

Gilbert G. Gallegos, of New Mexico, to be a Commissioner of the United States Parole Commission.

Kent R. Hill, of Massachusetts, to be an Assistant Administrator of the United States Agency for International Development.

Leslie Lenkowsky, of Indiana, to be Chief Executive Officer of the Corporation for National and Community Service.

Cranston J. Mitchell, of Missouri, to be a Commissioner of the United States Parole Commission.

Mary E. Peters, of Arizona, to be Administrator of the Federal Highway Administration.

Marie F. Ragghianti, of Maryland, to be a Commissioner of the United States Parole Commission.

Edward F. Reilly, of Kansas, to be a Commissioner of the United States Parole Commission.

Marvin R. Sambur, of Indiana, to be an Assistant Secretary of the Air Force.

3 Army nominations in the rank of general.

2 Navy nominations in the rank of admiral.

A routine list in the Marine Corps. Page S8497

Executive Communications: Pages S8462–63

Petitions and Memorials: Pages S8463–64

Messages From the House: Pages S8461–62

Measures Referred: Page S8462

Measures Placed on Calendar: Page S8462

Statements on Introduced Bills: Pages S8466–82

Additional Cosponsors:	Pages S8465–66
Amendments Submitted:	Pages S8486–95
Additional Statements:	Pages S8459–61
Authority for Committees:	Pages S8495–96
Privilege of the Floor:	Page S8496
Record Votes: One record vote was taken today. (Total—261)	Page S8428

Adjournment: Senate met at 9:30 a.m., and adjourned at 7:28 p.m., until 10 a.m., on Wednesday, August 1, 2001. (For Senate's program, see the remarks of the Acting Majority Leader in today's Record on pages S8451 and S8497.)

Committee Meetings

(Committees not listed did not meet)

FEDERAL FARM BILL

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY: Committee held hearings on the conservation provisions of the proposed Federal farm bill, focusing on conservation programs to assist landowners and operators to manage and protect their land and water resources, receiving testimony from Lee Klein, Battle Creek, Nebraska, on behalf of the National Corn Growers Association and the American Soybean Association; George Dunklin, Jr., DeWitt, Arkansas, on behalf of the U.S. Rice Producers' Group; Gary Mast, Millersburg, Ohio, on behalf of the National Association of Conservation Districts; Dave Serfling, Preston, Minnesota, on behalf of the Land Stewardship Project; and Mark Shaffer, Defenders of Wildlife, Washington, D.C.

Hearings recessed subject to call.

APPROPRIATIONS—MILITARY CONSTRUCTION

Committee on Appropriations: Subcommittee on Military Construction concluded hearings on proposed budget estimates for fiscal year 2002 for military construction programs, after receiving testimony in behalf of funds for their respective activities from Dov S. Zakheim, Under Secretary of Defense (Comptroller); Raymond F. DuBois, Deputy Under Secretary of Defense for Installations and Environment; John Molino, Deputy Assistant Secretary of Defense for Military Community and Family Policy; Patricia Sanders, Deputy Director for Test, Simulation, and Evaluation, Ballistic Missile Defense Organization; Lt. Gen. William Tangney, USA, Deputy Commander in Chief, Special Operations Command; Maj. Gen. Leonard M. Randolph, Jr., USAF, Deputy Executive Director, TRICARE Management Activity; Paul Johnson, Deputy Assistant Secretary of the

Army for Installations and Housing; Maj. Gen. Robert L. Van Antwerp, USA, Assistant Chief of Staff for Installation Management; Brig. Gen. Michael J. Squier, ANG, Deputy Director, Army National Guard; and Maj. Gen. Paul C. Bergson, USAR, Military Deputy (Reserve Components), Deputy Under Secretary of the Army for International Affairs, United States Army Reserve.

NOMINATIONS

Committee on Armed Services: Committee concluded hearings on the nominations of John P. Stenbit, of Virginia, to be Assistant Secretary for Command, Control, Communication and Intelligence, and Ronald M. Sega, of Colorado, to be Director of Defense Research and Engineering, both of the Department of Defense, Michael L. Dominguez, of Virginia, to be Assistant Secretary for Manpower and Reserve Affairs, and Nelson F. Gibbs, of California, to be Assistant Secretary for Installations and Environment, both of the Department of the Air Force, Michael Parker, of Mississippi, to be Assistant Secretary for Civil Works, and Mario P. Fiori, of Georgia, to be Assistant Secretary for Installations and Environment, both of the Department of the Army, and H. T. Johnson, of Virginia, to be Assistant Secretary of the Navy for Installations and Environment, after the nominees testified and answered questions in their own behalf. Mr. Sega was introduced by Senator Allard, Mr. Parker was introduced by Senators Lott and Cochran, Mr. Fiori was introduced by Senators Cleland and Thurmond, and Mr. Johnson was introduced by Senators Warner and Thurmond.

