Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes; placed on the calendar.

By Mr. CAMPBELL (for himself and Mr. ALLARD):

S. 2508. A bill to amend the Colorado Ute Indian Water Rights Settlement Act of 1988 to provide for a final settlement of the claims of the Colorado Ute Indian Tribes, and for other purposes; to the Committee on Indian Affairs.

By Mr. WYDEN:

S. 2509. A bill for the relief of Rose-Marie Barbeau-Quinn; to the Committee on the Judiciary.

By Mr. MCCAIN (for himself, Mr. MOYNIHAN, and Mr. KERREY):

S. 2510. A bill to establish the Social Security Protection, Preservation, and Reform Commission; to the Committee on Finance.

By Mr. MURKOWSKI (for himself and Mr. STEVENS):

S. 2511. A bill to establish the Kenai Mountains-Turnagain Arm National Heritage Area in the State of Alaska, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. MOYNIHAN (for himself and Mr. SCHUMER):

S. 2512. A bill to convey certain Federal properties on Governors Island, New York; to the Committee on Energy and Natural Resources.

By Mr. LEAHY (for himself, Mr. SARBANES, Mr. ROBB, Mr. DODD, Mr. KERRY, Mr. BRYAN, Mr. EDWARDS, Mr. DURBIN, Mr. HARKIN, and Mrs. FEINSTEIN):

S. 2513. A bill to strengthen control by consumers over the use and disclosure of their personal financial and health information by financial institutions, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. GRAMS (for himself, Mr. SESSIONS, and Mr. ALLARD):

S. 2514. A bill to improve benefits for members of the reserve components of the Armed Forces and their dependants; to the Committee on Armed Services.

By Mr. ROCKEFELLER:

S. 2515. A bill to amend the Social Security Act to guarantee comprehensive health care coverage for all children born after 2001; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. KENNEDY (for himself, Mr. LEAHY, and Mr. GRAMS):

S. Res. 303. A resolution expressing the sense of the Senate regarding the treatment by the Russian Federation of Andrei Babitsky, a Russian journalist working for Radio Free Europe/Radio Liberty; to the Committee on Foreign Relations.

By Mr. LIEBERMAN (for himself, Mr. GREGG, and Mr. KERRY):

S. Con. Res. 108. A concurrent resolution designating the week beginning on April 30, 2000, and ending on May 6, 2000 as ''National Charter Schools Week''; considered and agreed to.

By Mr. SCHUMER (for himself, Mr. BROWNBACK, Mr. LIEBERMAN, Mr. SMITH of Oregon, and Mr. DODD):

S. Con. Res. 109. A concurrent resolution expressing the sense of Congress regarding the ongoing persecution of 13 members of Iran's Jewish community; considered and agreed to.

By Mr. DURBIN (for himself, Mr. HELMS, Mr. ROBB, and Mr. ABRAHAM):

S. Con. Res. 110. A concurrent resolution congratulating the Republic of Latvia on the tenth anniversary of the reestablishment of its independence from the rule of the former Soviet Union; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DASCHLE (for himself and Mr. LUGAR):

S. 2503. A bill to amend the Clean Air Act to authorize States to regulate harmful fuel additives and to require fuel to contain fuel made from renewable sources, to amend the Solid Waste Disposal Act to require that at least 85 percent of funds appropriated to the Environmental Protection Agency from the Leaking Underground Storage Tank Trust Fund be distributed to States to carry out cooperative agreements for undertaking corrective action and for enforcement of subtitle I of that act, and for other purposes; to the Committee on Environment and Public Works.

RENEWABLE FUELS ACT OF 2000

Mr. DASCHLE. Mr. President, ten years ago I joined with two distinguished colleagues, then-Senate Majority Leader Bob Dole and Senator TOM HARKIN, to introduce the reformulated gasoline (RFG) provision of the 1990 Clean Air Act Amendments. The RFG provision, with its minimum oxygen standard, was adopted in the Senate by the overwhelming vote of 69 to 30 and eventually signed into law by President George Bush.

I am proud to say that this program has resulted in substantial improvement in air quality around the country. It also has stimulated increased production and use of renewable ethanol and other oxygenates needed to meet the minimum oxygen standard.

Unfortunately, an unanticipated development involving the petroleum-based oxygenate MTBE requires us to re-examine the many benefits of the RFG program. The detection of MTBE in ground water around the country has generated considerable debate in recent months over how to deal with this fuel additive and the oxygen requirement of the reformulated gasoline program. The resolution of this debate will have significant consequences for the environment, for farmers and for the rural economy.

The pace of activity to resolve the MTBE issue is accelerating rapidly. Battlelines are being drawn as the state of California and its allies focus on scrapping the oxygen requirement.

It is clear that Congress and/or the Clinton administration will respond to the MTBE problem. My focus is on ensuring that that response not only serves the environment, but also retains a prominent place for ethanol—a place that assures long-term, predictable growth of the industry.

I believe a comprehensive legislative solution is necessary in this case—one that recognizes and preserves the important air quality benefits of the RFG program, protects water supplies and leads the nation away from greater dependence on imported oil.

I have worked for the last year with the ethanol industry, Republican and Democratic colleagues in the Senate, the Governor's Ethanol Coalition, environmental organizations and the administration in search of a solution that gives states the tools they need to address MTBE contamination, ensures the future growth of domestic renewable fuels, and prevents supply shortages and price spikes in the nation's fuels supply.

This process has led me to two basic conclusions.

First, the MTBE crisis has left the RFG oxygen requirement vulnerable to legislative attack. Those who doubt this conclusion should reflect on the following facts.

California refiners have shown that clean-burning gasoline can be produced without oxygen.

EPA's Blue Ribbon Panel has recommended that the oxygen requirement be repealed.

The RFG oxygen requirement is opposed by a diverse coalition that includes the American Lung Association, the American Petroleum Institute, the New England States Coordinated Air Use Management agency, the State of California and the Natural Resources Defense Council (NRDC).

Second, support for the oxygen requirement will weaken over time. Improvements in auto emissions control technology will cause the air quality benefits of oxygen in gasoline to decline and the justification for the RFG oxygen requirement to diminish.

As one of the original authors of the reformulated gasoline provisions of the Clean Air Act, I feel something of a proprietary interest in the oxygen requirement. As a legislator, I recognize that circumstances change, and obstinacy should not be allowed to become a barrier to the achievement of important policy goals.

Ethanol advocates face a choice between defending the oxygen requirement in the near term, realizing that its days ultimately are numbered, or using the current MTBE debate to guarantee the future growth of the ethanol industry based on important public policy goals, such as energy security, greenhouse gas emissions reductions, and domestic economic growth.

In my judgment, providing states with the flexibility to waive the RFG oxygen requirement is a fair tradeoff for the establishment of a renewable fuels standard. It represents the most effective way to achieve the environmental and economic goals of governors and consumers, while putting the ethanol industry on a steady growth path well into the future and promoting ethanol production in new regions of the nation.

Therefore, today, with Senator RICHARD LUGAR, I am introducing the Renewable Fuels Act of 2000. Under our legislation, EPA is directed to reduce the use of MTBE to safe levels, and states can obtain waivers from the RFG oxygen requirement and further regulate MTBE if they desire. This will allow the nation to deal with the MTBE contamination issue responsibly and avoid gasoline supply disruptions. The bill also includes provisions protecting the air quality gains that have resulted from the use of oxygenated fuels.

To protect market opportunities for renewable fuels, the bill establishes a renewable fuels standard for the nation's gasoline, which begins in 2000 at 1.3 percent—roughly where renewable fuels production stands today—and gradually increases over the next decade to 3.3 percent of the nation's gasoline in 2010. Considering the fact that overall gasoline use is expected to increase over the next decade, this standard will more than triple ethanol use over that period.

In meeting that requirement, our legislation stipulates that a gallon of biomass ethanol counts as much as 1.5 gallons of starch-based ethanol, thereby providing a strong incentive for the development of biomass-based ethanol plans throughout the country. It also established a renewable fuels standard for diesel fuels to promote the use of biodiesel. These renewable fuels standards can be met through nationwide credit trading, to allow for the most economomical use of ethanol and biodiesel.

For those who are concerned about the potential impact of a drought or other natural disaster on the ability of the renewable fuels industry to supply this market, the legislation allows the EPA Administrator, in consultation with the Secretary of Agriculture, to waive the renewable requirement in any given year upon determination that there is indequate domestic supply or distribution capacity, or that the requirement would severely harm the economic or environment of a State, a region, or the United States.

I also intend to work with my colleagues on both sides of the aisle to establish a strategic corn reserve as a complement to the renewable fuel standard. A properly managed strategic corn reserve could serve as the equivalent of the strategic petroleum reserve and ensure stable feedstocks for domestic ethanol producers in the event of weather induced supply interruptions. Taxpayers would benefit as farmers could receive fair market prices, thereby reducing the need for emergency assistance each year.

It is important to recognize that under Senator LUGAR's and my approach, the oxygen requirement is not waived entirely. States can decide for themselves whether to apply for a waiver from the RFG oxygen requirement. We fully expect that RFG programs that currently are using ethanol and have not experienced MTBE contamination, such as Chicago and Milwaukee, will stay in the program. Moreover, the bill allows any governor to apply to EPA to opt into the RFG program, thus expanding its air quality benefits to new regions of the country. Those areas that remain in the program or opt into it, and use ethanol, will generate credits that can be sold to other regions of the country.

Finally, the bill prevents adverse effects on states' highway trust fund tax allocations, with ''hold harmless'' language ensuring that states reporting Federal excise tax receipts on gasoline are not penalized for their ethanol blend sales.

Again, my goal in introducing this legislation is both to support states that want to get MTBE out of gasoline and to ensure that this effort does not adversely affect ethanol production. It is also to put into place a program that will grow the ethanol industry steadily over the next decade, thereby assuring the market stability necessary to attract investment in the construction of new plants and significantly increasing the market for corn and biomass. This approach not only will get MTBE out of groundwater; it will do so without backsliding on the air quality improvements generated by the RFG program while increasing corn demand by 600 million bushels per year.

Mr. President, since first floating this concept in May of last year, I have heard from numerous stakeholders in this complex debate. The legislative concept that Senator LUGAR and I unveil today has been endorsed by diverse interests ranging from the American Coalition for Ethanol (ACE) in Sioux Falls, South Dakota, to the 24-state Governors' Ethanol Coalition, to the Northeast States for Coordinated Air Use Management (NESCAUM) to Mr. Leo Leibowitz, chairman of Getty Petroleum. I believe that we have struck a delicate balance between the interests of farmers, consumers, state regulatory officials, refiners and those concerned about the environment. This plan is a worthy successor to the original 1990 RFG provision, preserving all of the good things it has achieved and rectifying those elements that need fixing.

I look forward to working with Senators SMITH and BAUCUS, the chairman and ranking member of the Senate Environment and Public Works Committee, to enact legislation resolving the MTBE issue. I hope that other colleagues will join Senator LUGAR and me in support of this legislation.

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

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

S. 2503

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Renewable Fuels Act of 2000''.

SEC. 2. STATE PETITIONS FOR AUTHORITY TO CONTROL OR PROHIBIT USE OF MTBE.

Section 211(c) of the Clean Air Act (42 U.S.C. 7545(c)) is amended—

(1) in paragraph (1)(A), by striking ''any emission product of such fuel or fuel additive causes, or contributes, to air pollution which may reasonably be anticipated to endanger the public health or welfare,'' and inserting ''the fuel or fuel additive, or an emission product of the fuel or fuel additive, causes or contributes to air, water, or soil pollution that may reasonably be anticipated to endanger the public health or welfare or the environment,'';

(2) in paragraph (2)(C), by inserting ''or have other environmental impacts'' after ''emissions'';

(3) in paragraph (4)—

(A) in subparagraph (A), by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively, and indenting appropriately to reflect the amendments made by this paragraph;

(B) by striking ''(4)(A) Except as otherwise provided in subparagraph (B) or (C),'' and inserting the following:

''(4) LIMITATION ON STATE AUTHORITY WITH RESPECT TO FUELS AND FUEL ADDITIVES.—

''(A) IN GENERAL.—

''(i) FUELS AND FUEL ADDITIVES.—Except as otherwise provided in subparagraph (B) or (C) or paragraph (5),'';

(C) in subparagraph (A)—

(i) in clause (i) (as designated by subparagraph (B)), by inserting ''or water or soil quality protection'' after ''emission control''; and

(ii) by adding at the end the following:

''(ii) MTBE.—Notwithstanding clause (i), except as otherwise provided in subparagraph (B) or (C) or paragraph (5), no State (or political subdivision of a State) may prescribe or attempt to enforce, for the purpose of motor vehicle emission control or water or soil quality protection, any control or prohibition on methyl tertiary butyl ether as a fuel additive in a motor vehicle or motor vehicle engine.'';

(D) in subparagraph (B), by inserting ''or water or soil quality protection'' after ''emission control''; and

(E) in subparagraph (C)—

(i) in the first sentence—

(I) by inserting ''or water or soil quality protection'' after ''emission control''; and

(II) by inserting before the period at the end the following: ''or, if the Administrator grants a petition of the State under paragraph (5)''; and

(ii) in the second sentence, by striking ''only if he'' and inserting ''if the Administrator''; and

(4) by adding at the end the following:

''(5) STATE PETITIONS FOR AUTHORITY TO CONTROL OR PROHIBIT USE OF FUELS OR FUEL ADDITIVES FOR NON-AIR QUALITY PURPOSES.—

''(A) IN GENERAL.—A State seeking to prescribe and enforce a control or prohibition on a fuel or fuel additive for the purpose of water or soil quality protection under paragraph (4)(C) shall submit a petition to the Administrator for authority to take such action.

''(B) REQUIRED ELEMENTS OF PETITION.—A petition submitted under subparagraph (A) shall—

''(i) include information on—

''(I) the likely effects of the control or prohibition on fuel availability and price in the affected supply area or region; and

''(II) the improvements in environmental quality or public health or welfare expected to result from the control or prohibition; and

''(ii) demonstrate that the authority is necessary to protect the environment or public health or welfare.

''(C) ACTION BY THE ADMINISTRATOR.—Not later than 180 days after the date of receipt of a petition submitted under subparagraph (A), the Administrator shall grant or deny the petition.

''(D) CRITERIA FOR GRANTING OF PETITIONS.—The Administrator shall grant a petition submitted by a State under subparagraph (A) unless the Administrator finds that—

''(i) the petition fails to reasonably demonstrate that the authority is necessary to protect the environment or public health or welfare;

''(ii) the control or prohibition is likely to have a substantial and significant adverse effect on fuel availability or price (including a State or regional effect) that clearly outweighs any benefits associated with the control or prohibition; or

''(iii) in the case of a petition submitted by a State seeking the authority primarily to protect water resources, the State has failed to take other appropriate and reasonable actions to prevent contamination of water resources by fuels or fuel additives, such as—

''(I) adoption of a prohibition on the delivery of gasoline to noncompliant facilities with underground storage tanks; or

''(II) operation of a statewide monitoring and compliance assurance system.

''(E) EFFECT OF FAILURE OF ADMINISTRATOR TO ACT.—If, by the date that is 180 days after the date of receipt of a petition submitted under subparagraph (A), the Administrator has not proposed to grant or deny the petition under subparagraph (C), the petition shall be deemed to be granted.

''(F) PROCEDURAL REQUIREMENTS.—

''(i) INAPPLICABILITY OF CERTAIN REQUIREMENTS.—Section 307(d) of this Act and sections 553 through 557 of title 5, United States Code, shall not apply to actions on a petition submitted under subparagraph (A).

''(ii) PUBLIC NOTICE AND OPPORTUNITY FOR COMMENT.—The Administrator shall provide public notice and opportunity for comment with respect to a petition submitted under subparagraph (A).

''(6) LIMITATION ON MTBE CONTENT.—The Administrator shall promulgate regulations applicable to each refiner, blender, or importer of gasoline to ensure that gasoline sold or introduced into commerce by the refiner, blender, or importer on or after January 1, 2004, in an area has a content of methyl tertiary butyl ether that is at a level that—

''(A) the Administrator determines may not reasonably be anticipated to endanger natural resources and the public health; and

''(B) does not exceed the annual average volume of methyl tertiary butyl ether per gallon of gasoline used in the area before 1995.''.

SEC. 3. WAIVER OF OXYGEN CONTENT REQUIREMENT.

(a) IN GENERAL.—Section 211(k) of the Clean Air Act (42 U.S.C. 7545(k)) is amended—

(1) in paragraph (1)—

(A) by striking ''Within 1 year after the enactment of the Clean Air Act Amendments of 1990,'' and inserting the following:

''(A) IN GENERAL.—Not later than November 15, 1991,'';

(B) in the first sentence, by inserting before the period at the end the following: ''and opt-in areas under paragraph (6)''; and

(C) by adding at the end the following:

''(B) ADJUSTMENT OF VOC PERFORMANCE STANDARD.—

''(i) IN GENERAL.—The Administrator may adjust the volatile organic compounds performance standard promulgated under subparagraph (A) in the case of a fuel formulation that achieves reductions in the quantity of mass emissions of carbon monoxide that are greater than or less than the reductions associated with a reformulated gasoline that contains 2.0 percent oxygen by weight and otherwise meets the requirements of this subsection.

''(ii) AMOUNT OF ADJUSTMENT.—The amount of an adjustment under clause (i) shall be based on the effect on ozone concentrations of the combined reductions in emissions of volatile organic compounds and reductions in emissions of carbon monoxide.'';

(2) in paragraph (2)—

(A) in subparagraph (B)—

(i) by striking ''The oxygen'' and inserting the following:

''(i) IN GENERAL.—The oxygen''; and

(ii) by adding at the end the following:

''(ii) WAIVER FOR CERTAIN STATES.—The Administrator shall waive the application of clause (i) for any ozone nonattainment area in a State if the Governor of the State submits for such a waiver an application that—

''(I) demonstrates that the State is in full compliance with Federal regulations concerning the control and prevention of leaking underground storage tanks; or

''(II) provides a plan that outlines the measures the State will take to fully comply with the underground storage tank regulations by a date not later than 2 years after the receipt of the application of the Governor.

''(iii) EFFECTIVE DATE.—A waiver under clause (ii) shall become effective on the later of—

''(I) January 1 of the calendar year immediately following the calendar year during which the application for the waiver is received; or

''(II) the date that is 180 days after the date on which the application for the waiver is received.''; and

(B) by adding at the end the following:

''(E) AROMATICS.—The aromatic hydrocarbon content of the gasoline shall not exceed 22 percent by volume.'';

(3) in paragraph (3)—

(A) in subparagraph (A)(ii), by striking ''25 percent'' and inserting ''22 percent''; and

(B) in subparagraph (B)—

(i) by striking ''Any reduction'' and inserting the following:

''(iii) TREATMENT OF GREATER REDUCTIONS.—Any reduction''; and

(ii) by adding at the end the following:

''(iv) ANTI-BACKSLIDING PROVISION.—

''(I) IN GENERAL.—Not later than June 1, 2000, the Administrator shall revise performance standards under this subparagraph as necessary to ensure that—

''(aa) the ozone-forming potential, taking into account all ozone precursors (including volatile organic compounds, oxides of nitrogen, and carbon monoxide), of the aggregate emissions during the high ozone season (as determined by the Administrator) from baseline vehicles when using reformulated gasoline does not exceed the ozone-forming potential of the aggregate emissions during the high ozone season from baseline vehicles when using reformulated gasoline that complies with the regulations that were in effect on January 1, 2000, and were applicable to reformulated gasoline sold in calendar year 2000 and subsequent calendar years; and

''(bb) the aggregate emissions of the pollutants specified in subclause (II) from baseline vehicles when using reformulated gasoline do not exceed the aggregate emissions of those pollutants from baseline vehicles when using reformulated gasoline that complies with the regulations that were in effect on January 1, 2000, and were applicable to reformulated gasolines sold in calendar year 2000 and subsequent calendar years.

''(II) SPECIFIED POLLUTANTS.—The pollutants specified in this subclause are—

''(aa) toxics, categorized by degrees of toxicity; and

''(bb) such other pollutants, including pollutants regulated under section 108, and such precursors to those pollutants, as the Administrator determines by regulation should be controlled to prevent the deterioration of air quality and to achieve attainment of a national ambient air quality standard in 1 or more areas.''; and

(4) in paragraph (4)(B)—

(A) by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively, and indenting appropriately to reflect the amendments made by this paragraph;

(B) by striking ''The Administrator'' and inserting the following:

''(i) IN GENERAL.—The Administrator'';

(C) in clause (i) (as designated by subparagraph (B))—

(i) in subclause (I) (as redesignated by subparagraph (A)), by striking '', and'' and inserting a semicolon;

(ii) in subclause (II) (as redesignated by subparagraph (A))—

(I) by striking ''achieve equivalent'' and inserting the following: ''achieve—

''(aa) equivalent'';

(II) by striking the period at the end and inserting ''; or''; and

(III) by adding at the end the following:

''(bb) combined reductions in emissions of ozone forming volatile organic compounds and carbon monoxide that result in a reduction in ozone concentration, as provided in clause (ii)(I), that is equivalent to or greater than the reduction in ozone concentration achieved by a reformulated gasoline meeting the applicable requirements of paragraph (3); and''; and

(iii) by adding at the end the following:

''(III) achieve equivalent or greater reductions in emissions of toxic air pollutants than are achieved by a reformulated gasoline meeting the applicable requirements of paragraph (3).''; and

(D) by adding at the end the following:

''(ii) CARBON MONOXIDE CREDIT.—

''(I) IN GENERAL.—In determining whether a fuel formulation or slate of fuel formulations achieves combined reductions in emissions of ozone forming volatile organic compounds and carbon monoxide that result in a reduction in ozone concentration that is equivalent to or greater than the reduction in ozone concentration achieved by a reformulated gasoline meeting the applicable requirements of paragraph (3), the Administrator—

''(aa) shall consider, to the extent appropriate, the change in carbon monoxide emissions from baseline vehicles attributable to an oxygen content in the fuel formulation or slate of fuel formulations that exceeds 2.0 percent by weight; and

''(bb) may consider, to the extent appropriate, the change in carbon monoxide emissions described in item (aa) from vehicles other than baseline vehicles.

''(II) OXYGEN CREDITS.—Any excess oxygen content that is taken into consideration in making a determination under subclause (I) may not be used to generate credits under paragraph (7)(A).

''(III) RELATION TO TITLE I.—Any fuel formulation or slate of fuel formulations that is certified as equivalent or greater under this subparagraph, taking into consideration the combined reductions in emissions of volatile organic compounds and carbon monoxide, shall receive the same volatile organic compounds reduction credit for the purposes of subsections (b)(1) and (c)(2)(B) of section 182 as a fuel meeting the applicable requirements of paragraph (3).''.

(b) REFORMULATED GASOLINE CARBON MONOXIDE REDUCTION CREDIT.—Section 182(c)(2)(B) of the Clean Air Act (42 U.S.C.

7511a(c)(2)(B)) is amended by adding at the end the following: ''An adjustment to the volatile organic compound emission reduction requirements under section 211(k)(3)(B)(iv) shall be credited toward the requirement for VOC emissions reductions under this subparagraph.''.

SEC. 4. ADDITIONAL OPT-IN AREAS UNDER REFORMULATED GASOLINE PROGRAM.

Section 211(k)(6) of the Clean Air Act (42 U.S.C. 7545(k)(6)) is amended—

(1) by striking ''(6) OPT-IN AREAS.—(A) Upon'' and inserting the following:

''(6) OPT-IN AREAS.—

''(A) CLASSIFIED AREAS.—

''(i) IN GENERAL.—Upon'';

(2) in subparagraph (B), by striking ''(B) If'' and inserting the following:

''(ii) EFFECT OF INSUFFICIENT DOMESTIC CAPACITY TO PRODUCE REFORMULATED GASOLINE.—If'';

(3) in subparagraph (A)(ii) (as so redesignated)—

(A) in the first sentence, by striking ''subparagraph (A)'' and inserting ''clause (i)''; and

(B) in the second sentence, by striking ''this paragraph'' and inserting ''this subparagraph''; and

(4) by adding at the end the following:

''(B) NONCLASSIFIED AREAS.—

''(i) IN GENERAL.—Upon the application of the Governor of a State, the Administrator shall apply the prohibition specified in paragraph (5) in any area in the State that is not a covered area or an area referred to in subparagraph (A)(i).

''(ii) PUBLICATION OF APPLICATION.—As soon as practicable after receipt of an application under clause (i), the Administrator shall publish the application in the Federal Register.''.

SEC. 5. RENEWABLE CONTENT OF GASOLINE AND OTHER MOTOR FUELS.

(a) IN GENERAL.—Section 211 of the Clean Air Act (42 U.S.C. 7545) is amended—

(1) by redesignating subsection (o) as subsection (q); and

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

''(o) RENEWABLE CONTENT OF GASOLINE.—

''(1) IN GENERAL.—

''(A) REGULATIONS.—Not later than September 1, 2000, the Administrator shall promulgate regulations applicable to each refiner, blender, or importer of gasoline to ensure that gasoline sold or introduced into commerce in the United States by the refiner, blender, or importer complies with the renewable content requirements of this subsection.

''(B) RENEWABLE CONTENT REQUIREMENTS.—

''(i) IN GENERAL.—All gasoline sold or introduced into commerce in the United States by a refiner, blender, or importer shall contain, on a quarterly average basis, a quantity of fuel derived from a renewable source (including biomass ethanol) that is not less than the applicable percentage by volume for the quarter.

''(ii) BIOMASS ETHANOL.—For the purposes of clause (i), 1 gallon of biomass ethanol shall be considered to be the equivalent of 1.5 gallons of fuel derived from a renewable source.

''(iii) APPLICABLE PERCENTAGE.—For the purposes of clause (i), the applicable percentage for a quarter of a calendar year shall be determined in accordance with the following table:

'Calendar year:	Applicable percentage of fuel derived from a renewable source:
2000	1.3
2001	1.5
2002	1.7
2003	1.9
2004	2.1
2005	2.3
2006	2.5
2007	2.7
2008	2.9
2009	3.1
2010 and thereafter	3.3.

''(C) FUEL DERIVED FROM A RENEWABLE SOURCE.—For the purposes of this subsection, a fuel shall be considered to be derived from a renewable source if the fuel—

''(i) is produced from grain, starch, oilseeds, or other biomass; and

''(ii) is used to replace or reduce the quantity of fossil fuel present in a fuel mixture used to operate a motor vehicle.

''(D) BIOMASS ETHANOL.—For the purposes of this subsection, a fuel shall be considered to be biomass ethanol if the fuel is ethanol derived from any lignocellulosic or hemicellulosic matter that is available on a renewable or recurring basis, including—

''(i) dedicated energy crops and trees;

''(ii) wood and wood residues;

''(iii) plants;

''(iv) grasses;

''(v) agricultural commodities and residues;

''(vi) fibers;

''(vii) animal wastes and other waste materials; and

''(viii) municipal solid waste.

''(E) CREDIT PROGRAM.—

''(i) IN GENERAL.—The regulations promulgated under this subsection shall provide for the generation of an appropriate amount of credits by a person that refines, blends, or imports gasoline that contains, on a quarterly average basis, a quantity of fuel derived from a renewable source or a quantity of biomass ethanol that is greater than the quantity required under subparagraph (B).

''(ii) USE OF CREDITS.—The regulations shall provide that a person that generates the credits may use the credits, or transfer all or a portion of the credits to another person, for the purpose of complying with subparagraph (B).

''(2) WAIVERS.—

''(A) IN GENERAL.—The Administrator, in consultation with the Secretary of Agriculture, may waive the requirements of paragraph (1)(B) in whole or in part on petition by a State—

''(i) based on a determination by the Administrator, after public notice and opportunity for comment, that implementation of the requirements would severely harm the economy or environment of a State, a region, or the United States; or

''(ii) based on a determination by the Administrator, after public notice and opportunity for comment, that there is an inadequate domestic supply or distribution capacity to meet the requirements of paragraph (1)(B).

