1. This House acknowledges the year 2000 as the 35th anniversary of the passage of the Voting Rights Act of 1965.

2. Duly authenticated copies of this resolution, signed by the Speaker of the General Assembly and attested by the Clerk thereof, shall be transmitted to every presiding officer of the Congress of the United States, every member thereof elected from this State and to the executive officers of the largest civil rights organizations in the United States and this State.

POM–605. A resolution adopted by the General Assembly of the State of New Jersey relative to the proposed ''Justice for Holocaust Survivors Act''; to the Committee on the Judiciary.

ASSEMBLY RESOLUTION NO. 58

Whereas, During the tragic events we now call the Holocaust, in which the Nazi dictatorship in Germany illegally expropriated private property and murdered six million Jews as part of a systematic program of genocide; and

Whereas, Five million others were also murdered by the Nazis; and

Whereas, There are thousands of Holocaust survivors living in the United States who are being denied restitution for their pain and suffering during the Holocaust; and

Whereas, This situation affects many survivors who have come to the United States during the last 50 years, as well as thousands of survivors from the former Union of Soviet Socialist Republics who have arrived here during the last decade and who have experienced a disproportionate refusal rate by the Conference on Jewish Material Claims Against Germany; and

Whereas, Many Holocaust survivors are indigent and in need of financial assistance; and

Whereas, Current United States law precludes lawsuits against sovereign governments such as the Federal Republic of Germany; and

Whereas, H.R. 271 of 1999, the Justice for Holocaust Survivors Act, would amend the federal Foreign Sovereigns Immunity Act to permit U.S. citizens who are victims of the Holocaust, whether or not they were citizens of the United States during World War II, to sue the Federal Republic of Germany for compensation in U.S. courts; now, therefore, be it

Resolved by the General Assembly of the State of New Jersey:

1. The President and the Congress of the United States are respectfully memorialized to enact H.R. 271 of 1999, the Justice for Holocaust Survivors Act, which would permit U.S. citizens who are victims of the Holocaust, whether or not they were U.S. citizens during World War II, to sue the Federal Republic of Germany for compensation in U.S. courts of law.

2. A copy of this resolution, signed by the Speaker of the General Assembly and attested by the Clerk thereof, shall be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives and every member of Congress elected from this State.

POM–606. A joint resolution adopted by the General Assembly of the Commonwealth of Virginia relative to voluntary school prayer; to the Committee on the Judiciary.

HOUSE JOINT RESOLUTION NO. 71

Whereas, the framers of the Constitution, recognizing free exercise of religion as an unalienable right, secured its protection with the First Amendment of the Constitution of the United States; and

Whereas, statements of belief in a Supreme Power and the virtue of seeking strength and protection from that Power are prevalent throughout our national history; and

Whereas, today there are numerous signs of harmonious church/state coexistence, including organized prayer at every Congressional session, the use of the Bible while administering the oath of office, and the imprinting of ''In God we trust'' on the national currency; and

Whereas, prayer in public schools existed for nearly 200 years before the United States Supreme Court ruled in *Engel* v. *Vitale* that a government-composed nondenominational ''Regents'' prayer recited by students was unconstitutional as a violation of the establishment of the religion clause of the First Amendment; and

Whereas, this decision has severely constrained the exercise of religious freedom guaranteed by the First Amendment; and

Whereas, in the aftermath of the recent tragic events at Columbine High School in Littleton, Colorado and Westside Middle School in Jonesboro, Arkansas, many believe that providing for school prayer would help to prevent these incomprehensible acts of violence from recurring at other schools; and

Whereas, several resolutions have been introduced during the 106th Congress, proposing an amendment to the Constitution of the United States to allow for individual or group prayer in public schools and other public institutions; and

Whereas, the proposed amendments would not prescribe the content of the prayer, endorse one religion over another, or require any person to participate in prayer; and

Whereas, voluntary prayer is a beneficial practice that provides the opportunity for free expression of religion and rebuilding a moral emphasis needed in a country troubled by outbreaks of unprecedented school violence; now, therefore, be it

Resolved by the House of delegates, the Senate concurring, That the Congress of the United States be urged to propose an amendment to the Constitution of the United States to allow for voluntary school prayer; and, be it

Resolved further, That the Clerk of the House of Delegates transmit copies of this resolution to the Speaker of the House of Representatives, the President of the United States Senate, and the members of the Virginia Congressional Delegation in order that they may be apprised of the sense of the General Assembly of Virginia in this matter.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MCCAIN, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 1912: A bill to facilitate the growth of electronic commerce and enable the electronic commerce market to continue its current growth rate and realize its full potential, to signal strong support of the electronic commerce market by promoting its use within Federal government agencies and small and medium-sized businesses, and for other purposes (Rept. No. 106–349).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. WELLSTONE:

S. 2888. A bill to guarantee for all Americans quality, affordable, and comprehensive health insurance coverage; to the Committee on Finance.

By Mr. DURBIN:

S. 2889. A bill to amend the Federal Cigarette Labeling and Advertising Act and the Comprehensive Smokeless Tobacco Health Education Act of 1986 to require warning labels for tobacco products; to the Committee on Commerce, Science, and Transportation.

By Ms. SNOWE (for herself and Mr. L. CHAFEE):

S. 2890. A bill to provide States with funds to support State, regional, and local school construction; to the Committee on Health, Education, Labor, and Pensions.

By Mr. REID:

S. 2891. A bill to establish a national policy of basic consumer fair treatment for airline passengers; to the Committee on Commerce, Science , and Transportation.

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

S. 2892. A bill to designate the Federal building located at 158–15 Liberty Avenue in Jamaica, Queens, New York, as the ''Floyd H. Flake Federal Building''; to the Committee on Environment and Public Works.

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

S. 2893. A bill to designate the facility of the United States Postal Service located at 757 Warren Road in Ithaca, New York, as the ''Matthew F. McHugh Post Office''; to the Committee on Governmental Affairs.

By Mr. LUGAR (for himself, Mr. ROBERTS, Mr. BURNS, and Mr. SANTORUM):

S. 2894. A bill to provide tax and regulatory relief for farmers and to improve the competitiveness of American agricultural commodities and products in global markets; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WELLSTONE:

S. 2888. A bill to guarantee for all Americans quality, affordable, and comprehensive health insurance coverage; to the Committee on Finance.

HEALTH SECURITY FOR ALL AMERICANS ACT

Mr. WELLSTONE. Mr. President, today I want to talk about an issue that is of the utmost importance: Health Security.

First I want to talk about the problem: Health insecurity. Then I want to talk about the solution: The Health Security for All Americans Act. And finally I want people around the country to hear what they can do to wake up Congress and make Health Security for All Americans a reality.

This year has been a hard one for me. Two months ago, we buried one of my dear friends, Mike Epstein. Mike's sons came to be with him for the last few weeks of his struggle with cancer. Devoted sons, they spoke glowingly about their father at a memorial service for him in the Capitol. As any of you who has sat with a dying parent knows, emotions overflow, coping is difficult, and the grief is profound. The last thing a son or daughter, a parent or spouse, needs is to have the additional burden of wondering where will the next dollar for ever mounting health care bills come from; to worry about going into debt; to worry about going bankrupt because of a loved ones health care needs. Mike's sons did not have to worry about that because Mike had health care coverage as good as Congress gets.

The wife of my health policy advisor, John Gilman, battled cancer for two and a half years before succumbing one month ago. She had required innumerable sessions of radiation therapy, plus chemotherapy and surgery. John had his hands full with work plus taking care of his wife, both physically and emotionally. It is draining, but can you imagine how much worse it would be if John and his wife, June, had no health insurance. John didn't have to worry about how to pay for the next medical bill because John and his wife had health care coverage as good as Congress gets.

People do get ill. As hard as we try and as much as we pray, we can't always cure them. But we certainly can make sure they all have access to high quality, affordable care with dignity. There is no reason why all Americans can't have health insurance as good as everyone of us who serves in the United States Senate.

The idea of procuring health security for all Americans is not a new one. Franklin Delano Roosevelt recognized the need for universal health care in the 1930s when we were in the depths of the depression; Harry Truman fought for it in the 1940s when the troops came home from World War II; John Kennedy envisioned it in the midst of the cold war; Richard Nixon had it high on his agenda before events overtook his Presidency.

What these 20th century Presidents all understood is that there is a basic human drive for good health, and the good health of the American people is what drives this country and its economy. By 1992 it was far past due for us to recognize that all Americans should have a basic right to quality affordable health care. We had the opportunity in 1993 and 1994 to confer that right on to all of our people—and we lost it, because of differences and failures to compromise, and obstructionists and nay sayers, and failing to keep our eye on the ball: Universal, quality, affordable health care for every American.

I began introducing bills to provide universal health care in this country shortly after I arrived in the Senate in 1991. Back then people were aware of the problems of the uninsured—it wasn't being swept under the rug. Do you remember back in 1992, we were coming out of a recession, unemployment was at 7.5 percent, the national debt was increasing each year and 36 million Americans were uninsured, and everyone was talking about some form of health insurance for all.

Eight years later, we're told the economy's humming along, unemployment is the lowest its been in 30 years, and there is a budgetary surplus. But despite the fact that there are 45 million Americans without health insurance—10 million more than there were 10 years ago—nobody in Washington is talking seriously about doing anything about it. Incremental change may keep some people from losing their insurance, and may insure some people who would otherwise be uninsured, but incrementalism has not stopped the steady rise in the number of uninsured in America which will soar to 55 million people by 2008.

We need to change that. I don't think the fact that 140 million Americans own stocks today should make us forget that 45 million Americans don't have health insurance. And that millions more can't make ends meet because their health insurance is simply too expensive.

Make no mistake about it: Not having health insurance has its consequences. And I know some of you know it personally too well. There are some myths out there about not having health insurance that need to be debunked:

The first myth is that the uninsured can easily get the care they need. But the fact is: Uninsured Americans needlessly suffer because they don't have access to the care they need. For example, the uninsured are four times more likely to go without needed medical care and to delay seeking care; and are up to four times more likely to experience an avoidable hospitalization and emergency hospital care. The uninsured are more likely to be in fair or poor health and have a higher probability of in-hospital death than the privately insured.

The second myth is that the lack of health insurance is usually a temporary condition and that most people get their coverage back quickly. But the fact is otherwise: Nearly 60 percent of people who are uninsured have been uninsured for at least two years. Or put another way: 6 out of 10 people who lose their health insurance this month will still be uninsured in July 2002!

Employers used to do more to help assure their workers of coverage. In 1985, nearly two-thirds of businesses with 100 or more workers paid the full cost of health coverage. Last year only one-fourth of businesses did. In 1988, employers asked workers to pay on average 20 percent of the cost through payroll deductions. By 1998, they had raised the average worker's share to 27 percent. Three-fourths of the working uninsured are not offered or eligible for any coverage through their workplace.

The third myth is that most people don't have health insurance because they are not working. But the fact is: 75 percent of uninsured Americans hold down full-time jobs or are the dependents of someone who does, and nine out of ten come from working families. What's also a fact is that low wage workers frequently aren't offered insurance at all through their employment or if they are, it is at an unaffordable price.

The fourth myth is that most people who don't have insurance could afford it but just choose not to buy it. But the fact is: The high cost of health insurance premiums is the main reason that half the uninsured don't have health insurance. Only 3 percent of people without insurance say the most important reason is because they don't think they need it.

Going without health insurance means living in poorer health. Most uninsured adults have no regular source of health care. Most postpone getting care. Three in ten go without needed medical care. A quarter forego getting the medicine they need because they cannot afford to fill their medical prescriptions. Uninsured children are 30 percent more likely to fall behind on well-child care and 80 percent more likely to never have routine care at all.

The uninsured are three to four times more likely to have problems getting the health care they feel the need. Uninsured children are at least 70 percent more likely not to get medical care for common conditions—like asthma—that if left untreated can lead to more serious health problems.

Uninsured Americans are more likely to end up hospitalized for conditions—like uncontrolled diabetes—that they could have avoided with better health care. In the end, uninsured patients are more likely to die while hospitalized than privately insured patients with the same health problems.

Partly because they are less likely to get regular mammograms, uninsured women are nearly 50 percent more likely to die of breast cancer. Our system takes its toll in senseless, random pain and suffering.

Without insurance, the medical bills mount quickly. More than one in three uninsured adults have problems paying their medical bills. The uninsured are three times more likely to have problems with their medical bills than the insured. Eight out of ten uninsured people receive absolutely no reduced charge or free health services. The crushing weight of bankruptcy looms on the horizon. One out of four people filing for bankruptcy identified an illness or injury as a major reason for filing; 1 out of 3 had substantial medical bills; and almost 50 percent had both.

Even with insurance, low- and middle-income families frequently find themselves in a financial straight jacket. Families with annual incomes of $30,000 or less are spending an inordinate, unaffordable share of their income on health care expenses. And the average family with an income under $10,000 is paying well over 20 percent of its annual income on health care costs. These families can least afford to make that kind of payment.

For families with annual incomes of $30,000 or more, the average amount of that income spent on premiums, deductibles and co-pays drops to below 5 percent on average. But these are just averages: many families at every income level spend more than 10 percent of their family income on health care, especially if someone in the family has a serious illness. That is not affordable. That is not fair.

Since coming to the Senate, my number one priority has been achieving universal, affordable, comprehensive, quality care for all Americans. That is

why I am proud to be introducing today the Health Security for All Americans Act.

Let me digress and tell you how I arrived at this legislation.

When I was first elected to the Senate and Bill Clinton was elected president two years later, I believed the political winds and tides were aligned for a decade of progressive change for America. I thought I had been elected at just the right time to be a part of this change. When President Clinton, in his State of the Union speech, announced he would veto any health care legislation that did not provide universal coverage, that every citizen must be covered, I jumped to my feet and cheered. This was why I came to Washington, to make this kind of change, and this was a fight I thought we could win.

But I had some quick learning to do. When I spoke about my interest in a ''single-payer'' health care plan, similar to the Canadian system where doctors and hospitals remain in the private sector, but where there is just one insurer or payer, I was told by a senior colleague that my plan might be the best proposal. ''But it does not have a chance. The insurance industry hates it and it will go nowhere. It is just not realistic.''

I was completely disillusioned. I could not accept then, and I do not accept now, the proposition that even before the American people have the opportunity to be informed or included, a good proposal is ''dead on arrival'' because the insurance industry opposes it. That isn't supposed to happen in a representative democracy!