AUTHORIZATION—NAVY SHIPBUILDING PROGRAMS

Committee on Armed Services: Subcommittee on SeaPower concluded hearings on proposed legislation authorizing funds for fiscal year 2002 for the Department of Defense and the Future Years Defense Program, focusing on Navy shipbuilding programs, after receiving testimony from John J. Young, Jr., Assistant Secretary of the Navy for Research, Development, and Acquisition; and Adm. William J. Fallon, USN, Vice Chief of Naval Operations.

SPECTRUM MANAGEMENT

Committee on Commerce, Science, and Transportation: Subcommittee on Communications concluded hearings to examine the issues of spectrum management and 3rd generation wireless service, focusing on tools to ensure the availability of spectrum for the rapid deployment of new advanced technologies such as the development of Third Generation wireless, and the promotion of spectrum efficiency in order that this scarce resource is put to its most valuable use, after receiving testimony from William T. Hatch, Acting

Assistant Secretary of Commerce for Communications and Information; Julius P. Knapp, Deputy Chief, Office of Engineering and Technology, Federal Communications Commission; Linton Wells II, Acting Assistant Secretary of Defense for Command, Control, Communications and Intelligence; Dennis F. Strigl, Verizon Wireless, Bedminster, New Jersey; Carroll D. McHenry, Nucentrix Broadband Networks, Inc., Carrollton, Texas; Mark C. Kelley, Leap Wireless International, Inc., San Diego, California; Thomas E. Wheeler, Cellular Telecommunications and Internet Association, Washington, D.C.; and Martin Cooper, ArrayComm, Inc., San Jose, California.

NATIONAL PARKS

Committee on Energy and Natural Resources: Subcommittee on National Parks concluded hearings on S. 689, to convey certain Federal properties on Governors Island, New York, S. 1175, to modify the boundary of Vicksburg National Military Park to include the property known as Pemberton's Headquarters, S. 1227, to authorize the Secretary of the Interior to conduct a study of the suitability and feasibility of establishing the Niagara River National Heritage Area in the State of New York, and H.R. 601, to ensure the continued access of hunters to those Federal lands included within the boundaries of the Craters of the Moon National Monument in the State of Idaho pursuant to Presidential Proclamation 7373 of November 9, 2000, and to continue the applicability of the Taylor Grazing Act to the disposition of grazing fees arising from the use of such lands, after receiving testimony from Senator Clinton and former Senator Moynihan; Representatives LaFalce and Simpson; Denis P. Galvin, Deputy Director, National Park Service, Department of the Interior; F. Joseph Moravec, Commissioner, Public Buildings Service, General Services Administration; Bernadette Castro, New York State Office of Parks, Recreation and Historic Preservation, and H. Claude Shostal, Regional Plan Association, both of New York; John C. Drake, City of Niagara Falls, Niagara Falls, New York; and Jane Thompson, Thompson Design Group, Boston, Massachusetts.

NOMINATIONS

Committee on Finance: Committee concluded hearings on the nominations of Robert C. Bonner, to be Commissioner of Customs, and Rosario Marin, to be Treasurer of the United States, both of California, both of the Department of the Treasury, Jon M. Huntsman, Jr., of Utah, to be a Deputy United States Trade Representative, with the rank of Ambassador, and Alex Azar II, of Maryland, to be General Counsel, and Janet Rehnquist, of Virginia, to be Inspector General, both of the Department of Health

and Human Services, after the nominees testified and answered questions in their own behalf. Mr. Huntsman and Ms. Rehnquist were introduced by Senator Hatch.

NOMINATIONS

Committee on Foreign Relations: Committee concluded hearings on the nominations of Vincent Martin Battle, of the District of Columbia, to be Ambassador to the Republic of Lebanon, Edward William Gnehm, Jr., of Georgia, to be Ambassador to the Hashemite Kingdom of Jordan, Edmund James Hull, of Virginia, to be Ambassador to the Republic of Yemen, Richard Henry Jones, of Nebraska, to be Ambassador to the State of Kuwait, Theodore H. Kattouf, of Maryland, to be Ambassador to the Syrian Arab Republic, Maureen Quinn, of New Jersey, to be Ambassador to the State of Qatar, R. Nicholas Burns, of Massachusetts, to be United States Permanent Representative on the Council of the North Atlantic Treaty Organization, with the rank and status of Ambassador, Daniel R. Coats, of Indiana, to be Ambassador to the Federal Republic of Germany, Craig Roberts Stapleton, of Connecticut, to be Ambassador to the Czech Republic, Johnny Young, of Maryland, to be Ambassador to the Republic of Slovenia, Richard J. Egan, of Massachusetts, to be Ambassador to Ireland, Nancy Goodman Brinker, of Florida, to be Ambassador to the Republic of Hungary, Robert Geers Loftis, of Colorado, to be Ambassador to the Kingdom of Lesotho, Joseph Gerard Sullivan, of Virginia, to be Ambassador to the Republic of Zimbabwe, Christopher William Dell, of New Jersey, to be Ambassador to the Republic of Angola, Carole Brookins, of Indiana, to be United States Executive Director of the International Bank for Reconstruction and Development, Ross J. Connelly, of Maine, to be Executive Vice President of the Overseas Private Investment Corporation, Jeanne L. Phillips, of Texas, to be Representative of the United States of America to the Organization for Economic Cooperation and Development, Randal Quarles, of Utah, to be United States Executive Director of the International Monetary Fund, and Patrick M. Cronin, of the District of Columbia, to be Assistant Administrator for Policy and Program Coordination, United States Agency for International Development, after the nominees testified and answered questions in their own behalf. Mr. Gnehm was introduced by Senators Hollings and Enzi, Mr. Burns was introduced by Senators Sarbanes and Kennedy, former Senator Coats was introduced by Senator Lugar, Mr. Egan was introduced by Senators Kennedy and Kerry, and Ms. Brinker and Ms. Phillips were introduced by Senator Hutchison.