''(B) PETITIONS FOR WAIVERS.—The Administrator, in consultation with the Secretary of Agriculture—

''(i) shall approve or deny a State petition for a waiver of the requirements of paragraph (1)(B) within 180 days after the date on which the petition is received; but

''(ii) may extend that period for up to 60 additional days to provide for public notice and opportunity for comment and for consideration of the comments submitted.

''(C) TERMINATION OF WAIVERS.—A waiver granted under subparagraph (A) shall terminate after 1 year, but may be renewed by the Administrator after consultation with the Secretary of Agriculture.

''(D) OXYGEN CONTENT WAIVERS.—The grant or denial of a waiver under subsection (k)(2)(B) shall not affect the requirements of this subsection.

''(3) SMALL REFINERS.—The regulations promulgated by the Administrator under paragraph (1) may provide an exemption, in whole or in part, for small refiners (as defined by the Administrator).

''(4) GUIDANCE FOR LABELING.—After consultation with the Secretary of Agriculture, the Administrator shall issue guidance to the States for labeling, at the point of retail sale—

''(A) the fuel derived from a renewable source that is contained in the fuel sold; and

''(B) the major fuel additive components of the fuel sold.

''(5) REPORTS TO CONGRESS.—Not less often than every 3 years, the Administrator shall submit to Congress a report on—

''(A) reductions in emissions of criteria air pollutants listed under section 108 that result from implementation of this subsection; and

''(B) in consultation with the Secretary of Energy, greenhouse gas emission reductions that result from implementation of this subsection.

''(p) RENEWABLE CONTENT OF DIESEL FUEL.—

''(1) IN GENERAL.—Not later than September 1, 2000, the Administrator, after consideration of applicable economic and environmental factors, shall promulgate regulations applicable to each refiner, blender, or importer of diesel fuel to ensure that the diesel fuel sold or introduced into commerce in the United States by the refiner, blender, or importer complies with the renewable content requirements established by the Administrator under this subsection.

''(2) ELEMENTS OF PROGRAM.—To the extent that the Administrator determines it to be appropriate, the Administrator shall by regulation establish a program for diesel fuel that has renewable content requirements similar to the requirements of the program for gasoline under subsection (o) in order to ensure the use of biodiesel fuel.''.

(b) PENALTIES AND ENFORCEMENT.—Section 211(d) of the Clean Air Act (42 U.S.C. 7545(d)) is amended—

(1) in paragraph (1)—

(A) in the first sentence, by striking ''or (n)'' each place it appears and inserting ''(n), or (o)''; and

(B) in the second sentence, by striking ''or (m)'' and inserting ''(m), or (o)''; and

(2) in the first sentence of paragraph (2), by striking ''and (n)'' each place it appears and inserting ''(n), and (o)''.

(c) PREVENTION OF EFFECTS ON HIGHWAY APPORTIONMENTS.—

(1) SURFACE TRANSPORTATION PROGRAM.—Section 104(b)(3) of title 23, United States Code, is amended by adding at the end the following:

''(C) DETERMINATION OF ESTIMATED TAX PAYMENTS.—For the purpose of determining under subparagraph (A)(iii) the estimated tax payments attributable to highway users in a State paid into the Highway Trust Fund (other than the Mass Transit Account) in a fiscal year, the amount paid into the Highway Trust Fund with respect to the sale of gasohol or other fuels containing alcohol by reason of the tax imposed by section 4041 (relating to special fuels) or 4081 (relating to gasoline) of the Internal Revenue Code of 1986 shall be treated as being equal to the amount that would have been so imposed with respect to that sale without regard to the reduction in revenues resulting from the application of the regulations promulgated under section 211(o) of the Clean Air Act (42 U.S.C. 7545(o)) and the following provisions of the Internal Revenue Code of 1986:

''(i) Section 4041(b)(2) (relating to exemption for qualified methanol and ethanol fuel).

''(ii) Section 4041(k) (relating to fuels containing alcohol).

''(iii) Section 4041(m) (relating to certain alcohol fuels).

''(iv) Section 4081(c) (relating to reduced rate on gasoline mixed with alcohol).''.

(2) MINIMUM GUARANTEE.—Section 105(f)(1) of title 23, United States Code, is amended—

(A) by striking ''(1) IN GENERAL.—Before'' and inserting the following: ''(1) IN GENERAL.—

''(A) ADJUSTMENT.—Before''; and

(B) by adding at the end the following:

''(B) DETERMINATION OF ESTIMATED TAX PAYMENTS.—For the purpose of determining under this subsection the estimated tax payments attributable to highway users in a State paid into the Highway Trust Fund (other than the Mass Transit Account) in a fiscal year, the amount paid into the Highway Trust Fund with respect to the sale of gasohol or other fuels containing alcohol by reason of the tax imposed by section 4041 (relating to special fuels) or 4081 (relating to gasoline) of the Internal Revenue Code of 1986 shall be treated as being equal to the amount that would have been so imposed with respect to that sale without regard to the reduction in revenues resulting from the application of the regulations promulgated under section 211(o) of the Clean Air Act (42 U.S.C. 7545(o)) and the following provisions of the Internal Revenue Code of 1986:

''(i) Section 4041(b)(2) (relating to exemption for qualified methanol and ethanol fuel).

''(ii) Section 4041(k) (relating to fuels containing alcohol).

''(iii) Section 4041(m) (relating to certain alcohol fuels).

''(iv) Section 4081(c) (relating to reduced rate on gasoline mixed with alcohol).''.

SEC. 6. UPDATING OF BASELINE YEAR.

(a) IN GENERAL.—Section 211(k) of the Clean Air Act (42 U.S.C. 7545(k)) is amended—

(1) in paragraph (8)—

(A) in subparagraph (A)—

(i) in the first sentence, by striking ''Within 1 year after the enactment of the Clean Air Act Amendments of 1990, the'' and inserting ''The''; and

(ii) by striking the second sentence;

(B) by striking ''calendar year 1990'' each place it appears and inserting ''calendar year 1999''; and

(C) in subparagraph (E), by striking ''such 1990 gasoline'' and inserting ''such 1999 gasoline''; and

(2) in subparagraphs (A) and (B)(ii) of paragraph (10), by striking ''1990'' each place it appears and inserting ''1999''.

(b) REGULATIONS.—As soon as practicable after the date of enactment of this Act, the Administrator of the Environmental Protection Agency shall revise the regulations promulgated under section 211(k) of the Clean Air Act (42 U.S.C. 7545(k)) to reflect the amendments made by subsection (a).

SEC. 7. LEAKING UNDERGROUND STORAGE TANKS.

(a) TRUST FUND DISTRIBUTION.—Section 9004 of the Solid Waste Disposal Act (42 U.S.C. 6991c) is amended by adding at the end the following:

''(f) TRUST FUND DISTRIBUTION.—

''(1) IN GENERAL.—

''(A) AMOUNT AND PERMITTED USE OF DISTRIBUTION.—The Administrator shall distribute to States at least 85 percent of the funds appropriated to the Environmental Protection Agency from the Leaking Underground Storage Tank Trust Fund established by section 9508 of the Internal Revenue Code of 1986 (referred to in this subsection as the 'Trust Fund') for each fiscal year for use in paying the reasonable costs, incurred under cooperative agreements with States, of—

''(i) actions taken by a State under section 9003(h)(7)(A);

''(ii) necessary administrative expenses directly related to corrective action and compensation programs under subsection (c)(1);

''(iii) enforcement by a State or local government of a State program approved under this section or of State or local requirements regulating underground storage tanks that are similar or identical to this subtitle;

''(iv) State or local corrective actions pursuant to regulations promulgated under section 9003(c)(4); or

''(v) corrective action and compensation programs under subsection (c)(1) for releases from underground storage tanks regulated under this subtitle if, as determined by the State in accordance with guidelines developed between the Environmental Protection Agency and the States, the financial resources of an owner or operator (including resources provided by programs under subsection (c)(1)) are not adequate to pay for the cost of a corrective action without significantly impairing the ability of the owner or operator to continue in business.

''(B) NONPERMITTED USES.—Funds provided by the Administrator under subparagraph (A) shall not be used by a State to provide financial assistance to an owner or operator to meet the requirements concerning underground storage tanks contained in part 280 of title 40, Code of Federal Regulations (as in effect on the date of enactment of this subsection), except as provided in subparagraph (A)(v), or similar requirements in State programs approved under this section or similar State or local provisions.

''(C) TANKS WITHIN TRIBAL JURISDICTION.—The Administrator, in coordination with Indian tribes, shall—

''(i) expeditiously develop and implement a strategy to—

''(I) take necessary corrective action in response to releases from leaking underground storage tanks located wholly within the exterior boundaries of an Indian reservation or other area within the jurisdiction of an Indian tribe, giving priority to releases that present the greatest threat to human health or the environment; and

''(II) implement and enforce requirements regulating underground storage tanks located wholly within the exterior boundaries of an Indian reservation or other area within the jurisdiction of an Indian tribe; and

''(ii) not later than 2 years after the date of enactment of this subsection, and every 2 years thereafter, submit to Congress a report summarizing the status of implementation of the leaking underground storage tank program located wholly within the exterior boundaries of an Indian reservation or other area within the jurisdiction of an Indian tribe.

''(2) ALLOCATION.—

''(A) PROCESS.—Subject to subparagraph (B), in the case of a State with which the Administrator has entered into a cooperative agreement under section 9003(h)(7)(A), the Administrator shall distribute funds from the Trust Fund to the State using the allocation process developed by the Administrator for such cooperative agreements.

''(B) REVISIONS TO PROCESS.—The Administrator may revise the allocation process only after—

''(i) consulting with State agencies responsible for overseeing corrective action for releases from underground storage tanks and with representatives of owners and operators; and

''(ii) taking into consideration, at a minimum—

''(I) the total revenue received from each State into the Trust Fund;

''(II) the number of confirmed releases from leaking underground storage tanks in each State;

''(III) the number of notified petroleum storage tanks in each State;

''(IV) the percentage of the population of each State using ground water for any beneficial purpose;

''(V) the evaluation of the program performance of each State;

''(VI) the evaluation of the financial needs of each State; and

''(VII) the evaluation of the ability of each State to use the funds in any year.

''(3) DISTRIBUTIONS TO STATE AGENCIES.—

''(A) IN GENERAL.—Distributions from the Trust Fund under this subsection shall be made directly to the State agency entering into a cooperative agreement or enforcing the State program.

''(B) ADMINISTRATIVE EXPENSES.—A State agency that receives funds under this subsection shall limit the proportion of those funds that are used to pay administrative expenses to a percentage that the State may establish by law.

''(4) COST RECOVERY PROHIBITION.—Funds provided to States from the Trust Fund to owners or operators for programs under section 9004(c)(1) for releases from underground storage tanks are not subject to cost recovery by the Administrator under section 9003(h)(6).

''(5) PERMITTED USES.—In addition to uses authorized by other provisions of this subtitle, the Administrator may use funds appropriated to the Environmental Protection Agency from the Trust Fund for enforcement of any regulation promulgated by the Administrator under this subtitle.''.

(b) ADDITION TO TRUST FUND PURPOSES.—Section 9508(c)(1) of the Internal Revenue Code of 1986 (relating to expenditures) is amended by striking ''to carry out section 9003(h)'' and all that follows and inserting ''to carry out—

''(A) section 9003(h) of the Solid Waste Disposal Act (as in effect on the date of enactment of the Superfund Amendments and Reauthorization Act of 1986); and

''(B) section 9004(f) of the Solid Waste Disposal Act (as in effect on the date of enactment of the Renewable Fuels Act of 2000).''.

(c) STUDIES.—Not later than 18 months after the date of enactment of this Act, the Administrator of the Environmental Protection Agency shall conduct—

(1) a study to determine the corrosive effects of methyl tertiary butyl ether and other widely used fuels and fuel additives on underground storage tanks; and

(2) a study to assess the potential public health and environmental risks associated with the use of aboveground storage tanks and the effectiveness of State and Federal regulations or voluntary standards, in existence as of the time of the study, to provide adequate protection of public health and the environment.

(d) TECHNICAL AMENDMENTS.—

(1) Section 9001(3)(A) of the Solid Waste Disposal Act (42 U.S.C. 6991(3)(A)) is amended by striking ''sustances'' and inserting ''substances''.

(2) Section 9003(f)(1) of the Solid Waste Disposal Act (42 U.S.C. 6991b(f)(1)) is amended by striking ''subsection (c) and (d) of this section'' and inserting ''subsections (c) and (d)''.

(3) Section 9004(a) of the Solid Waste Disposal Act (42 U.S.C. 6991c(a)) is amended in the first sentence by striking ''referred to'' and all that follows and inserting ''referred to in subparagraph (A) or (B), or both, of section 9001(2).''.

(4) Section 9005 of the Solid Waste Disposal Act (42 U.S.C. 6991d) is amended—

(A) in subsection (a), by striking ''study taking'' and inserting ''study, taking'';

(B) in subsection (b)(1), by striking ''relevent'' and inserting ''relevant''; and

(C) in subsection (b)(4), by striking ''Evironmental'' and inserting ''Environmental''.

SEC. 8. PRIVATE WELL PROTECTION PILOT PROGRAM.

(a) IN GENERAL.—The Administrator of the Environmental Protection Agency may enter into cooperative agreements with the United States Geological Survey, the Department of Agriculture, States, local governments, private landowners, and other interested parties to establish voluntary pilot projects to protect the water quality of private wells and to provide technical assistance to users of water from private wells.

(b) LIMITATION.—This section does not authorize the issuance of guidance or regulations regarding the use or protection of private wells.

Mr. LUGAR. Mr. President, I am pleased to join Senator DASCHLE in introducing the Renewable Fuels Act of 2000.

In July 1999, an independent Blue Ribbon Panel on Oxygenates in Gasoline called for major reductions in the use of MTBE as an additive in gasoline. They did so because of growing evidence and public concerns regarding pollution of drinking water supplies by MTBE. These trends are particularly acute in areas of the country using Reformulated Gasoline.

The Reformulated Gasoline Program (RFG) has proven to be a success in reducing smog and has exceeded expectations in reducing dangerous and carcinogenic air toxics in gasoline. The second stage of the Reformulated Gasoline Program (RFG) will commence this summer and will have an even greater effect in reducing ozone pollution and air toxics.

Because of concerns regarding water pollution, it is clear that the existing situation regarding MTBE is not tenable. The Governor of California has called for a three year phase out of MTBE in California and the California Air Resources Board has adopted regulations to that effect. Environmental officials from eight Northeastern States have proposed a phase down and a capping of the use of MTBE in gasoline in their states. MTBE is being found in wells in the Midwest even in areas that do not use reformulated gasoline.

The Renewable Fuels Act of 2000 will lead to about five billion gallons of ethanol being produced in 2010 compared to one billion, six hundred million gallons today. Under the Act, one gallon of cellulosic ethanol will count for one and one-half gallons of regular ethanol in determining whether a refiner has met the Renewable Fuels Standard in a particular year.

We are going to have spikes in oil that will disrupt our economy. It may or may not be able to be controlled. It will happen before 2010. It may happen again next week. Our problem in terms of national security and the security of our whole economy revolves around our dependence on petroleum-based fuels. We must be able to address this challenge. Finding an environmentally sensitive way to resolve the MTBE crisis is an important part of this challenge.

It is clear that MTBE is on its way out. The question is what kind of legislation is needed to facilitate its departure and whether that legislation will be based on consideration of all of the environmental and energy and national security issues involved.

The Renewable Fuels Act of 2000 will establish a nationwide Renewable Fuels Standard (RFS) that would increase the current use of renewable fuels from 1.3% in 2000 to 3.3% by 2010. Refiners who produced renewable fuels beyond the standard could sell credits to other refiners who chose to under comply with the RFS.

This bill would give the EPA Administrator authority to limit or eliminate the use of MTBE in order to protect the public health and the environment. It also gives states the ability to further regulate or eliminate MTBE use if the EPA does not choose to eliminate it. It would also establish strict ''anti backsliding provisions'' to capture all of the air quality benefits of MTBE and ethanol as MTBE is phased down or phased out.

The Renewable Fuels Act of 2000 will be good for our economy and our environment. Most important of all, it will facilitate the development of renewable fuels, a development critical to ensuring U.S. national and economic security and stabilizing gas prices.

I hope that my colleagues will examine this bill as well as other legislative approaches that would spur the development of renewable fuels such as ethanol, whether derived from corn or other agricultural or plant materials.

By Mr. JEFFORDS (for himself, Mr. ROCKEFELLER, Mr. GRASSLEY, Mr. BREAUX, Mr. MURKOWSKI, Mr. STEVENS, Mr. BOND, Mr. INOUYE, Mr. HARKIN, Mr. ROBERTS, Mr. THOMAS, Mr. BINGAMAN, Mr. EDWARDS, Mr. CONRAD, and Mr. KERREY):

S. 2505. A bill to amend title XVIII of the Social Security Act to provide increased assess to health care for medical beneficiaries through telemedicine; to the Committee on Finance.

TELEHEALTH IMPROVEMENT AND MODERNIZATION ACT OF 2000

Mr. JEFFORDS. Mr. President, today I am pleased to join with my good friend Senator ROCKEFELLER in introducing legislation that will improve upon the federal rules for reimbursement for telemedicine and help to ensure that all of our citizens have access to our great health care system. We are joined by a broad, bipartisan group of senators in this effort.

In many ways we have the best health care system in the world. But increasingly fewer and fewer Americans actually have access to it. I recently introduced a tax-credit bill that will help some of these Americans and I anticipate supporting future measures aimed at increasing access to health care services.

One important area that demands our attention is the problem of access for rural Americans. More than 25 percent of our Nation's senior citizens live in areas underserved for modern health care services. At the same time, telemedicine has come of age. We have moved beyond the feasibility stage and proven that this technology can provide real benefits to people in rural and underserved regions of our country.

In my own State of Vermont, nearly 70 per cent live in rural areas. This is the highest percentage rural population of any state in the nation. In Vermont, specialists in more than twenty-five disciplines from Fletcher Allen Health Care in Burlington are made readily available to patients even in the most rural areas. I want to see this level of service expand and be made available to all Americans.

We in Washington have made some good faith attempts to allow for the development of telehealth technologies but we have fallen short. In an effort to restrain the expansion of these programs, the Health Care Financing Administration's interpretation of the laws and its cumbersome rules for reimbursement have all but guaranteed the demise of current programs.

Federally-funded telemedicine projects exist in almost every State in the Nation. These projects have proven that cost-effective, high-quality care can be delivered using this technology. The provisions in this bill will help to ensure that this care will be continued when the federal grants end.

Why is this legislation needed now? Because current HCFA regulations concerning payment are unworkable in the real world. Less than 6 percent of all telemedicine doctor-patient visits last year provided to Medicare beneficiaries would qualify for reimbursement under HCFA's current guidelines.

Now that we have more experience and understand better how telemedicine can be used, it is time to enact several changes to the law so that these programs can thrive and deliver on their promise of providing cost-effective, high-quality healthcare where it is needed the most.

Rural healthcare providers and patients are eager for this legislation. Norman Wright, President of the Vermont Association of Hospitals and Health Systems, recognized the potential of Fletcher Allen's telemedicine program by describing it as one that ''provides incredible opportunities for rural providers and their patients because it links them to a network with access to the region's best authorities for any given condition.''

I have indeed heard an outpouring of support from healthcare providers across my own State on this issue. Gerry Davis, Professor of Pulmonary and Critical Care Medicine at Fletcher Allen Health Care, described ''appropriate and fair third party payment for telemedicine'' as ''essential in order to move this process beyond education, and to make the service truly useful for patients in remote locations.''

Telemedicine can be used in so many ways. It can be vital to a pediatrician from a rural area with a sick baby who needs to consult with a neonatologist from a tertiary care hospital in the dead of winter and the middle of the night. It can be also be crucial for a depressed senior citizen who desperately needs mental health services available in their own rural county. And it can be much needed help for a frustrated isolated primary care provider who longs to be able to provide for access to specialty services for her patients in their own community. All of these people need our help.

While the changes included in this bill are relatively minor in the context of the Medicare program, the effect will be far-reaching. This legislation will allow us to avoid arbitrarily denying access to health care for our senior citizens and persons with disabilities just because of where they live. It will allow for fair and reasonable reimbursement for services that can be delivered appropriately in this way. It will also encourage the incorporation of telehealth technology in the care plans of home health agencies, an area that has already shown great promise for the future in terms of cost-effective disease management. In summary, it will allow us to begin to release the incredible potential of telemedicine.

Mr. President, I urge my colleagues to join us in bringing HCFA's approach to the delivery of health care into the 21st Century. Any Medicare reform must include progress on telemedicine for our Nation's rural areas.

Mr. ROCKEFELLER. Mr. President, I am extremely pleased to be here today to introduce the Telemedicine Improvement and Modernization Act with Senator JEFFORDS and many other of my Senate colleagues. This bill incorporates two issues that I care about passionately—health care and technology.

Telemedicine has the potential to bridge the gap that currently exists between patients and providers. More than 25% of our Nation's senior citizens live in areas where speciality care may not be available. In states like my own where there are very few primary care or specialty care resources and travel is difficult, telemedicine is critical to ensuring that people in remote areas are getting health care they need. By expanding access to health care through telemedicine, we also improve the quality of care available to people living in underserved areas. Personally, I believe that we are just beginning to tap the enormous potential of technology to advance quality health care, especially in rural areas.

Yet, Medicare's telemedicine program is inefficient in its current form. These inefficiencies threaten the future of telemedicine services. When we first created this program, our knowledge of the potential of this new technology, or its practical applications was very limited. Today we have a much better understanding of how telemedicine actually works. With this new knowledge, we can repair the inefficiencies of the current system and encourage the use of this highly effective health practice. By accomplishing this goal, we can ensure that quality health care is available to all seniors and disabled Americans regardless of where they live.

There are 8 main elements of the bill:

(1) Eliminating the provider ''fee sharing'' requirement;

(2) Eliminating the requirement for a ''telepresenter'';

(3) Allowing limited reimbursement for referring clinics to recover the cost of their services;

(4) Expanding telemedicine services to all non-MSAs;

(5) Expanding telemedicine services to direct patient care, not just professional consultations;

(6) Making all providers eligible for HCFA reimbursement for services delivered via telemedicine;

(7) Creating a federal demonstration project that permits telemedicine reimbursement for ''store and forward'' consultations (i.e., x-rays that are sent to another facility for consultation); and

(8) Permitting telehomecare.

While these changes are relatively minor in the context of the Medicare program, the affect will be far-reaching. The modernizations we are proposing will dramatically improve access to quality health care in rural areas. This legislation will allow us to begin to release the incredible potential of telemedicine.

On a final note, I'd like to thank Karen Edison for her expertise and determination in working on this bill. Because Karen is a practicing telemedicine physician, she has been invaluable in developing and advancing this cause.

Thank you, Mr. President for your time today. I hope all of my colleagues will join with me in passing this important piece of legislation.

By Mr. GORTON:

S. 2506. A bill to amend title 46, United States Code, with respect to the Federal preemption of State law concerning the regulation of marine and ocean navigation, safety, and transportation by States; to the Committee on Commerce, Science, and Transportation.

LEGISLATION REGARDING MARINE AND OCEAN NAVIGATION, SAFETY, AND TRANSPORTATION

Mr. GORTON. Mr. President, environmental protection and states' rights were dealt a blow on March 6th, when the U.S. Supreme Court decided the case of United States vs. Locke. The Court, noting that even though federal and international laws ''may be insufficient protection,'' invalidated Washington laws, and potentially laws in eleven other states, that provide protections against spills by oil tankers. I disagree with the Court's decision, because I believe that Washington state should be allowed to protect its shores as it sees fit.

That is why, today I am pleased to introduce the ''States Prevention of Oil Tanker Spills Act'' (SPOTS)-legislation that will reinstate the right of all states to adopt additional standards beyond existing federal requirements governing the operation, maintenance, equipment, personnel and manning of oil tankers. While this legislation will apply to all shoreline states, it is particularly important to Washington.

Washington has always taken seriously its duty to protect the health and safety of its citizens, and has historically supported aggressive protections of its treasured natural resources, including Washington shorelines and waterways. Oil refineries and product terminals located in Cherry Point, Ferndale, Tacoma, Anacortes, and nearby Vancouver, British Columbia make Washington an international destination and shipping point for millions of tons of oil annually. A large volume of crude oil is transported to and from the state near heavily populated Puget Sound.

The frequent traffic of large vessels carrying vast amounts of oil increases the risks to the environment and public safety, and unfortunately, has resulted in devastating spills. The 1989 *Exxon Valdez* disaster was one of the most environmentally devastating in United States history. The huge oil tanker ran aground in Prince William Sound, Alaska, dumping 11 million gallons of crude oil into the Pacific Ocean, and damaging more than 1,000 miles of coastline in south-central Alaska. The massive spill resulted in billions of dollars in damage claims by over 40,000 people, including some 6,500 Washington fishermen who have yet to be compensated for their loss.

Incidents such as the *Valdez* disaster served as a catalyst for Washington and many other ocean shoreline states—as well as Congress—to enact laws to prevent similar catastrophic events. Congress passed the Oil Pollution Act of 1990. Washington passed its own legislation in 1994, which created the state Office of Marine Safety and directed the establishment of prevention plans for ''the best achievable protection'' from the damage caused by oil spills.

Washington's law enhanced, or added a number of requirements to, the federal law. For example, instead of merely requiring tanker crews to ''clearly understand English,'' as federal law prescribes, the state regulation required tanker crews to be proficient in English in order to prevent miscommunication between American navigators and foreign crews. To heighten safety protection in times of limited visibility due to fog or other inclement weather conditions common to the Puget Sound, the state also added a requirement that a tanker have on its bridge at least three licensed officers, a helmsman, and a lookout. Among other requirements adopted by Washington are prescriptions regarding training, location plotting, pre-arrival tests, and drug testing for tanker crews.

While federal law governs the design and construction of tankers, as well as issues affecting Coast Guard and national security, I believe that states should have the right to enact additional regulations that they believe will enhance the safety of their citizens and natural resources. Twenty states' Attorneys General signed an amicus brief in United States vs. Locke, agreeing with Washington on this point.

Unfortunately, the International Association of Independent Tanker Owners, (''INTERTANKO''), a group of companies that own or operate more than 2,000 tankers in the United States and foreign nations, does not agree with this common sense proposition. Shortly after Washington's oil tanker law was enacted. INTERTANKO filed a lawsuit to overturn it. A federal district court ruled in Washington's favor, but the Administration voluntarily intervened in the oil tanker companies' appeal, and the U.S. Supreme Court held that the Coast Guard's weaker regulations superseded the state's requirements on oil tankers.

Some have suggested that additional state regulation would interfere with the federal government's relations with foreign governments. In my view, allowing states to add common sense safety measures would have little, if any, impact on foreign relations. It would, however, enhance environmental protection.

This legislation won't eliminate all oil spills. I believe, however, that it will help to prevent some. Laws protecting our shores from dangerous oil spills should not be brought to the lowest common denominator. Rather, allowing states to enhance federal laws where appropriate, will ensure an even greater level of protection for our citizens and resources in the future. I urge my colleagues to support this legislation.

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

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

S. 2506

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

SECTION 1. STANDARDS.

Section 3703 of title 46, United States Code, is amended by adding at the end thereof the following:

''(d) PRESERVATION OF STATE AUTHORITY.—Nothing in this chapter, or any other provision of law, preempts the authority of a State to adopt additional standards regarding maintenance, operation, equipping, personnel qualification, or manning of vessels to which the regulations under subsection (a) apply.''.

By Mr. CAMPBELL (for himself and Mr. ALLARD):

S. 2508. A bill to amend the Colorado Ute Indian Water Rights Settlement Act of 1988 to provide for a final settlement of the claims of the Colorado Ute Indian Tribes, and for other purposes.