In spite of the advice, I did introduce the single payer plan with Jim McDermott, a congressman and physician from the state of Washington. I thought first you start with the most desirable, and later on in the process you'll find out what is politically feasible. I refused to admit defeat before we had even begun to fight. And I was hoping that our legislation would pull the debate in a more progressive direction.

What happened was just the opposite. The trillion dollar health care industry, led by the insurance companies, went on the attack, not against our plan which ''wasn't realistic'' but against the President's plan which ''was''. ''Harry and Louise'' ads cried out against the horrors of ''government medicine.'' Intensive and expensive lobbying efforts expounded on the same theme.

Media coverage, which should have been about the nuts and bolts of different proposals shifted now to focus on strategy rather than substance and head counts rather than hard information. So ordinary citizens no longer had a source of knowledge to form opinions and inform their elected leaders.

But the problems were not limited to the insurance lobby and the media. The only way we could have beaten the health care industry would have been with dramatic and effective citizen politics. It never happened. Progressives didn't organize a constituency to fight for health care reform, and the Administration didn't have the political will to stand up to powerful interests and therefore never asked the American people to take on this fight. They tried to win with ''inside politics,'' cutting deals and making compromises with different economic interests.

With each accommodation to private power, the President's plan became hopelessly complicated. As a constituent told me at the time, ''How can you be for something you don't understand?'' What started as a noble effort by the President to fill a crucial national need became instead an object of derision.

Over the years, as I traveled around the country talking about the need for Universal Health Care and the Single Payer model, I found people turning off—not to the need for health insurance for all, but to the specific mechanism I favored. They wanted universal health care, but they didn't want a national single payer system or they didn't think one was possible here, so they stopped listening.

The mood of the country has changed since the early 1990s. In 1990, there were 34 million uninsured. Ten years later, today, there are 45 million, and the number is growing by 100,000 people per month. Numerous polls show that the large majority of Americans want universal affordable comprehensive health care coverage and that they are willing to pay higher taxes for everyone to be covered.

The people and the States are ahead of the Federal politicians on this issue. The people want a big change; not an incremental change. In Massachusetts and Washington state, people are pushing for ballot referendums in the fall on universal coverage. Massachusetts and Maryland have already received commissioned cost studies of alternative universal coverage plans. California this past fall legislated a task force to investigate options for universal coverage.

Governor Howard Dean (D) of VT (also a physician), whose state presently covers 93.5 percent of its citizens, says it well: ''It is my view that health insurance ought to be universal, the right of every citizen in Vermont.'' And there is bipartisan support in Vermont. ''Health care is not a partisan issue in Vermont,'' state Sen. John Bloomer (R) said, adding that ''it's a bipartisan goal to expand health care access and affordability.''

The Health Security for All Americans Act is a plan for a big change. It builds on the momentum going on in the states of this great Nation.

So I decided that rather than trying to tell people how I thought the system should work, what I needed to do was first, to set out what I have found are the common goals of the American people: universal affordable comprehensive health coverage; and second to provide federal matching funds for each state to reach those goals in the way that best fits the needs of that state.

So, let me tell you about the Health Security for All Americans Act.

First, it is based on the premise that every American—not just everyone in this chamber, but every American—is entitled to have health care coverage as good as the Congress gets. Every Federal employee has that right. Why shouldn't every other American?

Second, it is based on the premise that good health care must be affordable. Americans should not go broke trying to keep their bodies fixed. From my experience traveling around the country, Americans all across the income spectrum are willing to be responsible for an affordable fair share of the cost of coverage and care, and a growing number of polls show that a majority of Americans are willing to pay higher taxes so that all Americans will have health coverage. Under the Health Security for All Americans Act, a family's financial responsibilities for health care is based on a percentage of family income. At the lowest end of the income scale, families would be responsible for no more than one-half of 1 percent of family income, so they can have quality health care, and a roof over their head, and 3 square meals a day. While at the higher end of the income scale, families would be responsible for no more than 5 percent or 7 percent of family income. For example, under the Health Security for All Americans Act, a family of four with an annual income of $25,000 would be responsible for no more than $11 a month in total health care costs, while a family of four with $50,000 in annual income would have the security of knowing that its total out-of-pocket health care spending (premiums and cost sharing) could not exceed 5 percent of family income or $2500 per year.

Third, it's based on the premise that you have to have access to care when you or your family needs it. That is why the Health Security for All Americans Act includes the Norwood-Dingell Patient Bill of Rights that has been endorsed by over 300 health care organizations.

Fourth, it's based on the premise that good health care delivery doesn't just happen. It depends on a well trained, well compensated health care workforce that doesn't have to constantly worry about where the next dollar is coming from. And I am referring to doctors and nurses and orderlies and home health workers, and nursing home workers—all health care workers. If we are going to deliver humane dignified health care to everyone in this country, we need to start by treating the health care workforce with dignity and respect and that starts with affordable health care for all workers. That is why the Health Security for All Americans Act includes health care quality, patient safety, and workforce standards.

My experience has taught me that Americans agree with these premises. They want high quality, affordable health care as good as Congress gets, but they are not sure the best way to get there. That is why the Health Security for All Americans Act is a federal state partnership that says here is what Americans want; you—the states—design the plan you want to get your state there; and we the federal government will provide the majority of the funds you need to reach that goal in the manner you chose.

States that submit plans early and achieve universal coverage are rewarded with increased federal dollars for their efforts. But all states must have plans in force within four years and coverage for all their residents within five years. States could reach these goals in a variety of ways: with an employer mandate, with a combination of public and private initiatives, with single payer, or some other method. I think this is a good approach because it allows the states flexibility, but it clearly sets out a fair and just goal: Universal coverage; comprehensive benefits as good as Congress gets; quality care guaranteed with patient protections; real income protections; and honoring of health care workers. I am proud today to be introducing the Health Security for All Americans Act and I am proud that this legislation has the backing and support of the Service Employees International Union, America's largest health care union.

To my colleagues I say, together we can put universal health care back on the front burner where it belongs.

We all know that in 1994, the effort to bring health care coverage to all Americans failed. All of us have heard the reasons why. But what we haven't answered is why did we give up when we knew this was the right thing to do? Why have we become so timid? Why have we only been willing to take half steps?

We must not shrink from the task at hand! America's doctors and nurses know how to cure disease better than anywhere else in the world. Well, now it is time to treat America's worst malady—45 million uninsured Americans, and millions more underinsured Americans who are spending far too much of their monthly pay check on health care costs.

Martin Luther King, Jr. rightly said, ''Of all the forms of inequality, injustice in health care is the most shocking and inhumane.'' All the doctors and all the nurses and all the other health care providers in America cannot solve this problem nor right this injustice, but we in the Congress can.

This is a problem that isn't going away on its own, but there is a solution. So to my colleagues, I say, ''Join me in sponsoring the Health Security for All Americans Act.'' And to members of the American public who are listening, I ask you to join thousands of your fellow citizens who have already written to Members of Congress, and call and write your Senators and Representatives and ask them to join in bringing quality, affordable health care coverage to all Americans.

Mr. President, I ask unanimous consent that the bill and additional material be printed in the RECORD.

There being no objection, the materials were ordered to be printed in the RECORD, as follows:

S. 2888

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Health Security for All Americans Act''.

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

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) The health of the American people is the foundation of American strength, productivity, and wealth.

(2) The guarantee of health care coverage and access to quality medical care to all Americans is a fundamental right and is essential to the general welfare.

(3) 45,000,000 Americans, more than 11,000,000 of whom are children, have no health insurance, and that number will grow to more than 54,000,000 by 2007 even if the economy remains strong.

(4) Health insurance coverage is unstable; less than ½ of all adults have been in their current health plan for 3 years.

(5) The average American will hold at least 7 jobs during their life, risking lack of health coverage every time they change or are between jobs.

(6) In 1998, annual health care expenditures in the United States totaled $1,150,000,000,000, or $4,094 per person. National health expenditures are projected to total $2,200,000,000,000 by 2008.

(7) In 1998, health care expenditures represented 13.5 percent of the gross domestic product in the United States and grew at the rate of 5.6 percent while the gross domestic product grew only at the rate of 4.9 percent. By 2008, health care expenditures are projected to reach 16.2 percent of gross domestic product. Growth in health spending is projected to average 1.8 percentage points above the growth rate of the gross domestic product for the period beginning with 1998 and ending with 2008.

(8) Although the United States spends considerably more in health care per person than any other nation, it ranks only fifteenth among countries worldwide on an overall index designed to measure a range of health goals according to the World Health Organization.

(9) One of 4 adults, about 40,000,000 people, say they have gone without needed medical care because they couldn't afford it.

(10) Nearly 31,000,000 Americans face collection agencies annually because they owe money for medical bills.

(11) The average American worker is paying 3 times more for family coverage than 10 years ago, and more than 4 times more for employee-only coverage.

(12) Because many individuals do not have health insurance coverage, they may incur health care costs which they do not fully reimburse, resulting in cost-shifting to others.

(13) As a consequence of the piecemeal health care system in the United States, administrative overhead costs approximately $1,000 per person annually, while other Western industrialized nations with universal health care systems spend approximately $200 per person annually for administrative overhead.

(14) The United States should adopt national goals of universal, affordable, comprehensive health insurance coverage and should provide generous matching grants to

the States to achieve those goals within 5 years of the date of enactment of this Act.

TITLE I—HEALTH SECURITY FOR ALL AMERICANS—EXPANSION PHASE (PHASE I)

SEC. 101. EXPANSION PHASE (PHASE I) VOLUNTARY STATE UNIVERSAL HEALTH INSURANCE COVERAGE PLANS.

The Social Security Act (42 U.S.C. 301 et seq.) is amended by adding at the end the following:

''TITLE XXII—HEALTH SECURITY FOR ALL AMERICANS

''PART A—EXPANSION PHASE (PHASE I) PLANS

''SEC. 2201. PURPOSE; VOLUNTARY STATE PLANS.

''(a) PURPOSE.—The purpose of this part is to provide funds to participating States to enable those States to ensure universal health insurance coverage by establishing State administered systems.

''(b) EXPANSION PHASE (PHASE I) PLAN REQUIRED.—A State is not eligible for a payment under section 2205(a) unless the State has submitted to the Secretary a plan that—

''(1) sets forth how the State intends to use the funds provided under this part to ensure universal, affordable, and comprehensive health insurance coverage to eligible residents of the State consistent with the provisions of this part; and

''(2) has been approved under section 2202(d).

''SEC. 2202. PLAN REQUIREMENTS.

''(a) IN GENERAL.—Every expansion phase (phase I) plan shall include provisions for the following:

''(1) INFORMATION ON THE LEVEL OF HEALTH INSURANCE COVERAGE.—

''(A) The level of health insurance coverage within the State as determined under subsection (b).

''(B) The base coverage gap for the year involved as determined under subsection (b)(4).

''(C) State efforts to provide or obtain health insurance coverage for uncovered residents of the State, including the steps the State is taking to identify and enroll all uncovered residents of the State who are eligible to participate in public or private health insurance programs.

''(2) DETAILS OF, AND TIMELINES FOR, EXPANSION PHASE (PHASE I) PLAN.—

''(A) USE OF FUNDS; COORDINATION.—The activities that the State intends to carry out using funds received under this part, including how the State will coordinate efforts under this part with existing State efforts to increase the health insurance coverage of individuals.

''(B) TIMELINES.—Consistent with subsection (c), the manner in which the State will reduce the base coverage gap for the year involved, including a timetable with specified targets for reducing the base coverage gap by—

''(i) 50 percent within 2 years after the date of approval of the expansion phase (phase I) plan; and

''(ii) 100 percent within 4 years after such date.

''(3) MAINTENANCE OF EFFORT.—The manner in which the State will ensure that—

''(A) employers within the State will continue to provide not less than the level of financial support toward the health insurance premiums required for coverage of their employees as such employers provided as of the date of enactment of this title; and

''(B) the State will continue to provide not less than the level of State expenditures incurred for State-funded health programs as of such date.

''(4) STATE OUTREACH PROGRAMS; ACCESS.—The manner in which, and a timetable for when, the State will—

''(A) institute outreach programs; and

''(B) ensure that all eligible residents of the State have access to the health insurance coverage provided under this part.

''(5) ASSURANCE OF COVERAGE OF ESSENTIAL SERVICES.—An assurance that the State program established under this part will comply with the requirements of section 1867 (commonly referred to as the 'Emergency Medical Treatment and Active Labor Act').

''(6) REPRESENTATION ON BOARDS AND COMMISSIONS.—The manner in which the State will ensure that all Boards and Commissions that the State establishes to administer the plan will include, among others, representatives of providers, consumers, employers, and health worker unions.

''(7) DISCLOSURE OF INFORMATION TO THE PUBLIC.—The manner in which the State will ensure that, with respect to entities and individuals that provide services for which reimbursement is provided under this part—

''(A) financial arrangements between insurers and providers and between providers and medical equipment suppliers are disclosed to the public; and

''(B) ownership interests and health care worker qualifications and credentials are disclosed to the public.

''(8) CONSUMER PROTECTIONS.—The manner in which the State will ensure compliance with sections 2221, 2222, 2223, and 2224.

''(9) PUBLIC REVIEW.—The manner in which the State will provide for the public review of institutional changes in services provided, markets and regions covered, withdrawal or movement of services, closures or downsizing, and other actions that affect the provision of health insurance under the plan.

''(10) SERVICES IN RURAL AND UNDERSERVED AREAS; CULTURAL COMPETENCY.—The manner in which the State will ensure—

''(A) coverage in rural and underserved areas; and

''(B) that the needs of culturally diverse populations are met.

''(11) PURCHASING POOLS.—The manner in which the State will encourage the formation of State purchasing pools that provide choice of health plans, control costs, and reduce adverse risk selection.

''(12) LIMITATION ON ADMINISTRATIVE EXPENDITURES.—The manner in which the State will ensure that all qualified plans in the State expend at least 90 percent (or, during the first 2 years of the plan, 85 percent) of total income received from premiums on the provision of covered health care benefits (excluding all costs for marketing, advertising, health plan administration, profits, or capital accumulation) to individuals.

''(13) SELF-EMPLOYED AND MULTIEMPLOYED.—The manner in which the State will address self-employed individuals and multiwage earner families.

''(14) MEDICAID WRAPAROUND COVERAGE.—The manner in which the State will ensure that individuals who are eligible for medical assistance under title XIX and who receive benefits under the expansion phase (phase I) plan shall receive any items or services that are not available under the expansion phase (phase I) plan but that are available under the State medicaid program under title XIX through 'wraparound coverage' under such program.