NOMINATION

Committee on Governmental Affairs: Committee concluded hearings on the nomination of Daniel R. Levinson, of Maryland, to be Inspector General, General Services Administration, after the nominee testified and answered questions in his own behalf.

ASBESTOS CONTAMINATION AND SAFETY

Committee on Health, Education, Labor, and Pensions: Committee concluded hearings to examine workplace safety and asbestos contamination, focusing on the combined authority and efforts of the Occupational Safety and Health Administration, Mine Safety and Health Administration, and the Environmental Protection Agency to prescribe and enforce regulations to prevent health risks to workers from exposure to airborne asbestos, after receiving testimony from Senator Baucus; Representative Rehberg; David D. Lauriski, Assistant Secretary for Mine Safety and Health, and R. Davis Layne, Acting Assistant Secretary for Occupational Safety and Health, both of the Department of Labor; Kathleen M. Rest, Acting Director, National Institute for Occupational Safety and Health, Centers for Disease Control and Prevention, Department of Health and Human Services; Michael Shapiro, Acting Assistant Administrator, Office of Solid Waste and Emergency Response, Environmental Protection Agency; Richard Lemen, Emory University Rollins School of Public Health, Atlanta, Georgia, former Assistant Surgeon General of the United States; John Addison, John Addison Consultancy, Edinburgh, Scotland; Michael R. Harbut, Wayne State University School of Medicine, Detroit, Michigan, on behalf of the Center for Occupational and Environmental Medicine; Alan Whitehouse, Klock and Whitehouse, Spokane, Washington; Ned Gumble, Virginia Vermiculite,

and David Pinter, both of Louisa, Virginia; and George Biekkola, L'Anse, Michigan.

INDIAN HEALTH CARE

Committee on Indian Affairs: Committee concluded hearings on proposed legislation to revise and extend programs of the Indian Health Care Improvement Act, focusing on the challenges confronting the Indian Health Service, tribally-administered health care programs, and urban Indian health care programs with regard to recruiting and retaining health care professionals, after receiving testimony from William C. Vanderwagen, Acting Chief Medical Officer, Indian Health Service, Department of Health and Human Services; Barry T. Hill, Director, Natural Resources and Environment, General Accounting Office; Michael E. Bird, American Public Health Association, Albuquerque, New Mexico, on behalf of the Friends of Indian Health; Robert Hall, National Council of Urban Indian Health, Washington, D.C.; Anthony Hunter, American Indian Community House, Inc., New York, New York; Carole Meyers, Missoula Indian Center, Missoula, Montana; Martin Waukazoo, Urban Indian Health Board, Inc., San Francisco, California, on behalf of the Native American Health Centers; and Kay Culbertson, Denver Indian Health and Family Services, Denver, Colorado.

NOMINATIONS

Committee on the Judiciary: Committee concluded hearings on the nomination of Robert S. Mueller III, of California, to be Director of the Federal Bureau of Investigation, Department of Justice, after the nominee, who was introduced by Senators Boxer and Feinstein, testified and answered questions in his own behalf.

House of Representatives

Chamber Action

Bills Introduced: 15 public bills, H.R. 2678–2692; and 3 resolutions, H. Con. Res. 204, 206–207, were introduced.

Pages H4948–49

Reports Filed: Reports were filed as follows:

H.R. 2603, to implement the agreement establishing a United States-Jordan free trade area, amended (H. Rept. 107–176, Pt. 1);

H.R. 2460, to authorize appropriations for environmental research and development, scientific and energy research, development, and demonstration,

and commercial application of energy technology programs, projects, and activities of the Department of Energy and of the Office of Air and Radiation of the Environmental Protection Agency, amended (H. Rept. 107–177);

H. Res. 216, providing for consideration of H.R. 4, to enhance energy conservation, research and development and to provide for security and diversity in the energy supply for the American people (H. Rept. 107–178); and

H. Res. 217, providing for consideration of motions to suspend the rules (H. Rept. 107-179).

Pages H4947-48

Guest Chaplain: The prayer was offered by the guest Chaplain, Rev. Monsignor John Brenkle, St. Helena Catholic Church of St. Helena, California.