COLORADO UTE SETTLEMENT ACT AMENDMENTS OF 2000

Mr. CAMPBELL. Mr. President, today I introduce The Colorado Ute Settlement Act Amendment of 2000, and take this opportunity to address promises broken, and the opportunity for this nation to finally keep the promises it made to the Southern and Ute Mountain Ute Indian tribes of Southern Colorado (Ute tribes). If we can find the resolve to get this done, we will have—for the first time—honored a treaty with an Indian tribe.

I am pleased to have my friend and colleague from Colorado, Senator WAYNE ALLARD, join me as an original cosponsor of this bill.

In the 1860's the United States promised the Ute tribes it would provide a permanent homeland for their people in the southwest. The water rights for that homeland remain senior over all others. Over a hundred years later, the tribes' water is being used by their neighbors. Our promise to the tribes gave them, the state, local water users, and the United States the choice of fighting for the water in court or negotiating and producing an enforceable agreement that all the parties can live with.

I am proud to have been a part of the effort over the past 12 years that resulted in an agreement to finally settle the tribal water rights claims, and provide water—not promises or financial compensation—for all involved. But, this fight is not a new one. The legal wrangling over the Ute Indian water rights was already over a decade old when the settlement was reached in 1986. Two years later Congress enacted the Colorado Ute Indian Water Rights Settlement Act of 1988. The Settlement Act promised the Ute tribes an adequate water supply to fulfill all of the promises made to them in the 1860's for a homeland and an adequate water supply. The Settlement Act promised; if the Ute tribes would give up their claims to the water under their treaties, we would provide them with an adequate alternative water supply.

As the chairman of the Senate Committee on Indian Affairs and as one who has Indian blood coursing through my veins, I am reminded almost every day of the promises and treaties that have been broken by the United States. While we in the United States Congress are sometimes unable to undo the results of this chain of shattered promises, we should at least agree that we will not continue to ignore treaties with any more American Indian tribes. The dismal truth is for the last ten years I have watched those opposed to the Animas-La Plata project work to prevent the federal government from fulfilling its commitment to the Ute Indian tribes manipulating facts and the law in an effort to deny our responsibilities as a nation. As a result we have squandered decades of time and millions of taxpayers dollars in an effort to not fulfill the promises made to the Ute tribes. I urge my colleagues to bring this sorry trail of broken promises to an end.

I remain committed to keeping our word to the Tribes of Colorado. Since the tribes have urged me to introduce this further A–LP compromise legislation, I am persuaded that this proposal will not violate the promises made to the tribes in 1988. However, if this bill is not enacted, or the permanent opponents of the project are able to further frustrate and delay the construction of the project, then this bill will be another broken promise to another Indian tribe and I refuse to be a part of that. Therefore, I have only introduced this bill with the understanding that it will include provisions that prevent needless delays.

I know there are people who will oppose any version of the Animas-La Plata project. In fact some groups had already signed letters rejecting the results of the draft supplemental environmental impact statement before it was made public. In part, they criticized the Department of Interior for prejudging the results of its analysis. I ask you, who is doing the prejudging? There are those who will oppose the project even if the final supplemental EIS reaches the same conclusion as the draft EIS: that constructing the facilities described by this bill is the least damaging way of fulfilling the federal government's promises to the Ute tribes.

It is absurd to continue to negotiate with those prepared to oppose any version of this project or to support efforts to continue to delay our moral and legal obligation to the Tribes.

First, my bill recognizes that a great deal of environmental review has already occurred, and that the facts have not changed, no matter what version of this project is discussed. The Interior Secretary is to continue his effort to produce a final supplemental EIS for the project. However, this bill makes clear that if the Secretary ultimately selects ''alternative #4,'' it will reflect that the Congress will also have had the opportunity to review the same record, and we concur with this judgment.

Similarly, the bill makes clear that if the U.S. Fish and Wildlife Service determines that an annual diversion of 57,100 acre feet of water can occur without jeopardizing the habitat of endangered fish not known to be there, Congress concurs and believes that the project should move forward, and allocate quantities of water in the manner provided for in this bill. In short, this bill is the last, best chance to keep the Tribes from suing the federal government and, in all likelihood, prevail at an unknown cost to taxpayers.

For those who hope to wait even longer before proceeding with this project, I will point out that as of January 1, 2000, federal law authorized the Ute tribes to return to court to assert their claims for the water already being used in southwestern Colorado. Perhaps they should. In a demonstration of their good faith, the tribes have not yet returned to court to assert their claims. But we only have a small window of opportunity before the tribes must either assert their claims or allow them to lapse.

At any time, the tribes could now choose to return to court. I am determined to bring this matter before the Senate, one last time. We cannot allow this bill to become another step in the long trail of broken promises. We are a nation based on the respect for the law. Our compassion, our limitless dedication to defending the truth, and our history of preserving the dignity of even the least of us is well documented. So, too, is our atrocious record of respect for the rights and the most basic tenets of human dignity when it comes to the first Americans on this continent.

I urge my colleagues to support this important legislation and ask unanimous consent that the bill be printed in the RECORD.

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

S. 2508

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

SECTION 1. SHORT TITLE; FINDINGS; DEFINITIONS.

(a) SHORT TITLE.—This Act may be cited as the ''Colorado Ute Settlement Act Amendments of 2000''.

(b) FINDINGS.—Congress makes the following findings:

(1) In order to provide for a full and final settlement of the claims of the Colorado Ute Indian Tribes on the Animas and La Plata Rivers, the Tribes, the State of Colorado, and certain of the non-Indian parties to the Agreement have proposed certain modifications to the Colorado Ute Indian Water Rights Settlement Act of 1988 (Public Law 100–585; 102 Stat. 2973).

(2) The claims of the Colorado Ute Indian Tribes on all rivers in Colorado other than the Animas and La Plata Rivers have been settled in accordance with the provisions of the Colorado Ute Indian Water Rights Settlement Act of 1988 (Public Law 100–585; 102 Stat. 2973).

(3) The Indian and non-Indian communities of southwest Colorado and northwest New Mexico will be benefited by a settlement of the tribal claims on the Animas and La Plata Rivers that provides the Tribes with a firm water supply without taking water away from existing uses.

(4) The Agreement contemplated a specific timetable for the delivery of irrigation and municipal and industrial water and other benefits to the Tribes from the Animas-La Plata Project, which timetable has not been met. The provision of irrigation water can not presently be satisfied under the current implementation of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) and the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.).

(5) In order to meet the requirements of the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.), and in particular the various biological opinions issued by the Fish and Wildlife Service, the amendments made by this Act are needed to provide for a significant reduction in the facilities and water supply contemplated under the Agreement.

(6) The substitute benefits provided to the Tribes under the amendments made by this Act, including the waiver of capital costs and the provisions of funds for natural resource enhancement, result in a settlement that provides the Tribes with benefits that are equivalent to those that the Tribes would have received under the Colorado Ute Indian Water Rights Settlement Act of 1988 (Public Law 100–585; 102 Stat. 2973).

(7) The requirement that the Secretary of the Interior comply with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other national environmental laws before implementing the proposed settlement will ensure that the satisfaction of the tribal water rights is accomplished in an environmentally responsible fashion.

(8) Federal courts have considered the nature and the extent of Congressional participation when reviewing Federal compliance with the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(9) In considering the full range of alternatives for satisfying the water rights claims of the Southern Ute Indian Tribe and Ute Mountain Ute Indian Tribe, Congress has held numerous legislative hearings and deliberations, and reviewed the considerable record including the following documents:

(A) The Final EIS No. INT–FES–80–18, dated July 1, 1980.

(B) The Draft Supplement to the FES No. INT–DES–92–41, dated October 13, 1992.

(C) The Final Supplemental to the FES No. 96–23, dated April 26, 1996;

(D) The Draft Supplemental EIS, dated January 14, 2000.

(c) DEFINITIONS.—In this Act:

(1) AGREEMENT.—The term ''Agreement'' has the meaning given that term in section 3(1) of the Colorado Ute Indian Water Rights Settlement Act of 1988 (Public Law 100–585; 102 Stat. 2973).

(2) ANIMAS-LA PLATA PROJECT.—The term ''Animas-La Plata Project'' has the meaning given that term in section 3(2) of the Colorado Ute Indian Water Rights Settlement Act of 1988 (Public Law 100–585; 102 Stat. 2973).

(3) DOLORES PROJECT.—The term ''Dolores Project'' has the meaning given that term in section 3(3) of the Colorado Ute Indian Water Rights Settlement Act of 1988 (Public Law 100–585; 102 Stat. 2974).

(4) TRIBE; TRIBES.—The term ''tribe'' or ''tribes'' has the meaning given that term in section 3(6) of the Colorado Ute Indian Water Rights Settlement Act of 1988 (Public Law 100–585; 102 Stat. 2974).

SEC. 2. AMENDMENTS TO SECTION 6 OF THE COLORADO UTE INDIAN WATER RIGHTS SETTLEMENT ACT OF 1988.

Subsection (a) of section 6 of the Colorado Ute Indian Water Rights Settlement Act of 1988 (Public Law 100–585; 102 Stat. 2975) is amended to read as follows:

''(a) RESERVOIR; MUNICIPAL AND INDUSTRIAL WATER.—

''(1) FACILITIES.—

''(A) IN GENERAL.—After the date of enactment of this subsection, but prior to January 1, 2005, the Secretary, in order to settle the outstanding claims of the Tribes on the Animas and La Plata Rivers, acting through the Bureau of Reclamation, is specifically authorized to—

''(i) complete construction of, and operate and maintain, a reservoir, a pumping plant, a reservoir inlet conduit, and appurtenant facilities with sufficient capacity to divert and store water from the Animas River to provide for an average annual depletion of 57,100 acre-feet of water to be used for a municipal and industrial water supply, which facilities shall—

''(I) be designed and operated in accordance with the hydrologic regime necessary for the recovery of the endangered fish of the San Juan River as determined by the San Juan River Recovery Implementation Program;

''(II) include an inactive pool of an appropriate size to be determined by the Secretary following the completion of required environmental compliance activities; and

''(III) include those recreation facilities determined to be appropriate by agreement between the State of Colorado and the Secretary that shall address the payment of any of the costs of such facilities by the State of Colorado in addition to the costs described in paragraph (3); and

''(ii) deliver, through the use of the project components referred to in clause (i), municipal and industrial water allocations—

''(I) with an average annual depletion not to exceed 16,525 acre-feet of water, to the Southern Ute Indian Tribe for its present and future needs;

''(II) with an average annual depletion not to exceed 16,525 acre-feet of water, to the Ute Mountain Ute Indian Tribe for its present and future needs;

''(III) with an average annual depletion not to exceed 2,340 acre-feet of water, to the Navajo Nation for its present and future needs;

''(IV) with an average annual depletion not to exceed 10,400 acre-feet of water, to the San Juan Water Commission for its present and future needs;

''(V) with an average annual depletion of an amount not to exceed 2,600 acre-feet of water, to the Animas-La Plata Conservancy District for its present and future needs;

''(VI) with an average annual depletion of an amount not to exceed 5,230 acre-feet of water, to the State of Colorado for its present and future needs; and

''(VII) with an average annual depletion of an amount not to exceed 780 acre-feet of water, to the La Plata Conservancy District of New Mexico for its present and future needs.

''(B) APPLICABILITY OF OTHER FEDERAL LAW.—The responsibilities of the Secretary described in subparagraph (A) are subject to the requirements of Federal laws related to the protection of the environment and otherwise applicable to the construction of the proposed facilities, including the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), the Clean Water Act (42 U.S.C. 7401 et seq.), and the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.). Nothing in this Act shall be construed to predetermine or otherwise affect the outcome of any analysis conducted by the Secretary or any other Federal official under applicable laws.

''(C) LIMITATION.—

''(i) IN GENERAL.—If constructed, the facilities described in subparagraph (A) shall not be used in conjunction with any other facility authorized as part of the Animas-La Plata Project without express authorization from Congress.

''(ii) CONTINGENCY IN APPLICATION.—If the facilities described in subparagraph (A) are not constructed and operated, clause (i) shall not take effect.

''(2) TRIBAL CONSTRUCTION COSTS.—Construction costs allocable to the facilities that are required to deliver the municipal and industrial water allocations described in subclauses (I), (II) and (III) of paragraph (1)(A)(ii) shall be nonreimbursable to the United States.

''(3) NONTRIBAL WATER CAPITAL OBLIGATIONS.—Under the provisions of section 9 of the Act of August 4, 1939 (43 U.S.C. 485h), the nontribal municipal and industrial water capital repayment obligations for the facilities described in paragraph (1)(A)(i) may be satisfied upon the payment in full of the nontribal water capital obligations prior to the initiation of construction. The amount of the obligations described in the preceding sentence shall be determined by agreement between the Secretary of the Interior and the entity responsible for such repayment as to the appropriate reimbursable share of the construction costs allocated to that entity's municipal water supply. Such agreement shall take into account the fact that the construction of facilities to provide irrigation water supplies from the Animas-La Plata Project is not authorized under paragraph (1)(A)(i) and no costs associated with the design or development of such facilities, including costs associated with environmental compliance, shall be allocable to the municipal and industrial users of the facilities authorized under such paragraph.

''(4) TRIBAL WATER ALLOCATIONS.—

''(A) IN GENERAL.—With respect to municipal and industrial water allocated to a Tribe from the Animas-La Plata Project or the Dolores Project, until that water is first used by a Tribe or used pursuant to a water use contract with the Tribe, the Secretary shall pay the annual operation, maintenance, and replacement costs allocable to that municipal and industrial water allocation of the Tribe.

''(B) TREATMENT OF COSTS.—A Tribe shall not be required to reimburse the Secretary for the payment of any cost referred to in subparagraph (A).

''(5) REPAYMENT OF PRO RATA SHARE.—Upon a Tribe's first use of an increment of a municipal and industrial water allocation described in paragraph (4), or the Tribe's first use of such water pursuant to the terms of a water use contract—

''(A) repayment of that increment's pro rata share of those allocable construction costs for the Dolores Project shall be made by the Tribe; and

''(B) the Tribe shall bear a pro rata share of the allocable annual operation, maintenance, and replacement costs of the increment as referred to in paragraph (4).''.

SEC. 3. COMPLIANCE WITH THE NATIONAL ENVIRONMENTAL POLICY ACT OF 1969.

Section 6 of the Colorado Ute Indian Water Rights Settlement Act of 1988 (Public Law 100–585; 102 Stat. 2975) is amended by adding at the end the following:

''(i) COMPLIANCE WITH THE NATIONAL ENVIRONMENTAL POLICY ACT OF 1969.—

''(1) AUTHORITY.—Nothing in this Act shall be construed to alter, amend, or modify the authority or discretion of the Secretary or any other Federal official under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) or any other Federal law.

''(2) DETERMINATION OF CONGRESS.—Subject to paragraph (3), in any defense to a challenge of the Final Environmental Impact Statement prepared pursuant to the Notice of Intent to Prepare a Draft Environmental Impact Statement, as published in the Federal Register on January 4, 1999 (64 Fed Reg 176–179), or the compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) or the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), and in addition to the Record of Decision and any other documents or materials submitted in defense of its decision, the United States may assert in its defense that Congress, based upon the deliberations and review described in paragraph (9) of section 1(b) of the Colorado Ute Settlement Act Amendments of 2000, has determined that the alternative described in such Final Statement meets the Federal government's water supply obligations to the Ute tribes under this Act in a manner that provides the most benefits to, and has the least impact on, the quality of the human environment.

''(3) APPLICATION OF PROVISION.—This subsection shall only apply if Alternative #4, as presented in the Draft Supplemental Environmental Impact Statement dated January 14, 2000, or an alternative substantially similar to Alternative #4, is selected by the Secretary.

''(4) NO EFFECT OF MODIFICATION OF FACILITIES.—The application of this section shall not be affected by a modification of the facilities described in subsection (a)(1)(A)(i) to address the provisions in the San Juan River Recovery Implementation Program.''.

SEC. 4. COMPLIANCE WITH THE ENDANGERED SPECIES ACT OF 1973.

Section 6 of the Colorado Ute Indian Water Rights Settlement Act of 1988 (Public Law 100–585; 102 Stat. 2975), as amended by section 3, is amended by adding at the end the following:

''(j) COMPLIANCE WITH THE ENDANGERED SPECIES ACT OF 1973.—

''(1) AUTHORITY.—Nothing in this section shall be construed to alter, amend, or modify the authority or discretion of the Secretary or any other Federal official under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) or any other Federal law.

''(2) DETERMINATION OF CONGRESS.—Subject to paragraph (3), in any defense to a challenge of the Biological Opinion resulting from the Bureau of Reclamation Biological Assessment, January 14, 2000, or the compliance with the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.), and in addition to the Record of Decision and any other documents or materials submitted in defense of its decision, the United States may assert in its defense that Congress, based on the deliberations and review described in paragraph (9) of section 1(b) of the Colorado Ute Settlement Act Amendments of 2000, has determined that constructing and operating the facilities described in subsection (a)(1)(A)(i) meets the Federal government's water supply obligation to the Ute tribes under that Act without violating the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.).

''(3) APPLICATION OF PROVISION.—This subsection shall only apply if the Biological Opinion referred to in paragraph (2) or any reasonable and prudent alternative suggested by the Secretary pursuant to section 7 of the Endangered Species Act of 1973 (16 U.S.C. 1536) authorizes an average annual depletion of at least 57,100 acre feet of water.

''(4) NO EFFECT OF MODIFICATION OF FACILITIES.—The application of this subsection shall not be affected by a modification of the facilities described in subsection (a)(1)(A)(i) to address the provisions in the San Juan River Recovery Implementation Program.''.

SEC. 5. MISCELLANEOUS.

The Colorado Ute Indian Water Rights Settlement Act of 1988 (Public Law 100–585; 102 Stat. 2973) is amended by adding at the end the following:

''SEC. 15. NEW MEXICO AND NAVAJO NATION WATER MATTERS.

''(a) ASSIGNMENT OF WATER PERMIT.—Upon the request of the State Engineer of the State of New Mexico, the Secretary shall, in a manner consistent with applicable State law, assign, without consideration, to the New Mexico Animas-La Plata Project beneficiaries or the New Mexico Interstate Stream Commission any portion of the Department of the Interior's interest in New Mexico Engineer Permit Number 2883, dated May 1, 1956, in order to fulfill the New Mexico purposes of the Animas-La Plata Project, so long as the permit assignment does not affect the application of the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) to the use of the water involved.

''(b) NAVAJO NATION MUNICIPAL PIPELINE.—The Secretary may construct a water line to augment the existing system that conveys the municipal water supplies, in an amount not less than 4,680 acre-feet per year, of the Navajo Nation to the Navajo Indian Reservation at Shiprock, New Mexico. The Secretary shall comply with all applicable environmental laws with respect to such water line. Construction costs allocated to the Navajo Nation for such water line shall be nonreimbursable to the United States.

''(c) PROTECTION OF NAVAJO WATER CLAIMS.—Nothing in this Act shall be construed to quantify or otherwise adversely affect the water rights and the claims of entitlement to water of the Navajo Nation.

''SEC. 16. TRIBAL RESOURCE FUNDS.

''(a) ESTABLISHMENT.—

''(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, $20,000,000 for fiscal year 2001 and $20,000,000 for fiscal year 2002. Not later than 60 days after amounts are appropriated and available to the Secretary for a fiscal year under this paragraph, the Secretary shall make a payment to each of the Tribal Resource Funds established under paragraph (2). Each such payment shall be equal to 50 percent of the amount appropriated for the fiscal year involved.

''(2) FUNDS.—The Secretary shall establish a—

''(A) Southern Ute Tribal Resource Fund; and

''(B) Ute Mountain Ute Tribal Resource Fund.

A separate account shall be maintained for each such Fund.

''(b) ADJUSTMENT.—To the extent that the amount appropriated under subsection (a)(1) in any fiscal year is less than the amount authorized for such fiscal year under such subsection, the Secretary shall, subject to the availability of appropriations, pay to each of the Tribal Reserve Funds an adjustment amount equal to the interest income, as determined by the Secretary in his or her sole discretion, that would have been earned on the amount authorized but not appropriated under such subsection had that amount been placed in the Fund as required under such subsection.

''(c) TRIBAL DEVELOPMENT.—

''(1) INVESTMENT.—The Secretary shall, in the absence of an approved tribal investment plan provided for under paragraph (2), invest the amount in each Tribal Resource Fund in accordance with the Act entitled, 'An Act to authorize the deposit and investment of Indian funds' approved June 24, 1938 (25 U.S.C. 162a). The Secretary shall disburse, at the request of a Tribe, the principal and income in its Resource Fund, or any part thereof, in accordance with a resource acquisition and enhancement plan approved under paragraph (3).

''(2) INVESTMENT PLAN.—

''(A) IN GENERAL.—In lieu of the investment provided for in paragraph (1), a Tribe may submit a tribal investment plan applicable to all or part of the Tribe's Tribal Resource Fund.

''(B) APPROVAL.—Not later than 60 days after the date on which an investment plan is submitted under subparagraph (A), the Secretary shall approve such investment plan if the Secretary finds that the plan is reasonable and sound. If the Secretary does not approve such investment plan, the Secretary shall set forth in writing and with particularity the reasons for such disapproval. If such investment plan is approved by the Secretary, the Tribal Resource Fund involved shall be disbursed to the Tribe to be invested by the Tribe in accordance with the approved investment plan.

''(C) COMPLIANCE.—The Secretary may take such steps as the Secretary determines to be necessary to monitor the compliance of a Tribe with an investment plan approved under subparagraph (B). The United States shall not be responsible for the review, approval, or audit of any individual investment under the plan. The United States shall not be directly or indirectly liable with respect to any such investment, including any act or omission of the Tribe in managing or investing such funds.

''(D) ECONOMIC DEVELOPMENT PLAN.—The principal and income derived from tribal investments under an investment plan approved under subparagraph (B) shall be subject to the provisions of this section and shall be expended only in accordance with an economic development plan approved under paragraph (3).

''(3) ECONOMIC DEVELOPMENT PLAN.—

''(A) IN GENERAL.—Each Tribe shall submit to the Secretary a resource acquisition and enhancement plan for all or any portion of its Tribal Resource Fund.

''(B) APPROVAL.—Not later than 60 days after the date on which a plan is submitted under subparagraph (A), the Secretary shall approve such investment plan if the Secretary finds that the plan is reasonably related to the protection, acquisition, enhancement, or development of natural resources for the benefit of the Tribe and its members. If the Secretary does not approve such plan, the Secretary shall, at the time of such determination, set forth in writing and with particularity the reasons for such disapproval.

''(C) MODIFICATION.—Subject to the approval of the Secretary, each Tribe may modify a plan approved under subparagraph (B).

''(D) LIABILITY.—The United States shall not be directly or indirectly liable for any claim or cause of action arising from the approval of a plan under this paragraph, or from the use and expenditure by the Tribe of the principal or interest of the Funds.

''(d) LIMITATION ON PER CAPITA DISTRIBUTIONS.—No part of the principal contained in the Tribal Resource Fund, or of the income accruing to such funds, or the revenue from any water use contract, shall be distributed to any member of either Tribe on a per capita basis.

''(e) LIMITATION ON SETTING ASIDE FINAL CONSENT DECREE.—Neither the Tribes nor the United States shall have the right to set aside the final consent decree solely because the requirements of subsection (c) are not complied with or implemented.

''SEC. 17. COLORADO UTE SETTLEMENT FUND.

''(a) ESTABLISHMENT OF FUND.—There is hereby established within the Treasury of the United States a fund to be known as the 'Colorado Ute Settlement Fund.'

''(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Colorado Ute Settlement Fund such funds as are necessary to complete the construction of the facilities described in section 6(a)(1)(A) within 6 years of the date of enactment of this section. Such funds are authorized to be appropriated for each of the first 5 fiscal years beginning with the first full fiscal year following the date of enactment of this section.

''(c) INTEREST.—Amounts appropriated under subsection (b) shall accrue interest, to be paid on the dates that are 1, 2, 3, 4, and 5 years after the date of enactment of this section, at a rate to be determined by the Secretary of the Treasury taking into consideration the average market yield on outstanding Federal obligations of comparable maturity, except that no such interest shall be paid during any period where a binding final court order prevents construction of the facilities described in section 6(a)(1)(A).

''SEC. 18. FINAL SETTLEMENT.

''(a) IN GENERAL.—The construction of the facilities described in section 6(a)(1)(A), the allocation of the water supply from those facilities to the Tribes as described in that section, and the provision of funds to the Tribes in accordance with sections 16 and 17 shall constitute final settlement of the tribal claims to water rights on the Animas and La Plata Rivers in the State of Colorado.

''(b) STATUTORY CONSTRUCTION.—Nothing in this section shall be construed to affect the right of the Tribes to water rights on the streams and rivers described in the Agreement, other than the Animas and La Plata Rivers, to receive the amounts of water dedicated to tribal use under the Agreement, or to acquire water rights under the laws of the State of Colorado.

''(c) ACTION BY THE ATTORNEY GENERAL.—The Attorney General shall file with the District Court, Water Division Number 7, of the State of Colorado, such instruments as may be necessary to request the court to amend the final consent decree to provide for the amendments made to this Act under the Colorado Ute Indian Water Rights Settlement Act Amendments of 2000.

''SEC. 19. STATUTORY CONSTRUCTION; TREATMENT OF CERTAIN FUNDS.

''(a) IN GENERAL.—Nothing in the amendments made by the Colorado Ute Settlement Act Amendments of 2000 shall be construed to affect the applicability of any provision of this Act.

''(b) TREATMENT OF UNCOMMITTED PORTION OF COST-SHARING OBLIGATION.—The uncommitted portion of the cost-sharing obligation of the State of Colorado referred to in section 6(a)(3) shall be made available, upon the request of the State of Colorado, to the State of Colorado after the date on which payment is made of the amount specified in that section.''.

By Mr. WYDEN:

S. 2509. A bill for the relief of Rose-Marie Barbeau-Quinn; to the Committee on the Judiciary.

FOR THE RELIEF OF ROSE-MARIE BARBEAU-QUINN

● Mr. WYDEN. Mr. President, I am here today to introduce legislation that will allow a valuable member of the Portland, Oregon, community to become a permanent resident of the United States of America. Rose-Marie Barbeau-Quinn, a native of Canada, has lived in Portland since 1976. Together with her husband, Michael Quinn, she ran the Vat and Tonsure Tavern, a unique and popular restaurant that was a favorite of many of my constituents.

While Ms. Barbeau-Quinn and her husband, an American citizen, were together for over 16 years, their marriage did not take place until shortly before Michael's death in 1991. Since Rose-Marie and Michael were not formally married for the two years required by immigration law, and despite their 16 years together living as husband and wife, Rose-Marie has not been able to file for permanent residency in this country.

This legislation will correct their injustice, and allow Rose-Marie to be a permanent resident of the country she loves and has called home for over 20 years. I first learned of Ms. Barbeau-Quinn's situation from Senator Hatfield when I joined the Senate in 1996. Senator Hatfield championed her cause in the 104th Congress, and, as his request and the request of many of my constituents, I am attempting to complete the work that Senator Hatfield started. We both firmly believe that Rose-Marie would be a model United States resident.

I urge my colleagues to support this legislation, so that Rose-Marie Barbeau-Quinn can continue her place as a valuable member of our community for many years to come.

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

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

S. 2509

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

SECTION 1. PERMANENT RESIDENCE.

Notwithstanding any other provision of law, for purposes of the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), Rose-Marie Barbeau-Quinn, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fees.

SEC. 2. REDUCTION OF NUMBER OF AVAILABLE VISAS.

Upon the granting of permanent residence to Rose-Marie Barbeau-Quinn, as provided in this Act, the Secretary of State shall instruct the proper officer to reduce by the appropriate number during the current fiscal year the total number of immigrant visas available to natives of the country of the alien's birth under section 203(a) of the Immigration and Nationality Act (8 U.S.C. 1153(a)).●

By Mr. MCCAIN (for himself, Mr. MOYNIHAN, and Mr. KERREY):

S. 2510. A bill to establish the Social Security Protection, Preservation, and Reform Commission; to the Committee on Finance.