''(15) OTHER MATTERS.—Any other matter determined appropriate by the Secretary.

''(b) CURRENT LEVEL OF COVERAGE.—

''(1) IN GENERAL.—The Secretary shall develop a survey approach that provides timely and up-to-date data to determine the percentage of the population of each State that is currently covered by a health insurance plan or program that provides coverage that meets the requirements of section 2203(a).

''(2) BIANNUAL SURVEY.—The Secretary shall provide for the conduct of the survey developed under paragraph (1) not less than biannually to make coverage determinations for purposes of paragraph (1).

''(3) USE OF ALTERNATIVE SYSTEM.—The Secretary shall permit a State to utilize an alternative population-based monitoring system to make determinations with respect to coverage in the State for purposes of paragraph (1) if the Secretary determines that such system meets or exceeds the methodological standards utilized in the survey developed under paragraph (1).

''(4) BASE COVERAGE GAP.—For purposes of subsection (a)(1)(A), the base coverage gap for a State shall be equal to 100 percent of the eligible individuals and families in the State for the year involved, less the current level of coverage for those individuals and families for such year as determined under paragraph (1) or (3).

''(c) REDUCING THE LEVEL OF UNINSURED INDIVIDUALS.—

''(1) IN GENERAL.—To be eligible to receive funds under this part, a State shall agree to administer an expansion phase (phase I) plan with a goal of providing health insurance coverage for 100 percent of the eligible residents of the State by not later than 4 years after the date of approval of the State's expansion phase (phase I) plan.

''(2) PERMISSIBLE ACTIVITIES.—A State may use amounts provided under this part for any activities consistent with this part that are appropriate to enroll individuals in health plans and health programs to meet the targets contained in the State plan under subsection (a)(2)(B), including through the use of direct payments to health plans or, in the case of a single State plan, directly to providers of services.

''(d) PROCESS FOR SUBMISSION, APPROVAL, AND AMENDMENT OF EXPANSION PHASE (PHASE I) PLAN.—The provisions of section 2106 apply to an expansion phase (phase I) plan under this part in the same manner as they apply to a State plan under title XXI, except that no expansion phase (phase I) plan may be effective earlier than January 1, 2001, and all expansion phase (phase I) plans must be submitted for approval by not later than December 31, 2002.

''SEC. 2203. COVERAGE REQUIREMENTS FOR EXPANSION PHASE (PHASE I) PLANS.

''(a) REQUIRED SCOPE OF HEALTH INSURANCE COVERAGE.—Health insurance coverage provided under this part shall consist of at least the benefits provided under the Federal Employees Health Benefits Program standard Blue Cross/Blue Shield preferred provider option service benefit plan, described in and offered under section 8903(1) of part 5, United States Code, including mental health and substance abuse treatment benefits parity.

''(b) LIMITATIONS ON PREMIUMS AND COST-SHARING.—

''(1) DESCRIPTION; GENERAL CONDITIONS.—An expansion phase (phase I) plan shall include a description, consistent with this subsection, of the amount (if any) of premiums, cost-sharing, or other similar charges imposed. Any such charges shall be imposed pursuant to a public schedule.

''(2) LIMITATIONS ON PREMIUMS AND COST-SHARING.—

''(A) INDIVIDUALS AND FAMILIES WITH INCOME BELOW 150 PERCENT OF POVERTY LINE.—In the case of an individual or family whose income is at or below 150 percent of the poverty line—

''(i) the State plan may not impose a premium; and

''(ii) the total annual aggregate amount of cost-sharing imposed by a State with respect to all individuals in a family may not exceed 0.5 percent of the family's income for the year involved.

''(B) INDIVIDUALS AND FAMILIES WITH INCOME BETWEEN 150 AND 300 PERCENT OF POVERTY LINE.—In the case of an individual or family whose income exceeds 150 percent but does not exceed 300 percent of the poverty line—

''(i) the State plan may not impose a premium that exceeds an amount that is equal to—

''(I) 20 percent of the average cost of providing benefits to an individual (or a family) under this part in the year involved; or

''(II) 3 percent of the family's income for the year involved; and

''(ii) the total annual aggregate amount of premiums and cost-sharing (combined) imposed by a State with respect to all individuals in a family may not exceed 5 percent of the family's income for the year involved.

''(C) INDIVIDUALS AND FAMILIES WITH INCOME ABOVE 300 PERCENT OF POVERTY LINE.—In the case of an individual or family whose income exceeds 300 percent of the poverty line—

''(i) the State plan may not impose a premium that exceeds 20 percent of the average cost of providing benefits to an individual (or a family of the size involved) under this part in the year involved; and

''(ii) the total annual aggregate amount of premiums and cost-sharing (combined) imposed by a State with respect to all individuals in a family may not exceed 7 percent of the family's income for the year involved.

''(D) SELF-EMPLOYED INDIVIDUALS.—The State shall establish rules for self-employed individuals based on individual and family income.

''(3) COLLECTION.—The State shall establish procedures for collecting any premiums, cost-sharing, or other similar charges imposed under this part. Such procedures shall provide for annual reconciliations and adjustments.

''(c) APPLICATION OF CERTAIN REQUIREMENTS.—

''(1) RESTRICTION ON APPLICATION OF PREEXISTING CONDITION EXCLUSIONS.—The expansion phase (phase I) plan shall not permit the imposition of any preexisting condition exclusion for covered benefits under the plan.

''(2) CHOICE OF PLANS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the expansion phase (phase I) plan shall offer eligible individuals and families a choice of qualified plans from which to receive benefits under this part. At least 1 plan shall be a preferred provider option plan.

''(B) WAIVER.—The Secretary—

''(i) may waive the requirement under subparagraph (A) if determined appropriate; and

''(ii) shall waive such requirement in the case of a State that establishes a single State plan.

''SEC. 2204. ALLOTMENTS.

''(a) STATE ALLOTMENTS.—

''(1) IN GENERAL.—With respect to a fiscal year, the Secretary shall allot to each State with an expansion phase (phase I) plan approved under this part the amount determined under paragraph (2) for such State for such fiscal year.

''(2) DETERMINATION OF COST OF COVERAGE.—The amount determined under this paragraph is the amount equal to—

''(A) the product of—

''(i) the Federal participation rate for the State as determined under subsection (b) or, if applicable, the enhanced Federal participation rate for the State, as determined under subsection (c);

''(ii) the estimated cost for the minimum benefits package required to comply under section 2203, not to exceed the sum of—

''(I) the total annual Government and employee contributions required for individual or self and family health benefits coverage under the Federal Employees Health Benefits Program standard Blue Cross/Blue Shield preferred provider option service benefit plan, described in and offered under section 8903(1) of title 5, United States Code (adjusted for age, as the Secretary determines appropriate); and

''(II) the estimated average cost-sharing expense for an individual or family; and

''(iii) the estimated number of residents to be enrolled in the expansion phase (phase I) plan; less

''(B) the sum of—

''(i) the individual or family health insurance contribution and cost-sharing payments to be made in accordance with section 2203(b); and

''(ii) any applicable employer contribution to such payments.

''(b) FEDERAL PARTICIPATION RATE.—For purposes of subsection (a)(2)(A)(i), the Federal participation rate for a State shall be equal to the enhanced FMAP determined for the State under section 2105(b).

''(c) ENHANCED FEDERAL PARTICIPATION RATE.—

''(1) IN GENERAL.—For purposes of subsection (a)(2)(A)(i), the enhanced Federal participation rate for a State shall be equal to the Federal participation rate for such State under subsection (b), as adjusted by the Secretary based on the decrease in the base coverage gap in the State.

''(2) AMOUNT OF ADJUSTMENT AND APPLICATION.—

''(A) AMOUNT OF ADJUSTMENT.—The Federal participation rate under subsection (b) with respect to a State shall be increased by—

''(i) 1 percentage point if the base coverage gap of the State has decreased by at least 50 percent within 2 years after the date of approval of the expansion phase (phase I) plan, as determined by the Secretary; and

''(ii) 3 percentage points if the base coverage gap of the State has decreased by 100 percent within 4 years after the date of approval of the expansion phase (phase I) plan, as determined by the Secretary.

''(B) APPLICATION.—The increase described in—

''(i) subparagraph (A)(i) shall only apply to a State for the period beginning with the month of the determination under such subparagraph and ending with the month preceding the month of the determination under subparagraph (A)(ii) (if any), but in no event for more than 24 months; and

''(ii) subparagraph (A)(ii) shall apply to a State for any year (or portion thereof) beginning with the month of the determination under such subparagraph.

''(3) FULL COVERAGE.—For purposes of this part, a State shall be deemed to have decreased its base coverage gap by 100 percent if the Secretary determines that—

''(A) 98 percent of all eligible residents of the State are provided health insurance coverage under the expansion phase (phase I) plan; and

''(B) the remaining 2 percent of such residents are served by alternative health care delivery systems as demonstrated by the State.

''(d) GRANTS TO INDIAN TRIBES, NATIVE HAWAIIAN ORGANIZATIONS, AND ALASKA NATIVE ORGANIZATIONS.—

''(1) IN GENERAL.—Out of funds appropriated under subsection (e), the Secretary shall reserve an amount, not to exceed 1 percent of the total allotments determined under subsection (a) for a fiscal year, to make grants to Indian tribes, Native Hawaiian organizations, and Alaska Native organizations for development and implementation of universal health insurance coverage plans for members of such tribes and organizations.

''(2) PLAN.—To be eligible to receive a grant under paragraph (1), an Indian tribe, Native Hawaiian organization, or Alaska Native organization shall submit a universal health insurance coverage plan to the Secretary at such time, in such manner, and containing such information, as the Secretary may require.

''(3) REGULATIONS.—The Secretary shall issue regulations specifying the requirements of this part that apply to Indian tribes, Native Hawaiian organizations, and Alaska Native organizations receiving grants under paragraph (1).

''(e) APPROPRIATION.—

''(1) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, there is appropriated to carry out this title such sums as may be necessary for fiscal year 2001 and each fiscal year thereafter.

''(2) BUDGET AUTHORITY.—Paragraph (1) constitutes budget authority in advance of appropriations Acts and represents the obligation of the Federal Government to provide States, Indian tribes, Native Hawaiian organizations, and Alaska Native organizations with the allotments determined under this section and the grants for administrative and outreach activities under section 2205.

''SEC. 2205. ADMINISTRATION.

''(a) PAYMENTS.—

''(1) IN GENERAL.—

''(A) QUARTERLY.—Subject to subparagraph (B) and subsection (b), the Secretary shall make quarterly payments to each State with an expansion phase (phase I) plan approved under this part, from its allotment under section 2204.

''(B) FUNDING FOR ADMINISTRATION AND OUTREACH.—

''(i) AUTHORITY TO MAKE GRANTS.—In addition to the allotments determined under section 2204, the Secretary may make grants to States, Indian tribes, Native Hawaiian organizations, and Alaska Native organizations for expenditures for administrative and outreach activities.

''(ii) AMOUNTS.—

''(I) IN GENERAL.—A grant awarded under this subparagraph shall not exceed the applicable percentage (as determined under subclause (II)) of the total amount allotted to the State, Indian tribe, Native Hawaiian organization, or Alaska Native organization under section 2204.

''(II) APPLICABLE PERCENTAGE.—For purposes of subclause (I), the applicable percentage is—

''(aa) 14 percent during the first 2 years an expansion phase (phase I) plan is in effect and complies with the requirements of this title;

''(bb) 12 percent during the third, fourth, and fifth years that such plan, or a universal phase (phase II) plan added by an addendum to an expansion phase (phase I) plan, is in effect and complies with the requirements of this title; and

''(cc) 10 percent during any year thereafter such plan (or universal phase (phase II) plan added by an addendum to such plan) is in effect and complies with the requirements of this title.

''(2) ADVANCE PAYMENT; RETROSPECTIVE ADJUSTMENT.—The Secretary may make payments under this part for each quarter on the basis of advance estimates by the State and such other investigation as the Secretary may find necessary, and may reduce or increase the payments as necessary to adjust for any overpayment or underpayment for prior quarters.

''(3) FLEXIBILITY IN SUBMITTAL OF CLAIMS.—Nothing in this subsection shall be construed as preventing a State from claiming as expenditures in the quarter expenditures that were incurred in a previous quarter.

''(b) AUTHORITY FOR BLENDED RATE FOR HEALTH SECURITY, MEDICAID, AND SCHIP FUNDS.—The Secretary shall establish procedures for blending the payments that a State is entitled to receive under this title, title XIX, and title XXI into 1 payment rate if—

''(1) the State requests such a blended payment; and

''(2) the Secretary finds that the State meets maintenance of effort requirements established by the Secretary.

''(c) LIMITATIONS ON FEDERAL PAYMENTS BASED ON COST CONTAINMENT.—

''(1) DETERMINATION OF BASELINE.—Each year (beginning with 2001), the Secretary shall establish a baseline projection for the national rate of growth in private health insurance premiums for such year.

''(2) REQUIREMENT.—Beginning with fiscal year 2002 and each fiscal year thereafter, any payment made to a State under section 2204 shall not exceed the amount paid to the State under such section for the preceding fiscal year, adjusted for changes in enrollment and a premium inflation adjustment that is 0.5 percent below the baseline projection determined under paragraph (1) for the year.

''(d) OTHER LIMITATIONS ON USE OF FUNDS.—

''(1) IN GENERAL.—A State participating under part A, and, effective January 1, 2005, all States under part B, shall ensure that any payments received by the State under section 2205 or 2116(a) are not used by any individual or entity, including providers or health plans that contract to provide services herein, to finance directly or indirectly, or to otherwise facilitate expenditures to influence health care workers of such individual or entity with respect to issues related to unionization.

''(2) CONSTRUCTION.—Nothing in this subsection shall be construed to limit expenditures made for the purpose of good faith collective bargaining or pursuant to the terms of a bona fide collective bargaining agreement.

''(e) WAIVER OF FEDERAL REQUIREMENTS.—A State may request (and the Secretary may grant) a waiver of any provision of Federal law that the State determines is necessary in order to carry out an approved expansion phase (phase I) plan under this part.

''(f) REPORT.—Not later than January 1, 2002, and each January 1 thereafter, the Secretary, in consultation with the General Accounting Office and the Congressional Budget Office, shall prepare and submit to the appropriate committees of Congress a report on the number of States receiving payments under this part for the year for which the report is being prepared as well as the level of insurance coverage attained by each such State.