Page H4869

Journal: Agreed to the Speaker's approval of the Journal of July 31 by recorded vote of 359 ayes to 44 noes with 1 voting "present," Roll No. 299.

Pages H4869, H4895-96

Recess: The House recessed at 9:40 a.m. and reconvened at 10 a.m.

Page H4869

Suspensions: The House agreed to suspend the rules and pass the following measures:

United States-Jordan Free Trade Area: H.R. 2603, amended, to implement the agreement establishing a United States-Jordan free trade area;

Pages H4871-81

Veterans Benefits Act of 2001: H.R. 2540, amended, to amend title 38, United States Code, to make various improvements to veterans benefits programs under laws administered by the Secretary of Veterans Affairs (agreed to by a yea-and-nay vote of 422 yeas with none voting "nay," Roll No. 301); and

Pages H4896-H4906, H4916

Railroad Retirement and Survivors' Improvement Act of 2001: H.R. 1140, amended, to modernize the financing of the railroad retirement system and to provide enhanced benefits to employees and beneficiaries (agreed to by a yea-and-nay vote of 304 yeas to 33 nays, Roll No. 305).

Pages H4955-66

Legislative Branch Appropriations for FY 2002: The House passed H.R. 2647, making appropriations for the Legislative Branch for the fiscal year ending September 30, 2002 by a yea-and-nay vote of 380 yeas to 38 nays, Roll No. 298.

Pages H4882-95

Agreed To:

Rothman amendment No. 1 printed in H. Rept. 107-171 that makes available \$75,000 for the installation of compact fluorescent light bulbs in table, floor, and desk lamps; and

Pages H4893-94

Traficant amendment No. 2 printed in H. Rept. 107-171 that prohibits funding to persons or entities convicted of violating the Buy American Act.

Page H4894

House agreed to H. Res. 213, the rule that provided for consideration of the bill by voice vote.

Pages H4881-82

Presidential Messages: Read the following messages from the President:

Six Month Periodic Report on the National Emergency re Iraq: Message wherein he transmitted

a 6-month report on the national emergency with respect to Iraq that was declared in Executive Order 12722 of August 2, 1990—referred to the Committee on International Relations and ordered printed (H. Doc. 107-110); and

Page H4896

Continuance of the National Emergency re Iraq: Read a message from the President wherein he stated that the Iraqi emergency is to continue in effect beyond August 2, 2001—referred to the Committee on International Relations and ordered printed (H. Doc. 107-111).

Page H4896

Human Cloning Prohibition Act of 2001: The House passed H.R. 2505, to amend title 18, United States Code, to prohibit human cloning by a recorded vote of 265 yeas to 162 noes, Roll No. 304.

Pages H4916-45

Rejected the Lofgren motion that sought to recommit the bill to the Committee on the Judiciary with instructions to report it back to the House forthwith with an amendment that allows the use of human somatic cell nuclear transfer for the development or application of treatments for various diseases including Parkinson's disease, Alzheimer's diseases, diabetes and cancer by a recorded vote of 175 yeas to 251 noes, Roll No. 303.

Pages H4943-45

Pursuant to the rule, agreed to the Committee on the Judiciary amendments now printed in the bill (H. Rept. 107-170).

Agreed to the Scott amendment No. 1 printed in H. Rept. 107-172 that directs the General Accounting office to conduct a study to assess the need or amendments to the prohibition on human cloning within 4 years after the date of enactment. The study shall include a discussion of new developments in medical technology concerning human cloning and somatic cell nuclear transfer.

Pages H4930-31

Rejected the Greenwood amendment in the nature of a substitute No. 2 printed in H. Rept. 107-172 that sought to ban the use of human somatic cell nuclear transfer technology to initiate a pregnancy but allows the use of somatic cell nuclear transfer technology to clone molecules, DNA, cells, or tissues, requires each individual who intends to perform human somatic cell nuclear transfer technology to register with the Secretary of Health and Human Services, and preempts state law that establishes different prohibitions, requirements, or authorizations regarding human somatic cell nuclear transfer technology by a yea-and-nay vote of 178 yeas to 249 nays, Roll No. 302.

Pages H4931-43

H. Res. 214, the rule that provided for consideration of the bill was agreed to by a yea-and-nay vote of 239 yeas to 188 nays, Roll No. 300.

Pages H4906-16

Bankruptcy Abuse Prevention and Consumer Protection Act of 2001: The House disagreed with the Senate amendment to H.R. 333, to amend title 11, United States Code, and agreed to a conference.