SOCIAL SECURITY PROTECTION, PRESERVATION, AND REFORM COMMISSION ACT OF 2000

● Mr. MCCAIN. Mr. President, today I join with my friends and colleagues, Senators BOB KERREY and PAT MOYNIHAN, to introduce a very important bill that will serve as the catalyst for putting aside partisan politics and beginning the process of protecting, preserving and reforming the Social Security system.

Our bill establishes principles and a process for Social Security reform. The bill sets forth broadly stated objectives for comprehensive reform of the Social Security system that should be supported by every one of us. It establishes a bipartisan Congressional Commission charged with developing a reform plan consistent with those objectives. The Commission is required to submit a detailed legislative proposal to Congress by September 2001, and the bill includes a process for expedited Congressional action on the Commission's recommendations by the end of next year.

Mr. President, for far too long, Social Security has been used by politicians on both sides of the aisle to polarize, manipulate and scare American voters. The mere mention of ''Social Security reform'' has become a lightning rod for the fears of retirees and workers alike about their financial futures.

Seniors, particularly low-income seniors, are vulnerable to exaggerations and hyperbolic rhetoric about their retirement benefits. They are often frightened into believing they will be homeless, penniless and starving if Congress reforms Social Security. We all know that is simply not true. The benefits seniors receive today are not the issue—nobody wants to take them away. And it is disgraceful that some would stoop so low as to play on the fears of older Americans.

The real issue driving Social Security reform—an issue that is only frightening when left unresolved—is how to strengthen and protect the system so that it is available for future retirees, without putting an unfair financial burden on current and future workers. We have wasted too much time on partisan politics when we should have been working together to find a solution to the financial problems facing our nation's retirement system. We can no longer afford to just spout rhetoric about the need for reform, then deliberately avoid taking any concrete action because of fears about how it may affect us in our next election.

Social Security reform is not just a political problem; it is a serious economic problem for millions of Americans who are counting on a retirement system that is in dire financial straits. It's time to step up to our common responsibilities, not as Republicans or Democrats, but as servants of the American people.

That is why I have joined with Senator KERREY and Senator MOYNIHAN to introduce this bill to require the Congress to act, and act soon, on legislation to preserve, protect, and reform Social Security. As my colleagues know, Bob KERREY and Pat MOYNIHAN have worked tirelessly for many years to highlight the urgent need for reform of the Social Security system, and they have succeeded in making the American people, if not the Congress, recognize that reforming our nation's retirement system must be a national priority.

Our bill sets out a timetable for action on Social Security reform by the end of next year—November 2001.

First, the bipartisan, bicameral Social Security Protection, Preservation, and Reform Commission must be appointed by February 1, 2001, and begin work within a month. The Commission will be made up of 12 Members of Congress, selected in equal numbers by the Party Leaders in both Houses. In addition, the Commission of Social Security will serve as an ex-officio, non-voting member.

The Commission is given a reasonable period of time—six months—to conduct hearings, review the myriad of reform proposals already in the public domain, and research new ideas to put together a comprehensive reform plan that meets the objectives set out in this bill.

Those broadly stated objectives represent the most basic requirements of meaningful Social Security reform:

Guaranteed 75-year solvency of the system;

Payment of all benefits to which retirees or workers are entitled;

A reasonable rate of return on payroll tax contributions for all generations;

An opportunity to participate in private investment accounts;

A ''lockbox'' for the Social Security Trust Funds to protect from spending raids; and

Use of non-Social Security surplus revenues to shore up the system while implementing reform.

The Commission is required to submit its recommendations to Congress in the form of a detailed legislative proposal by September 1, 2001, and the bill's expedited procedures are designed to ensure a final vote on Social Security reform by mid-November 2001. The strict time lines in the bill are designed to ensure that this vitally important issue is dealt with promptly—not pushed aside yet again, to be solved later.

Too often, election year politics stand as an obstacle to any meaningful action in Congress. This proposal is carefully crafted to avoid this. The bill is designed to ensure that Congress can complete action on Social Security reform by the end of 2001, before being consumed by the political sparring of an election year.

Mr. President, each year that reform of the Social Security system is postponed, restoring solvency to the trust funds becomes more expensive and places a greater financial burden on current and future workers. This ''principles and process'' legislation is, we believe, the only way to force Congress to pass a Social Security reform proposal that will protect and preserve our nation's retirement system and also allow more Americans to share in our nation's prosperity.

Mr. President, let me take a moment to comment on the objectives, or principles, included in this bill. The objectives are intended as minimum guidelines for the Commission's work, not as a comprehensive blueprint for Social Security reform. We intentionally stated these objectives as broadly as possible in order to give the Commission the opportunity to develop a comprehensive plan without micro-managing their every decision.

I believe very strongly that all promised benefits must be guaranteed under any reform proposal, both for those currently receiving Social Security benefits and those who are working and paying into Social Security today. In addition, I will work to ensure that Social Security reform does not unfairly burden today's workers by increasing payroll taxes from their current levels. And I do not believe it would be fair to further increase the eligibility age for receiving Social Security benefits.

I am a strong proponent of allowing workers to invest a portion of their payroll taxes in personal retirement accounts that will provide a much greater return than the current Social Security system. This will afford all Americans the opportunity to have greater personal wealth creation in addition to a minimum Social Security benefit.

Mr. President, I was very disappointed that Vice President GORE is continuing to use scare tactics about Social Security reform. Instead of putting the retirement needs of all Americans ahead of politics, the Vice President seems content to exacerbate the financial burden facing our children and grandchildren by ignoring the real structural problems of the program. By using politically intimidating rhetoric, the Vice President is seriously harming bipartisan efforts in Congress to put the needs of working Americans ahead of partisan politics.

Let's look at the facts. The savings rate in America today is appallingly low. Many low-income families have no savings at all, and a large number of middle-income Americans have less than $2,000 in the bank.

Because of this low savings rate, many Americans rely heavily on Social Security benefits for their retirement income. But economists agree that the rate of return on Social Security payroll tax contributions is abysmal—somewhere between 1 and 2 percent. Most workers today are unaware that the payroll taxes they contribute to Social Security may not provide anywhere near the income they expect when they retire. In fact, if nothing is done to reform the Social Security system, younger workers will receive nothing at all in return for paying more than 6 percent of their earnings every pay day into the Social Security system.

Allowing every worker to invest a portion of the payroll taxes they already pay in a higher-yielding private account would make it possible for families on very tight budgets to save more for their futures.

Even the most anemic savings account today realizes almost 3 percent, and secure short-term certificates of deposit return almost 6 percent. Over the past 50 years, the stock market has gained an average of more than 6 percent per year, with 20 to 30 percent gains in several recent years.

Proposals to allow every American to choose to invest a portion of their Social Security payroll taxes in a low- to moderate-risk private investment account are designed to give even the lowest-income families the opportunity to share in our Nation's economic prosperity and create wealth for themselves and their children.

In the long run, diverting a portion of payroll taxes to personal retirement accounts will bring more money into the Social Security system. In the short run, it will cost money. Using a significant portion of the non-Social

Security surplus revenues to shore up the Social Security system will ensure that current retirees receive their full benefits while reforms are implemented. At the same time, reducing the financial insolvency of the Social Security system through reform will also reduce our national debt.

Mr. President, we all have opinions about how the Social Security program should or could be reformed, and I will have more to say about specific aspects of Social Security reform when I introduce a comprehensive reform bill later this month. Every one of these ideas deserves fair and full consideration as we work together to restore solvency to our Nation's retirement system. It is clear that we need a formal process and effective deadlines to review these ideas and develop and pass a real, meaningful plan to reform Social Security. That is exactly what this bill will achieve.

Mr. President, Social Security is a sacred compact with workers and retirees that must be honored. The Congress has an obligation to develop a real, meaningful reform plan that strengthens and protects the Social Security program for our Nation's seniors without placing an unfair burden on America's workers. And we must do it sooner rather than later.

I urge my colleagues to put aside partisan politics and work with us to get this process legislation passed and begin the business of reforming Social Security now.

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

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

S. 2510

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Social Security Protection, Preservation, and Reform Commission Act of 2000''.

TITLE I—FINDINGS AND OBJECTIVES OF REFORM

SEC. 101. FINDINGS.

Congress makes the following findings:

(1) Two-thirds of Americans depend on social security for half or more of their income and 47 percent of beneficiaries would be in poverty without their social security benefits.

(2) Social security is an unbreakable compact between workers and retirees across generations that must be honored and needs to be sustained.

(3) The social security trust funds will begin to run a cash-flow deficit in 2015 and trust fund assets are expected to be exhausted by 2037.

(4) Americans covered by the social security program are required to pay into a system from which they can expect lower rates of return than earlier generations.

(5) Each year that comprehensive reform of the social security system is postponed, restoring actuarial solvency to the trust funds becomes more expensive and places a greater financial burden on current and future workers.

SEC. 102. OBJECTIVES OF REFORM.

Congress must act to reform the social security system so that—

(1) beneficiaries receive the benefits to which they are entitled based on a fair and equitable reform of that system;

(2) the long-term solvency of the social security system is guaranteed for at least 75 years without any foreseeable funding shortfall immediately following that period and cash-flow deficits and pressure on future general revenues to pay benefits is significantly reduced;

(3) every generation of workers is guaranteed a reasonable comparable rate of return on all tax contributions;

(4) all Americans, particularly low-income workers, are provided the opportunity to share in our Nation's economic prosperity and create wealth for themselves and future generations through a private investment account under that system;

(5) revenues flowing into the Federal Old-Age, Survivors, and Disability Trust Funds are protected from congressional or other efforts to spend on nonsocial security related purposes; and

(6) resources are made available from surplus non-social security revenues to preserve and protect the social security system while implementing reform.

TITLE II—SOCIAL SECURITY REFORM COMMISSION

SEC. 201. ESTABLISHMENT OF COMMISSION.

There is established a commission to be known as the Social Security Protection, Preservation, and Reform Commission (in this title referred to as the ''Commission'').

SEC. 202. DUTIES.

(a) RECOMMENDATIONS FOR REFORM.—Not later than September 1, 2001, the Commission shall make specific recommendations to Congress for reform of the social security system established under title II of the Social Security Act (42 U.S.C. 401 et seq.) in a manner that incorporates the objectives of reform set forth in section 102.

(b) LEGISLATIVE LANGUAGE.—The recommendations required under subsection (a) shall include legislative language necessary for carrying out such recommendations. The Commission shall develop such legislative language after conducting such public hearings and consulting with such public or private entities as the Commission considers necessary and appropriate to make the recommendations required under subsection (a).

SEC. 203. MEMBERSHIP.

(a) IN GENERAL.—The Commission shall be composed of 13 members as follows:

(1) Two congressional Members shall be appointed by the Speaker of the House of Representatives.

(2) Two congressional Members shall be appointed by the Minority Leader of the House of Representatives.

(3) Two congressional Members shall be appointed by the Majority Leader of the Senate.

(4) Two congressional Members shall be appointed by the Minority Leader of the Senate.

(5) The Chairman of the Committee on Finance of the Senate.

(6) The Ranking Member of the Committee on Finance of the Senate.

(7) The Chairman of the Committee on Ways and Means of the House of Representatives.

(8) The Ranking Member of the Committee on Ways and Means of the House of Representatives.

(10) The Commissioner of Social Security, who shall be an ex officio member of the Commission.

(b) DEADLINE FOR APPOINTMENTS.—The members of the Commission shall be appointed not later than February 1, 2001.

(c) CO-CHAIRMEN.—The Commission shall designate 2 members of the Commission to serve as Co-chairmen of the Commission.

(d) TERMS.—Each member of the Commission shall serve on the Commission and, with respect to the Co-chairmen, in such capacity, until the earlier of the date the Commission terminates or September 16, 2001.

(e) VACANCIES.—Any vacancy in the membership of the Commission shall be filled in the manner in which the original appointment was made and shall not affect the power of the remaining members to execute the duties of the Commission.

SEC. 204. QUORUM.

A quorum shall consist of 7 voting members of the Commission.

SEC. 205. MEETINGS.

(a) IN GENERAL.—The Commission shall meet at the call of the Co-chairmen or a majority of its members.

(b) INITIAL MEETING.—The Commission shall conduct its first meeting not later than March 1, 2001.

(c) OPEN MEETINGS.—Each meeting of the Commission, other than meetings in which classified information is to be discussed, shall be open to the public.

SEC. 206. POLICIES AND PROCEDURES.

The Commission shall establish policies and procedures for carrying out the functions of the Commission under this Act.

SEC. 207. STAFF DIRECTOR AND STAFF.

(a) STAFF DIRECTOR.—The Co-chairmen, with the advice and consent of the members of the Commission, shall appoint a Staff Director who is not otherwise, and has not during the 1-year period preceding the date of such appointment served as, an officer or employee in the executive branch and who is not and has not been a Member of Congress. The Staff Director shall be paid at a rate not to exceed the rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(b) STAFF.—

(1) IN GENERAL.—The Staff Director, with the approval of the Commission, may appoint and fix pay of additional personnel. The Staff Director may take such appointments without regard to the provisions of title 5, United States Code, governing appointment in the competitive service, and any personnel so appointed may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the annual rate of basic pay payable for level V of the Executive Schedule under section 5316 of such title.

(2) DETAILEES.—

(A) IN GENERAL.—Upon request of the Staff Director, the head of any Federal department or agency may detail any of the personnel of that department or agency to the Commission to assist the Commission in carrying out its duties under this Act. Not more than ⅓ of the personnel employed by or detailed to the Commission may be on detail from any Federal agency.

(B) ADDITIONAL RESTRICTIONS.—

(i) PERSONNEL.—Not more than ⅓ of the personnel detailed to the Commission may be on detail from any Federal agency that deals directly or indirectly with the administration of the social security system.

(ii) ANALYSTS.—Not more than ⅕ of the professional analysts of the Commission may be individuals detailed from a Federal agency that deals directly or indirectly with the administration of the social security system.

(3) EXPERTS AND CONSULTANTS.—The Commission may procure by contract, to the extent funds are available, the temporary or intermittent services of experts or consultants pursuant to section 3109 of title 5, United States Code.

(4) FEDERAL OFFICER OR EMPLOYEE.—No member of a Federal agency, and no officer or employee of a Federal agency may—

(A) prepare any report concerning the effectiveness, fitness, or efficiency of the performance on the staff of the Commission of any individual detailed from a Federal agency to that staff;

(B) review the preparation of such report; or

(C) approve or disapprove such a report.

(5) LIMITATION ON STAFF SIZE.—Not more than 25 individuals (including any detailees) may serve on the staff of the Commission at any time.

SEC. 208. POWERS.

(a) HEARINGS AND OTHER ACTIVITIES.—For the purpose of carrying out its duties, the Commission may hold such hearings and undertake such other activities as the Commission determines to be necessary to carry out its duties.

(b) STUDIES BY GENERAL ACCOUNTING OFFICE.—Upon the request of the Commission, the Comptroller General shall conduct such studies or investigations as the Commission determines to be necessary to carry out its duties.

(c) COST ESTIMATES BY CONGRESSIONAL BUDGET OFFICE.—Upon the request of the Commission, the Director of the Congressional Budget Office shall provide to the Commission such cost estimates as the Commission determines to be necessary to carry out its duties.

(d) TECHNICAL ASSISTANCE.—Upon the request of the Commission, the head of a Federal agency shall provide such technical assistance to the Commission as the Commission determines to be necessary to carry out its duties.

(e) USE OF MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as Federal agencies, and shall, for purposes of the frank, be considered a commission of Congress as described in section 3215 of title 39, United States Code.

(f) OBTAINING INFORMATION.—The Commission may secure directly from any Federal agency information necessary to enable it to carry out its duties, if the information may be disclosed under section 552 of title 5, United States Code. Upon request of the Co-chairmen of the Commission, the head of such agency shall furnish such information to the Commission.

(g) ADMINISTRATIVE SUPPORT SERVICES.—Upon the request of the Commission, the Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

(h) ACCEPTANCE OF DONATIONS.—The Commission may accept, use, and dispose of gifts or donations of services or property.

(i) PRINTING.—For purposes of costs relating to printing and binding, including the costs of personnel detailed from the Government Printing Office, the Commission shall be deemed to be a committee of the Congress.

SEC. 209. TERMINATION.

The Commission shall terminate 15 days after the date of submission of the recommendations for reform required under section 202.

SEC. 210. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out this title, such sums as may be necessary for the Commission to carry out its duties under this title.

TITLE III—CONGRESSIONAL CONSIDERATION OF RECOMMENDATIONS

SEC. 301. CONGRESSIONAL CONSIDERATION OF RECOMMENDATIONS.

(a) INTRODUCTION OF RECOMMENDATIONS AND COMMITTEE CONSIDERATION.—

(1) INTRODUCTION.—The legislative language transmitted pursuant to section 202(b) with the recommendations for reform of the Commission shall be in the form of a bill (in this title referred to as the ''reform bill''). Such reform bill shall be introduced in the House of Representatives by the Speaker, and in the Senate, by the Majority Leader, immediately upon receipt of the language and such reform bill shall be referred to the appropriate committee of Congress under paragraph (2). If the reform bill is not introduced in accordance with the preceding sentence, the reform bill may be introduced in either House of Congress by any member thereof.

(2) COMMITTEE CONSIDERATION.—

(A) REFERRAL.—A reform bill introduced in the House of Representatives shall be referred to the Committee on Ways and Means of the House of Representatives. A reform bill introduced in the Senate shall be referred to the Committee on Finance of the Senate.

(B) REPORTING.—Not later than 30 days after the introduction of the reform bill, the committee of Congress to which the reform bill was referred shall report the bill or a committee amendment thereto.

(C) DISCHARGE OF COMMITTEE.—If the committee to which is referred a reform bill has not reported such reform bill (or an identical reform bill) at the end of 30 calendar days after its introduction or at the end of the first day after there has been reported to the House involved a reform bill, whichever is earlier, such committee shall be deemed to be discharged from further consideration of such reform bill and such reform bill shall be placed on the appropriate calendar of the House involved.

(b) EXPEDITED PROCEDURE.—

(1) CONSIDERATION.—

(A) IN GENERAL.—Not later than 2 days after the date on which a committee has been discharged from consideration of a reform bill, the Speaker of the House of Representatives, or the Speaker's designee, or the Majority Leader of the Senate, or the Leader's designee, shall move to proceed to the consideration of the committee amendment to the reform bill, and if there is no such amendment, to the reform bill. It shall also be in order for any member of the House of Representatives or the Senate, respectively, to move to proceed to the consideration of the reform bill at any time after the conclusion of such 2-day period.

(B) POINTS OF ORDER WAIVED.—All points of order against the reform bill (and against consideration of the reform bill) are waived.

(C) MOTION TO PROCEED.—A motion to proceed to the consideration of the reform bill is highly privileged in the House of Representatives and is privileged in the Senate and is not debatable. The motion is not subject to amendment, to a motion to postpone consideration of the reform bill, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion to proceed is agreed to or not agreed to shall not be in order. If the motion to proceed is agreed to, the House of Representatives or the Senate, as the case may be, shall immediately proceed to consideration of the reform bill without intervening motion, order, or other business, and the reform bill shall remain the unfinished business of the House of Representatives or the Senate, as the case may be, until disposed of.

(D) LIMITED DEBATE.—Debate on the reform bill and on all debatable motions and appeals in connection therewith shall be limited to not more than the lesser of 100 hours or 14 days, which shall be divided equally between those favoring and those opposing the reform bill. A motion further to limit debate on the reform bill is in order and not debatable.

(E) AMENDMENTS.—

(i) IN GENERAL.—Subject to clause (ii), amendments to the reform bill—

(I) during consideration in the House of Representatives shall be limited in accordance with a rule adopted by the Committee on Rules of the House of Representatives; and

(II) during consideration in the Senate shall be limited to—

(aa) one first degree amendment per member or that member's designee with 1 hour of debate equally divided; and

(bb) germane second degree amendments (without limit) with 30 minutes of debate equally divided.

(ii) LEADERSHIP AMENDMENTS.—The Speaker of the House of Representatives and the Minority Leader of the House of Representatives and the Majority Leader of the Senate and the Minority Leader of the Senate may each offer 1 first degree amendment (in addition to the amendments afforded such members under clause (i)), with 4 hours of debate equally divided on each such amendment offered. No second degree amendments may be offered by the Speaker of the House of Representatives, the Minority Leader of the House of Representatives, the Majority Leader of the Senate, or the Minority Leader of the Senate in their leadership capacities.

(F) VOTE ON FINAL PASSAGE.—Immediately following the conclusion of the debate on the reform bill, and on all amendments offered to the reform bill, and all votes required on amendments offered to the reform bill, the vote on final passage of the reform bill shall occur.

(G) OTHER MOTIONS NOT IN ORDER.—A motion to postpone consideration of the reform bill, a motion to proceed to the consideration of other business, or a motion to recommit the reform bill is not in order. A motion to reconsider the vote by which the reform bill is agreed to or not agreed to is not in order.

(H) APPEALS.—Appeals from the decisions of the Chair relating to the application of the rules of the House of Representatives or of the Senate, as the case may be, to the procedure relating to the reform bill shall be decided without debate.

(2) CONSIDERATION BY OTHER HOUSE.—If, before the passage by one House of the reform bill that was introduced in such House, such House receives from the other House a reform bill as passed by such other House—

(A) the reform bill of the other House shall not be referred to a committee and may only be considered for final passage in the House that receives it under subparagraph (C);

(B) the procedure in the House in receipt of the reform bill of the other House, with respect to the reform bill that was introduced in the House in receipt of the reform bill of the other House, shall be the same as if no reform bill had been received from the other House; and

(C) notwithstanding subparagraph (B), the vote on final passage shall be on the reform bill of the other House.

Upon disposition of a reform bill that is received by one House from the other House, it shall no longer be in order to consider the reform bill that was introduced in the receiving House.

(3) CONSIDERATION IN CONFERENCE.—

(A) CONVENING OF CONFERENCE.—

(i) IN GENERAL.—Immediately upon a final passage of the reform bill that results in a disagreement between the two Houses of Congress with respect to the bill, the conferees described in clause (ii) shall be appointed and a conference convened.

(ii) CONFEREES DESCRIBED.—The conferees described in this clause are the following:

(I) The Speaker of the House of Representatives.

(II) The Minority Leader of the House of Representatives.

(III) The Majority Leader of the Senate.

(IV) The Minority Leader of the Senate.

(V) Each member of the Committee on Ways and Means of the House of Representatives.

(VI) Each member of the Committee on Finance of the Senate.

(B) DEADLINE FOR REPORT.—Not later than 14 days after the date on which conferees are appointed, the conferees shall file a report with the House of Representatives and the Senate resolving the differences between the Houses on the reform bill.

(C) LIMITATION ON SCOPE.—A report filed under subparagraph (B) shall be limited to resolution of the differences between the Houses on the reform bill and shall not include any other matter.

(D) HOUSE CONSIDERATION.—

(i) IN GENERAL.—Notwithstanding any other rule of the House of Representatives, it shall be in order to immediately consider a report of a committee of conference on the reform bill filed in accordance with subparagraph (B).

(ii) DEBATE.—Debate in the House of Representatives on the conference report shall be limited to the lesser of 50 hours or 7 days, equally divided and controlled by the Speaker of the House of Representative and the Minority Leader of the House of Representatives or their designees.

(iii) LIMITATION ON MOTIONS.—A motion to further limit debate on the conference report is not debatable. A motion to recommit the conference report is not in order, and it is not in order to move to reconsider the vote by which the conference report is agreed to or disagreed to.

(iv) VOTE ON FINAL PASSAGE.—A vote on final passage of the conference report shall occur immediately at the conclusion or yielding back of all time for debate on the conference report.

(E) SENATE CONSIDERATION.—

(i) IN GENERAL.—The motion to proceed to consideration in the Senate of the conference report shall not be debatable and the reading of such conference report shall be deemed to have been waived.

(ii) DEBATE.—Consideration in the Senate of the conference report on a reform bill shall be limited to the lesser of 50 hours or 7 days, equally divided and controlled by the Majority Leader and the Minority Leader or their designees.

(iii) LIMITATION ON MOTION TO RECOMMIT.—A motion to recommit the conference report is not in order.

(4) RULES OF THE SENATE AND HOUSE OF REPRESENTATIVES.—This subsection is enacted by Congress—

(A) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and is deemed to be part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a bill, and it supersedes other rules only to the extent that it is inconsistent with such rules; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as they relate to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.●

Mr. KERREY. Mr. President, I am joined by my esteemed colleagues Senator MCCAIN and Senator MOYNIHAN in introducing the Social Security Protection, Preservation, and Reform Commission Act of 1990''. I am honored to join these two distinguished colleagues in an effort to create a bipartisan and bicameral Congressional Commission to reform Social Security.

I am pleased to join Senator MCCAIN in a serious effort to provoke this body to move beyond demagoguery and toward action on the subject of Social Security reform. Senator MCCAIN has had the unique benefit of spending the earlier part of this year talking to thousands of constituents from across America about their hopes and concerns during the course of his Presidential campaign. As Senator MCCAIN has noted to me, a great majority of these people expressed particular concern for the future state of the Social Security program. Americans have intense feelings of patriotism where Social Security is concerned—and strongly support reworking and preserving this program for generations to come.

My friend's commitment to an honest debate and a reform agenda has sparked the continued interest and attention of millions of Americans—and his support of the Social Security reform cause makes the program's eventual reform all the more likely.

I am also honored to be joining my dear friend Senator DANIEL PATRICK MOYNIHAN in introducing this legislation. Senator MOYNIHAN has perhaps the most distinguished record of accomplishment where Social Security is concerned of anyone in this body—perhaps even in this country. As a former member of the Greenspan Commission, which restored solvency to the Trust Funds in 1983, Senator MOYNIHAN is a seasoned veteran of reform commissions—and we welcome his counsel on, and support of, this legislation. My dear friend's participation in the Greenspan Commission also reminds us of what can happen when Congress waits until the last possible moment to restore solvency to this important program. As my colleagues may remember, the 1983 Commission met to discuss reforms at a time when the program was in severe jeopardy—Social Security checks were at risk of not being sent out. Since the 1983 reforms were enacted, future insolvency has again plagued the program. Senator MOYNIHAN has been leading the charge to ensure that Congress does not make the same mistake in waiting until 2037 to reform the program—he knows too well that fixing it now will alleviate great financial pain on future generations. I have been honored to co-sponsor two reform bills with Senator MOYNIHAN—and I am honored to call him a friend. His wise leadership on this and other issues will be dearly missed when he retires at the close of this 106th Congress.

I was skeptical at first about an effort to create a Congressional Commission to reform the Social Security program. But upon further consideration, I have reached the conclusion that a bicameral, bipartisan Congressional Commission is the only way to move beyond the polarizing partisanship and inflammatory rhetoric that stalls action on this important program.

The Commission envisioned in our bill will include equal numbers of Republicans and Democrats, including the Chairs and Ranking Members of the Ways and Means and Finance Committees, and the Commissioner of Social Security as a non-voting, ex-officio member. Our bill also creates an expedited process for consideration of the Commission's reform bill in the House and Senate. The process is similar to reconciliation protections for budget and tax measures—and will prevent Members from exercising delaying tactics.

Our bill also sets out a number of reform objectives for the Commission to meet, such as maintaining benefits for current beneficiaries, restoring Trust Fund solvency for at least 75-years, and including some form of wealth creation component as part of the Social Security program.

I am particularly interested in encouraging this Commission to include some form of individual account provision—with special attention given to making the accounts and the program itself more progressive for low and moderate income individuals.

As a Democrat, one of my greatest concerns is the growing wealth gap between the rich and poor. The latest Statistics of Income Bulletin from the IRS shows that the combined net worth of the top 4,400,000 Americans was $6.7 trillion in 1995. In other words, the top 2.5% of our population held 27.4% of the nation's wealth in the mid-1990s. These statistics highlight why we should be concerned about the growing wealth gap. The ownership of wealth brings security to people's lives. The ownership of wealth opens up new opportunities. And the ownership of wealth transforms the way people view their futures.