''SEC. 2206. DEFINITIONS.

''In this title:

''(1) COST-SHARING.—The term 'cost-sharing' has the meaning given such term under the Federal Employees Health Benefits Program standard Blue Cross/Blue Shield preferred provider option service benefit plan described in and offered under section 8903(1) of part 5, United States Code, and includes deductibles, copayments, coinsurance, as such terms are defined for purposes of such plan.

''(2) ELIGIBLE RESIDENTS OF A STATE.—

''(A) IN GENERAL.—The term 'eligible residents of a State' means an individual or family who—

''(i) is (or consists of) a resident of the State involved;

''(ii) except as provided in subparagraph (B), has a family income that does not exceed 300 percent of the poverty line;

''(iii) is (or consists of) a citizen of the United States, a legal resident alien, or an individual otherwise residing in the United States under the authority of Federal law; and

''(iv) in the case of an individual, is not eligible for benefits under the medicare program under title XVIII or for medical assistance under the medicaid program under title XIX (other than under the application of section 1902(a)(10)(A)(ii)(XIV)).

''(B) OPTION TO PROVIDE COVERAGE FOR INDIVIDUALS AND FAMILIES WITH HIGHER INCOME.—If approved by the Secretary, a State may increase the percentage described in subparagraph (A)(ii), or eliminate all income eligibility criteria in order to provide coverage under this part to more individuals and families.

''(3) EXPANSION PHASE (PHASE I) PLAN.—The term 'expansion phase (phase I) plan' means the State universal health insurance coverage plan submitted under section 2201(b).

''(4) HEALTH CARE SERVICES.—The term 'health care services' includes medical, surgical, mental health, and substance abuse services, whether provided on an in-patient or outpatient basis.

''(5) HEALTH CARE WORKER.—The term 'health care worker' means an individual employed by an employer that provides—

''(A) health care services; or

''(B) necessary related services, including administrative, food service, janitorial, or maintenance service to an entity that provides such health care services.

''(6) HEALTH PLAN.—The term 'health plan' includes health insurance coverage, as defined in section 2791(b)(1) of the Public Health Service Act (42 U.S.C. 300gg–91(b)(1)) and group health plans, as defined in section 2791(a) of such Act (42 U.S.C. 300gg91(b)(1)).

''(7) MENTAL HEALTH AND SUBSTANCE ABUSE TREATMENT BENEFITS PARITY.—

''(A) IN GENERAL.—The term 'mental health and substance abuse treatment benefits parity' means the same level of parity for such benefits as is required under the Federal Employees Health Benefits Program standard Blue Cross/Blue Shield preferred provider option service benefit plan, described in and offered under section 8903(1) of part 5, United States Code, as of January 1, 2001.

''(B) EXCEPTION.—Notwithstanding subparagraph (A), there shall be no limit on parity benefits for patients who do not substantially follow their treatment plans unless such limits also are imposed on all medical and surgical benefits.

''(8) POVERTY LINE.—The term 'poverty line' has the meaning given such term in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), including any revision required by such section.

''(9) PREMIUM.—The term 'premium' includes any enrollment fees and other similar charges.

''(10) QUALIFIED PLAN.—The term 'qualified plan' means a health plan that satisfies the coverage requirements described under section 2203 and participates in an expansion phase (phase I) plan.''.

TITLE II—HEALTH SECURITY FOR ALL AMERICANS—UNIVERSAL PHASE (PHASE II)

SEC. 201. UNIVERSAL PHASE (PHASE II) STATE UNIVERSAL HEALTH INSURANCE COVERAGE PLANS.

Title XXII of the Social Security Act, as added by section 101, is amended by adding at the end the following:

''PART B—UNIVERSAL PHASE (PHASE II) PLANS

''SEC. 2211. PURPOSE; MANDATORY STATE PLANS.

''(a) PURPOSE.—The purposes of this part are to—

''(1) require States to establish and implement State-administered systems to ensure universal health insurance coverage; and

''(2) provide funds to States for the establishment and implementation of such systems.

''(b) UNIVERSAL PHASE (PHASE II) PLAN REQUIRED.—

''(1) IN GENERAL.—Except as provided in paragraph (2), not later than January 1, 2004, a State shall submit to the Secretary a plan that sets forth how the State intends to use the funds provided under this part to ensure universal, affordable, and comprehensive health insurance coverage to eligible residents of the State consistent with the provisions of this part.

''(2) STATES WITH PHASE I PLANS.—

''(A) IN GENERAL.—Not later than January 1, 2004, a State with a phase I State plan shall submit an addendum to such plan that provides assurances to the Secretary that such plan conforms to the requirements of this part.

''(B) CONVERSION TO UNIVERSAL PHASE (PHASE II) PLAN.—If an addendum to an expansion phase (phase I) plan is approved by the Secretary—

''(i) the plan shall be automatically converted to a universal phase (phase II) plan; and

''(ii) section 2214 and any provision of part A that is inconsistent with this part shall not apply to the plan.

''(3) FAILURE TO SUBMIT PLAN OR ADDENDUM.—If a State fails to submit a plan as required in paragraph (1) (or an addendum as required in paragraph (2)), or fails to have such plan or addendum approved by the Secretary, such State shall be in violation of this part; and any residents of such a State may bring a cause of action against the State in Federal district court to require the State to comply with the provisions of this part.

''SEC. 2212. PLAN REQUIREMENTS.

''(a) IN GENERAL.—A universal phase (phase II) plan shall include a description, consistent with the requirements of this part, of the following:

''(1) DETAILS OF THE UNIVERSAL PHASE (PHASE II) PLAN.—The activities that the State intends to carry out using funds received under this part to ensure that all eligible residents of the State have access to the coverage provided under this part, including how the State will coordinate efforts under the program under this part with existing State efforts to increase to 100 percent the health insurance coverage of eligible residents of the State by January 1, 2006.

''(2) REQUIREMENTS FOR EMPLOYERS.—The manner in which the State will ensure that employers within the State will comply with the requirements of section 2214.

''(3) PART A PROVISIONS.—The following provisions apply to a universal phase (phase II) plan under this part in the same manner as such provisions apply to an expansion phase (phase I) plan under part A:

''(A) STATE OUTREACH PROGRAMS; ACCESS.—Section 2202(a)(4).

''(B) ASSURANCE OF COVERAGE OF ESSENTIAL SERVICES.—Section 2202(a)(5).

''(C) REPRESENTATION ON BOARDS AND COMMISSIONS.—Section 2202(a)(6).

''(D) DISCLOSURE OF INFORMATION TO THE PUBLIC.—Section 2202(a)(7).

''(E) CONSUMER PROTECTIONS AND WORKFORCE STANDARDS.—Section 2202(a)(8).

''(F) PUBLIC REVIEW.—Section 2202(a)(9).

''(G) SERVICES IN RURAL AND UNDERSERVED AREAS; CULTURAL COMPETENCY.—Section 2202(a)(10).

''(H) PURCHASING POOLS.—Section 2202(a)(11).

''(I) LIMITATION ON ADMINISTRATIVE EXPENDITURES.—Section 2202(a)(12).

''(J) SELF-EMPLOYED AND MULTIEMPLOYED.—Section 2202(a)(13).

''(K) MEDICAID WRAPAROUND COVERAGE.—Section 2202(a)(14).

''(4) OTHER MATTERS.—Any other matter determined appropriate by the Secretary.

''(b) PERMISSIBLE ACTIVITIES.—A State may use amounts provided under this part for any activities consistent with this part that are appropriate to enroll individuals in health plans to ensure that all eligible residents of the State are provided coverage under this part, including through the use of direct payments to health plans or providers of services.

''(c) COST CONTAINMENT; COMPETITIVE BIDDING.—Notwithstanding subsection (b), State purchasing pools shall solicit bids from health plans at least annually.

''(d) PROCESS FOR SUBMISSION, APPROVAL, AND AMENDMENT OF UNIVERSAL PHASE (PHASE II) PLAN.—Section 2106 applies to a universal phase (phase II) plan under this part in the same manner as such section applies to a State plan under title XXI, except that no universal phase (phase II) plan may be effective earlier than January 1, 2005, and all such plans must be submitted for approval by not later than January 1, 2004.

''SEC. 2213. COVERAGE REQUIREMENTS FOR UNIVERSAL PHASE (PHASE II) PLANS.

''(a) REQUIRED SCOPE OF HEALTH INSURANCE COVERAGE.—Section 2203(a) applies to a universal phase (phase II) plan under this part.

''(b) UNIVERSAL COVERAGE.—All States shall ensure that by January 1, 2006, 100 percent of eligible residents of the State have health insurance coverage that meets the requirements of section 2203(a).

''(c) LIMITATIONS ON PREMIUMS AND COST-SHARING.—Section 2203(b) applies to a universal phase (phase II) plan under this part.

''(d) APPLICATION OF CERTAIN REQUIREMENTS.—Section 2203(c) applies to a universal phase (phase II) plan under this part.

''SEC. 2214. REQUIREMENTS FOR EMPLOYERS REGARDING THE PROVISION OF BENEFITS.

''(a) REQUIREMENTS.—Subject to subsection (c)(2)(B), an employer in a State shall comply with the following requirements:

''(1) EMPLOYERS WITH LESS THAN 500 EMPLOYEES.—

''(A) IN GENERAL.—An employer with less than 500 employees shall enroll each employee in a State-designated purchasing pool.

''(B) CONTRIBUTIONS.—

''(i) IN GENERAL.—Notwithstanding subparagraph (A) and subject to clause (ii), the employer shall make a contribution on behalf of each employee for health insurance coverage that is equal to at least 80 percent of the total premiums for such coverage for employees and their families if the employee elects dependent coverage.

''(ii) LIMITATION.—An employer shall not be liable under subparagraph (B) for more than 10 percent of each employee's annual wages.

''(2) EMPLOYERS WITH AT LEAST 500 EMPLOYEES.—

''(A) IN GENERAL.—An employer with at least 500 employees, a majority of whose wages fall below an amount equal to 300 percent of the poverty line applicable to a family of the size involved, shall comply with the requirements applicable to an employer under paragraph (1).

''(B) OTHER EMPLOYERS.—

''(i) IN GENERAL.—An employer with at least 500 employees that is not described in subparagraph (A) shall, at the option of the employer, either—

''(I) comply with the requirements applicable to an employer under paragraph (1); or

''(II) provide health insurance coverage to all employees and their families (if the employee elects dependent coverage) that meets the requirements of section 2213 and the employer contribution required under paragraph (1)(B).

''(ii) ADDITIONAL EMPLOYER CONTRIBUTION.—An employer that elects to comply with clause (i)(I) shall contribute an additional 1 percent of payroll into the State-designated purchasing pool in which it participates.

''(3) RULE OF CONSTRUCTION.—Nothing in this title shall be construed as prohibiting a labor organization from collectively bargaining for an employer contribution that is greater than the contribution that is required under paragraph (1)(B) or, as applicable, for health insurance benefits that are greater than the coverage required under paragraph section 2203(a).

''(4) PART-TIME EMPLOYEES.—An employer shall be responsible for meeting the requirements under this subsection for all employees of the employer.

''(5) MULTIEMPLOYER FAMILIES.—In the case of a family with more than 1 employer, the employers of individuals within the family shall apportion their contributions in accordance with rules established by the State.

''(b) NONAPPLICABILITY.—This section shall not apply—

''(1) to any State that establishes a single payor system; or

''(2) to any State that established a universal phase (phase II) plan through an approved addendum to an expansion phase (phase I) plan.

''(c) PRIVATE CAUSE OF ACTION.—

''(1) LIABILITY.—An employer that fails to comply with the requirements of subsection (a) or otherwise takes adverse action against an employee for the purpose of interfering with the attainment of any right to which the employee may be entitled to under this title, shall be liable to the employee affected.

''(2) AMOUNT.—The amount of the liability described in paragraph (1) shall be an amount equal to—

''(A) the contributions that otherwise would have been made by the employer on behalf of the employee under this section;

''(B) an additional amount as liquidated damages; and

''(C) consequential damages for reasonably foreseeable injuries resulting from such action.

''(3) JURISDICTION; EQUITABLE RELIEF.—

''(A) JURISDICTION.—An action under this subsection may be maintained against any employer in any Federal or State court of competent jurisdiction by any 1 or more employees.

''(B) EQUITABLE RELIEF.—In addition to the damages described in paragraph (2), a court may enjoin any act or practice that violates this title.

''(4) ATTORNEY'S FEES.—If a plaintiff or plaintiffs prevail in an action brought under this subsection, the court shall, in addition to any judgment awarded to the plaintiff or plaintiffs, award the reasonable attorney's fees and costs associated with the bringing of the action.

''SEC. 2215. ALLOTMENTS.

''(a) STATE ALLOTMENTS.—Subsections (a) and (b) of section 2204 apply to a universal phase (phase II) plan under this part in the same manner as such subsections apply to an expansion phase (phase I) plan under part A.

''(b) SPECIAL RULE FOR EXPANSION PHASE (PHASE I) PLANS.—A State that operated an expansion phase (phase I) plan and converted such plan to a universal phase (phase II) plan pursuant to section 2211(b)(2)(B) shall continue to be eligible for the enhanced Federal participation rate determined under section 2204(c).

''(c) GRANTS TO INDIAN TRIBES, NATIVE HAWAIIAN ORGANIZATIONS, AND ALASKA NATIVE ORGANIZATIONS.—Section 2204(d) applies to a universal phase (phase II) plan under this part.

''(d) APPROPRIATION.—

''(1) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, there is appropriated to carry out this title such sums as may be necessary for fiscal year 2005 and each fiscal year thereafter.

''(2) BUDGET AUTHORITY.—Paragraph (1) constitutes budget authority in advance of appropriations Acts and represents the obligation of the Federal Government to provide States, Indian tribes, Native Hawaiian organizations, and Alaska Native organizations with the allotments determined under this section and the grants for administrative and outreach activities under section 2205(a)(1)(B) (as applied to this part under section 2216(a)).

''SEC. 2216. ADMINISTRATION; DEFINITIONS.

''(a) ADMINISTRATION.—The provisions of section 2205 (other than subsection (c) of such section) apply to a universal phase (phase II) plan under this part in the same manner as such provisions apply to an expansion phase (phase I) plan under part A.