Pages H4953–55

Appointed as conferees from the Committee of the Judiciary, for consideration of the House bill and the Senate amendment, and modifications committed to conference: Chairman Sensenbrenner and Representatives Hyde, Gekas, Smith of Texas, Chabot, Barr of Georgia, Conyers, Boucher, Nadler, and Watt of North Carolina. From the Committee on Financial Services, for consideration of sections 901–906, 907A–909, 911, and 1301–1309 of the House bill, and sections 901–906, 907A–909, 911, 913–4, and Title XIII of the Senate amendment and modifications committed to conference: Chairman Oxley and Representatives Bachus and LaFalce. From the Committee on Energy and Commerce, for consideration of Title XIV of the Senate amendment, and modifications committed to conference: Chairman Tauzin and Representatives Barton of Texas and Dingell. From the Committee on Education and the Workforce, for consideration of section 1403 of the Senate amendment and modifications committed to conference: Chairman Boehner, Castle, and Kildee.

Pages H4954–55

Agreed to the Baldwin motion to instruct conferees on the disagreeing votes of the two Houses on the Senate amendment to the House bill to agree to title X (relating to protection of family farmers and family fishermen) of the Senate amendment.

Pages H4953–54

Recess: The House recessed at 11:36 p.m. and reconvened at 1:22 a.m. on Wednesday, August 1.

Page H4989

Amendments: Amendments ordered printed pursuant to the rule appear on page H4950.

Quorum Calls—Votes: Five yea-and-nay votes and three recorded votes developed during the proceedings of the House today and appear on pages H4894–95, H4895–96, H4915–16, H4916, H4942–43, H4944–45, H4945, and H4966. There were no quorum calls.

Adjournment: The House met at 9 a.m. and adjourned at 1:23 a.m. on Wednesday, August 1.

Committee Meetings

NATIONAL DEFENSE AUTHORIZATION ACT

Committee on Armed Services: Subcommittee on Military Personnel approved for full Committee action H.R. 2586, National Defense Authorization Act for Fiscal Year 2002.

NATIONAL DEFENSE AUTHORIZATION ACT

Committee on Armed Services: Subcommittee on Military Procurement approved for full Committee action, as amended, H.R. 2586, National Defense Authorization Act for Fiscal Year 2002.

NATIONAL DEFENSE AUTHORIZATION ACT

Committee on Armed Services: Subcommittee on Military Research and Development approved for full Committee action H.R. 2586, National Defense Authorization Act for Fiscal Year 2002.

EARLY CHILDHOOD EDUCATION

Committee on Education and the Workforce: Subcommittee on Education Reform held a hearing on the Dawn of Learning: What's Working in Early Childhood Education. Testimony was heard from Eugene W. Hickok, Under Secretary, Department of Education; and Wade F. Horn, Assistant Secretary, Children and Families, Department of Health and Human Services; and public witnesses.

REWARDING PERFORMANCE IN COMPENSATION ACT

Committee on Education and the Workforce: Subcommittee on Workforce Protections held a hearing on H.R. 1602, Rewarding Performance in Compensation Act. Testimony was heard from public witnesses.

CURRENT ISSUES BEFORE—FINANCIAL ACCOUNTING STANDARDS BOARD

Committee on Energy and Commerce: Subcommittee on Commerce, Trade and Consumer Protection held a hearing on Current Issues Before the Financial Accounting Standards Board. Testimony was heard from public witnesses.

ANALYZING THE ANALYSTS

Committee on Financial Services: Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises held a hearing on Analyzing the Analysts II: Additional Perspectives. Testimony was heard from Laura Unger, Acting Chairman, SEC; and public witnesses.

AIR TRAVEL—CUSTOMER PROBLEMS AND SOLUTIONS

Committee on Government Reform: Subcommittee on Energy Policy, Natural Resources and Regulatory Affairs held a hearing on Air Travel-Customer Problems and Solutions. Testimony was heard from the following officials of the Department of Transportation: Donna McLean, Assistant Secretary, Office of Budget and Programs and Chief Financial Officer;

and Jane F. Garvey, Administrator, FAA; and public witnesses.

PUBLIC SERVICE FOR THE 21ST CENTURY

Committee on Government Reform: Subcommittee on Technology and Procurement Policy held a hearing on "Public Service for the 21st Century: Innovative Solutions to the Federal Government's Technology Workforce Crisis." Testimony was heard from David Walker, Comptroller General, GAO; Kay Coles James, Director, OPM; Stephen Perry, Administrator, GSA; and public witnesses.

U.N. WORLD CONFERENCE AGAINST RACISM

Committee on International Relations: Subcommittee on International Operations and Human Rights held a hearing on A Discussion on the U.N. World Conference Against Racism. Testimony was heard from following officials of the Department of State: William B. Wood, Principal Deputy Assistant Secretary, Bureau of International Organization Affairs; and Steven Wagenseil, Director, Office of Multilateral Affairs, Bureau of Democracy, Human Rights, and Labor; and public witnesses.