An individual with no financial assets—and no means to accumulate financial assets—cannot count on a secure retirement or ensure that his or her future health care needs will be met.

Ownership of wealth is a much more reliable way of becoming financially secure in old age than promises by politicians to tax and transfer income. Ownership of wealth produces greater independence and happiness. The maldistribution of wealth (the rich getting richer and the poor getting poorer) is not healthy for a liberal democracy and a free market economy such as ours. Wealth ownership is the only path to true security—and we must work to enact laws that provide low and moderate income families the opportunities and the tools to acquire wealth.

We will never reach a stage in which all Americans are full participants in the growth of the American economy, unless we enact comprehensive pension reforms that will improve savings opportunities for low income workers, and modernize and improve the Social

Security program so that it becomes more than just a mechanism for transferring income.

I look forward to a spirited and substantive debate on the subject of Social Security in the upcoming Presidential election. And I am hopeful that our Congressional Commission proposal can become the vehicle by which the next President can work with Congress to create a bipartisan consensus on Social Security reform.

By Mr. MURKOWSKI (for himself and Mr. STEVENS):

S. 2511. A bill to establish the Kenai Mountains-Turnagain Arm National Heritage Area in the State of Alaska, and for other purposes; to the Committee on Energy and Natural Resources.

KENAI MOUNTAINS-TURNAGAIN ARM NATIONAL HERITAGE CORRIDOR AREA ACT OF 2000

● Mr. MURKOWSKI. Mr. President, I rise today to introduce a bill to establish the Kenai Mountains-Turnagain Arm National Heritage Area in my State of Alaska.

The Heritage Area, when enacted, will include the first leg of the Iditarod National Historic Trail and most of the Seward Highway National Scenic Byway. Through National Heritage designation these routes will be portrayed and interpreted as part of the whole picture of human history in the wider transportation corridor through the mountains, which includes early Native trade routes, connections by waterway, the railroad, and other trails and roadways.

This proposal differs from the 16 existing National Heritage Areas. The fact that it would be one of a kind strengthens the case for designation.

Unlike any of the existing National Heritage Areas, the Kenai Mountains-Turnagain Arm National Historic Corridor will highlight the experience of the western frontier—of transportation and settlement in a difficult landscape—of the gold rush and resource development in a remote area. These are the themes of the proposal—themes that formed our perception of ourselves as a nation. The proposed Heritage Area wonderfully expresses these themes.

Within the proposed Heritage Area there are a number of small historic communities that developed around transportation and the gold rush. They are dwarfed by the sweeping landscapes of the region, by the magnificence of the mountains, and the dominance and strength of nature.

Turnagain Arm, once a critical transportation link, has the world's second largest tidal range. Visitors can stand along the shore lines and actually watch 30-foot tides move in and out of the arm. On occasion, the low roar of an oncoming bore tide can be heard as a wall of water sweeps up the Turnagain.

A traveler through the alpine valleys and mountain passes of the Heritage Area can see evidence of retreating glaciers, earthquake subsidence, and avalanches. Dall sheep, beluga whales, moose, bald eagles, trumpeter swans, and Artic terns give glimpses of their presence.

Through this rugged terrain humans have developed transportation routes into South-central and Interior Alaska. Travel was channeled through the valleys and on the rivers and fjord-like lakes. First came Alaska Natives, establishing trading paths. Later the Russians, gold rush stampeders, and all types of people arrived seeking access into the resource-rich land. The famous Iditarod Trail to Nome, which was used to haul mail in and gold out, started at Seward.

A series of starts and stops by railroad entrepreneurs eventually culminated in the completion of the railroad from Seward to Fairbanks by the federal government. President Harding boarded the train in Seward in 1923 to drive the golden spike at Nenana (and died on the boat returning to Seattle). It was only in the last half of this century that the highway from Seward to Anchorage was opened. Before then the small communities of the area were linked to the rest of Alaska by wagon trail, rail, and by boat across Turnagain Arm and the Kenai River.

The Heritage Area contains one of the earliest mining regions in Alaska. Russians left evidence of their search for gold at Bear Creek near Hope. In 1895, discovery of a rich deposit at Canyon Creak precipitated the Turnagain Arm Gold Rush, predating the stampede to the Klondike.

The early settlements and communities of the area are still very much as they were in the past. But, as in the early days, this is a region where ''nature is boss,'' and historic trails and evidence of mining history are often embedded and nearly hidden in the landscape. What can be seen stands as powerful testimony to the human fortitude, perseverance, and resourcefulness that is America's proudest heritage from the people who settled the Alaskan frontier.

People living in the Kenai Mountains—Turnagain Arm areas share a sense that it is a special place. In part, this is simply because of the sheer natural beauty; but it is also because the Alaska frontier is relative recent. Memories of the times when the inhabitants were dependent on their own resources, and on each other, are still very much alive.

Communities are small, but they are alive with volunteerism. All have active historical societies. Groups in Seward and Girdwood have organized to rebuild the Iditarod Trail. In the town of Hope citizens constructed a museum of mining history, building it themselves out of logs and donated materials. Local people have conducted historic building surveys, written books and short histories, collected and published old diaries, and created web pages to record and share the history of their communities. Seward, the corridor's gateway, has created a delightful array of visitor opportunities that display and interpret the region's natural setting, Native culture, and history. National Heritage Area designation would greatly encourage and expand these good efforts.

Mr. President, it is important to note that this National Heritage Area is a local grass roots effort and it will remain a locally driven grass roots effort. Decisions will be made by locals, not by Federal bureaucrats. The only role of the Federal Government is to provide technical expertise, mostly in the areas of the interpretation of the many historic sites and tremendous natural resource features that are found throughout the entire region. There will be no additional land ownership by the Federal Government or by the local management entity that is charged with putting together a coordinated plan to interpret the Heritage Area. The Heritage Area is about local people working together.

Mr. President, I ask unanimous consent the bill be printed in the RECORD and I urge my colleagues to support this legislation.

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

S. 2511

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Kenai Mountains-Turnagain Arm National Heritage Corridor Area Act of 2000''.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the Kenai Mountains-Turnagain Arm transportation corridor is a major gateway to Alaska and includes a range of transportation routes used first by indigenous people who were followed by pioneers who settled the nation's last frontier;

(2) the natural history and scenic splendor of the region are equally outstanding; vistas of nature's power include evidence of earthquake subsidence, recent avalanches, retreating glaciers and tidal action along Turnagain Arm, which has the world's second greatest tidal range;

(3) the cultural landscape formed by indigenous people and then by settlement, transportation and modern resource development in this rugged and often treacherous natural setting stands as powerful testimony to the human fortitude, perseverance and resourcefulness that is America's proudest heritage from the people who settled the frontier;

(4) there is a national interest in recognizing, preserving, promoting and interpreting these resources;

(5) the Kenai Mountains-Turnagain Arm region is geographically and culturally cohesive because it is defined by a corridor of historic routes—trail, water, railroad, and roadways through a distinct landscape of mountains, lakes and fjords;

(6) national significance of separate elements of the region include, but are not limited to, the Iditarod National Historic Trail, the Seward Highway National Scenic Byway and the Alaska Railroad National Scenic Railroad;

(7) national heritage area designation provides for the interpretation of these routes, as well as the national historic districts and numerous historic routes in the region as

part of the whole picture of human history in the wider transportation corridor including early Native trade routes, connections by waterway, mining trail and other routes;

(8) national heritage area designation also provides communities within the region with the motivation and means for ''grass roots'' regional coordination and partnerships with each other and with borough, State and federal agencies; and

(9) resolution and letters of support have been received from the Kenai Peninsula Historical Association, the Seward Historical Commission, the Seward City Council, the Hope and Sunrise Historical Society, the Hope Chamber of Commerce, the Alaska Association for Historic Preservation, the Cooper Landing Community Club, the Alaska Wilderness Recreation and Tourism Association, Anchorage Historic Properties, the Anchorage Convention and Visitors Bureau, the Cook Inlet Historical Society, the Moose Pass Sportsman's Club, the Alaska Historical Commission, the Girdwood Board of Supervisors, the Kenai River Special Management Area Advisory Board, the Bird/Indian Community Council, the Kenai Peninsula Borough Trails Commission, the Alaska Division of Parks and Recreation, the Kenai Peninsula Borough, the Kenai Peninsula Tourism Marketing Council, and the Anchorage Municipal Assembly.

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

(1) to recognize, preserve and interpret the historic and modern resource development and cultural landscapes of the Kenai Mountains—Turnagain Arm historic transportation corridor, and to promote and facilitate the public enjoyment of these resources; and

(2) to foster, through financial and technical assistance, the development of cooperative planning and partnerships among the communities and borough, state and federal government entities.

SEC. 3. DEFINITIONS.

In this Act:

(1) HERITAGE AREA.—The term ''Heritage Area'' means the Kenai Mountains—Turnagain Arm National Heritage Area established by section 4(a) of this Act.

(2) MANAGEMENT ENTITY.—The term ''management entity'' means the 11 member Board of Directors of the Kenai Mountains—Turnagain Arm National Area Commission.

(3) MANAGEMENT PLAN.—The term ''management plan'' means the management plan for the Heritage Area.

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

SEC. 4. KENAI MOUNTAINS—TURNAGAIN ARM NATIONAL HERITAGE AREA.

(a) ESTABLISHMENT.—There is established the Kenai Mountains—Turnagain Arm National Heritage Area.

(b) BOUNDARIES.—The Heritage Area shall comprise the lands in the Kenai Mountains and upper Turnagain Arm region generally depicted on the map entitled ''Kenai Peninsula/Turnagain Arm National Heritage Corridor'', numbered ''Map #KMTA—1, and dated ''August 1999''. The map shall be on file and available for public inspection in the offices of the Alaska Regional Office of the National Park Service and in the offices of the Alaska State Heritage Preservation Officer.

SEC. 5. MANAGEMENT ENTITY.

(a) The management entity shall consist of 7 representatives, appointed by the Secretary from a list of recommendations submitted by the Governor of Alaska, from the communities of Seward, Lawing, Moose Pass, Cooper Landing, Hope, Girdwood, Bird-Indian and 4 at-large representatives, from such organizations as Native Associations, the Iditarod Trail Committee, historical societies, visitor associations and private or business entities. Upon appointment, the Commission shall establish itself as a non-profit corporation under laws of the State of Alaska.

(1) TERMS.—Members of the management entity appointed under section 5(a) shall each serve for a term of 5 years, except that of the members first appointed 3 shall serve for a term of 4 years and 2 shall serve for a term of 3 years; however, upon the expiration of his or her term, an appointed member may continue to serve until his or her successor has been appointed.

(2) VACANCIES.—Any vacancy in the Commission shall be filled in the same manner in which the original appointment was made, and any member appointed to fill a vacancy shall serve for the remainder of that term for which his or her predecessor was appointed.

(b) Non-voting Ex-officio representatives, invited by the non-profit corporation from such organizations as the State Division of Parks and Outdoor Recreation, State Division Mining, Land and Water, Forest Service, State Historic Preservation Office, Kenai Peninsula Borough, Municipality of Anchorage, Alaska Railroad, Alaska Department of Transportation and the National Park Service.

(c) Representation of ex-officio members in the non-profit corporation shall be established under the by-laws of the management entity.

SEC. 6. AUTHORITIES AND DUTIES OF MANAGEMENT ENTITY.

(a) MANAGEMENT PLAN.—

(1) IN GENERAL.—Not later than 3 years after the Secretary enters into a cooperative agreement with the management entity, the management entity shall develop a management plan for the Heritage Area, taking into consideration existing federal, State, borough, and local plans.

(2) CONTENTS.—The management plan shall include, but not be limited to—

(A) comprehensive recommendations for conservation, funding, management, and development of the Heritage Area;

(B) a description of agreements on actions to be carried out by government and private organizations to protect the resources of the Heritage Area;

(C) a list of specific and potential sources of funding to protect, manage and develop the Heritage Area;

(D) an inventory of the resources contained in the Heritage Area: and

(E) a description of the role and participation of other Federal, State and local agencies that have jurisdiction on lands within the Heritage Area.

(b) PRIORITIES.—The management entity shall given priority to the implementation of actions, goals, and policies set forth in the cooperative agreement with the Secretary and the heritage plan, including assisting communities within the region in—

(1) carrying out programs which recognize important resource values in the heritage corridor;

(2) encouraging economic viability in the affected communities;

(3) establishing and maintaining interpretive exhibits in the Heritage Area;

(4) improving and interpreting heritage trails;

(5) increasing public awareness and appreciation for the natural, historical and cultural resources and modern resource development of the Heritage Area;

(6) restoring historic buildings and structures that are located within the boundaries of the heritage corridor; and

(7) ensuring that clear, consistent and appropriate signs identifying public access points and sites of interest are placed throughout the Heritage Area

(c) CONSIDERATION OF INTEREST OF LOCAL GROUPS.—Projects incorporated in the heritage plan by the management entity shall be initiated by local groups and developed with the participation and support of the affected local communities. Other organizations may submit projects or proposals to the local groups for consideration.

(d) PUBLIC MEETINGS.—The management entity shall conduct 2 or more public meetings each year regarding the initiation and implementation of the management plan for the Heritage Area. The management entity shall place a notice of each such meeting in a newspaper of general circulation in the Heritage Area and shall make the minutes of the meeting available to the public.

SEC. 7. DUTIES OF THE SECRETARY.

(a) The Secretary, in consultation with the Governor of Alaska, or his designee, is authorized to enter into a cooperative agreement with the management entity. The cooperative agreement shall be prepared with public participation.

In accordance with the terms and conditions of the cooperative agreement and upon the request of the management entity, subject to the availability of funds, the Secretary shall provide administrative, technical, financial, design, development and operations assistance to carry out the purposes of this Act.

SEC. 8. SAVINGS PROVISIONS.

(a) REGULATORY AUTHORITY.—Nothing in this Act shall be construed to grant powers of zoning or management of land use to the management entity of the Heritage Area.

(b) EFFECT ON AUTHORITY OF GOVERNMENTS.—Nothing in this Act shall be construed to modify, enlarge or diminish any authority of the Federal, State or local governments to regulate any use of land as provided for by law or regulation.

(c) EFFECT ON BUSINESS.—Nothing in this Act shall be construed to obstruct or limit business activity on private development or resource development activities.

SEC. 9. PROHIBITION ON THE ACQUISITION OR REAL PROPERTY.

(a) The management entity may not use funds appropriated to carry out the purposes of this Act to acquire real property or interest in real property.

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

(a) FIRST YEAR.—For the first year $350,000 is authorized to be appropriated to carry out the purposes of this Act, and is made available upon the Secretary and the management entity completing a cooperative agreement.

(b) IN GENERAL.—There is authorized to be appropriated not more than $1,000,000 to carry out the purposes of this Act for any fiscal year after the first year. Not more than $10,000,000, in the aggregate, may be appropriated for the Heritage Area.

(c) MATCHING FUNDS.—Federal funding provided under this Act shall be matched at least 25 percent by other funds or in-kind services.

(d) SUNSET PROVISION.—The Secretary may not make any grant or provide any assistance under this Act beyond 15 years from the date that the Secretary and management entity complete a cooperative agreement.●

By Mr. MOYNIHAN (for himself and Mr. SCHUMER):

S. 2512. A bill to convey certain Federal properties on Governors Island, New York; to the Committee on Energy and Natural Resources.

GOVERNORS ISLAND PRESERVATION ACT OF 2000

● Mr. MOYNIHAN. Mr. President, I rise with my distinguished colleague and fellow New Yorker, Senator SCHUMER, to introduce the ''Governors Island Preservation Act of 2000.'' This bill will establish the Governors Island National Monument preserving two of New York Harbor's earliest fortifications, Fort Jay and Castle Williams. The balance of the property will be conveyed to the State of New York. New York City Mayor Rudolph W. Giuliani and New York State Governor George E. Pataki have developed a plan for the reuse of Governors Island. Their agreement has helped to make this bill possible, and both deserve much credit.

Congress stipulated in the Balanced Budget Act of 1997 that Governors Island be sold ''at fair market value'' no sooner than Fiscal Year 2002. Without the benefit of an appraisal, the Congressional Budget Office determined its value to be somewhere between $250 million and $1 billion. As Congress continued its work on the Balanced Budget Act of 1997, $500 million of Federal revenue was identified in Fiscal Year 2002 through the sale of Governors Island. A fantasy perhaps, but no matter, the money had been found.

Governors Island has played a significant role in every major military conflict from the American Revolution through World War II. In April of 1776, General Israel Putnam and 1,000 officers arrived on Governors Island and began erecting fortifications. Three months later, the guns at Governors Island prevented Admiral Howe's 400 ships and Lord Cornwallis' army—32,000 men strong—from crushing General George Washington's badly overwhelmed forces during the Battle of Long Island. Outflanked in Brooklyn, Washington's men retreated to the island of Manhattan across the East River under the cover of the Governors Island's guns. At the risk of falling into what historians term a ''teleological trap,'' I would suggest that the Revolution could well have ended right then and there.

During the War of 1812, the guns at the ''cheese-box'' shaped Castle Williams—and those at the Southwest Battery—dissuaded the British from mounting a direct attack on New York City, then the Nation's principal seaport.

During the Civil War, Governors Island served as the primary Eastern Seaboard recruiting depot for Union soldiers. Nearly 5,000 Union draftees and volunteers were stationed there. Its inaccessibility proved useful for garrisoning the most recalcitrant of Confederate soldiers, who were confined both in Castle Williams and Fort Jay. Only one, Captain William Robert Webb, managed to escape. It will give my colleagues some measure of satisfaction to learn that this artful rebel was later appointed U.S. Senator from Tennessee.

After the U.S. Congress declared war with Germany and Austria-Hungary on April 6, 1917, Governors Island became an embarkation point for the war effort. Several years earlier, the Island was expanded to its current 172-acre size by the excavation of the Lexington Avenue Subway line, which generated over 4.7 million tons of fill. The additional space permitted the construction of over 70 buildings providing a combined total of 30 million square feet of storage space. As the War escalated, estimates place the value of goods transported from Governors Island to the European theater at over $1 million per day—in 1917 dollars.

More than 20 years later, the famed General Hugh Drum commanded the First Army from Governors Island as the United States prepared for the Second World War. Once war was declared, Governors Island served as the headquarters for the Eastern Defense Command, which was tasked with protecting the Eastern Seaboard from Nazi attack.

In 1966, the Coast Guard assumed control of Governors Island, and remained there for 30 years. After lighting the refurbished Statue of Liberty from Governors Island on July 4, 1986, President Reagan grew fond of Governors Island. On December 7, 1988, he chose the Admiral's House on Governors Island to meet Soviet Premier Mikhail S. Gorbachev to present each other with the Articles of Ratification of the Intermediate Nuclear Forces Treaty.

It is inconceivable that Congress would permit this site, so rich in history, to be recklessly sold to the highest bidder.

In January of this year, Governor Pataki and Mayor Giuliani announced an agreement on a preservation plan for Governors Island. The Governors Island Preservation Act is based upon that plan and calls for the establishment of the Governors Island National Monument to be comprised of Fort Jay and Castle Williams (so named after Lt. Col. Jonathan Williams, the first superintendent of West Point). Once the Monument is established, all of the historic New York Harbor forts—Fort Wood (the base of the Statue of Liberty), the Southwest Battery (now Castle Clinton National Monument), and Fort Gibson (partially demolished to provide for the construction of Ellis Island)—will be within the National Park Service inventory.

The remaining portions of the Island will be conveyed to the Empire State Development Corporation, as agreed to by Mayor Giuliani and Governor Pataki. Their plan will incorporate a public park, athletic fields, a museum dedicated to the history and ecology of the Hudson River and New York Harbor, a family center modeled after Colonial Williamsburg, a conference center, and a hotel. After 200 years of Federal occupation, Governors Island will at last be open to the public.

I thank the chair and I urge my colleagues to support this important legislation.●

Mr. SCHUMER. Mr. President, I would like to offer a few brief remarks to underscore several of the points that my colleague, Senator MOYNIHAN, made when he introduced the ''Governors Island Preservation Act of 2000,'' a bill I gladly cosponsored.

The first point is that Governors Island is truly a national treasure. It has played a significant role in nearly every American battle from the Revolution through World War II. During the War of 1812, it is credited with preventing a direct British attack on the City of New York—then the Nation's principal seaport. It served as the Union's foremost recruiting depot and as a Confederate prison during the Civil War.

The second point, Mr. President, is that its historical structures have been placed in no small degree of danger by the statutorily mandated Fiscal Year 2002 sale date. If the Island should be sold then ''at fair market value,'' there simply is no guarantee the Castle Williams, Fort Jay, Building 400—a McKim, Meade & White masterpiece thought to be the largest single Army barrack ever constructed, the 1708 Governor's house, and the entire Governors Island National Historic Landmark District will be protected. When the Balanced Budget Act of 1997 was being negotiated, Congress faced seemingly intractable, structural deficits. We had to make a great many difficult and, if I may, extreme choices to bring the Federal budget into balance. Three years later, our circumstances are quite different. Fiscal austerity has paid its dividends and we are approaching an era of surpluses much sooner that we might have otherwise imagined. Should we still be proposing to sell off such an important piece of American history?

Finally, Mr. President, my colleague mentioned the issue of fairness. New York gave Governors Island to the national government in 1800. No complaints. The British and the French were then poised to attack our young nation. Now the Federal government has no use for Governors Island—the Coast Guard found it too expensive to maintain—it is only right that the people of New York get their property back. The Governors Island Preservation Act of 2000 will do just that. In addition, it will establish the Governors Island National Monument which will provide all Americans—for the first time—with the opportunity to learn of the Island's rich contributions to American history while experiencing the spectacular views of New York Harbor from this idyllic setting.

Mr. President, I urge my colleagues to support this bill.

By Mr. LEAHY (for himself, Mr. SARBANES, Mr. ROBB, Mr. DODD. Mr. KERRY, Mr. BRYAN, Mr. EDWARDS, Mr. DURBIN, Mr. HARKIN, and Mrs. FEINSTEIN):

S. 2513. A bill to strengthen control by consumers over the use and disclosure of their personal financial and health information by financial institutions, and for other purposes to the committee on Banking Housing, and Urban Affairs.

FINANCIAL INFORMATION PRIVACY PROTECTION ACT

Mr. LEAHY. Mr. President, I am pleased today to introduce the Financial Information Privacy Protection Act of 2000, which was crafted by President Clinton and Vice President GORE. I am delighted to be joined by Senator SARBANES, the Ranking Member of the Senate Banking Committee, who is a real leader in the Senate on protecting personal financial information. I am also pleased that Senators ROBB, DODD, KERRY, BRYAN, EDWARDS, DURBIN, HARKIN and FEINSTEIN are original cosponsors of this legislation to protect the financial privacy of all Americans.

Last November, President Clinton signed into law the landmark Financial Modernization Act of 1999, which updates our financial laws and opens up the financial services industry to become more competitive, both at home and abroad. Many of my colleagues and I supported that legislation because we believe it will benefit businesses and consumers. It will make it easier for banking, securities, and insurance firms to consolidate their services, cut expenses and offer more products at a lower cost to all. But it also raises new concerns about our financial privacy.

New conglomerates in the financial services industry may now offer a widening variety of services, each of which may require a customer to provide financial, medical or other personal information. Nothing in the new law prevents these new subsidiaries or affiliates of financial conglomerates from sharing this information for uses beyond those the customer thought he or she was providing it. For example, the new law has no requirement for the consumer to control whether these new financial subsidiaries or affiliates sell, share, or publish information on savings account balances, certificates of deposit maturity dates and balances, stock and mutual fund purchases and sales, life insurance payouts or health insurance claims. That is wrong.

When President Clinton signed the financial modernization bill last year, he directed the National Economic Council to work with the Treasury Department and Office of Management and Budget to craft a legislative proposal to protect financial privacy in the new financial services marketplace. The result of that process is the bill we are introducing today.

I believe the Financial Information Privacy Protection Act of 2000 should serve as the foundation for model financial privacy legislation that Congress enacts into law this year. This bill is a common sense approach that can attract both consumers and the industry. It sands off the extremes at both ends of the issue. We need a catalyst to bring both sides together, and this bill can do it.

Privacy is one of our most vulnerable rights in the information age. Digitalization of information offers tremendous benefits but also new threats. Some in Congress are content to punt the privacy issue down the field for another year. The public disagrees. People know that the longer we dawdle, the harder it will be to halt the erosion of privacy. A year is an eternity in the digital age.

The right of privacy is a personal and fundamental right protected by the Constitution of the United States. But today, the American people are growing more and more concerned over encroachments on their personal privacy. To return personal financial privacy to the control of the consumer, the Administration's financial privacy legislation would create the following enforceable rights in Federal law.

New Right To Opt-out of Information Sharing By Affiliates. The new financial modernization law permits consumers to say no to information sharing, selling or publishing among third parties in many cases, but not among affiliated firms. The Financial Information Privacy Protection Act of 2000 would require financial conglomerates, which will only grow under the new modernization law, to expand this protection to give consumers the right to notify it (opt-out) to stop all information sharing, selling or publishing of personal financial information among all third parties and affiliates.

New Right For Consumers To Opt-In For Sharing of Medical Information and Personal Spending Habits. The Financial Information Privacy Protection Act of 2000 would require financial firms to get the affirmative consent (opt-in) of consumers before a firm could gain access to medical information within a financial conglomerate or share detailed information about a consumer's personal spending habits.

New Right To Access and Correct Financial Information. The Financial Information Privacy Protection Act of 2000 would give consumers the right to review and correct their financial records, just like consumers today may review and correct their credit reports.

New Right To Privacy Policy Up Front. The Financial Information Privacy Protection Act of 2000 would require financial firms to provide their privacy policies to consumers before committing to a customer relationship, not after. In addition, the bill's new rights would be enforced by federal banking regulators, the Federal Trade Commission and state attorney generals.

As President Clinton warned all Americans: ''Although consumers put a great value on privacy of their financial records, our laws have not caught up to technological developments that make it possible and potentially profitable for companies to share financial data in new ways. Consumers who undergo physical exams to obtain insurance, for example, should not have to fear the information will be used to lower their credit card limits or deny them mortgages.'' I strongly agree.

Unfortunately, if you have a checking account, you may have a financial privacy problem. Your bank may sell or share with business allies information about who you are writing checks to, when, and for how much. And even if you tell your bank to stop, it can ignore you under current law. This legislation returns to consumers the power to stop the selling or sharing of personal financial information.

Americans ought to be able to enjoy the exciting innovations of this burgeoning information era without losing control over the use of their financial information. The Financial Information Privacy Protection Act of 2000 updates United States privacy laws to provide these fundamental protections of personal financial information in the evolving financial services industry. I urge my colleagues to support it.

Mr. President, I ask unanimous consent that the full text of the Financial Information Privacy Protection Act of 2000 and a section-by-section analysis of the bill be printed in the RECORD.

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

S. 2513

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

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Financial Information Privacy Protection Act of 2000''.

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

SEC. 2. OPT-OUT REQUIREMENT FOR DISCLOSURE TO AFFILIATES AND NONAFFILIATED THIRD PARTIES.

Section 502(a) of the Gramm-Leach-Bliley Act (15 U.S.C. 6802(a)) is amended to read as follows:

''(a) DISCLOSURE OF NONPUBLIC PERSONAL INFORMATION.—Except as otherwise provided in this subtitle, a financial institution may not disclose any nonpublic personal information to an affiliate or a nonaffiliated third party unless such financial institution—

''(1) has provided to the consumer a clear and conspicuous notice, in writing or electronic form or other form permitted by the regulations implementing this subtitle, of the categories of information that may be disclosed to the—

''(A) affiliate; or

''(B) nonaffiliated third party;

''(2) has given the consumer an opportunity, before the time that such information is initially disclosed, to direct that such information not be disclosed to such—

''(A) affiliate; or

''(B) nonaffiliated third party; and

''(3) has given the consumer the ability to exercise that nondisclosure option through the same method of communication by which the consumer received the notice described in paragraph (1) or another method at least as convenient to the consumer, and an explanation of how the consumer can exercise such option.''.