''(b) DEFINITIONS.—

''(1) APPLICATION OF SECTION 2206.—The definitions set forth in section 2206 apply to a universal phase (phase II) plan under this part in the same manner as such provisions apply to an expansion phase (phase I) plan under part A except that for purposes of this part, the definition of 'eligible residents of a State' set forth in section 2206(2) shall be applied without regard to subparagraphs (A)(ii) and (B).

''(2) UNIVERSAL PHASE (PHASE II) PLAN.—In this title, the term 'universal phase (phase II) plan' means the State universal health insurance coverage plan submitted under section 2211(b).''.

SEC. 202. CONSUMER PROTECTIONS.

Title XXII of the Social Security Act, as amended by section 201, is amended by adding at the end the following:

''PART C—CONSUMER PROTECTIONS

''SEC. 2221. HOME CARE STANDARDS.

''In order to ensure that home care services are provided in a consumer-directed manner, a State participating under part A, and, effective January 1, 2005, all States under part B, shall satisfy the Secretary that any health plan that provides home care services under this title creates, or contracts with, a viable entity other than the consumer or individual provider to provide effective billing, payments for services, tax withholding, unemployment insurance, and workers compensation coverage, and to serve as the statutory employer of the home care provider. Recipients of such services shall retain the right to independently select, hire, terminate, and direct the work of the home care provider.

''SEC. 2222. CONSUMER PROTECTION IN THE EVENT OF TERMINATION OR SUSPENSION OF SERVICES.

''A State participating under part A, and, effective January 1, 2005, all States under part B, shall satisfy the Secretary that any health plan providing services under this title shall ensure that enrollees will receive continued health services in the event that the plan's health care services are terminated or suspended, including as the result of the plan filing for bankruptcy relief under title 11, United States Code, or the failure of the plan to provide payments to providers, lockouts, work stoppages, or other labor management problems.

''SEC. 2223. CONSUMER PROTECTION THROUGH DISCLOSURE OF INFORMATION.

''(a) IN GENERAL.—A State participating under part A, and, effective January 1, 2005,

all States under part B, shall satisfy the Secretary that any health care provider that provides services to individuals under this title shall provide to the State information regarding the identity, employment location, and qualifications of health care workers providing services under—

''(1) the licensure of the provider; or

''(2) a contract between the provider and a health plan or the State.

''(b) AVAILABILITY TO PUBLIC.—A health care provider shall make the information described in subsection (a) available to the public.''.

''SEC. 2224. CONSUMER PROTECTION THROUGH NOTICE OF CHANGES IN HEALTH CARE DELIVERY.

''A State participating under part A, and, effective January 1, 2005, all States under part B, shall describe how the State will provide, at a minimum, the following protections:

''(1) Adequate advance notice to the public, the affected health care workers, and labor organizations representing such workers, of a pending—

''(A) facility or operating unit closure;

''(B) sale, merger, or consolidation of a facility or operating unit;

''(C) transfer of work from 1 facility or entity to another facility or entity; or

''(D) reduction of services.

''(2) A right of first refusal for similar vacant positions with—

''(A) the resulting entity, in the case of a health care worker whose position was eliminated following a merger of the worker's original employer with a new entity; or

''(B) the contractor, in the case of a health care worker whose position was eliminated following the contracting out of the work the worker formerly performed.''.

TITLE III—PATIENT PROTECTIONS

SEC. 301. INCORPORATION OF CERTAIN PROTECTIONS.

(a) INCORPORATION.—The provisions of the following bills are hereby enacted into law:

(1) H.R. 2723 of the 106th Congress (other than section 135(b)), as introduced on August 5, 1999.

(2) H.R. 137 of the 106th Congress, as introduced on January 6, 1999.

(b) PUBLICATION.—In publishing this Act in slip form and in the United States Statutes at Large pursuant to section 112, of title 1, United States Code, the Archivist of the United States shall include after the date of approval at the end appendixes setting forth the texts of the bills referred to in subsection (a) of this section.

TITLE IV—HEALTH CARE QUALITY, PATIENT SAFETY, AND WORKFORCE STANDARDS

SEC. 401. HEALTH CARE QUALITY, PATIENT SAFETY, AND WORKFORCE STANDARDS INSTITUTE.

(a) ESTABLISHMENT.—

(1) INSTITUTE.—There is established within the Agency for Healthcare Research and Quality, an institute to be known as the Health Care Quality, Patient Safety, and Workforce Standards Institute (in this section referred to as the ''Institute'').

(2) DIRECTOR.—The Secretary of Health and Human Services shall appoint a director of the Institute. The director shall administer the Institute and carry out the duties of the director under this section subject to the authority, direction, and control of the Secretary.

(b) MISSION.—The mission of the Institute is to—

(1) demonstrate how patient safety issues and workplace conditions are linked to quality patient care and the reduction of the incidence of medical errors; and

(2) reduce the incidence of medical errors and improve patient safety and quality of care.

(c) DUTIES.—In carrying out the mission of the Institute, the director of the Institute shall—

(1) work closely with the director of the Agency for Healthcare Research and Quality to ensure that issues related to workplace conditions are reflected in the activities conducted by such agency in order to reduce the incidence of medical errors and improve patient safety and quality of care, including—

(A) the establishment of national goals;

(B) the development and implementation of a research agenda;

(C) the development and promotion of best practices;

(D) the development of performance and staffing standards in consultation with the Health Care Financing Administration and other Federal agencies, as appropriate; and

(E) the development and dissemination of information, educational and training materials, and other criteria as it relates to the delivery of quality care;

(2) provide recommendations to the Secretary of Health and Human Services and other Federal agencies with responsibility for health care quality and the development of standards that impact on the delivery of quality patient care on standards related to workplace conditions and patient safety;

(3) support the activities of the Health Care Financing Administration related to the development of new or revised conditions of participation under the medicare and medicaid programs and subsequent rulemaking on issues related to workplace conditions, medical errors, and patient safety and quality of care; and

(4) conduct other activities determined appropriate by the director of the Institute.

(d) WORKPLACE CONDITIONS.—For purposes of this section, the term ''workplace conditions'' shall include issues related to—

(1) health care worker staffing;

(2) hours of work;

(3) confidentiality and whistleblower protections;

(4) employee participation in decisionmaking roles that contribute to improved quality of care and the reduction of the incidence of medical errors;

(5) workforce training; and

(6) the impact of health care delivery restructuring on communities and health care workers.

(e) DEFINITION OF HEALTH CARE WORKER.—

(1) IN GENERAL.—In this section, the term ''health care worker'' means an individual employed by an employer that provides—

(A) health care services; or

(B) necessary related services, including administrative, food service, janitorial, or maintenance service to an entity that provides such health care services.

(2) HEALTH CARE SERVICES.—In paragraph (1), the term ''health care services'' includes medical, surgical, mental health, and substance abuse services, whether provided on an in-patient or outpatient basis.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Institute such sums as may be necessary to carry out the purposes of this section.

SEC. 402. HEALTH CARE QUALITY, PATIENT SAFETY, AND WORKFORCE STANDARDS ADVISORY COMMITTEE.

(a) ESTABLISHMENT OF COMMITTEE.—There is established a Health Care Quality, Patient Safety, and Workforce Standards Committee (in this section referred to as the ''Committee'').

(b) FUNCTIONS OF COMMITTEE.—

(1) ADVICE TO INSTITUTE.—The Committee shall provide advice to the Director of the Health Care Quality, Patient Safety, and Workforce Standards Institute established under section 401 on issues related to the duties of the Director.

(2) INITIAL REPORT.—Not later than December 31, 2001, the Committee shall submit an initial report to the Secretary that contains—

(A) recommendations regarding minimal workforce standards that are critical for improved health care quality and patient safety; and

(B) recommendations regarding additional ways to reduce the incidence of medical errors and to improve patient safety and quality of care.

(3) FINAL REPORT.—Not later than December 31, 2002, the Committee shall submit a final report to the Secretary of Health and Human Services regarding the recommendations contained in the initial report required under paragraph (2), including any modifications of such recommendations.

(c) STRUCTURE AND MEMBERSHIP OF THE COMMITTEE.—

(1) STRUCTURE.—The Committee shall be composed of the Director of the Health Care Quality, Patient Safety, and Workforce Standards Institute established under section 401 and 15 additional members who shall be appointed by the Secretary of Health and Human Services.

(2) MEMBERSHIP.—

(A) IN GENERAL.—The members of the Committee shall be chosen on the basis of their integrity, impartiality, and good judgment, and shall be individuals who are, by reason of their education, experience, and attainments, exceptionally qualified to perform the duties of members of the Committee.

(B) SPECIFIC MEMBERS.—In making appointments under paragraph (1), the Secretary of Health and Human Services shall ensure that the following groups are represented:

(i) Health care providers and health care workers, including labor unions representing health care workers.

(ii) Consumer organizations.

(iii) Health care institutions.

(iv) Health education organizations.

(d) CHAIRMAN.—The Director of the Health Care Quality, Patient Safety, and Workforce Standards Institute established under section 401 shall chair the Committee.

TITLE V—IMPROVING MEDICARE BENEFITS

SEC. 501. FULL MENTAL HEALTH AND SUBSTANCE ABUSE TREATMENT BENEFITS PARITY.

Notwithstanding any provision of title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.), beginning January 1, 2001, each individual who is entitled to benefits under part A or enrolled under part B of the medicare program, including an individual enrolled in a Medicare+Choice plan offered by a Medicare+Choice organization under part C of such program, shall be provided full mental health and substance abuse treatment parity under the medicare program established under such title of such Act consistent with title XXII of the Social Security Act (as added by this Act).

SEC. 502. STUDY AND REPORT REGARDING ADDITION OF PRESCRIPTION DRUG BENEFIT.

Not later than January 1, 2003, the Director of the Institute of Medicine shall study and report to Congress and the President legislative recommendations for adding a comprehensive, accessible, and affordable prescription drug benefit to the medicare program established under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.).

TITLE VI—LONG-TERM AND HOME HEALTH CARE

SEC. 601. STUDIES AND DEMONSTRATION PROJECTS TO IDENTIFY MODEL PROGRAMS.

The Secretary of Health of Human Services shall—

(1) conduct studies and demonstration projects, through grant, contract, or interagency agreement, that are designed to identify model programs for the provision of long-term and home health care services;

(2) report regularly to Congress on the results of such studies and demonstration projects; and

(3) include in such report any recommendations for legislation to expand or continue such studies and projects.

TITLE VII—MISCELLANEOUS

SEC. 701. NONAPPLICATION OF ERISA.

The provisions of section 514 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1144) shall not apply with respect to health benefits provided under a group health plan (as defined in section 733(a) of that Act (29 U.S.C. 1191b(a))) qualified to offer such benefits under an expansion phase (phase I) plan under title XXII of the Social Security Act (as added by this Act) or under a universal phase (phase II) plan under such title.

SEC. 702. SENSE OF CONGRESS REGARDING OFFSETS.

It is the sense of Congress that any sums necessary for the implementation of this Act, and the amendments made by this Act, should be offset by—

(1) general revenues available as a result of an on-budget surplus for a fiscal year;

(2) direct savings in health care expenditures resulting from the implementation of this Act; and

(3) reductions in unnecessary Federal tax benefits available only to individuals and large corporations that are in the maximum tax brackets.

GROWTH IN THE NUMBER OF UNINSURED AMERICANS: 1988–98

[Millions of nonelderly uninsured]

Year	
1988	33.6
1989	34.3
1990	35.6
1991	36.3
1992	38.3
1993	39.3
1994	39.4
1995	40.3
1996	41.4
1997	43.1
1998	43.9
1999	[1] 45.0
2000	[2] 55.0

[1] Approximate.
[2] Projected.

Source: Employee Benefits Institute, 2000.
Data: Current Population Surveys (March) 1989–1999 Health Insurance Association of America (HIAA).

MOST IMPORTANT REASONS FOR NOT HAVING HEALTH INSURANCE, 2000

	Percent
It is too expensive	47
Your job doesn't offer coverage	15
You are between jobs or unemployed	15
You can't get coverage or were refused	5
You don't think you need it	3
Other	15

Source: The NewsHour with Jim Lehrer/Kaiser Family Foundation National Survey on the Uninsured, 2000.

By Mr. DURBIN:

S. 2889. A bill to amend the Federal Cigarette Labeling and Advertising Act and the Comprehensive Smokeless Tobacco Health Education Act of 1986 to require warning labels for tobacco products; to the Committee on Commerce, Science, and Transportation.

THE STRONGER TOBACCO WARNING LABELS TO SAVE LIVES ACT

● Mr. DURBIN. Mr. President, today I am introducing the Stronger Tobacco Warning Label to Save Lives Act. This legislation would replace the current cigarette warning label on tobacco products with larger, more direct messages that will have an impact on current smokers and potential smokers who are usually children. The Stronger Tobacco Warning Label to Save Lives Act will require a new series of warning labels modeled after new, more effective warning labels in Canada.

On January 19, 2000, Canadian Health Minister Allan Rock unveiled new and larger health warning labels for tobacco products which include color graphics and images that illustrate the damage that cigarettes do to the health of smokers and those around them. These warning labels will cover 50% of the front and back panels of tobacco products—one side in English and the other in French—and provide more information on the harmful ingredients in tobacco products. These new warning labels apply to all tobacco products. They will take effect on January 1, 2001.

After the U.S. Surgeon General publicly announced the dangers of tobacco use in 1965, the U.S. became the first country to impose mandatory health warning labels on all cigarette packs. In 1984, the U.S. replaced that label with a system of four rotating warning labels. Since then, the U.S. cigarette warning labels have become stale and ineffective. Many smokers have memorized all of the current warning labels. Others never notice the warnings because they are placed inconspicuously the side of the pack.

Other countries have since taken the lead and required stronger health warning labels. These labels have been effective in reducing smoking rates. For example, in South Africa, tobacco consumption decreased by 15% between 1994 and 1997 due to a combination of radio advertising campaigns, increased excise taxes on cigarettes, and new health warning labels. Fifty-eight percent of smokers said that the cigarette warning labels made them want to quit, cut down on smoking, or at least change to a lighter cigarette. Among non-smokers, 38% said that the warnings made them glad they had never started smoking.

The tobacco industry's massive expenditures on tobacco product promotion and public relations have ensured that, over time, Americans have seen more positive than negative imagery surrounding tobacco. The Stronger Tobacco Warning Label to Save Lives Act will ensure that every time someone lights up, the first thing that comes to mind is the health consequences—not the alluring lifestyle images associated with tobacco industry marketing. Too many young people smoke because they are led to believe it's cool and glamorous, when the truth is that tobacco kills.