MISCELLANEOUS MEASURES

Committee on the Judiciary: Subcommittee on Crime held a hearing on H.R. 2146, Two Strikes and You're Out Child Protection Act. Testimony was heard from Robert Fused, Probation and Parole Agent, Sexual Offender Intensive Supervision Team, Department of Corrections, State of Wisconsin; and public witnesses.

OVERSIGHT—NATIONAL FIRE PLAN IMPLEMENTATION

Committee on Resources: Subcommittee on Forests and Forest Health held an oversight hearing on the Implementation of the National Fire Plan. Testimony was heard from the following officials of the Forest Service, USDA: Dale Bosworth, Chief; Robert Lewis, Jr., Deputy Chief, Research and Development, and Kevin Ryan, Rocky Mountain Research Station; Tim Hartzell, Director, Office of Wildland Fire Coordination, Department of the Interior; Barry T. Hill, Associate Director, Energy, Resources and Science Issues, GAO; and a public witness.

MISCELLANEOUS MEASURES

Committee on Resources: Subcommittee on National Parks, Recreation and Public Lands approved for full Committee action the following bills: H.R. 1456, Booker T. Washington National Monument Boundary Adjustment Act of 2001; H.R. 1814, Metacomet-Monadnock-Sunapee-Mattabesett Trail Study Act of 2001; H.R. 2114, amended, National

Monument Fairness Act of 2001; and H.R. 2385, amended, Virgin River Dinosaur Footprint Preserve Act.

SECURING AMERICA'S FUTURE ENERGY (SAFE) ACT

Committee on Rules: Granted, by a vote of 9 to 1, a structured rule on H.R. 4, Securing America's Future Energy Act of 2001, providing ninety minutes of general debate with 30 minutes equally divided and controlled by the chairman and ranking minority member of the Committee on Energy and Commerce and 20 minutes equally divided and controlled by the chairmen and ranking minority members of each of the following Committees: Science, Ways and Means, and Resources. The rule waives all points of order against consideration of the bill. The rule provides that the amendment printed in part A of the Rules Committee report accompanying the rule shall be considered as adopted. The rule makes in order only those amendments printed in part B of the Rules Committee report accompanying the resolution. The rule provides that the amendments made in order may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. The rule waives all points of order against the amendments printed in the report. The rule provides one motion to recommit with or without instructions. Finally, the rule provides authorization for a motion in the House to go to conference with the Senate on the bill H.R. 4.

Testimony was heard from Chairmen Tauzin, Boehlert, Thomas and Hansen and Representatives Wilson, Bono, Terry, Rohrabacher, Johnson of Connecticut, English, Horn, Bachus, Thune, Capito, Kelly, Petri, Gutknecht, Dingell, Markey, Eshoo, Boucher, Green of Texas, Strickland, Harman, Woolsey, Jackson-Lee, Etheridge, Larson of Connecticut, McDermott, Rahall, Smith of Washington, Kind, Inslee, Udall of Colorado, Filner, Berkley, Sanders, Maloney of New York, Carson of Indiana, Sherman, Kaptur, Stenholm, Boswell and Napolitano.

CONSIDERATION OF MOTIONS TO SUSPEND THE RULES

Committee on Rules: Granted, by voice vote, a resolution providing that it will be in order at any time on the legislative day of Wednesday, September 5, 2001, for the Speaker to entertain motions that the House suspend the rules. The resolution provides that the Speaker or his designee shall consult with

the Minority Leader or his designee on the designation of any matter for consideration pursuant to the resolution.

INNOVATION IN INFORMATION TECHNOLOGY

Committee on Science: Subcommittee on Research held a hearing on Innovation in Information Technology: Beyond Faster Computers and Higher Bandwidth. Testimony was heard from public witnesses.

OVERSIGHT—RED LIGHT CAMERAS

Committee on Transportation and Infrastructure: Subcommittee on Highways and Transit held an oversight hearing on Red Light Cameras. Testimony was heard from Representative Barr of Georgia; and public witnesses.

SOCIAL SECURITY AND PENSION REFORM

Committee on Ways and Means: Subcommittee on Social Security held a hearing on Social Security and Pension Reform: Lessons from Other Countries. Testimony was heard from public witnesses.

BRIEFING—FISCAL YEAR 2002 BUDGET REVIEW

Permanent Select Committee on Intelligence: Met in executive session to receive a briefing on Fiscal Year 2002 Budget Overview. The Committee was briefed by departmental witnesses.

COMMITTEE MEETINGS FOR WEDNESDAY, AUGUST 1, 2001

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Agriculture, Nutrition, and Forestry: Subcommittee on Production and Price Competitiveness, to hold hearings to examine the status of export market shares, 9 a.m., SR-328A.