SEC. 3. RESTRICTING THE TRANSFER OF INFORMATION ABOUT PERSONAL SPENDING HABITS.

Section 502(b) of the Gramm-Leach-Bliley Act (15 U.S.C. 6802(b)) is amended to read as follows:

''(b) RESTRICTION ON THE TRANSFER OF INFORMATION ABOUT PERSONAL SPENDING HABITS.—

''(1) IN GENERAL.—Notwithstanding subsection (a), if a financial institution provides a service to a consumer through which the consumer makes or receives payments or transfers by check, debit card, credit card, or other similar instrument, the financial institution shall not transfer to an affiliate or a nonaffiliated third party—

''(A) an individualized list of that consumer's transactions or an individualized description of that consumer's interests, preferences, or other characteristics; or

''(B) any such list or description constructed in response to an inquiry about a specific, named individual;

if the list or description is derived from information collected in the course of providing that service.

''(2) RESTRICTION ON TRANSFER OF AGGREGATE LISTS CONTAINING CERTAIN HEALTH INFORMATION.—Notwithstanding subsection (a), a financial institution shall not transfer to an affiliate or a nonaffiliated third party any aggregate list of consumers containing or derived from individually identifiable health information.

''(3) EXCEPTIONS.—

''(A) IN GENERAL.—The financial institution may disclose the information described in paragraph (1) or (2) to an affiliate or a nonaffiliated third party if such financial institution—

''(i) has clearly and conspicuously requested in writing or in electronic form or other form permitted by the regulations implementing this subtitle, that the consumer affirmatively consent to such disclosure; and

''(ii) has obtained from the consumer such affirmative consent and such consent has not been withdrawn.

''(B) RULE OF CONSTRUCTION.—This subsection shall not be construed as preventing a financial institution from transferring the information described in paragraph (1) or (2) to an affiliate or a nonaffiliated third party for the purposes described in paragraph (1), (2), (3), (5), (7), (8), (9), or (10) of subsection (f).

''(C) SCOPE OF APPLICATION.—Paragraph (1) shall not apply to the transfer of aggregate lists of consumers.''.

SEC. 4. RESTRICTING THE USE OF HEALTH INFORMATION IN MAKING CREDIT AND OTHER FINANCIAL DECISIONS.

(a) RESTRICTION ON USE OF CONSUMER HEALTH INFORMATION.—Section 502(c) of the Gramm-Leach-Bliley Act (15 U.S.C. 6802(c)) is amended to read as follows:

''(c) USE OF CONSUMER HEALTH INFORMATION AVAILABLE FROM AFFILIATES AND NONAFFILIATED THIRD PARTIES.—In deciding whether, or on what terms, to offer, provide, or continue to provide a financial product or service to a consumer, a financial institution shall not obtain or receive individually identifiable health information about the consumer from an affiliate or nonaffiliated third party, or evaluate or otherwise consider any such information, unless the financial institution—

''(1) has clearly and conspicuously requested in writing or in electronic form or other form permitted by the regulations implementing this subtitle, that the consumer affirmatively consent to the transfer and use of that information with respect to a particular financial product or service;

''(2) has obtained from the consumer such affirmative consent and such consent has not been withdrawn; and

''(3) requires the same health information about all consumers as a condition for receiving the financial product or service.''.

(b) EXISTING PROTECTIONS FOR HEALTH INFORMATION NOT AFFECTED.—Title V of the Gramm-Leach-Bliley Act (15 U.S.C. 6801 et seq.) is amended by adding after section 510 the following new section:

''SEC. 511. RELATION TO STANDARDS ESTABLISHED UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996.

''Nothing in this subtitle shall be construed as—

''(1) modifying, limiting, or superseding standards governing the privacy and security of individually identifiable health information promulgated by the Secretary of Health and Human Services under sections 262(a) and 264 of the Health Insurance Portability and Accountability Act of 1996; or

''(2) authorizing the use or disclosure of individually identifiable health information in a manner other than as permitted by other applicable law.''.

(c) DEFINITION OF INDIVIDUALLY IDENTIFIABLE HEALTH INFORMATION.—Section 509 of the Gramm-Leach-Bliley Act (15 U.S.C. 6809) is amended by adding at the end the following new paragraph:

''(12) INDIVIDUALLY IDENTIFIABLE HEALTH INFORMATION.—The term 'individually identifiable health information' means any information, including demographic information obtained from or about an individual, that is described in section 1171(6)(B) of the Social Security Act.''.

(d) TECHNICAL AND CONFORMING AMENDMENT.—Section 505(a)(6) of the Gramm-Leach-Bliley Act (15 U.S.C. 6805(a)(6)) is amended by inserting before the period at the end ''to the extent the provisions of such section are not inconsistent with the provisions of this subtitle''.

SEC. 5. LIMITS ON REDISCLOSURE AND REUSE OF INFORMATION.

Section 502 of the Gramm-Leach-Bliley Act (15 U.S.C. 6802) is amended—

(1) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively; and

(2) by inserting after subsection (c) the following new subsection:

''(d) LIMITS ON REDISCLOSURE AND REUSE OF INFORMATION.—

''(1) IN GENERAL.—An affiliate or a nonaffiliated third party that receives nonpublic personal information from a financial institution shall not disclose such information to any other person unless such disclosure would be lawful if made directly to such other person by the financial institution.

''(2) DISCLOSURE UNDER A GENERAL EXCEPTION.—Notwithstanding paragraph (1), any person that receives nonpublic personal information from a financial institution in accordance with one of the general exceptions in subsection (f) may use or disclose such information only—

''(A) as permitted under that general exception; or

''(B) under another general exception in subsection (f), if necessary to carry out the purpose for which the information was disclosed by the financial institution.''.

SEC. 6. CONSUMER RIGHTS TO ACCESS AND CORRECT INFORMATION.

Title V of the Gramm-Leach-Bliley Act (15 U.S.C. 6801 et seq.) is amended by adding after section 511 (as added by section 4(b) of this Act), the following new section:

''SEC. 512. ACCESS TO AND CORRECTION OF INFORMATION.

''(a) ACCESS.—

(1) IN GENERAL.—Upon the request of a consumer, a financial institution shall make available to the consumer information about the consumer that is under the control of, and reasonably available to, the financial institution.

''(2) EXCEPTIONS.—Notwithstanding paragraph (1), a financial institution—

''(A) shall not be required to disclose to a consumer any confidential commercial information, such as an algorithm used to derive credit scores or other risk scores or predictors;

''(B) shall not be required to create new records in order to comply with the consumer's request;

''(C) shall not be required to disclose to a consumer any information assembled by the financial institution, in a particular matter, as part of the financial institution's efforts to comply with laws preventing fraud, money laundering, or other unlawful conduct; and

''(D) shall not disclose any information required to be kept confidential by any other Federal law.

''(b) CORRECTION.—A financial institution shall provide a consumer the opportunity to dispute the accuracy of any information disclosed to the consumer pursuant to subsection (a), and to present evidence thereon. A financial institution shall correct or delete material information identified by a consumer that is materially incomplete or inaccurate.

''(c) COORDINATION AND CONSULTATION.—In prescribing regulations implementing this section, the Federal agencies specified in section 504(a) shall consult with one another to ensure that the rules—

''(1) impose consistent requirements on the financial institutions under their respective jurisdictions;

''(2) take into account conditions under which financial institutions do business both in the United States and in other countries; and

''(3) are consistent with the principle of technology neutrality.

''(d) CHARGES FOR DISCLOSURES.—A financial institution may impose a reasonable charge for making a disclosure under this section, which charge must be disclosed to the consumer before making the disclosure.''.

SEC. 7. IMPROVED ENFORCEMENT AUTHORITY.

(a) COMPLIANCE WITH PRIVACY POLICY.—Section 503 of the Gramm-Leach-Bliley Act (15 U.S.C. 6803) is amended by adding at the end the following new subsection:

''(c) COMPLIANCE WITH PRIVACY POLICY.—A financial institution's failure to comply with any of its policies or practices disclosed to a consumer under this section constitutes a violation of the requirements of this section.''.

(b) UNFAIR AND DECEPTIVE TRADE PRACTICE.—Section 505(a)(7) of the Gramm-Leach-Bliley Act (15 U.S.C. 6805(a)(7)) is amended by adding at the end the following new sentence: ''A violation of any requirement of this subtitle, or the regulations of the Federal Trade Commission prescribed under this subtitle, by a financial institution or other person described in this paragraph shall constitute an unfair or deceptive act or practice in commerce in violation of section 5(a) of the Federal Trade Commission Act.''.

(c) SUPPLEMENTAL STATE ENFORCEMENT FOR FTC REGULATED ENTITIES.—Section 505 of the Gramm-Leach-Bliley Act (15 U.S.C. 6805) is amended by adding at the end the following new subsection:

''(e) STATE ACTION FOR VIOLATIONS.—

''(1) AUTHORITY OF THE STATES.—In addition to such other remedies as are provided under State law, if the attorney general of a State, or an officer authorized by the State, has reason to believe that any financial institution or other person described in section 505(a)(7) has violated or is violating this subtitle or the regulations prescribed thereunder by the Federal Trade Commission, the State may—

''(A) bring an action on behalf of the residents of the State to enjoin such violation in any appropriate United States district court or in any other court of competent jurisdiction; and

''(B) bring an action on behalf of the residents of the State to enforce compliance with this subtitle and the regulations prescribed thereunder by the Federal Trade Commission, to obtain damages, restitution, or other compensation on behalf of the residents of such State, or to obtain such further and other relief as the court may deem appropriate.

''(2) RIGHTS OF THE FEDERAL TRADE COMMISSION.—The State shall serve prior written notice of any action under paragraph (1) upon the Federal Trade Commission and shall provide the Commission with a copy of its complaint; provided that, if such prior notice is not feasible, the State shall serve such notice immediately upon instituting such action. The Federal Trade Commission shall have the right—

''(A) to move to stay the action, pending the final disposition of a pending Federal matter as described in paragraph (4);

''(B) to intervene in an action under paragraph (1);

''(C) upon so intervening, to be heard on all matters arising therein;

''(D) to remove the action to the appropriate United States district court; and

''(E) to file petitions for appeal.

''(3) INVESTIGATORY POWERS.—For purposes of bringing any action under this subsection, nothing in this subsection shall prevent the attorney general, or officers of such State who are authorized by such State to bring such actions, from exercising the powers conferred on the attorney general or such officers by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

''(4) LIMITATION ON STATE ACTION WHILE FEDERAL ACTION IS PENDING.—If the Federal Trade Commission has instituted an action for a violation of this subtitle, no State may, during the pendency of such action, bring an action under this section against any defendant named in the complaint of the Commission for any violation of this subtitle that is alleged in that complaint.''.

(d) STATE ACTION FOR VIOLATIONS OF BAN ON PRETEXT CALLING.—Section 522 of the Gramm-Leach-Bliley Act (15 U.S.C. 6822) is amended by adding at the end the following new subsection:

''(c) STATE ACTION FOR VIOLATIONS.—

''(1) AUTHORITY OF THE STATES.—In addition to such other remedies as are provided under State law, if the attorney general of a State, or an officer authorized by the State, has reason to believe that any person (other than a person described in subsection (b)(1)) has violated or is violating this subtitle, the State may—

''(A) bring an action on behalf of the residents of the State to enjoin such violation in any appropriate United States district court or in any other court of competent jurisdiction; and

''(B) bring an action on behalf of the residents of the State to enforce compliance with this subtitle, to obtain damages, restitution, or other compensation on behalf of the residents of such State, or to obtain such further and other relief as the court may deem appropriate.

''(2) RIGHTS OF FEDERAL AGENCIES.—The State shall serve prior written notice of any action commenced under paragraph (1) upon the Attorney General and the Federal Trade Commission, and shall provide the Attorney General and the Commission with a copy of the complaint; provided that, if such prior notice is not feasible, the State shall serve such notice immediately upon instituting such action. The Attorney General and the Federal Trade Commission shall have the right—

''(A) to move to stay the action, pending the final disposition of a pending Federal matter as described in paragraph (4);

''(B) to intervene in an action under paragraph (1);

''(C) upon so intervening, to be heard on all matters arising therein;

''(D) to remove the action to the appropriate United States district court; and

''(E) to file petitions for appeal.

''(3) INVESTIGATORY POWERS.—For purposes of bringing any action under this subsection, nothing in this subsection shall prevent the attorney general, or officers of such State who are authorized by such State to bring such actions, from exercising the powers conferred on the attorney general or such officers by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

''(4) LIMITATION ON STATE ACTION WHILE FEDERAL ACTION IS PENDING.—If the Attorney General has instituted a criminal proceeding or the Federal Trade Commission has instituted a civil action for a violation of this subtitle, no State may, during the pendency of such proceeding or action, bring an action under this section against any defendant named in the criminal proceeding or civil action for any violation of this subtitle that is alleged in that proceeding or action.''.

SEC. 8. ENHANCED DISCLOSURE OF PRIVACY POLICIES.

(a) TIMING OF NOTICE TO CONSUMERS.—Section 503(a) of the Gramm-Leach-Bliley Act (15 U.S.C. 6803(a)) is amended to read as follows:

''(a) DISCLOSURE REQUIRED.—

''(1) TIME OF DISCLOSURE.—A financial institution shall provide a disclosure that complies with paragraph (2)—

''(A) to an individual upon the individual's request;

''(B) as part of an application for a financial product or service from the financial institution; and

''(C) to a consumer, prior to establishing a customer relationship with the consumer and not less frequently than annually during the continuation of such relationship.

''(2) DISCLOSURE FORMAT.—The disclosure required by paragraph (1) shall be a clear and conspicuous notice, in writing or in electronic form or other form permitted by the regulations implementing this subtitle, of such financial institution's policies and practices with respect to—

''(A) disclosing nonpublic personal information to affiliates and nonaffiliated third parties, consistent with section 502, including the categories of information that may be disclosed;

''(B) disclosing nonpublic personal information of persons who have ceased to be customers of the financial institution; and

''(C) protecting the nonpublic personal information of consumers.

Such disclosure shall be made in accordance with the regulations implementing this subtitle.''.

(b) NOTICE OF RIGHTS TO ACCESS AND CORRECT INFORMATION.—Section 503(b)(2) of the Gramm-Leach-Bliley Act (15 U.S.C. 6803(b)(2)) is amended by inserting '', and a statement of the consumer's right to access and correct such information, consistent with section 512'' after ''institution''.

(c) TECHNICAL AND CONFORMING AMENDMENT.—Section 503(b)(1)(A) of the Gramm-Leach-Bliley Act (15 U.S.C. 6803(b)(1)(A)) is amended by striking ''502(e)'' and inserting ''502(f)''.

SEC. 9. LIMIT ON DISCLOSURE OF ACCOUNT NUMBERS.

Section 502 of the Gramm-Leach-Bliley Act (15 U.S.C. 6802) is amended in subsection (e) (as so redesignated by section 5) by inserting ''affiliate or'' before ''nonaffiliated third party''.

SEC. 10. GENERAL EXCEPTIONS.

Section 502(f) of the Gramm-Leach-Bliley Act (15 U.S.C. 6802)) (as so redesignated by section 5 of this Act) is amended—

(1) in the matter preceding paragraph (1), by striking ''Subsections (a) and (b)'' and inserting ''Subsection (a)'';

(2) in paragraph (1)—

(A) by striking ''or'' at the end of subparagraph (B);

(B) by inserting ''or'' after the semicolon at the end of subparagraph (C); and

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

''(D) performing services for or functions solely on behalf of the financial institution with respect to the financial institution's own customers, including marketing of the financial institution's own products or services to the financial institution's customers;'';

(3) in paragraph (4), by striking '', and the institution's attorneys, accountants, and auditors'';

(4) in paragraph (5), by inserting ''section 21 of the Federal Deposit Insurance Act,'' after ''title 31, United States Code,'';

(5) in paragraph (7), by striking ''or'' at the end;

(6) in paragraph (8), by striking the period and inserting a semicolon; and

(7) by adding at the end the following new paragraphs:

''(9) in order to facilitate customer service, such as maintenance and operation of consolidated customer call centers or the use of consolidated customer account statements; or

''(10) to the institution's attorneys, accountants, and auditors.''.

SEC. 11. DEFINITIONS.

Section 509 of the Gramm-Leach-Bliley Act (15 U.S.C. 6809) is amended—

(1) in paragraph (3)—

(A) by striking ''(3) FINANCIAL INSTITUTION'' and all that follows through ''The term 'financial institution'' and inserting ''(3) FINANCIAL INSTITUTION.—The term 'financial institution''; and

(B) by striking subparagraphs (B), (C), and (D);

(2) by amending paragraph (4) to read as follows:

''(4) NONPUBLIC PERSONAL INFORMATION.—The term ''nonpublic personal information'' means—

''(A) any personally identifiable information, including a Social Security number—

''(i) provided by a consumer to a financial institution, in an application or otherwise, to obtain a financial product or service from the financial institution;

''(ii) resulting from any transaction between a financial institution and a consumer involving a financial product or service; or

''(iii) obtained by the financial institution about a consumer in connection with providing a financial product or service to that consumer, other than publicly available information, as such term is defined by the regulations prescribed under section 504; and

''(B) any list, description or other grouping of one or more consumers of the financial institution and publicly available information pertaining to them.''; and

(3) in paragraph (9), by inserting ''applies for or'' before ''obtains''.

SEC. 12. ISSUANCE OF IMPLEMENTING REGULATIONS.

(a) IN GENERAL.—The Federal agencies specified in section 504(a) of the Gramm-Leach-Bliley Act (15 U.S.C. 6804(a)) shall prescribe regulations implementing the amendments to subtitle A of title V of the Gramm-Leach-Bliley Act made by this Act, and shall include such requirements determined to be appropriate to prevent their circumvention or evasion.

(b) COORDINATION, CONSISTENCY, AND COMPARABILITY.—The regulations issued under subsection (a) shall be issued in accordance with the requirements of section 504(a) of the Gramm-Leach-Bliley Act (15 U.S.C. 6804(a)), except that the deadline in section 504(a)(3) shall not apply.

SEC. 13. FTC RULEMAKING AUTHORITY UNDER THE FAIR CREDIT REPORTING ACT.

Section 621(e) of the Fair Credit Reporting Act (15 U.S.C. 1681s(e)) is amended by adding at the end the following new paragraph:

''(3) REGULATIONS.—The Federal Trade Commission shall prescribe such regulations as necessary to carry out the provisions of this title with respect to any persons identified under paragraph (1) of subsection (a). Prior to prescribing such regulations, the Federal Trade Commission shall consult with the Federal banking agencies referred to in paragraph (1) of this subsection in order to ensure, to the extent possible, comparability and consistency with the regulations issued by the Federal banking agencies under that paragraph.''.

FINANCIAL INFORMATION PRIVACY PROTECTION ACT—SECTION-BY-SECTION ANALYSIS

Section 1: Short Title; table of Contents

Section 101: Opt-out Requirement for Disclosure to Affiliates and Nonaffiliated Third Parties

The Gramm-Leach-Bliley Act (GLBA) requires a financial institution to give consumers notice of, and an opportunity to prevent (opt out of), sharing of their nonpublic personal information with companies that are not affiliated with the financial institution (nonaffiliated third parties). Section 101 of the bill strengthens consumers' control over their personal financial information by expanding this opt-out right to cover information sharing between financial institutions and their affiliates.

Section 101 also requires that when a financial institution notifies a consumer of its intent to share the consumer's information and gives the consumer the opportunity to opt-out, the consumer must be able to exercise the opt-out choice through the same method of communication by which the financial institution communicated the opt-out notice to the consumer, or by another method at least as convenient to the consumer. For example, if a financial institution gives a consumer an opt-out notice by electronic mail, the consumer would have to be able to exercise the opt-out by a method at least as convenient, such as by electronic mail or by telephone, but could not be required to opt-out via an individual letter.

The GLBA currently includes general exceptions to the notice and opt-out requirement—for example, to allow processing a consumer's transaction, to prevent fraud, or to control institutional risk. The bill would also apply these exceptions to information sharing with affiliates.

Section 102: Limitation on Transfer of Information About Personal Spending Habits

Section 102 of the bill strengthens consumers' control over the detailed information that financial firms can learn about their personal spending habits and sources of income. In the course of providing a payment mechanism for consumers, financial institutions such as credit card companies, banks and brokers—when they provide checking or money market accounts—learn to whom a consumer makes payments, from whom the consumer receives payments, and what the payments are for.

The bill recognizes the special sensitivity of this information. It requires that where a financial institution is providing payment services for a consumer, the institution cannot disclose the consumer's spending habits—whether in the form of a list of the consumer's transactions or as a description of the consumer's interests, preferences, or other characteristics derived from payment information—unless the institution clearly and conspicuously requests permission from the consumer, and the consumer affirmatively consents (opts in). This applies for transfers to both nonaffiliated third parties and affiliates.

Section 102 includes the exceptions for transaction processing, servicing of customer accounts, and other necessary activities such as law enforcement.

Section 103: Restricting the Use of Health Information in Making Credit and Other Financial Decisions

Limitation on Receipt of Consumer Health Information from Affiliates

Section 103(a) of the bill prevents financial institutions from using a consumer's health information held at an affiliate in order to discriminate in the provision of credit and financial services. Section 103(a) provides that in deciding whether, and on what terms, to offer, provide, or continue to provide a particular financial product or service to a consumer, a financial institution may not obtain, receive, evaluate, or otherwise consider individually identifiable health information about the consumer from an affiliate unless the financial institution: (1) clearly and conspicuously requests permission from the consumer; (2) obtains the consumer's affirmative consent; and (3) requires the same information about all consumers as a condition for receiving the financial product or service.

Relation to the Health Insurance Portability and Accountability Act

Section 103(b) of the bill clarifies that the provisions of subtitle A of title V of the GLBA, which create protections for the privacy of consumers' financial information, do not in any way modify or override the requirements of the regulations issued by the Secretary of Health and Human Services implementing the privacy and security protections for consumers' individually identifiable health information under the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Nor do the requirements of the GLBA governing protection of consumers' financial information authorize any use of individually identifiable health information that would be inconsistent with other laws that apply to such information. Section 103(c) makes clear that for purposes of this provision, the term ''individually identifiable health information'' has the same meaning as under the HIPAA.

Section 104: Limits on Redisclosure and Reuse of Information

The GLBA imposes certain limits on a nonaffiliated third party's ability to redisclose nonpublic personal information received from a financial institution. The GLBA does not prohibit a third party from redisclosing this information to its own affiliates or to affiliates of the financial institution from whom it received the information. In addition, the third party may disclose the information to another company if that disclosure would be lawful if made directly by the financial institution.

Section 104 of the bill tightens the limits on redisclosure and extends them to a financial institution's affiliates, in order to parallel the new opt-out requirement for disclosure of information to affiliates. Under section 104, when a financial institution discloses nonpublic personal information to either an affiliate or a nonaffiliated third party, the recipient of the information may not redisclose the information to any other person unless that disclosure would be lawful if made directly by the financial institution.

Section 104 also clarifies how the limits on redisclosure apply when a financial institution discloses a consumer's nonpublic personal information to another company pursuant to one of the general exceptions to the opt-out requirement. Section 104 provides that an affiliate or a nonaffiliated third party that receives nonpublic personal information from a financial institution under one of the general exceptions may use or disclose that information only: (1) as permitted under that general exception; or (2) under another general exception, if necessary to carry out the purpose for which the information was originally disclosed under a general exception.

Since the opt-in requirement for the disclosure of personal spending information by payment service providers is subject to some, but not all, of the general exceptions, only a subset of the general exceptions apply to reuse and redisclosure by recipients of such information.

Section 105: Consumer Rights to Access and Correct Information

Section 105 of the bill gives consumers the right to access and to correct information about them that is under the control of, and reasonably available to a financial institution. A financial institution would not, however, be required to give consumers access to confidential commercial information, to make disclosures that would interfere with law enforcement, or to create new records in order to comply with a consumer's request for information.

Section 105 also requires financial institutions to give consumers the opportunity to dispute the accuracy of information disclosed to the consumer and to present evidence of any inaccuracy. The financial institution must correct or delete material information identified by the consumer that is materially incomplete or inaccurate. In addition, a financial institution may impose a reasonable fee for making information available to consumers, as long as consumers receive prior notice of the fee.

In promulgating regulations to implement the new access and correction requirements, federal regulators must consult and coordinate with one another in order to ensure that the regulations: (1) impose consistent requirements across financial institutions; (2) take into account conditions under which the financial institutions do business in the U.S. and abroad; and (3) are technology neutral.

Section 106: Improved Enforcement Authority

Compliance with Privacy Policy

The GLBA does not clearly explain whether a financial institution is legally required to abide by commitments it makes to consumers in its privacy policy if those commitments are not required by law. Section 106(a) of the bill clarifies that a financial institution's failure to comply with any of the privacy policies or practices disclosed to a consumer constitutes a violation of law.

Clarification of Federal Trade Commission (FTC) Enforcement Authority

Section 106(b) of the bill makes clear that if a financial institution or other person under the FTC's enforcement jurisdiction under subtitle A of title V of the GLBA engages in an activity that violates subtitle A, that activity constitutes an unfair and deceptive trade practice under the Federal Trade Commission Act. Consequently, in addressing such a violation, the FTC could use all the enforcement tools it has with respect to unfair or deceptive acts or practices under the FTC Act.

State Enforcement Authority Concurrent with FTC

Section 106(c) of the bill gives States concurrent authority with the FTC to enforce the GLBA's privacy requirements with respect to FTC-regulated entities. Section 106(d) gives the States concurrent authority with the FTC to enforce the GLBA's prohibitions on ''pretext calling,'' which involves obtaining customer information from a financial institution under false pretenses. Enforcement with regard to banking institutions would continue to be done solely by the federal banking agencies.

Section 107: Enhanced Disclosure of Privacy Policies

Timing of Disclosure of Privacy Policy

The GLBA requires financial institutions to provide their privacy policies to consumers at the time of establishing a customer relationship and at least annually during the continuation of the relationship. The phrase ''at time of establishing a customer relationship'' does not provide clear guidance regarding when a financial institution must provide its privacy policy to those individuals seeking to become its customers. Section 107(a) of the bill is intended to clarify the timing of notice delivery, and to ensure that individuals are able to receive copies of financial institutions' privacy policies before they commit time and resources to dealing with any one financial institution. The bill specifically clarifies that financial institutions must provide their privacy policies to individuals upon request and as part of an application for a financial product or service. Thus, consumers will be empowered to comparison shop based on privacy practices.

Content of Privacy Policy—Disclosure of Rights to Access and Correct Information

Section 107(b) requires a financial institution's privacy policy to include a statement of the consumer's rights to access and correct information held by the financial institution (see discussion of section 105 regarding consumers' rights to access and correct information).

Section 108: Prohibition on Sharing of Account Numbers

The GLBA prohibits financial institutions from disclosing consumers' account numbers or access codes to nonaffiliated third parties (other than consumer reporting agencies) for marketing purposes. Section 108 of the bill extends this prohibition to disclosures to affiliates.

Section 109: Exceptions to the Opt-out and Opt-in Requirements

Agency and Joint Marketing Exception

Section 502(c) of the GLBA creates an exception to the opt-out requirement where a financial institution discloses a consumer's nonpublic personal information to a nonaffiliated third party that is acting as the financial institution's agent. This exception permits a financial institution to disclose consumers' nonpublic personal information to third parties in connection with outsourcing certain functions, such as back-office operations or direct mailings to market the financial institution's own products, without giving consumers the option to prevent disclosure. The financial institution is, however, required to give consumers notice of such disclosures and to enter into agreements with the third parties to maintain the confidentiality of the consumers' information.

Among the services and functions covered by the principal-agent exception are certain joint marketing arrangements, where a third party markets financial products or services pursuant to a joint agreement between two or more financial institutions. The joint marketing agreement exception was enacted to allow financial institutions without affiliates, particularly small institutions, to be able to jointly market their products under the same rules that affiliates may do so—that is, free from any opt-out requirement.