Because tobacco products are highly addictive for many users, and because most users start using tobacco at a very young age, the standard of warning for tobacco must be much higher than for other products. The warning labels should at least be as prominent in selling the health message as the industry's design is effective in promoting the product. This is not about banning or regulating a legal product, this is about providing the consumer with the appropriate information so they can make an informed decision.

Mr. President, I urge my colleagues to join me in cosponsoring this important legislation to ensure that every time someone lights up, the first thing that comes to mind are the health consequences—not the alluring lifestyle images associated with tobacco industry marketing. I ask unanimous consent that a copy of the legislation be printed in the CONGRESSIONAL RECORD.

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

S. 2889

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 ''Stronger Tobacco Warning Labels to Save Lives Act''.

SEC. 2. AMENDMENT TO FEDERAL CIGARETTE AND LABELING ADVERTISING ACT.

(a) AMENDMENT.—The Federal Cigarette Labeling and Advertising Act (15 U.S.C. 1331 et seq.) is amended by striking section 4 and inserting the following:

''SEC. 4. LABELING.

''(a) LABEL.—

''(1) IN GENERAL.—It shall be unlawful for any person to manufacture, package, or import for sale or distribution within the United States any cigarettes the package of which fails to bear, in accordance with the requirements of this section, a warning label.

''(2) REGULATIONS.—Not later than 1 year after the date of enactment of this section, the Secretary shall promulgate regulations describing the warning label required by paragraph (1).

''(3) CONTENT OF LABEL.—The regulations promulgated under paragraph (2) shall ensure that the text of each warning label addresses one of the following:

''(A) Diseases or fatal health conditions caused by cigarette smoking.

''(B) Any physical addiction that results from cigarette smoking.

''(C) The influence that cigarette smoking by adults has on young children and teenagers and the consequences of such use.

''(D) The health hazards of secondhand smoke from cigarettes.

''(4) GRAPHICS.—

''(A) IN GENERAL.—The regulations promulgated under paragraph (2) shall ensure that each warning label contains a color graphic or picture that illustrates or emphasizes to the greatest practicable extent the message of the text of the corresponding warning label.

''(B) CONTENTS.—The graphics described in subparagraph (A) shall enhance the message of the text of the warning label and may include a color picture of one of the following:

''(i) A diseased lung, heart, or mouth.

''(ii) An individual suffering from addiction.

''(iii) Children watching an adult smoke a cigarette.

''(iv) An individual adversely affected by secondhand smoke from a cigarette, including pregnant women or infants.

''(b) ADVERTISING.—It shall be unlawful for any manufacturer or importer of cigarettes to advertise or cause to be advertised within the United States any cigarette unless the advertising bears, in accordance with the requirements of this section, one of the warning label statements required by subsection (a).

''(c) REQUIREMENTS FOR LABELING.—

''(1) LOCATION.—Each label statement required by subsection (a) shall be located on the upper portion of the front panel of the cigarette package (or carton) and occupy not less than 50 percent of such front panel.

''(2) TYPE AND COLOR.—Each label statement required by subsection (a) shall be printed in at least 17 point type with adjustments as determined appropriate by the Secretary. All the letters in the label shall appear in conspicuous and legible type, in contrast by typography, layout, or color with all other printed material on the package, and be printed in a black-on-white or white-on-black format as determined appropriate by the Secretary.

''(d) REQUIREMENTS FOR ADVERTISING.—

''(1) LOCATION.—Each label statement required by subsection (b) shall occupy not less than 50 percent of the area of the advertisement involved.

''(2) TYPE AND COLOR.—

''(A) TYPE.—Each label statement required by subsection (b) shall be printed in a point type that is not less than the following types:

''(i) With respect to whole page advertisements on broadsheet newspaper—45 point type.

''(ii) With respect to half page advertisements on broadsheet newspaper—39 point type.

''(iii) With respect to whole page advertisements on tabloid newspaper—39 point type.

''(iv) With respect to half page advertisements on tabloid newspaper—27 point type.

''(v) With respect to DPS magazine advertisements—31.5 point type.

''(vi) With respect to whole page magazine advertisements—31.5 point type.

''(vii) With respect to 28cm x 3 column advertisements—22.5 point type.

''(viii) With respect to 20cm x 2 column advertisements—15 point type.

The Secretary may revise the required type sizes as the Secretary determines appropriate within the 50 percent requirement.

''(B) COLOR.—All the letters in the label under this paragraph shall appear in conspicuous and legible type, in contrast by typography, layout, or color with all other printed material and be printed in an alternating black-on-white and white-on-black format as determined appropriate by the Secretary.

''(e) ROTATION OF LABEL STATEMENTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the label statements specified in subsections (a) and (b) shall be rotated by each manufacturer or importer of cigarettes quarterly in alternating sequence on packages of each brand of cigarettes manufactured by the manufacturer or importer and in the advertisements for each such brand of cigarettes in accordance with a plan submitted by the manufacturer or importer and approved by the Federal Trade Commission. The Federal Trade Commission shall approve a plan submitted by a manufacturer or importer of cigarettes which will provide the rotation required by this subsection and which assures that all of the labels required by subsections (a) and (b) will be displayed by the manufacturer or importer at the same time.

''(2) APPLICATION OF OTHER ROTATION REQUIREMENTS.—

''(A) IN GENERAL.—A manufacturer or importer of cigarettes may apply to the Federal Trade Commission to have the label rotation described in subparagraph (C) apply with respect to a brand style of cigarettes manufactured or imported by such manufacturer or importer if—

''(i) the number of cigarettes of such brand style sold in the fiscal year by the manufacturer or importer preceding the submission of the application is less than ¼ of 1 percent of all the cigarettes sold in the United States in such year; and

''(ii) more than ½ of the cigarettes manufactured or imported by such manufacturer or importer for sale in the United States are packaged into brand styles which meet the requirements of clause (i).

If an application is approved by the Commission, the label rotation described in subparagraph (C) shall apply with respect to the applicant during the 1-year period beginning on the date of the application approval.

''(B) PLAN.—An applicant under subparagraph (A) shall include in its application a plan under which the label statements specified in subsection (a) will be rotated by the applicant manufacturer or importer in accordance with the label rotation described in subparagraph (C).

''(C) OTHER ROTATION REQUIREMENTS.—Under the label rotation which the manufacturer or importer with an approved application may put into effect, each of the labels specified in subsection (a) shall appear on the packages of each brand style of cigarettes with respect to which the application was approved an equal number of times within the 12-month period beginning on the date of the approval by the Commission of the application.

''(f) APPLICATION OF REQUIREMENT.—Subsection (a) does not apply to a distributor or a retailer of cigarettes who does not manufacture, package, or import cigarettes for sale or distribution within the United States.

''(g) CIGARS; PIPE TOBACCO.—

''(1) IN GENERAL.—The Secretary shall promulgate such regulations as may be necessary to establish warning labels for cigars and pipe tobacco. Such regulations shall require content-specific messages regarding health hazards posed by cigars and pipe tobacco, include graphic illustrations of such content messages, as is required under subsection (a), and be formatted in a clear and unambiguous manner, as is required under subsection (a).

''(2) DEFINITIONS.—In this subsection:

''(A) CIGAR.—The term 'cigar' means any roll of tobacco wrapped in leaf tobacco or in any substance containing tobacco (other than any roll of tobacco that is a cigarette or cigarillo).

''(B) PIPE TOBACCO.—The term 'pipe tobacco' means any loose tobacco that, because of the appearance, type, packaging or labeling of such tobacco, is likely to be offered to, or purchased by, consumers as a tobacco to be smoked in a pipe.''

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect 1 year after the date of enactment of this section.

SEC. 3. AMENDMENT TO THE COMPREHENSIVE SMOKELESS TOBACCO HEALTH EDUCATION ACT OF 1986.

(a) AMENDMENT.—The Comprehensive Smokeless Tobacco Health Education Act of 1986 (15 U.S.C. 4401 et seq.) is amended by striking section 3 and inserting the following:

''SEC. 3. SMOKELESS TOBACCO WARNING.

''(a) GENERAL RULE.—

''(1) LABEL ON PACKAGE.—It shall be unlawful for any person to manufacture, package, or import for sale or distribution within the United States any smokeless tobacco product unless the product package bears, in accordance with the requirements of this section, a warning label.

''(2) LABEL IN ADVERTISEMENTS.—It shall be unlawful for any manufacturer, packager, or importer of smokeless tobacco products to advertise or cause to be advertised within the United States any smokeless tobacco product unless the advertising bears, in accordance with the requirements of this Act, one of the labels required by paragraph (1).

''(b) REGULATIONS.—Not later than 1 year after the date of enactment of this section, the Secretary shall promulgate regulations describing the warning labels required under subsection (a).

''(c) CONTENT OF LABEL.—The regulations promulgated under subsection (b) shall ensure that the text of each warning label addresses one of the following:

''(1) Diseases resulting from use of smokeless tobacco products.

''(2) Any physical addiction that results from using smokeless tobacco products.

''(3) The influence that use of smokeless tobacco products by adults has on young children and teenagers and the consequences of such use.

''(d) NUMBER OF LABELS.—The regulations promulgated under subsection (b) shall ensure that not less than 2 warning labels are created for each subject matter described in paragraphs (1), (2), and (3) of subsection (c). Such regulations shall also require that each package of smokeless tobacco bear 1 warning label that shall be rotated in accordance with subsection (g).

''(e) GRAPHICS.—

''(1) IN GENERAL.—The regulations promulgated under subsection (b) shall ensure that each warning label required by subsection (a) contains a color graphic or picture that illustrates or emphasizes to the greatest practicable extent the message of the text of the corresponding warning label.

''(2) CONTENTS.—The graphics described in paragraph (1) shall enhance the message of the text of the warning label and may include a color picture of one of the following:

''(A) A diseased mouth or other physical effect of using smokeless tobacco products.

''(B) An individual using a smokeless tobacco product.

''(C) Children watching an adult use a smokeless tobacco product.

''(f) FORMAT.—

''(1) LOCATION.—Each label statement required by subsection (a)(1) shall be located on the principal display panel of the product and occupy not less than 50 percent of such panel.

''(2) TYPE AND COLOR.—Each label statement required by subsection (a)(1) shall be printed in 17 point type with adjustments as determined appropriate by the Secretary to reflect the length of the required statement. All the letters in the label shall appear in conspicuous and legible type in contrast by typography, layout, or color with all other printed material on the package and be printed in an alternating black on white and white on black format as determined appropriate by the Secretary.

''(g) ADVERTISING AND ROTATION.—The provisions of sections (d) and (e)(1) of the Federal Cigarette Labeling and Advertising Act (as amended by the Stronger Tobacco Warning Labels to Save Lives Act) shall apply to advertisements for smokeless tobacco products required under subsection (a)(2) and the rotation of the label statements required under subsection (a)(1) on such products.

''(h) APPLICATION OF REQUIREMENT.—Subsection (a) does not apply to a distributor or a retailer of smokeless tobacco products who does not manufacture, package, or import such products for sale or distribution within the United States.

''(i) TELEVISION AND RADIO ADVERTISING.—It shall be unlawful to advertise smokeless tobacco or cigars on any medium of electronic communications subject to the jurisdiction of the Federal Communications Commission.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect 1 year after the date of enactment of this section.●

By Ms. SNOWE (for herself and Mr. L. CHAFEE):

S. 2890. A bill to provide States with funds to support State, regional, and local school construction; to the Committee on Health, Education, Labor, and Pensions.

BUILDING, RENOVATING, IMPROVING, AND CONSTRUCTING KIDS' SCHOOLS ACT

Ms. SNOWE. Mr. President, I rise today with my friend and colleague, Senator CHAFEE, to introduce a revised version of the ''Building, Renovating, Improving, and Constructing Kids' Schools (BRICKS) Act''—legislation that would address our nation's burgeoning need for K–12 school construction, renovation, and repair.

The legislation—which is endorsed by the National Education Association (NEA) and National PTA, and the National Association of State Boards of Education (NASBE)—would accomplish this in a fiscally-responsible manner while seeking to find the middle ground between those who support a very direct, active federal role in school construction, and those who are concerned about an expanded federal role in what has been—and remains—a state and local responsibility.

Mr. President, the condition of many of our nation's existing public schools is abysmal even as the need for additional schools and classroom space grows. Specifically, according to reports issued by the General Accounting Office (GAO) in 1995 and 1996, fully one-third of all public schools needing extensive repair or replacement.

As further evidence of this problem, an issue brief prepared by the National Center for Education Statistics (NCES) in 1999 stated that the average public school in America is 42 years old, with school buildings beginning rapid deterioration after 40 years. In addition, the NCES brief found that 29 percent of all public schools are in the ''oldest condition,'' which means that they were built prior to 1970 and have either never been renovated or were renovated prior to 1980.

Not only are our nation's schools in need of repair and renovation, but there is a growing demand for additional schools and classrooms due to an ongoing surge in student enrollment. Specifically, according to the NCES, at least 2,400 new public schools will need to be built by the year 2003 to accommodate our nation's burgeoning school rolls, which will grow from a record 52.7 million children today to 54.3 million by 2008.

Needless to say, the cost of addressing our nation's need for school renovations and construction is enormous. In fact, according to the General Accounting Office (GAO), it will cost $112 billion just to bring our nation's schools into good overall condition, and a recent report by the NEA identified $332 billion in unmet school modernization needs. Nowhere is this cost better understood than in my home state of Maine, where a 1996 study by the Maine Department of Education and the State Board of Education determined that the cost of addressing the state's school building and construction needs stood at $637 million.

Mr. President, we simply cannot allow our nation's schools to fall into utter disrepair and obsolescence with children sitting in classrooms that have leaky ceiling or rotting walls. We cannot ignore the need for new schools as the record number of children enrolled in K–12 schools continues to grow.

Accordingly, because the cost of repairing and building these facilities may prove to be more than many state and local governments can bear in a short period of time, I believe the federal government can and should assist Maine and other state and local governments in addressing this growing national crisis.

Admittedly, not all members support strong federal intervention in what has been historically a state and local responsibility. In fact, many argue with merit that the best form of federal assistance for school construction or other local educational needs would be for the federal government to fulfill its commitment to fund 40 percent of the cost of special education. This long-standing commitment was made when the Individuals with Disabilities Education (IDEA) Act was signed into law more than 20 years ago, but the federal government has fallen woefully short in upholding its end of the bargain, only recently increasing its share above 10 percent.