Committee on Appropriations: Subcommittee on Labor, Health and Human Services, and Education, to hold hearings to examine stem cell ethical issues and intellectual property rights, 9:30 a.m., SD-192.

Subcommittee on Military Construction, to hold hearings on proposed budget estimates for the fiscal year 2002 for Navy construction and Air Force construction, 2:30 p.m., SD-138.

Committee on Armed Services: to hold hearings on the nomination of Gen. John P. Jumper, USAF, for reappointment to the grade of general and to be Chief of Staff, United States Air Force, 9:30 a.m., SD-106.

Committee on Banking, Housing, and Urban Affairs: business meeting to mark up S. 1254, to reauthorize the Multifamily Assisted Housing Reform and Affordability Act of 1997; the nomination of Linda Mysliwy Conlin, of New Jersey, to be Assistant Secretary of Commerce for Trade Development; the nomination of Michael J. Garcia,

of New York, to be Assistant Secretary of Commerce for Export Enforcement; the nomination of Melody H. Fennel, of Virginia, to be Assistant Secretary of Housing and Urban Development for Congressional and Intergovernmental Relations; and the nomination of Michael Minoru Fawn Liu, of Illinois, to be Assistant Secretary of Housing and Urban Development for Public and Indian Housing and the nomination of Henrietta Holsman Fore, of Nevada, to be Director of the Mint, Department of the Treasury, 10 a.m., SD-538.

Committee on Commerce, Science, and Transportation: to hold hearings to examine the status of current U.S. trade agreements, focusing on the proposed benefits and the practical realities, 9:30 a.m., SR-253.

Full Committee, to hold hearings on the nomination of John Arthur Hammerschmidt, of Arkansas, to be a Member of the National Transportation Safety Board; the nomination of Jeffrey William Runge, of North Carolina, to be Administrator of the National Highway Traffic Safety Administration, Department of Transportation; and the nomination of Nancy Victory, to be Assistant Secretary for Communications and Information, and the nomination of Otto Wolff, to be an Assistant Secretary and Chief Financial Officer, both of Virginia, both of the Department of Commerce, 2:30 p.m., SR-253.

Committee on Energy and Natural Resources: business meeting to consider energy policy legislation and other pending calendar business, 9:30 a.m., SD-366.

Committee on Environment and Public Works: business meeting to consider the nomination of David A. Sampson, of Texas, to be Assistant Secretary of Commerce for Economic Development; and the nomination of George Tracy Mehan III, of Michigan, the nomination of Judith Elizabeth Ayres, of California, the nomination of Robert E. Fabricant, of New Jersey, the nomination of Jeffrey R. Holmstead, of Colorado, and the nomination of Donald R. Schregardus, of Ohio, each to be an Assistant Administrator of the Environmental Protection Agency; and S. 584, to designate the United States courthouse located at 40 Centre Street in New York, New York, as the "Thurgood Marshall States Courthouse", Time to be announced, Room to be announced.

Full Committee, to hold hearings to examine the impact of air emissions from the transportation sector on public health and the environment, 9 a.m., SD-406.

Committee on Finance: to hold hearings to examine a balance between cybershopping and sales tax, 10 a.m., SD-215.

Committee on Foreign Relations: business meeting to consider S. 367, to prohibit the application of certain restrictive eligibility requirements to foreign nongovernmental organizations with respect to the provision of assistance under part I of the Foreign Assistance Act of 1961; S. Res. 126, expressing the sense of the Senate regarding observance of the Olympic Truce; S. Con. Res. 58, expressing support for the tenth annual meeting of the Asia Pacific Parliamentary Forum; proposed legislation authorizing funds for fiscal years 2002 and 2003 for the Department of State and the U.S. international broadcasting activities, proposed legislation congratulating Ukraine on

the 10th anniversary of the restoration of its independence and supporting its full integration into the Euro-Atlantic community of democracies, and pending nominations, 10:30 a.m., SD-419.

Committee on Health, Education, Labor, and Pensions: business meeting to consider proposed legislation entitled The Stroke Treatment and Ongoing Prevention (STOP STROKE) Act of 2001; the proposed Community Access to Emergency Defibrillation (Community AED) Act of 2001; the proposed Health Care Safety Net Amendments of 2001; S. 543, to provide for equal coverage of mental health benefits with respect to health insurance coverage unless comparable limitations are imposed on medical and surgical benefits; and S. 838, to amend the Federal Food, Drug, and Cosmetic Act to improve the safety and efficacy of pharmaceuticals for children, 10 a.m., SD-430.

Select Committee on Intelligence: to hold closed hearings on intelligence matters, 2:30 p.m., SH-219.

Committee on the Judiciary: Subcommittee on Constitution, Federalism, and Property Rights, to hold hearings on S. 989, to prohibit racial profiling, 10 a.m., SD-226.