As noted in the discussion of sections 101 and 102 above, the bill imposes the same restrictions on information sharing between affiliates that now apply to information sharing between financial institutions and nonaffiliated third parties. Therefore, because coverage of information sharing among affiliates and with third parties would be equivalent, the joint marketing exception is rendered unnecessary, and is eliminated. The bill also moves the remaining principal-agent exception from section 502(c) of the GLBA to the list of general exceptions in 502(e), which is redesignated as 502(f).

Customer Service and Consolidated Statements

Among the general exceptions to the notice and opt-out requirements in the GLBA are disclosures for servicing customer accounts and resolving customer disputes or inquires. These exceptions are intended to permit financial institutions to share information in response to customer service needs. Section 109(7) of the bill expands the general exceptions to include disclosures necessary to facilitate customer service such as maintenance and operation of consolidated customer call centers and the use of consolidated customer account statements.

Technical Amendments

Section 109 of the bill makes technical amendments to the list of general exceptions in section 502(e) of the GLBA, by splitting an existing exception that deals with disclosures to rating agencies and attorneys, and by adding a conforming statutory reference.

Section 110: Definitions

''Financial Institution''

The financial privacy requirements of subtitle A of title V of the GLBA apply to ''financial institutions,'' which are defined as institutions the business of which is engaging in activities that have been specified as ''financial activities'' under certain statutes and regulations. The GLBA, however, specifically excludes three types of entities from the definition of ''financial institution.'' They are: (1) any person or entity to the extent engaged in a financial activity that is subject to the jurisdiction of the Commodity Futures Trading Commission; (2) the institutions of the Farm Credit System; and 3) institutions chartered by Congress to engage in certain securitization or secondary market sale transactions, as long as such institutions do not sell or transfer nonpublic personal information to nonaffiliated third parties. Section 109(1) of the bill eliminates these exclusions in order to ensure consistency in the protection of consumers' nonpublic personal information under the GLBA. The bill preserves the existing general exception for disclosures in connection with securitization or secondary market sales transactions.

''Nonpublic Personal Information''

Section 110(2) of the bill revises the definition of ''nonpublic personal information'' in order to clarify that the term includes a consumer's Social Security number. This provision also clarifies that publicly available information about consumers also would be covered whether or not that information is disclosed as part of a larger list of consumers or as it pertains to an individual consumer. Under current law, this type of information is covered only if it is part of a list of more than one consumer.

''Consumer''

Under the GLBA, the term ''consumer'' is defined as an individual who obtains a financial product or service from a financial institution for personal, family, or household purposes, or such person's legal representative. Section 109(3) of the bill amends the definition of ''consumer'' to clarify that the term includes an individual who applies for, but does not necessarily obtain, such products or services from a financial institution.

Section 111: Implementing Regulations

Section 110(a) of the bill authorizes the federal regulators who have rulemaking authority under subtitle A of title V of the GLBA to issue regulations implementing the amendments made by the bill. The bill requires these agencies to include in their regulations requirements they determine are appropriate to prevent circumvention or evasion of any of the bill's requirements. Section 110(b) provides that in issuing their regulations, the agencies must follow the procedures and requirements set forth in section 504(a) of the GLBA that currently apply to their rulemaking authority. Specifically, the agencies must consult with each other and with representatives of state insurance authorities, and must issue consistent and comparable rules, to the extent possible. The statutory deadline in section 504(a)(3), which is set in relation to the date of the enactment of the GLBA, is obsolete for purposes of the regulations implementing this bill, and therefore does not apply.

Section 112: FTC Rulemaking Authority Under the Fair Credit Reporting Act (FCRA)

Section 112 of the bill amends section 621(e) of FCRA by establishing rulemaking authority for the Federal Trade Commission. This amendment creates parity with the federal banking agencies and the National Credit Union Administration, which each obtained rulemaking authority under the FCRA for their respective regulated entities pursuant to section 506 of the GLBA. Extending this authority to the FTC fills a gap in administrative enforcement under the FCRA.

Mr. SARBANES. Mr. President, I rise today to address a very important issue: the protection of every American's personal, sensitive, financial and medical information which is held by their financial institutions. I am pleased to join Senator LEAHY, the chairman of the Senate Democratic Privacy Task Force, and Senators DODD, KERRY, BRYAN, EDWARDS, ROBB, DURBIN, HARKIN, and FEINSTEIN in co-sponsoring the Financial Information Privacy Protection Act.

This bill, submitted to us by the Clinton-Gore Administration, seeks to protect a fundamental right of privacy for every American who entrusts his or her highly sensitive and confidential financial and medical information to a financial institution.

Every American should at least have the opportunity to say 'no' if he or she does not want that nonpublic information disclosed. Every American should have the right to have especially sensitive information held by his or her financial institution kept confidential unless consent is given. Every American should be allowed to make certain that the information to be shared is accurate and, if not, to have it corrected. And these rights should be enforced.

Mr. President, the Financial Information Privacy Protection Act would accomplish these objectives.

Few Americans understand that, under current Federal law, a financial institution could take information it obtained about a customer through his or her transactions, and sell or transfer that information to an affiliated party without the customer being able to object. And that customer has no right to get access to or to correct that information.

The amount of information that could be disclosed is enormous. It includes, for example:

Savings and checking account balances;

Certificate of deposit maturity dates and balances;

Checks an individual writes;

Checks deposited into a customer's account;

Stock and mutual fund purchases and sales;

Life insurance payouts; and

Health insurance claims.

Today's technology makes it easier, faster, and less costly than ever for institutions to have immediate access to large amounts of customer information; to analyze that data; and to send that data to others. Banks, securities firms, and insurance companies are increasingly affiliating and cross-marketing and, in the process, they are selling the products of affiliates to existing customers. This can entail the warehousing of large amounts of highly sensitive customer information and selling it to or sharing it with other companies, for purposes unknown to the customer. While cross-marketing can bring new and beneficial products to receptive consumers, it can also result in unwanted invasions of personal privacy.

Surveys show that the public is widely concerned about privacy. Major corporations have bumped up against privacy concerns when expanding their marketing services. Citizen groups have expressed serious concerns about the privacy implications of financial institutions' sharing or selling the information they collect without the knowledge of the party involved.

Along with medical records, financial records rank among the kinds of personal data Americans most expect will be kept from prying eyes. As with medical data, though, the privacy of even highly sensitive financial data has been increasingly put at risk by mergers, electronic data-swapping and the move to an economy in which the selling of other people's personal information is highly profitable—and legal.

On January 19, 1999, I introduced the Financial Information Privacy Act of 1999 (S. 187) to provide consumers with important privacy protections for their financial information. Some of these protections are reflected in this bill, including a right for consumers to object, or opt out, of their financial institutions sharing with affiliates customer information, such as account transactions, balances and maturity dates as well as rights for the consumer to have access to and to correct mistakes in information that would be shared.

The Gramm-Leach-Bliley Act, enacted last November, contained some limited federal financial privacy protections for consumers. While an important beginning, these protections failed to meet the expectations of Americans and did not contain the important protections that I have just referred to.

When the President signed the Gramm-Leach-Bliley Act, he observed that the privacy protections contained in the new legislation were inadequate. In his State of the Union Address this year, the President reiterated the need for stronger privacy legislation. Last Sunday, the President announced a proposal for improved financial privacy protections. He said, ''We can't let breakthroughs in technology break down walls of privacy.'' I agree and applaud the Clinton-Gore Administration's proposal as an important step forward.

The Financial Privacy Protection Act reflects the Administration's proposal and contains important financial privacy protections.

The Act would provide an ''opt out'' for affiliate sharing, allowing customers to object to a financial institution's sharing customer financial data with any affiliated firms.

It also would provide an ''opt in'' for sharing some types of ''sensitive information.'' A financial institution would need to have a consumer's affirmative consent before releasing his or her medical information or personal spending habits, reflected on checks written and credit card charges, to either an affiliate or an unaffiliated third party.

The Act also provides consumers with rights of access and correction. A consumer would be able to see the information to be released and correct material errors.

The Act also requires financial institutions to make privacy notices available to consumers who request them and makes other important improvements to the law.

As we proceed in an age of technological advances and cross-industry marketing of financial services, we need to be mindful of the privacy concerns of the American public. I ask myself the question, ''Whose information is this, the individual's or the institution's?'' I believe it is the individual's.

Consumers who wish to keep their sensitive financial and medical information private should be given a right to do so. The passage of the Financial Information Privacy Act would be a step toward that goal.

Mr. DODD. Mr. President, after numerous unsuccessful attempts, last year, Congress enacted legislation to modernize our nation's financial services laws. This important legislation will help to provide consumers greater choices for financial products and services and will also ensure that U.S. financial services companies are better equipped to handle the challenges of competing in a global marketplace.

As part of the financial services modernization legislation, limited provisions were included to help protect consumers' personal financial privacy. While these provisions were constructive, I believe that Congress must continue to press for the strongest possible privacy protections for financial services consumers.

I rise today in support of legislation, the Financial Information Privacy Protection Act of 2000, which affords additional privacy protections for financial services consumers.

Although it does not fully address my concerns with respect to the protection of financial and medical information, this legislation is a modest, but important step, in ensuring what I believe to be fundamental for all financial consumers, whether they execute their transactions in person, by mail or phone, or online. Consumers should have the ultimate control over the sharing of their personal financial information.

This legislation provides that among affiliates of financial institutions as well as to unaffiliated third parties, consumers would be afforded the opportunity to ''op-out'' of the sharing of their personal financial information.

Additionally, this legislation gives enhanced protection to consumers' medical records. Under this legislation, financial institutions would be required to obtain an affirmative consent from a consumer before the consumer's medical information could be shared among affiliates. Although I believe this is an important component in safeguarding the privacy of medical information, I continue to believe that it is critical we pass comprehensive medical privacy legislation this year so that consumers can be assured that their medical information is protected regardless of the context in which it generated or used.

As we continue to wrestle with finding the proper balance between the providing new financial products and services while at the same time providing consumers with the strongest possible protections for their personal financial and medical information, This legislation is a positive step in the right direction.

By Mr. GRAMS (for himself, Mr. SESSIONS, and Mr. ALLARD):

S. 2514. A bill to improve benefits for members of the reserve components of the Armed Forces and their dependents; to the Committee on Armed Services.

FAIRNESS FOR THE MILITARY RESERVE ACT OF 2000

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

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

S. 2514

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Fairness for the Military Reserve Act of 2000''.

SEC. 2. TRAVEL BY RESERVES ON MILITARY AIRCRAFT OUTSIDE CONTINENTAL UNITED STATES.

(a) SPACE-REQUIRED TRAVEL FOR TRAVEL TO DUTY STATIONS OCONUS.—(1) Subsection (a) of section 18505 of title 10, United States Code, is amended—

(A) by inserting ''annual training duty or'' before ''inactive-duty training'' both places it appears; and

(B) by inserting ''duty or'' before ''training if''.

(2) The heading of such section is amended to read as follows:

''§ 18505. Space-required travel: Reserves traveling to annual training duty or inactive-duty training OCONUS''.

(b) SPACE-AVAILABLE TRAVEL FOR MEMBERS OF SELECTED RESERVE AND GRAY AREA RETIREES.—(1) Chapter 1805 of such title is amended by adding at the end the following new section:

''§ 18506. Space-available travel: Selected Reserve members and reserve retirees under age 60; dependents

''(a) ELIGIBILITY FOR SPACE-AVAILABLE TRAVEL.—The Secretary of Defense shall prescribe regulations to provide persons described in subsection (b) with transportation on aircraft of the Department of Defense on a space-available basis under the same terms and conditions (including terms and conditions applicable to travel outside the United States) as apply to members and former members of the armed forces entitled to retired pay.

''(b) ELIGIBLE PERSONS.—Subsection (a) applies to the following persons:

''(1) A person who is a member of the Selected Reserve in good standing (as determined by the Secretary concerned).

''(2) A person who is a member or former member of a reserve component under age 60 who, but for age, would be entitled to retired pay under chapter 1223 of this title.

''(c) DEPENDENTS.—A dependent of a person described in subsection (b) shall be provided transportation under this section on the same basis as dependents of members and former members of the armed forces entitled to retired pay.

''(d) LIMITATION ON REQUIRED IDENTIFICATION.—Neither the 'Authentication of Reserve Status for Travel Eligibility' form (DD Form 1853) nor any other form, other military identification and duty orders or other forms of identification required of active duty personnel, may be required to be presented by persons requesting space-available transportation within or outside the continental United States under this section.

''(e) DEPENDENT DEFINED.—In this section, the term 'dependent' has the meanings given that term in subparagraphs (A), (B), (C), (D), and (I) of section 1074(2) of this title.''.

(2) The table of sections at the beginning of such chapter is amended by striking the item relating to section 18505 and inserting the following:

''18505. Space-required travel: Reserves traveling to annual training duty or inactive-duty training OCONUS.

''18506. Space-available travel: Selected Reserve members and reserve retirees under age 60; dependents.''.

(c) EFFECTIVE DATE.—The regulations required under section 18506 of title 10, United States Code, as added by subsection (b), shall be prescribed not later than 180 days after the date of the enactment of this Act.

SEC. 3. BILLETING SERVICES FOR RESERVE MEMBERS TRAVELING FOR INACTIVE DUTY TRAINING.

(a) IN GENERAL.—(1) Chapter 1217 of title 10, United States Code, is amended by inserting after section 12603 the following new section:

''§ 12604. Billeting in Department of Defense facilities: Reserves attending inactive-duty training

''(a) AUTHORITY FOR BILLETING ON SAME BASIS AS ACTIVE DUTY MEMBERS TRAVELING UNDER ORDERS.—The Secretary of Defense shall prescribe regulations authorizing a Reserve traveling to inactive-duty training at a location more than 50 miles from that Reserve's residence to be eligible for billeting in Department of Defense facilities on the same basis and to the same extent as a member of the armed forces on active duty who is traveling under orders away from the member's permanent duty station.

''(b) PROOF OF REASON FOR TRAVEL.—The Secretary shall include in the regulations the means for confirming a Reserve's eligibility for billeting under subsection (a).''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 12603 the following new item:

''12604. Billeting in Department of Defense facilities: Reserves attending inactive-duty training.

(b) EFFECTIVE DATE.—Section 12604 of title 10, United States Code, as added by subsection (a), shall apply with respect to periods of inactive-duty training beginning more than 180 days after the date of the enactment of this Act.

SEC. 4. INCREASE IN MAXIMUM NUMBER OF RESERVE RETIREMENT POINTS THAT MAY BE CREDITED IN ANY YEAR.

Section 12733(3) of title 10, United States Code, is amended by striking ''but not more than'' and all that follows and inserting ''but not more than—

''(A) 60 days in any one year of service before the year of service that includes September 23, 1996;

''(B) 75 days in the year of service that includes September 23, 1996, and in any subsequent year of service before the year of service that includes the date of the enactment of the Reserve Components Equity Act of 2000; and

''(C) 90 days in the year of service that includes the date of the enactment of the Reserve Components Equity Act of 2000 and in any subsequent year of service.''.

SEC. 5. AUTHORITY FOR PROVISION OF LEGAL SERVICES TO RESERVE COMPONENT MEMBERS FOLLOWING RELEASE FROM ACTIVE DUTY.

(a) LEGAL SERVICES.—Section 1044(a) of title 10, United States Code, is amended—

(1) by redesignating paragraph (4) as paragraph (5); and

(2) by inserting after paragraph (3) the following new paragraph (4):

''(4) Members of reserve components of the armed forces not covered by paragraph (1) or (2) following release from active duty under a call or order to active duty for more than 30 days issued under a mobilization authority (as determined by the Secretary of Defense), but only during the period that begins on the date of the release and is equal to twice the length of the period served on active duty under such call or order to active duty.''.

(b) DEPENDENTS.—Paragraph (5) of such section, as redesignated by subsection (a)(1), is amended by striking ''and (3)'' and inserting ''(3), and (4)''.

(c) IMPLEMENTING REGULATIONS.—Regulations to implement the amendments made by this section shall be prescribed not later than 180 days after the date of the enactment of this Act.●

By Mr. ROCKEFELLER:

S. 2515. A bill to amend the Social Security Act to guarantee comprehensive health care coverage for all children born after 2001; to the Committee on Finance.

MEDIKIDS HEALTH INSURANCE ACT OF 2000

● Mr. ROCKEFELLER. Mr. President, I am pleased and proud to introduce the MediKids Health Insurance Act of 2000. Congressman STARK is introducing a companion bill in the House.

This legislation is, without a doubt, ambitious. It is a deliberate effort to try to ignite a national commitment to the goal of insuring all of our children. For some, that is an idealistic proposition that does not seem achievable. With this bill, I want to call on the public and my colleagues to consider once again the clear and convincing case for investing the necessary resources in the health of our children—and therefore, in the well-being of their families and our entire country. I will continue to work hard on every possible step to achieve this ultimate goal, but with this legislation, I urge lawmakers, health care professionals, and citizens to recognize the imperative of reaching that goal sooner rather than later.

Our children are not only our future, they are also our present. What we do for them today will greatly affect what happens tomorrow. Yet even though we recognize these facts, we still have not found a way to guarantee health coverage for children. Without health insurance, many of these children go without health care all together.

Children are the least expensive segment of our population to insure. They are also the least able to have control over whether or not they have health insurance. Yet we now have over 11 million uninsured children in this country. And this number is steadily climbing higher and higher every year.

Our success in expanding Medicaid and passing the State Children's Health Insurance Program was a meaningful, significant start at closing the tragic gap represented by millions of uninsured children. However, Congress cannot point to these programs and declare that our work is done. We still have much more to do. The percent of children in low-income families without health insurance has not changed in recent years. Even with perfect enrollment in S–CHIP and Medicaid, there would still be a great number of children without health insurance.

This is partially due to our increasingly mobile society, where parents frequently change jobs and families often move from state to state. When this occurs there is often a lapse in health coverage. Also, families working their way out of welfare fluctuate between eligibility and ineligibility for means-tested assistance programs. Another reason for the number of uninsured children is that the cost of health insurance continues to increase, leaving many working parents unable to afford coverage for themselves or their families. All of this adds up to the fact that many of our children do not have the consistent and regular access to health care which they need to grow up healthy.

That is why I am introducing the MediKids Health Insurance Act of 2000. This bill would automatically enroll every child at birth into a new, comprehensive federal safety net health insurance program beginning in 2002. The benefits would be tailored to the needs of children and would be similar to those currently available to children under Medicaid. A small monthly premium would be collected from parents at tax filing, with discounts to low-income families phasing out at 300% of poverty. The children would remain enrolled in MediKids throughout childhood. When they are covered by another health insurance program, their parents would be exempt from the premium. The key to our program is that whenever other sources of health insurance fail, MediKids would stand ready to cover the health needs of our next generation. By the year 2020, every child in America would be able to grow up with consistent, continuous health insurance coverage. Like Medicare, MediKids would be independently financed, would cover benefits tailored to the needs of its target population, and would have the goal of achieving nearly 100% health insurance coverage for the children of this country—just as Medicare has done for our nation's seniors and disabled population. It's time we make this investment in the future of America by guaranteeing all children the health coverage they need to make a healthy start in life. The MediKids Health Insurance Act would offer guaranteed, automatic health coverage for every child with the simplest of enrollment procedures and no challenging outreach, paperwork, or re-determination hoops to jump through. It would be able to follow children across state lines, or tide them over in a new location until their parents can enroll them in a new insurance program. Between jobs or during family crises such as divorce or the death of a parent, it would offer extra security and ensure continuous health coverage to the nation's children. During that critical period when a family is just climbing out of poverty and out of the eligibility range for means-tested assistance programs, it would provide an extra boost with health insurance for the children until the parents can move into jobs that provide reliable health insurance coverage. And every child would automatically be enrolled upon birth, along with the issuance of the birth certificate or immigration card.

As we all know, an ounce of prevention is worth a pound of cure. Providing health care coverage to children affects much more than their health—it affects their ability to learn, their ability to thrive, and their ability to become a productive member of society. I look forward to working with my colleagues and supporting organizations for the passage of the MediKids Health Insurance Act of 2000 to guarantee every child in America the health coverage they need to grow up healthy.

Mr. President, I stand before you today to deliver a message. That is that it is time to rekindle the discussion about how we are going to provide health insurance for all Americans. The bill I am introducing today—the MediKids Health Insurance Act of 2000—is a step toward eliminating the irrational and tragic lack of health insurance for so many children and adults in our country.

Partial solutions to America's ''uninsured crisis'' lie before Congress, and I recognize the sense of realism and care that are the basis for proposing incremental steps towards universal coverage. As someone involved in the tough battles in years past to achieve universal coverage, I will continue to do all I can to make whatever progress can be made each and every year.

But I also believe it is important to not lose sight of the ideal—and our capacity to reach that ideal—of the United States of America joining every other industrialized nation by ensuring that its citizens have basic health insurance. Until we succeed, millions of children and adults will suffer human and financial costs that are preventable.

Therefore, Mr. President, I offer this legislation to both enlist my colleagues in an effort to insist that all of our nation's children are insured as quickly as possible and to lay out the steps that would achieve that goal. At a time when Congress seems stalled by politics and paralysis, and is therefore failing to make any tangible progress in dealing with rising number of uninsured Americans, I hope this bill will help to build the will and momentum so desperately needed by our children for action that will change their lives and strengthen our very nation. I ask my colleagues from both sides of the aisle to join as co-sponsors.

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

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

S. 2515

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; FINDINGS.

(a) SHORT TITLE.—This Act may be cited as the ''MediKids Health Insurance Act of 2000''.

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

(c) FINDINGS.—Congress finds the following:

(1) More than 11 million American children are uninsured.

(2) Children who are uninsured receive less medical care and less preventive care and have a poorer level of health, which result in lifetime costs to themselves and to the entire American economy.

(3) Although SCHIP and Medicaid are successfully extending a health coverage safety net to a growing portion of the vulnerable low-income population of uninsured children, we now see that they alone cannot achieve 100 percent health insurance coverage for our nation's children due to inevitable gaps during outreach and enrollment, fluctuations in eligibility, and variations in access to private insurance at all income levels.

(4) As all segments of our society continue to become more and more transient, with many changes in employment over the working lifetime of parents, the need for a reliable safety net of health insurance which follows children across State lines, already a major problem for the children of migrant and seasonal farmworkers, will become a major concern for all families in the United States.

(5) The Medicare program has successfully evolved over the years to provide a stable, universal source of health insurance for the nation's disabled and those over age 65, and therefore provides a tested model for designing a program to reach out to America's children

(6) The problem of insuring 100 percent of all American children could be gradually solved by automatically enrolling all children born after December 31, 2001, in a program modeled after Medicare (and to be known as ''MediKids''), and allowing those children to be transferred into other equivalent or better insurance programs, including either private insurance, SCHIP, or Medicaid, if they are eligible to do so, but maintaining the child's default enrollment in MediKids for any times when the child's access to other sources of insurance is lost.

(7) A family's freedom of choice to use other insurers to cover children would not be interfered with in any way, and children eligible for SCHIP and Medicaid would continue to be enrolled in those programs, but the underlying safety net of MediKids would always be available to cover any gaps in insurance due to changes in medical condition, employment, income, or marital status, or other changes affecting a child's access to alternate forms of insurance.

(8) The MediKids program can be administered without impacting the finances or status of the existing Medicare program.

(9) The MediKids benefit package can be tailored to the special needs of children and updated over time.

(10) The financing of the program can be administered without difficulty by a yearly payment of affordable premiums through a family's tax filing (or adjustment of a family's earned income tax credit).

(11) The cost of the program will gradually rise as the number of children using MediKids as the insurer of last resort increases, and a future Congress always can accelerate or slow down the enrollment process as desired, while the societal costs for emergency room usage, lost productivity and work days, and poor health status for the next generation of Americans will decline.

(12) Over time 100 percent of American children will always have basic health insurance, and we can therefore expect a healthier, more equitable, and more productive society.

SEC. 2. BENEFITS FOR ALL CHILDREN BORN AFTER 2001.

(a) IN GENERAL.—The Social Security Act is amended by adding at the end the following new title:

''TITLE XXII—MEDIKIDS PROGRAM

''SEC. 2201. ELIGIBILITY.

''(a) ELIGIBILITY OF INDIVIDUALS BORN AFTER DECEMBER 31, 2001.—An individual who meets the following requirements with respect to a month is eligible to enroll under this title with respect to such month:

''(1) AGE.—The individual is born after December 31, 2001, and has not attained 23 years of age.

''(2) CITIZENSHIP.—The individual is a citizen or national of the United States or is permanently residing in the United States under color of law.

''(b) ENROLLMENT PROCESS.—An individual may enroll in the program established under this title only in such manner and form as may be prescribed by regulations, and only during an enrollment period prescribed by the Secretary consistent with the provisions of this section. Such regulations shall provide a process under which—

''(1) individuals who are born in the United States after December 31, 2001, are deemed to be enrolled at the time of birth and a parent or guardian of such an individual is permitted to pre-enroll in the month prior to the expected month of birth;

''(2) individuals who are born outside the United States after such date and who become eligible to enroll by virtue of immigration into (or an adjustment of immigration status in) the United States are deemed enrolled at the time of entry or adjustment of status;

''(3) eligible individuals may otherwise be enrolled at such other times and manner as the Secretary shall specify, including the use of outstationed eligibility sites as described in section 1902(a)(55)(A) and the use of presumptive eligibility provisions like those described in section 1920A; and

''(4) at the time of automatic enrollment of a child, the Secretary provides for issuance to a parent or custodian of the individual a card evidencing coverage under this title and for a description of such coverage.

The provisions of section 1837(h) apply with respect to enrollment under this title in the same manner as they apply to enrollment under part B of title XVIII.

''(c) DATE COVERAGE BEGINS.—

''(1) IN GENERAL.—The period during which an individual is entitled to benefits under this title shall begin as follows, but in no case earlier than January 1, 2002:

''(A) In the case of an individual who is enrolled under paragraph (1) or (2) of subsection (b), the date of birth or date of obtaining appropriate citizenship or immigration status, as the case may be.

''(B) In the case of an another individual who enrolls (including pre-enrolls) before the month in which the individual satisfies eligibility for enrollment under subsection (a), the first day of such month of eligibility.

''(C) In the case of an another individual who enrolls during or after the month in which the individual first satisfies eligibility for enrollment under such subsection, the first day of the following month.

''(2) AUTHORITY TO PROVIDE FOR PARTIAL MONTHS OF COVERAGE.—Under regulations, the Secretary may, in the Secretary's discretion, provide for coverage periods that include portions of a month in order to avoid lapses of coverage.

''(3) LIMITATION ON PAYMENTS.—No payments may be made under this title with respect to the expenses of an individual enrolled under this title unless such expenses were incurred by such individual during a period which, with respect to the individual, is a coverage period under this section.

''(d) EXPIRATION OF ELIGIBILITY.—An individual's coverage period under this part shall continue until the individual's enrollment has been terminated because the individual no longer meets the requirements of subsection (a) (whether because of age or change in immigration status).

''(e) ENTITLEMENT TO MEDIKIDS BENEFITS FOR ENROLLED INDIVIDUALS.—An individual enrolled under this section is entitled to the benefits described in section 2202.

''(f) LOW-INCOME INFORMATION.—At the time of enrollment of a child under this title, the Secretary shall make an inquiry as to whether or not the family income of the family that includes the child is less than 150 percent of the poverty line for a family of the size involved. If the family income is below such level, the Secretary shall encode in the identification card issued in connection with eligibility under this title a code indicating such fact. The Secretary also shall provide for a toll-free telephone line at which providers can verify whether or not such a child is in a family the income of which is below such level.

''(g) CONSTRUCTION.—Nothing in this title shall be construed as requiring (or preventing) an individual who is enrolled under this section from seeking medical assistance under a State medicaid plan under title XIX or child health assistance under a State child health plan under title XXI.

''SEC. 2202. BENEFITS.

''(a) SECRETARIAL SPECIFICATION OF BENEFIT PACKAGE.—

''(1) IN GENERAL.—The Secretary shall specify the benefits to be made available under this title consistent with the provisions of this section and in a manner designed to meet the health needs of children.