Needless to say, I strongly agree with those who argue that the federal government's failure to fulfill this mandate represents nothing less than a raid on the pocketbook of every state and local government. Accordingly, I am pleased that recent efforts in the Congress have increased federal funding for IDEA by nearly $2.5 billion over the past four years, and I support ongoing efforts to achieve the 40 percent federal commitment in the near future.

Yet, even as we work to fulfill this long-standing commitment and thereby free-up local resources to address local needs, I believe the federal government can do more to assist state and local governments in addressing their school construction needs without infringing on local control.

Mr. President, the legislation we are offering today—the ''BRICKS Act''—will do just. Specifically, it addresses our nation's school construction needs in a responsible fiscal manner while bridging the gap between those who advocate a more activist federal role in school construction and those who do not.

First, our legislation will provide $20 billion in federal loans to support school construction, renovation, and repair at the local level. By designating that at least one-half of these loan monies must be used to pay the interest owed to bondholders on new school construction bonds that are issued through the year 2003, the federal government will leverage the issuing of new bonds by states and localities that would not otherwise be made. In addition, by providing that up to one-half of the monies may be used for state-wide school construction initiatives, the bill provides needed flexibility to ensure that unique state and local approaches to school construction will also be supported, such as revolving loan funds.

Of importance, these loan monies—which will be distributed on an annual basis using the Title I distribution formula—will become available to each state at the request of a Governor. While the federal loans can only be used to support bond issues that will supplement, and not supplant, the amount of school construction that would have occurred in the absence of the loans, there will be no requirement that states engage in a lengthy application process that does not even assure them of their rightful share of the $20 billion pot.

Second, our bill ensures that these loans are made by the federal government in a fiscally responsible manner that does not cut into the Social Security surplus or claim a portion of non-Social Security surpluses that may prove ephemeral in the future.

Specifically, our bill would make these loans to states from the Exchange Stabilization Fund (ESF)—a fund that was created through the Gold Reserve Act of 1934 and has grown to hold more than $40 billion in assets. The principal activity of the fund—which is controlled solely by the Secretary of the Treasury—is foreign exchange intervention that is intended to limit fluctuations in exchange rates. However, the fund has also been used to provide stabilization loans to foreign countries, including a $20 billion line of credit to Mexico in 1995 to support the peso.

In light of the controversial manner in which the ESF has been used, some have argued that additional constraints should be placed on the fund. Still others—including former Federal Reserve Board Governor Lawrence B. Lindsey—have stated that, for various reasons, the fund should be liquidated.

Regardless of how one feels about exercising greater constraint over he ESF or liquidating it, I believe that if this $40 billion fund can be used to bail-out foreign currencies, it certainly can be used to help America's schools.

Accordingly, I believe it is appropriate that the $20 billion in loans provided by my legislation will be made

from the ESF—an amount identical to the line of credit that was extended to Mexico by the Secretary of the Treasury in 1995. Of importance, these loans will be made from the ESF on a progressive, annual basis—not in a sudden or immediate manner. Furthermore, these monies will be repaid to the fund to ensure that the ESF is compensated for the loans it makes.

Although the ESF will recoup all of the monies it lends, it should also be noted that my proposal ensures that states and local governments will not be forced to pay excessive interest, or that they will be forced to repay over an unreasonable period of time. In fact, if the federal government fails to substantially increase its share of IDEA funding, states will incur no interest at all!

Specifically, to encourage the federal government to meet its funding commitment for IDEA—and to compensate states for the fact that every dollar in foregone IDEA funding is a dollar less that they have for school construction or other local needs—our bill would impose no interest on BRICKS loans during the first five years provided the 40 percent funding commitment is not met.

Thereafter, the interest rate is pegged to the federal share of IDEA: zero in any year that the federal government fails to fund at least 20 percent of the cost of IDEA; 2.5 percent—the long-term projected inflation rate—in years that the federal share falls between 20 and 30 percent; 3.5 percent in years the federal share is 30 to 40 percent; and 4.5 percent in years the full 40 percent share is achieved.

Combined, these provisions will minimize the cost of these loans to the states, and maximize the utilization of these loans for school construction, renovation, and repair.

Mr. President, by providing low-interest loans to states and local governments to support school construction, I believe that our bill represents a fiscally-responsible, centrist solution to a national problem.

For those who support a direct, active federal role in school construction, our bill provides substantial federal assistance by dedicating $20 billion to leverage a significant amount of new school construction bonds. For those who are concerned about the federal government becoming overly-engaged in an historically state and local responsibility—and thereby stepping on local control—my bill directs that the monies provided to states will be repaid, and that no onerous applications or demands are placed on states to receive their share of these monies.

Mr. President, I urge that my colleagues support the ''BRICKS Act''—legislation that is intended to bridge the gap between competing philosophies on the federal role in school construction. Ultimately, if we work together, we can make a tangible difference in the condition of America's schools without turning it into a partisan or ideological battle that is better suited to sound bites than actual solutions.

Thank you, Mr. President. I ask unanimous consent that the letters of support from the NEA, PTA, NASBE, and Jim Rier, the Chairman of the Maine State Board of Education, be inserted in the RECORD following my statement.

There being no objection, the materials were ordered to be printed in the RECORD, as follows:

NATIONAL EDUCATION ASSOCIATION,
Washington, DC, July 13, 2000.

Senator OLYMPIA SNOWE,
U.S. Senate,
Washington, DC.

DEAR SENATOR SNOWE: On behalf of the National Education Association's (NEA) 2.5 million members, we would like to thank you for your leadership in introducing a revised version of the Building, Renovating, Improving, and Constructing Kids' Schools (BRICKS) Act.

As you know, our nation's schools are in desperate need of repair and renovation. Too many students attend classes in overcrowded buildings with leaky roofs, faulty wiring, and outdated plumbing. A recently-released NEA study documents more than $300 billion in unmet infrastructure and technology needs, nearly three times the level estimated in previous research by the General Accounting Office.

NEA believes the revised BRICKS Act offers a meaningful avenue for assisting schools. The bill would make available $20 billion in guaranteed funding over 15 years to provide low-interest—and in many cases zero interest—school modernization loans to states and schools. According to a preliminary Department of Education analysis, the BRICKS Act would provide schools with a benefit of $465 for each $1,000 in bonds.

We are pleased that the BRICKS Act would allow up to 50 percent of federal funds to be used for payment of actual construction costs or the principal portion of loans, as well as the interest costs. We also appreciate the provision allowing those states with laws that prohibit borrowing to pay the interest costs on school bonds to use 100 percent of their BRICKS loans for state revolving loan funds or other state administered school modernization programs.

NEA believes it is essential to enact meaningful school modernization assistance this year. We thank you for your leadership in this area and look forward to continuing to work with you toward passage of bipartisan school modernization legislation.

Sincerely,

MARY ELIZABETH TEASLEY,
Director of Government Relations.

NATIONAL PTA,
Chicago, IL, July 7, 2000.

Hon. LINCOLN D. CHAFEE,
Hon. OLYMPIA J. SNOWE,
United States Senate, Washington, DC.

DEAR SENATORS CHAFEE AND SNOWE: On behalf of the 6.5 million parents, teachers, students, and other child advocates who are members of the National PTA, I am writing to support the Building, Renovating, Improving, and Constructing Kids' Schools (BRICKS) Act, which you plan to introduce next week.

We thank you for your leadership in proposing this initiative, which acknowledges the federal government's responsibility to help schools repair and renovate their facilities. As you are aware, the U.S. General Accounting Office has estimated that the cost of fixing the structural problems in schools across the nation will cost more than $112 billion. If new schools are built to accommodate overcrowding, and if schools' technology, wiring, and infrastructure needs are added in, this estimate would exceed $200 billion dollars.

This is a problem schools cannot address without a partnership with the federal government, and National PTA supports a variety of approaches to address this growing crisis. In addition to endorsing the BRICKS bill, National PTA is supporting the Public School Repair and Renovation Act, which would provide tax credits to pay the interest on school modernization bonds and create a grant and loan program for emergency repairs in high-need districts; and also the America's Better Classrooms Act, which would provide $22 billion over two years in zero interest school construction and modernization bonds.

Under BRICKS, nearly $20 billion would be available over 15 years to provide low interest, and in many cases zero interest, loans to States for interest payments on their school modernization bonds. We are pleased that the proposal will allow increased flexibility in using the federal funds for interest payments, as well as for other state-administered programs that assist state entities or local governments pay for the construction or repair of schools.

National PTA is committed to helping enact a federal school modernization proposal this Congress. We believe the BRICKS Act should be promoted as one of the ways the federal government can assist schools, and we thank you for your leadership in this area. We look forward to continuing to work with you toward formulation and passage of bipartisan school modernization legislation.

Sincerely,

VICKI RAFEL,
Vice President for Legislation.

NATIONAL ASSOCIATION OF
STATE BOARDS OF EDUCATION,
Alexandria, VA, July 18, 2000.

Hon. OLYMPIA SNOWE,
U.S. Senate,
Washington, DC.

DEAR SENATOR SNOWE: The National Association of State Boards of Education (NASBE) is a private nonprofit association representing state and territorial boards of education. Our principal objectives are to strengthen state leadership in education policy-making, promote excellence in the education of all students, advocate equality of access to educational opportunity, and assure responsible governance of public education.

We are writing to applaud your efforts to provide federal assistance to states for school construction. The deterioration of America's school infrastructure has reached crisis proportions. At least one-third of all U.S. schools are in need of extensive repairs or replacement and 60% have at least one major building deficiency such as cracked foundations, leaky roofs, or crumbling walls. We cannot expect our children to learn much less excel in such decrepit and unsafe environments.

The more than $112 billion needed to renovate and/or repair existing school facilities has simply overwhelmed state and local resources. This national problem demands federal attention and we are encouraged that your office is attempting to address this need by proposing a $20 billion federal loan program.

Your legislation, the Building, Renovating, Improving, and Construction Kids' Schools Act (BRICKS), will leverage new school construction expenditures at the state and local levels and provides flexibility to integrate this assistance with the variety of solutions

states have already undertaken, such as revolving funds, to enhance the financing of school construction.

We appreciate your efforts and attention to address this critical situation. NASBE is encouraged by your actions and we look forward to working with your office to foster a partnership between federal, state and local entities to improve the learning conditions of American children.

Sincerely,

BRENDA LILIENTHAL WELBURN,
Executive Director.

STATE BOARD OF EDUCATION,
Augusta, ME, April 29, 2000.

Senator OLYMPIA J. SNOWE,
United States Senate,
Washington, DC.

DEAR SENATOR SNOWE: The age and condition of our nation's public schools are an expanding crisis and should be of great concern to all. Decades of neglect, unfunded maintenance programs, constrained state and municipal budgets, shifting populations, technology requirements, and programmatic changes have combined to weaken the infrastructure of public education. As you are well aware, a 1995 GAO report estimated that just repairing existing school facilities would cost $112 billion. In addition, building new facilities to met the demands of program and increased enrollments could cost another $73 billion. We have allowed the condition of our schools to deteriorate to a point that there are now critical implications for the health and safety of our students and staff who occupy those buildings. A number of states have launched major efforts to address their school facilities needs. The task is huge and beyond the ability of most local and even state resources.

Unfortunately, Maine mirrors the nation. A Facilities Inventory Study, conducted in 1996 by the Department of Education and the University of Maine's Center for Research and Evaluation, identified approximately $650 million in needed facility improvements. Of particular concern was the need for over $60 million in serious health and safety related improvements as well as an additional $150 million in other renovation and upgrades required.

In response to Maine's survey of over 700 buildings, Governor King appointed a Commission to develop a plan to address the needs identified. Their report was delivered to the Maine Legislature in February 1998, and the recommendations were enacted in April 1998. Maine has responded to address the identified needs with significant state and local resources. However, even as we develop policy and resources to aggressively address those needs, our concern grows.

Progressing from the condition survey to a detailed engineering and environmental analysis of the conditions causes even greater alarm. Roofs that were reported as leaking in the survey are found to have serious structural integrity problems with greater safety risks for occupants as well as more complex and costly solutions. Indoor air quality problems in the survey grow from increased air exchange solutions to more complex ones due to mold and microbial growth in the interior walls. Again, this poses increased health risk for students and staff. As we learn more about the problems, our concerns grow and the necessary resources increase. The critical health and safety needs from the 1996 survey ($60 million) have grown to over $86 million in our latest project estimates. Many more projects are yet to be identified.

Applications for Major Capital Construction projects were received in August of 1999 from over 100 buildings throughout Maine. Even with a major new commitment of over $200 million from this Session of the Maine Legislature we will only be able to address approximately 20 of those projects over the next two years. More will be applying in the next two-year cycle that begins in July 2001.

Although school construction and modernization is and should remain primarily a state and local responsibility, states and school districts cannot meet the current urgent needs alone. Federal assistance in the form of reduced or low interest loans as you have included in S1992, the BRICKS ACT, responds to the urgent need and could provide a critical component to a comprehensive but flexible approach to address Maine's, as well as the nation's, school facilities needs. As currently proposed, your legislation would allow the flexibility to address the renovation and upgrade of existing facilities as well as provide relief for overcrowding and insufficient program space where major capital construction is required. It creates an effective local/state/federal partnership, while leaving decisions about which schools to build or repair up to states and local school units. In Maine, that would allow us to strengthen our Revolving Renovation Fund (created to aid local units in the upgrade and renovation of existing buildings), and it would enhance our bonding capacity for long term debt commitment to major capital construction projects.

Structurally unfit, environmentally deficient, or overcrowded classrooms impair student achievement, diminish student discipline, and compromise student safety. Although not cited often, the learning environment does affect the quality of education and our ability to help students achieve high standards.

The National Association of State Boards of Education has identified school construction as one of its priority issues. I serve as Vice-Chair of their Governmental Affairs Committee and would be happy to enlist their help in focusing the nation's attention on the poor condition of our schools and the need for comprehensive federal assistance. If you have questions or need information from NASBE please contact David Griffith, Director of Governmental Affairs at 703–684–4000. As Chairman of the Maine State Board of Education and the governor's School Facilities Commission I am available and would be pleased to participate in any way you think appropriate to outline Maine's innovative and comprehensive school facilities program, and to elaborate on how federal assistance could best complement state and local efforts to address our school construction needs.

It was an honor to meet you in March during NASBE's Legislative Conference. I look forward to working with you in support of a federal partnership with state and local school units to provide a safe, healthy, and effective learning environment for all.