Subcommittee on Antitrust, Business Rights, and Competition, to hold hearings on S. 1233, to provide penalties for certain unauthorized writing with respect to consumer products, 2 p.m., SD-226.

Committee on Small Business and Entrepreneurship: to hold hearings to examine the business of environmental technology, 9 a.m., SR-428A.

House

Committee on Armed Services, to mark up H.R. 2586, National Defense Authorization Act for Fiscal Year 2002, 10 a.m., 2118 Rayburn.

Committee on the Budget, hearing on Making Ends Meet: Challenges Facing Working Families in America, 10 a.m., 210 Cannon.

Committee on Education and the Workforce, to mark up the following bills: H.R. 1992, Internet Equity and Education Act of 2001; H.R. 2070, Sales Incentive Compensation Act; and H.R. 1900, Juvenile Crime Control and Delinquency Prevention Act of 2001, 10:30 a.m., 2175 Rayburn.

Committee on Energy and Commerce, Subcommittee on Environment and Hazardous Materials, hearing entitled "Perspectives on Interstate and International Shipments of Municipal Solid Waste," focusing on the following bills: H.R. 1213, Solid Waste Interstate Transportation Act of 2001; H.R. 667, Solid Waste Compact Act; and H.R. 1927, Solid Waste International Transportation Act of 2001, 10 a.m., 2123 Rayburn.

Subcommittee on Health, hearing on Authorizing Safety Net Public Health Programs, 10 a.m., 2322 Rayburn.

Committee on Financial Services, Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises, oversight hearing on the Office of Federal Housing

Enterprise risk-based capital rule for Fannie Mae and Freddie Mac, 2 p.m., 2128 Rayburn.

Subcommittee on Financial Institutions and Consumer Credit, to consider H.R. 1701, Consumer Rental Purchase Agreement Act, 10 a.m., 2128 Rayburn.

Subcommittee on Oversight and Investigations, hearing entitled "Over-regulation of Automobile Insurance: A Lack of Consumer Choice," 2 p.m., 2220 Rayburn.

Committee on Government Reform, Subcommittee on Criminal Justice, Drug Policy and Human Resources, oversight hearing on the "National Youth Anti-Drug Media Campaign: How to Ensure the Program Operates Efficiently and Effectively?" 2 p.m., 2154 Rayburn.

Committee on International Relations, to mark up the following measures: H.R. 2581, Export Administration Act of 2001; H.R. 2368, Vietnam Human Rights Act; H.R. 2541, to enhance the authorities of special agents and provide limited authorities to uniformed officers responsible for the protection of domestic Department of State occupied facilities; H.R. 2272, Coral Reef and Coastal Marine Conservation Act of 2001; H. Res. 181, congratulating President-elect Alejandro Toledo on his election to the Presidency of Peru, congratulating the people of Peru for the return of democracy to Peru, and expressing sympathy for the victims of the devastating earthquake that struck Peru on June 23, 2001; H. Con. Res. 188, expressing the sense of Congress that the Government of the People's Republic of China should cease its persecution of Falun Gong practitioners; and H. Con. Res. 89, mourning the death of Ron Sander at the hands of terrorist kidnappers in Ecuador and welcoming the release from captivity of Arnie Alford, Steve Derry, Jason Weber, and David Bradley, and supporting efforts by the United States to combat such terrorism, 10:15 a.m., 2172 Rayburn.

Committee on Small Business, to mark up the following: H.R. 203, National Small Business Regulatory Assistance Act; H.R. 2538, Native American Small Business Development Act; the Vocational and Technical Entrepreneurship Development Program Act of 2001; and the Small Business Technology Transfer (STTR) Program Reauthorization Act of 2001, 10 a.m., 2360 Rayburn.

Committee on Transportation and Infrastructure, Subcommittee on Aviation, hearing on H.R. 2107, End Gridlock at Our Nation's Critical Airports Act of 2001, 1:30 p.m., 2167 Rayburn.

Subcommittee on Economic Development, Public Buildings and Emergency Management, hearing on H.R. 2407, Federal Photovoltaic Utilization Act, 10 a.m., 2253 Rayburn.

Joint Meetings

Conference: meeting of conferees on H.R. 1, to close the achievement gap with accountability, flexibility, and choice, so that no child is left behind, 4 p.m., SC-5, Capitol.

Next Meeting of the SENATE
10 a.m., Wednesday, August 1

Next Meeting of the HOUSE OF REPRESENTATIVES
10 a.m., Wednesday, August 1

Senate Chamber

Program for Wednesday: Senate will continue consideration of S. 1246, Emergency Agriculture Assistance Act. At 11 a.m., Senate will resume consideration of H.R. 2299, Department of Transportation and Related Agencies Appropriations Act, with a vote on the motion to close further debate thereon.

House Chamber

Program for Wednesday: Consideration of H.R. 4, Securing America's Future Energy (SAFE) Act of 2001 (structured rule, ninety minutes of debate).



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