''(2) UPDATING.—The Secretary shall update the specification of benefits over time to ensure the inclusion of age-appropriate benefits as the enrollee population gets older.

''(3) ANNUAL UPDATING.—The Secretary shall establish procedures for the annual review and updating of such benefits to account for changes in medical practice, new information from medical research, and other relevant developments in health science.

''(4) INPUT.—The Secretary shall seek the input of the pediatric community in specifying and updating such benefits.

''(b) INCLUSION OF CERTAIN BENEFITS.—

''(1) MEDICARE CORE BENEFITS.—Such benefits shall include (to the extent consistent with other provisions of this section) at least the same benefits (including coverage, access, availability, duration, and beneficiary rights) that are available under parts A and B of title XVIII.

''(2) ALL REQUIRED MEDICAID BENEFITS.—Such benefits shall also include all items and services for which medical assistance is required to be provided under section 1902(a)(10)(A) to individuals described in such section, including early and periodic screening, diagnostic services, and treatment services.

''(3) INCLUSION OF PRESCRIPTION DRUGS.—Such benefits also shall include (as specified by the Secretary) prescription drugs and biologicals.

''(4) COST-SHARING.—

''(A) IN GENERAL.—Subject to subparagraph (B), such benefits also shall include the cost-sharing (in the form of deductibles, coinsurance, and copayments) applicable under title XVIII with respect to comparable items and services, except that no cost-sharing shall be imposed with respect to early and periodic screening and diagnostic services included under paragraph (2).

''(B) NO COST-SHARING FOR LOWEST INCOME CHILDREN.—Such benefits shall not include any cost-sharing for children in families the income of which (as determined for purposes of section 1905(p)) does not exceed 150 percent of the official income poverty line (referred to in such section) applicable to a family of the size involved.

''(C) REFUNDABLE CREDIT FOR COST-SHARING FOR OTHER LOW-INCOME CHILDREN.—For a refundable credit for cost-sharing in the case of children in certain families, see section 35 of the Internal Revenue Code of 1986.

''(c) PAYMENT SCHEDULE.—The Secretary, with the assistance of the Medicare Payment Advisory Commission, shall develop and implement a payment schedule for benefits covered under this title. To the extent feasible, such payment schedule shall be consistent with comparable payment schedules and reimbursement methodologies applied under parts A and B of title XVIII.

''(d) INPUT.—The Secretary shall specify such benefits and payment schedules only after obtaining input from appropriate child health providers and experts.

''(e) ENROLLMENT IN HEALTH PLANS.—The Secretary shall provide for the offering of benefits under this title through enrollment in a health benefit plan that meets the same (or similar) requirements as the requirements that apply to Medicare+Choice plans under part C of title XVIII. In the case of individuals enrolled under this title in such a plan, the Medicare+Choice capitation rate described in section 1853(c) shall be adjusted in an appropriate manner to reflect differences between the population served under this title and the population under title XVIII.

''SEC. 2203. PREMIUMS.

''(a) AMOUNT OF MONTHLY PREMIUMS.—

''(1) IN GENERAL.—The Secretary shall, during September of each year (beginning with 2001), establish a monthly MediKids premium. Subject to paragraph (2), the monthly MediKids premium for a year is equal to $\frac{1}{12}$ of the annual premium rate computed under subsection (b).

''(2) ELIMINATION OF MONTHLY PREMIUM FOR DEMONSTRATION OF EQUIVALENT COVERAGE (INCLUDING COVERAGE UNDER LOW-INCOME PROGRAMS).—The amount of the monthly premium imposed under this section for an individual for a month shall be zero in the case of an individual who demonstrates to the satisfaction of the Secretary that the individual has basic health insurance coverage for that month the actuarial value of which, as determined by the Secretary, is at least actuarially equivalent to the benefits available under this title. For purposes of the previous sentence enrollment in a medicaid plan under title XIX, a State child health insurance plan under title XXI, or under the medicare program under title XVIII is deemed to constitute basic health insurance coverage described in such sentence.

''(b) ANNUAL PREMIUM.—

''(1) NATIONAL, PER CAPITA AVERAGE.—The Secretary shall estimate the average, annual per capita amount that would be payable under this title with respect to individuals residing in the United States who meet the requirement of section 2201(a)(1) as if all such individuals were eligible for (and enrolled) under this title during the entire year (and assuming that section 1862(b)(2)(A)(i) did not apply).

''(2) ANNUAL PREMIUM.—Subject to subsection (d), the annual premium under this subsection for months in a year is equal to the average, annual per capita amount estimated under paragraph (1) for the year.

''(c) PAYMENT OF MONTHLY PREMIUM.—

''(1) PERIOD OF PAYMENT.—In the case of an individual who participates in the program established by this title, subject to subsection (d), the monthly premium shall be payable for the period commencing with the first month of the individual's coverage period and ending with the month in which the individual's coverage under this title terminates.

''(2) COLLECTION THROUGH TAX RETURN.—For provisions providing for the payment of monthly premiums under this subsection, see section 59B of the Internal Revenue Code of 1986.

''(3) PROTECTIONS AGAINST FRAUD AND ABUSE.—The Secretary shall develop, in coordination with States and other health insurance issuers, administrative systems to ensure that claims which are submitted to more than one payor are coordinated and duplicate payments are not made.

''(d) REDUCTION IN PREMIUM FOR CERTAIN LOW-INCOME FAMILIES.—For provisions reducing the premium under this section for certain low-income families, see section 59B(c) of the Internal Revenue Code of 1986.

''SEC. 2204. MEDIKIDS TRUST FUND.

''(a) ESTABLISHMENT OF TRUST FUND.—

''(1) IN GENERAL.—There is hereby created on the books of the Treasury of the United States a trust fund to be known as the 'MediKids Trust Fund' (in this section referred to as the 'Trust Fund'). The Trust Fund shall consist of such gifts and bequests as may be made as provided in section 201(i)(1) and such amounts as may be deposited in, or appropriated to, such fund as provided in this title.

''(2) PREMIUMS.—Premiums collected under section 2203 shall be transferred to the Trust Fund.

''(b) INCORPORATION OF PROVISIONS.—

''(1) IN GENERAL.—Subject to paragraph (2), subsections (b) through (i) of section 1841 shall apply with respect to the Trust Fund and this title in the same manner as they apply with respect to the Federal Supplementary Medical Insurance Trust Fund and part B, respectively.

''(2) MISCELLANEOUS REFERENCES.—In applying provisions of section 1841 under paragraph (1)—

''(A) any reference in such section to 'this part' is construed to refer to title XXII;

''(B) any reference in section 1841(h) to section 1840(d) and in section 1841(i) to sections 1840(b)(1) and 1842(g) are deemed references to comparable authority exercised under this title;

''(C) payments may be made under section 1841(g) to the Trust Funds under sections 1817 and 1841 as reimbursement to such funds for payments they made for benefits provided under this title; and

''(D) the Board of Trustees of the MediKids Trust Fund shall be the same as the Board of Trustees of the Federal Supplementary Medical Insurance Trust Fund.

''SEC. 2205. OVERSIGHT AND ACCOUNTABILITY.

''(a) THROUGH ANNUAL REPORTS OF TRUSTEES.—The Board of Trustees of the MediKids Trust Fund under section 2204(b)(1) shall report on an annual basis to Congress concerning the status of the Trust Fund and the need for adjustments in the program under this title to maintain financial solvency of the program under this title.

''(b) PERIODIC GAO REPORTS.—The Comptroller General of the United States shall periodically submit to Congress reports on the adequacy of the financing of coverage provided under this title. The Comptroller General shall include in such report such recommendations for adjustments in such financing and coverage as the Comptroller General deems appropriate in order to maintain financial solvency of the program under this title.

''SEC. 2206. INCLUSION OF CARE COORDINATION SERVICES.

''(a) IN GENERAL.—

''(1) PROGRAM AUTHORITY.—The Secretary, beginning in 2002, may implement a care coordination services program in accordance with the provisions of this section under which, in appropriate circumstances, eligible individuals may elect to have health care services covered under this title managed and coordinated by a designated care coordinator.

''(2) ADMINISTRATION BY CONTRACT.—The Secretary may administer the program under this section through a contract with an appropriate program administrator.

''(3) COVERAGE.—Care coordination services furnished in accordance with this section shall be treated under this title as if they were included in the definition of medical and other health services under section 1861(s) and benefits shall be available under this title with respect to such services without the application of any deductible or coinsurance.

''(b) ELIGIBILITY CRITERIA; IDENTIFICATION AND NOTIFICATION OF ELIGIBLE INDIVIDUALS.—

''(1) INDIVIDUAL ELIGIBILITY CRITERIA.—The Secretary shall specify criteria to be used in making a determination as to whether an individual may appropriately be enrolled in the care coordination services program under this section, which shall include at least a finding by the Secretary that for cohorts of individuals with characteristics identified by the Secretary, professional management and coordination of care can reasonably be expected to improve processes or outcomes of health care and to reduce aggregate costs to the programs under this title.

''(2) PROCEDURES TO FACILITATE ENROLLMENT.—The Secretary shall develop and implement procedures designed to facilitate enrollment of eligible individuals in the program under this section.

''(c) ENROLLMENT OF INDIVIDUALS.—

''(1) SECRETARY'S DETERMINATION OF ELIGIBILITY.—The Secretary shall determine the eligibility for services under this section of individuals who are enrolled in the program under this section and who make application for such services in such form and manner as the Secretary may prescribe.

''(2) ENROLLMENT PERIOD.—

''(A) EFFECTIVE DATE AND DURATION.—Enrollment of an individual in the program under this section shall be effective as of the first day of the month following the month in which the Secretary approves the individual's application under paragraph (1), shall remain in effect for one month (or such longer period as the Secretary may specify), and shall be automatically renewed for additional periods, unless terminated in accordance with such procedures as the Secretary shall establish by regulation. Such procedures shall permit an individual to disenroll for cause at any time and without cause at re-enrollment intervals.

''(B) LIMITATION ON REENROLLMENT.—The Secretary may establish limits on an individual's eligibility to reenroll in the program under this section if the individual has disenrolled from the program more than once during a specified time period.

''(d) PROGRAM.—The care coordination services program under this section shall include the following elements:

''(1) BASIC CARE COORDINATION SERVICES.—

''(A) IN GENERAL.—Subject to the cost-effectiveness criteria specified in subsection (b)(1), except as otherwise provided in this section, enrolled individuals shall receive services described in section 1905(t)(1) and may receive additional items and services as described in subparagraph (B).

''(B) ADDITIONAL BENEFITS.—The Secretary may specify additional benefits for which payment would not otherwise be made under this title that may be available to individuals enrolled in the program under this section (subject to an assessment by the care coordinator of an individual's circumstance and need for such benefits) in order to encourage enrollment in, or to improve the effectiveness of, such program.

''(2) CARE COORDINATION REQUIREMENT.—Notwithstanding any other provision of this title, the Secretary may provide that an individual enrolled in the program under this section may be entitled to payment under this title for any specified health care items or services only if the items or services have been furnished by the care coordinator, or coordinated through the care coordination services program. Under such provision, the Secretary shall prescribe exceptions for emergency medical services as described in section 1852(d)(3), and other exceptions determined by the Secretary for the delivery of timely and needed care.

''(e) CARE COORDINATORS.—

''(1) CONDITIONS OF PARTICIPATION.—In order to be qualified to furnish care coordination services under this section, an individual or entity shall—

''(A) be a health care professional or entity (which may include physicians, physician group practices, or other health care professionals or entities the Secretary may find appropriate) meeting such conditions as the Secretary may specify;

''(B) have entered into a care coordination agreement; and

''(C) meet such criteria as the Secretary may establish (which may include experience in the provision of care coordination or primary care physician's services).

''(2) AGREEMENT TERM; PAYMENT.—

''(A) DURATION AND RENEWAL.—A care coordination agreement under this subsection shall be for one year and may be renewed if the Secretary is satisfied that the care coordinator continues to meet the conditions of participation specified in paragraph (1).

''(B) PAYMENT FOR SERVICES.—The Secretary may negotiate or otherwise establish payment terms and rates for services described in subsection (d)(1).

''(C) LIABILITY.—Case coordinators shall be subject to liability for actual health damages which may be suffered by recipients as a result of the care coordinator's decisions, failure or delay in making decisions, or other actions as a care coordinator.

''(D) TERMS.—In addition to such other terms as the Secretary may require, an agreement under this section shall include the terms specified in subparagraphs (A) through (C) of section 1905(t)(3).

''SEC. 2207. ADMINISTRATION AND MISCELLANEOUS.

''(a) IN GENERAL.—Except as otherwise provided in this title—

''(1) the Secretary shall enter into appropriate contracts with providers of services, other health care providers, carriers, and fiscal intermediaries, taking into account the types of contracts used under title XVIII with respect to such entities, to administer the program under this title;

''(2) individuals enrolled under this title shall be treated for purposes of title XVIII as though the individual were entitled to benefits under part A and enrolled under part B of such title;

''(3) benefits described in section 2202 that are payable under this title to such individuals shall be paid in a manner specified by the Secretary (taking into account, and based to the greatest extent practicable upon, the manner in which they are provided under title XVIII);

''(4) provider participation agreements under title XVIII shall apply to enrollees and benefits under this title in the same manner as they apply to enrollees and benefits under title XVIII; and

''(5) individuals entitled to benefits under this title may elect to receive such benefits under health plans in a manner, specified by the Secretary, similar to the manner provided under part C of title XVIII.

''(b) COORDINATION WITH MEDICAID AND SCHIP.—Notwithstanding any other provision of law, individuals entitled to benefits for items and services under this title who also qualify for benefits under title XIX or XXI or any other Federally funded program may continue to qualify and obtain benefits under such other title or program, and in such case such an individual shall elect either—

''(1) such other title or program to be primary payor to benefits under this title, in which case no benefits shall be payable under this title and the monthly premium under section 2203 shall be zero; or

''(2) benefits under this title shall be primary payor to benefits provided under such program or title, in which case the Secretary shall enter into agreements with States as may be appropriate to provide that, in the case of such individuals, the benefits under titles XIX and XXI or such other program (including reduction of cost-sharing) are provided on a 'wrap-around' basis to the benefits under this title.''.

(b) CONFORMING AMENDMENTS TO SOCIAL SECURITY ACT PROVISIONS.—

(1) Section 201(i)(1) of the Social Security Act (42 U.S.C. 401(i)(1)) is amended by striking ''or the Federal Supplementary Medical Insurance Trust Fund'' and inserting ''the Federal Supplementary Medical Insurance Trust Fund, and the MediKids Trust Fund''.

(2) Section 201(g)(1)(A) of such Act (42 U.S.C. 401(g)(1)(A)) is amended by striking '' and the Federal Supplementary Medical Insurance Trust Fund established by title XVIII'' and inserting '', the Federal Supplementary Medical Insurance Trust Fund, and the MediKids Trust Fund established by title XVIII''.

(3) Section 1853(c) of such Act (42 U.S.C. 1395w–23(c)) is amended—

(A) in paragraph (1), by striking ''or (7)'' and inserting '', (7), or (8)'', and

(B) by adding at the end the following:

''(8) ADJUSTMENT FOR MEDIKIDS.—In applying this subsection with respect to individuals entitled to benefits under title XXII, the Secretary shall provide for an appropriate adjustment in the Medicare+Choice capitation rate as may be appropriate to reflect differences between the population served under such title and the population under parts A and B.''.

(c) MAINTENANCE OF MEDICAID ELIGIBILITY AND BENEFITS FOR CHILDREN.—

(1) IN GENERAL.—In order for a State to continue to be eligible for payments under section 1903(a) of the Social Security Act (42 U.S.C. 1396b(a))—

(A) the State may not reduce standards of eligibility, or benefits, provided under its State medicaid plan under title XIX of the Social Security Act or under its State child health plan under title XXI of such Act for individuals under 23 years of age below such standards of eligibility, and benefits, in effect on the date of the enactment of this Act; and

(B) the State shall demonstrate to the satisfaction of the Secretary of Health and Human Services that any savings in State expenditures under title XIX or XXI of the Social Security Act that results from children from enrolling under title XXII of such Act shall be used in a manner that improves services to beneficiaries under title XIX of such Act, such as through increases in provider payment rates, expansion of eligibility, improved nurse and nurse aide staffing and improved inspections of nursing facilities, and coverage of additional services.

(2) MEDIKIDS AS PRIMARY PAYOR.—In applying title XIX of the Social Security Act, the MediKids program under title XXII of such Act shall be treated as a primary payor in cases in which the election described in section 2207(b)(2) of such Act, as added by subsection (a), has been made.

(d) EXPANSION OF MEDPAC MEMBERSHIP TO 19.—

(1) IN GENERAL.—Section 1805(c) of the Social Security Act (42 U.S.C. 1395b–6(c)) is amended—

(A) in paragraph (1), by striking ''17'' and inserting ''19''; and

(B) in paragraph (2)(B), by inserting ''experts in children's health,'' after ''other health professionals,''.

(2) INITIAL TERMS OF ADDITIONAL MEMBERS.—

(A) IN GENERAL.—For purposes of staggering the initial terms of members of the Medicare Payment Advisory Commission under section 1805(c)(3) of the Social Security Act (42 U.S.C. 1395b–6(c)(3)), the initial terms of the 2 additional members of the Commission provided for by the amendment under subsection (a)(1) are as follows:

(i) One member shall be appointed for 1 year.

(ii) One member shall be appointed for 2 years.

(B) COMMENCEMENT OF TERMS.—Such terms shall begin on January 1, 2001.

SEC. 3. MEDIKIDS PREMIUM.

(a) GENERAL RULE.—Subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to determination of tax liability) is amended by adding at the end the following new part:

''PART VIII—MEDIKIDS PREMIUM

''Sec. 59B. MediKids premium.

''SEC. 59B. MEDIKIDS PREMIUM.

''(a) IMPOSITION OF TAX.—In the case of an individual to whom this section applies, there is hereby imposed (in addition to any other tax imposed by this subtitle) a MediKids premium for the taxable year.

''(b) INDIVIDUALS SUBJECT TO PREMIUM.—

''(1) IN GENERAL.—This section shall apply to an individual if the taxpayer has a MediKid at any time during the taxable year.

''(2) MEDIKID.—For purposes of this section, the term 'MediKid' means, with respect to a taxpayer, any individual with respect to whom the taxpayer is required to pay a premium under section 2203(c) of the Social Security Act for any month of the taxable year.

''(c) AMOUNT OF PREMIUM.—For purposes of this section, the MediKids premium for a taxable year is the sum of the monthly premiums under section 2203 of the Social Security Act for months in the taxable year.

''(d) EXCEPTIONS BASED ON ADJUSTED GROSS INCOME.—

''(1) EXEMPTION FOR VERY LOW-INCOME TAXPAYERS.—

''(A) IN GENERAL.—No premium shall be imposed by this section on any taxpayer having an adjusted gross income not in excess of the exemption amount.

''(B) EXEMPTION AMOUNT.—For purposes of this paragraph, the exemption amount is—

''(i) $16,300 in the case of a taxpayer having 1 MediKid,

''(ii) $19,950 in the case of a taxpayer having 2 MediKids,

''(iii) $25,550 in the case of a taxpayer having 3 MediKids, and

''(iv) $30,150 in the case of a taxpayer having 4 or more MediKids.

''(C) PHASEOUT OF EXEMPTION.—In the case of a taxpayer having an adjusted gross income which exceeds the exemption amount but does not exceed twice the exemption amount, the premium shall be the amount which bears the same ratio to the premium which would (but for this subparagraph) apply to the taxpayer as such excess bears to the exemption amount.

''(D) INFLATION ADJUSTMENT OF EXEMPTION AMOUNTS.—In the case of any taxable year beginning in a calendar year after 2001, each dollar amount contained in subparagraph (C) shall be increased by an amount equal to the product of—

''(i) such dollar amount, and

''(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 1999' for 'calendar year 1992' in subparagraph (B) thereof.

If any increase determined under the preceding sentence is not a multiple of $50, such increase shall be rounded to the nearest multiple of $50.

''(2) PREMIUM LIMITED TO 5 PERCENT OF ADJUSTED GROSS INCOME.—In no event shall any taxpayer be required to pay a premium under this section in excess of an amount equal to 5 percent of the taxpayer's adjusted gross income.

''(e) COORDINATION WITH OTHER PROVISIONS.—

''(1) NOT TREATED AS MEDICAL EXPENSE.—For purposes of this chapter, any premium paid under this section shall not be treated as expense for medical care.

''(2) NOT TREATED AS TAX FOR CERTAIN PURPOSES.—The premium paid under this section shall not be treated as a tax imposed by this chapter for purposes of determining—

''(A) the amount of any credit allowable under this chapter, or

''(B) the amount of the minimum tax imposed by section 55.

''(3) TREATMENT UNDER SUBTITLE F.—For purposes of subtitle F, the premium paid under this section shall be treated as if it were a tax imposed by section 1.''.

(b) TECHNICAL AMENDMENTS.—

(1) Subsection (a) of section 6012 of such Code is amended by inserting after paragraph (9) the following new paragraph:

''(10) Every individual liable for a premium under section 59B.''.

(2) The table of parts for subchapter A of chapter 1 of such Code is amended by adding at the end the following new item:

''Part VIII. MediKids premium.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to months beginning after December 2001, in taxable years ending after such date.

SEC. 4. REFUNDABLE CREDIT FOR COST-SHARING EXPENSES UNDER MEDIKIDS PROGRAM.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

''SEC. 35. COST-SHARING EXPENSES UNDER MEDIKIDS PROGRAM.

''(a) ALLOWANCE OF CREDIT.—In the case of an individual who has a MediKid (as defined in section 59B) at any time during the taxable year, there shall be allowed as a credit against the tax imposed by this subtitle an amount equal to 50 percent of the amount paid by the taxpayer during the taxable year as cost-sharing under section 2202(b)(4) of the Social Security Act.

''(b) LIMITATION BASED ON ADJUSTED GROSS INCOME.—The amount of the credit which would (but for this subsection) be allowed under this section for the taxable year shall be reduced (but not below zero) by an amount which bears the same ratio to such amount of credit as the excess of the taxpayer's adjusted gross income for such taxable year over the exemption amount (as defined in section 59B(d)) bears to such exemption amount.''.

(b) TECHNICAL AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period ''or from section 35 of such Code''.

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 of such Code is amended by striking the last item and inserting the following new items:

''Sec. 35. Cost-sharing expenses under MediKids program.

''Sec. 36. Overpayments of tax.''.

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

SEC. 5. FINANCING FROM TOBACCO LIABILITY PAYMENTS.

Amounts that are recovered by the United States in the civil action brought on September 22, 1999, under the Medical Care Recovery Act, the Medicare Secondary Payer provisions, and section 1962 of title 18, United States Code, in the United States District Court for the District of Columbia against the industry engaged in the production and sale of tobacco products and persons engaged in public relations and lobbying for such industry and that are attributable to the expenditures of the Department of Health and Human Services for tobacco-related illnesses shall be deposited in the MediKids Trust Fund established under section 2204(a) of the Social Security Act, as added by section 2(a) of the MediKids Health Insurance Act of 2000.

SEC. 6. REPORT ON LONG-TERM REVENUES.

Within one year after the date of the enactment of this Act, the Secretary of the Treasury shall propose a gradual schedule of progressive tax changes to fund the program under title XXII of the Social Security Act, as the number of enrollees grows in the out-years.

MEDIKIDS HEALTH INSURANCE ACT OF 2000—SUMMARY AND DESCRIPTION OF THE BILL

There are still 11 million uninsured children in America. Children are the least expensive segment of our population to insure, they are the least able to have any control over whether or not they have health insurance, and maintaining their health is integral to their educational success and their futures in our society.

We will soon introduce the MediKids Health Insurance Act of 2000 to end the disgrace of allowing our children to survive without the basic health protections they need to thrive.

The MediKids Health Insurance Act of 2000 will create a new Medicare type program called MediKids, tailored to the health needs of children. The MediKids program will be separate from Medicare and will have no financial impact on the existing program.

The cornerstone of the new program will be automatic enrollment into MediKids at birth. Beginning in 2002, every child will be automatically enrolled in MediKids health insurance coverage at birth, and their parents will be assessed a small annual premium with their taxes. Parents who have another source of health insurance for their children are exempt from this premium. Babies initially enrolled in MediKids who are determined to be eligible for S–CHIP or Medicaid can be enrolled into the appropriate other program.

As each year brings a new cohort of babies into the program, the program will grow to ensure a source of health insurance to every child in America by the year 2020. (Future Congresses will be able to speed up the extension of coverage to children of all ages if they find it desirable to accelerate the process of the program.) There will be no means testing, no outreach problems, and the program will exist as a safety net of health insurance for children, regardless of income. It will cover their health needs through changes in their parents' employment, marital status, or access to private insurance.

DETAILS OF THE MEDIKIDS HEALTH INSURANCE ACT OF 2000

Enrollment

Automatic enrollment into MediKids at birth for every child born after 12/31/2001.

At the time of enrollment, materials describing the coverage and a MediKids health insurance card will be issued to the parent(s) of legal guardian(s).

Once enrolled, children will remain enrolled in MediKids until they reach the age of 23.

During periods of equivalent coverage by other sources, whether private insurance, or government programs such as Medicaid or S–CHIP, there will be no premium charged for MediKids.

During any lapse in other insurance coverage, MediKids will automatically cover the child's health insurance needs (and premium will be owed for those months).

Benefits

Based on Medicare core benefits, plus the Medicaid Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) benefits for children.

Prescription drug benefit.

The Secretary of HHS shall further develop age-appropriate benefits as needed as the program matures, and as funding support allows.

The Secretary shall include provisions for annual reviews and updates to the benefits, with input from the pediatric community.

Premiums

Parents will be responsible for a small premium, one-fourth of the annual average cost per child, to be collected at income tax filing.

Parents will be exempt from the premium if their children are covered by comparable alternate health insurance. That coverage can be either private insurance or enrollment in other federal programs.

Families up to 150% of poverty will owe no premium. Families between 150% and 300% of poverty will receive a graduated discount in the premium. Each family's obligation will be capped at 5% of total income.

Cost-sharing (co-pays, deductibles)

No cost-sharing for preventive and well child care.

No obligations up to 150% of poverty.

From 150% to 300% of poverty, a graduated refundable credit for cost-sharing expenses.

Financing

During the first few years, costs can be fully covered by tobacco settlement monies, budget surplus, or other funds as agreed upon, such as a portion of the surplus in the child immunizations liability trust fund.

During this time, the Secretary of Treasury has time to develop a package of progressive, gradual tax changes to fund the program, as the number of enrollees grows in the out-years.

Miscellaneous

To the extent that the states save money from the enrollment of children into MediKids, they will be required to maintain those funding levels in other programs and services directed at the Medicaid population, which can include expanding eligibility for such services.

At the issuance of legal immigration papers for a child born after 12/31/01, that child will be automatically enrolled in the MediKids health insurance program.

If you would like to get more information about the legislation, or to join as an original cosponsor, please contact Deborah Veres with Senator Rockefeller at 4–7993.●

ADDITIONAL COSPONSORS

S. 764

At the request of Mr. THURMOND, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 764, a bill to amend section 1951 of title 18, United States Code (commonly known as the Hobbs Act), and for other purposes.

S. 808

At the request of Mr. JEFFORDS, the name of the Senator from Virginia (Mr. ROBB) was added as a cosponsor of S. 808, a bill to amend The Internal Revenue Code of 1986 to provide tax incentives for land sales for conservation purposes.

S. 1322

At the request of Mr. ROBB, his name was added as a cosponsor of S. 1322, a bill to prohibit health insurance and employment discrimination against individuals and their family members on the basis of predictive genetic information or genetic services.

S. 1333

At the request of Mr. WYDEN, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 1333, a bill to expand homeownership in the United States.

S. 1361

At the request of Mr. STEVENS, the name of the Senator from Texas (Mrs. HUTCHISON) was added as a cosponsor of