Sincerely,

JAMES E. RIER, Jr.,
Chair.

Mr. L. CHAFEE. Mr. President, I am pleased to join my colleague from Maine, Senator SNOWE, in introducing a revised version of BRICKS—the Building, Renovating, Improving, and Constructing Kids' Schools Act. This legislation represents a fresh approach to addressing the infrastructure problems in our nation's elementary and secondary schools.

Many thanks to Senator SNOWE for her commitment to this issue and for her leadership; to the National PTA and the NEA, both of whom have endorsed the proposal; and special thanks to the Rhode Island Department of Education and Commissioner Peter McWalters for offering suggestions which I believe helped to improve this proposal.

As some of you may know, Senator SNOWE first introduced the BRICKS proposal at the end of the last session. In January, I joined as a cosponsor. We had hoped to offer this revised version as an amendment to S. 2 but were unable to do so. As a result, we are introducing the revised version of BRICKS today in a form we hope many of our colleagues will be enthusiastic about cosponsoring.

The BRICKS Act would permit the federal government to provide low, or no, interest loans to states to address their serious school infrastructure problems. The National Center for Education Statistics reports that three quarters of our nation's public schools need to build, renovate, improve or modernize their facilities. In some cases the need arises from increased school-age population. In other cases, school facilities are simply old and in need of repair. Today's estimated cost of modernizing and improving school facilities throughout the United States is $127 billion. There is no argument about whether a serious problem exists. There are differences on how best to solve this terribly serious problem.

BRICKS recognizes that our nation faces a grave problem. We worry about whether our children are learning enough to compete in the international marketplace, yet we send our children to school in overcrowded classrooms. We tell them to do their best without adequate air conditioning, heating and plumbing. We expect them to learn in buildings with leaky roofs and crumbling walls, or we house them in ''temporary'' classrooms in trailers on school parking lots.

In Rhode Island, our schools are old: twenty five percent were built before 1930; another thirty-six percent were built in the 1940s and 1950s; twenty-three percent were built in the 1960s; and thirteen percent were built in the recent 1980s. Between 1986 and 1990, our small State spent about $400 million on school construction projects, averaging about 11 projects per year, and there is much more to be done. My State isn't asking the federal government to step in and take over its school facilities responsibilities or the responsibilities of local communities. Rather, help is being sought at the federal level to meet a critical and immediate need.

The legislation which Senator SNOWE and I are introducing today, addresses that need by providing twenty billion dollars in federal loans to the states. Each state receives funds, based on the Elementary and Secondary Education Act's Title I distribution formula, at the request of the Governor. States have until 2003 to request the loans. Fifty percent of the loans must be used to repay the interest on school construction bonds. The other fifty percent may be used to support existing state-administered school construction

programs. Decisions about the use of these federal dollars are made by the Governor in consultation with the director of the state education agency. I am very pleased that the revised legislation encourages the loans to go to those school districts with the greatest need, but the final decisions are made by those closest to the problems.

As a former mayor, the person at the local level signing the checks to pay for my community's education needs, I am very familiar with educational priorities at the local level. I am deeply committed to ensuring that the federal government meets its overdue goal of paying up to forty percent of the cost of educating children with special needs. Since coming to the Senate, I have made fully-funding IDEA—the Individuals with Disabilities Education Act—a top priority. This bill links the interest states and localities will be required to pay to the federal level of IDEA funding.

Until 2006, there will be zero interest on BRICKS loans. After that, interest will be determined by the federal funding level for IDEA. If federal IDEA funding remains, as it is today, below twenty percent, the loans will remain at zero interest. If the federal spending on IDEA is between twenty and thirty percent, interest will be 2.5 percent. If federal spending on IDEA rises to between thirty and forty percent, interest rises to 3.5 percent. Finally, if the federal government meets its forty percent goal, interest peaks at 4.5 percent. Taking into account federal funding of IDEA seems completely appropriate to me. I hope this linkage of IDEA and spending on school facilities is another step which encourages Congress to meet the goal of fully funding IDEA.

Our proposal does not ask the federal government to assume responsibility for building, improving and maintaining school facilities. States and local school districts already have accepted that responsibility by spending more than ever before on facilities. According to the most recent study by the General Accounting Office on school facilities, issued in March 2000, spending on school infrastructure increased by 39 percent from 1990 to 1997. But they cannot do it alone. The federal government can and should help by providing BRICKS loans.

I hope that Senators who care about this issue will put aside partisan differences and look carefully at the plan Senator SNOWE and I are proposing. We believe that BRICKS addresses an immediate problem in a responsible manner that does not usurp the authority or responsibility of states and school districts. I urge my colleagues to join as cosponsors of BRICKS.

By Mr. REID:

S. 2891. A bill to establish a national policy of basic consumer fair treatment for airline passengers; to the Committee on Commerce, Science, and Transportation.

AIR TRAVELERS FAIR TREATMENT ACT OF 2000

Mr. REID. Mr. President, I rise to introduce the Air Travelers' Fair Treatment Act of 2000.

Air travel is an increasingly unpleasant and stressful experience. Anyone who flies much at all knows that airports are crowded, flights too often delayed or canceled without explanation, ticket prices are unpredictable and hard to figure out, passengers are more unruly and occasionally violent.

Monday's edition of the Washington Post included a front-page story reporting that delays and cancellations are at an all-time high. According to Time Magazine, the number of air-rage incidents reported by flight crews from 66 in 1997, to 534 last year. It doesn't take a great leap of faith to see a relationship between the two.

Last year, Congress passed my ''air rage'' bill that increased penalties on passengers who commit acts that threaten the health or safety of other passengers or jeopardize the safety of the flight. That was a good bill, that I think will help passengers and airlines alike to reduce the amount of stress associated with flying.

But punishing unruly passengers is only half of the solution, because unruly passengers are not the only source of stress in air travel. Air rage is not only a cause, but a symptom, of stress.

The airlines have cut corners in recent years in ways that make traveling by air more and more difficult and unpleasant for customers.

A few weeks ago, the Inspector General of the Department of Transportation released a study on the performance of the airline industry. According to the study:

Through the first four months of this year, the number of passenger complaints to the Department has increased a whopping 74 percent compared to last year.

Complaints about delays, cancellations, and missed connections were up 115 percent since last year—in other words, they have more than doubled in only one year.

And even these numbers may be low, because the Inspector General estimates that the airlines receive anywhere from 100 to 400 complaints for every one that is filed with the government.

Last fall, the airlines announced that they would voluntarily implement their own reforms. They made a great show of implementing their ''12 Commandments for Customer Service'' last fall.

But this study reveals that things have become worse, not better. The study cites numerous instances where the airlines have violated their own so-called ''Commandments.''

For example, one of these so-called Commandments is to notify customers about delays and cancellations. The Transportation Department's report indicated that airlines were, in fact, making an effort to communicate delays and cancellations—but that the information communicated was, to quote the Inspector General, ''frequently inaccurate, incomplete or unreliable.''

Airlines are often poorly equipped to handle in-flight emergencies—some carriers have virtually no first-air or medical equipment on their flights, and the amount of first-aid training that flight crews received varies widely from carrier to carrier.

And airlines ticket prices are still confusing and arbitrary. Some carriers have enacted rules that prohibit customers from combining legs of different tickets to get the best prices.

Now, there are some explanations for the decline in service and the increase in the number of complaints. Last year, the airlines carried a total of 635 million passengers, a record number, double the number of passengers 20 years ago. The average load factor—which refers to the percentage of passengers compared to available seats—is 71 percent, also a record.

But crowded airports are no excuse for airlines to violate their own so-called Commandments for Customer Service.

It's no excuse for providing misleading or inaccurate explanations of delays or cancellations to air travelers. People make plans around posted flight schedules, important personal or business plans. If a flight is canceled or delayed, they should be able to find out what's going on, so that they can make alternative plans if they need to.

The bill I am introducing today will address some of these concerns.

The bill has seven provisions.

(1) Pricing Policies: Due to the complex way that airlines price their tickets, in some cases, a trip will be cheaper if a passenger purchases a ticket to a different destination and gets off during the layover, leaving the second leg of the ticket unused, rather than buying a ticket directly to his/her intended destination. Similarly, a passenger may save money by combining portions of different tickets. To prevent this and to force passengers to pay the higher prices, airlines have begun canceling the return ticket if the passenger does not use the entire ticket, and penalizing travel agents who allow customers to combine ticket portions this way. The bill would allow passengers to use all, part or none of a purchased ticket without penalty by the airline, enabling passengers and travel agents to freely mix-and-match tickets to get the best price.

(2) Flight Delays: The bill requires air carriers to provide travelers with accurate and timely explanations of the reasons for a flight cancellation, delay or diversion from a ticketed itinerary, by classifying the failure to do so as an unfair business practice.

(3) Right to Exit Aircraft: Where a plane has remained at the gate for more than 1 hour past its scheduled departure time and the captain has not been informed that the aircraft can be cleared for departure within 15 minutes, passengers would have the right

to exit the plane into the terminal to make alternative travel plans, or simply to stretch their legs, get something to eat, etc. I believe this provision will help prevent ''air rage'' incidents when passengers are forced to sit in parked planes for long periods of time.

(4) Right to In-flight Medical Care: Currently, each airline has its own policy regarding what kind of medical and first-aid equipment and training is provided on their flights, so that the available equipment varies widely, particularly with more expensive equipment like defibrillators. This bill would direct the Secretary of Transportation to issue uniform minimum regulations for all carriers regarding the type of medical equipment each flight must carry, and the kind of medical training each flight crew should receive.

(5) Access to State Laws: The Federal Courts have split on whether the Airline Deregulation Act of 1978 pre-empts state consumer protection and personal injury laws as applied to airlines. The Ninth Circuit Court of Appeals has held that passengers may sue airlines in state court for violations of state tort and consumer laws; in contrast, the Fourth Circuit has held that airlines are immune from state laws. The Supreme Court has not acted on the issue. The bill would add a provision making clear that the 1978 Act does not preempt state tort and consumer protection laws.

(6) Termination of Ticket Agents: Travel agencies provide a valuable service to customers looking for the best prices. Yet airlines have enormous leverage over what kind of information they can and cannot provide to customers, because they can withdraw their accounts without notice from any travel agency for any reason—even if the only reason is that the travel agency is giving the customer the best rates. The bill requires carriers to provide written 90-day advance statement of reasons before canceling a travel agency's account with the airline, and to give them 60 days to correct the identified deficiencies.

(7) Independent Commission: Finally, the bill would establish an independent Commission to study the airlines' pricing practices and their effects on customer choice, on the number of routes available, and on the quality of service provided by the airlines.

The stress associated with air travel has increased considerably, and much of that stress is caused by things that airlines do to save money and maximize profit that hurt customers. I believe that we must look at unfair and deceptive practices of the airlines that contribute to the stress of air travel, in a specific, targeted and reasonable manner. This bill will do that.

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

S. 2892. A bill to designate the Federal building located at 158–15 Liberty Avenue in Jamaica, Queens, New York, as the ''Floyd H. Flake Federal Building''; to the Committee on Environment and Public Works.

DESIGNATING A FEDERAL BUILDING AS THE ''FLOYD H. FLAKE FEDERAL BUILDING''

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

S. 2893. A bill to designate the facility of the United States Postal Service located at 757 Warren Road in Ithaca, New York, as the ''Matthew F. McHugh Post Office''; to the Committee on Government Affairs.

DESIGNATING A UNITED STATES POSTAL FACILITY AS THE ''MATTHEW F. MCHUGH POST OFFICE''

Mr. SCHUMER. Mr. President, I had the honor and privilege of working with former Representative Floyd H. Flake during my tenure in the House and it gives me great pleasure to join Senator MOYNIHAN and my House colleague Congressman GREG MEEKS in introducing a bill to name a Federal building in Jamaica, Queens, New York, after the man who served that district with the utmost honor and dedication.

Floyd was elected to the House of Representatives in 1986 to serve the 6th Congressional District of New York. He served his constituents admirably for 11 years until his retirement in 1997. He is most remembered for his service on the Banking and Financial Services Committee, a committee we served on together.

In the House, Floyd distinguished himself as a leader in the fight for the revitalization of urban communities. He worked tirelessly to pass the Community Development Financial Institutions Act of 1993 and to ensure passage of the Community Reinvestment Act. These two acts, along with Floyd's countless other efforts to help urban communities, illustrates his commitment as a true public servant.

Since his retirement, Floyd has continued his service to the public. He is currently the Pastor of the Allen A.M.E. Church in Queens and has led a movement to increase church-based non-profit activity in communities. He has dedicated his life to helping New York City residents work their way towards a better life through innovative employment programs, community improvement projects and renewal of spiritual faith.

Floyd has distinguished himself as a true leader who was able to combine high morals with government. I can think of no one more deserving of this honor than Reverend Flake.

By Mr. LUGAR (for himself, Mr. ROBERTS, Mr. BURNS, and Mr. SANTORUM):

S. 2894. A bill to provide tax and regulatory relief for farmers and to improve the competitiveness of American agricultural commodities and products in global markets; to the Committee on Finance.

THE RURAL AMERICA PROSPERITY ACT OF 2000

Mr. LUGAR. Mr. President, I rise today to introduce the Rural America Prosperity Act of 2000. I am pleased that Senator ROBERTS, Senator SANTORUM, and Senator BURNS have joined as cosponsors of this bill.

A Republican controlled Congress in 1996 produced a sweeping reform of farm programs. Farmers were no longer told by the government what crops they had to plant. Farmers were no longer forced by the government to idle part of their land. That farm bill disentangled farmers from government controls and enabled them to make production decisions based on market signals.

Freeing farmers from excessive, and often counterproductive, government controls is an important step, but we should do more to give farmers the tools they need to succeed. Specifically, we need to work to open foreign markets for our agricultural commodities and products, ease the tax and regulatory burden, and provide new risk management tools for farmers.

There are three tax provisions in this legislation that I have long advocated as crucial to the financial health of farmers. First is the repeal of the estate tax. A repeal of this tax, which has prevented some farms from being passed from one generation to the next, is essential. We are proposing the same 10-year phase-out of the estate tax which Congress just passed, and the President has promised to veto. Excluding capital gains from the sale of farmland would put production agriculture on the same footing as homeowners who benefit from a capital gains exclusion for their home. The deduction of health care insurance costs is needed for farmers and others who are self-employed.

Recently Congress provided over $8 billion to improve the federal crop insurance program. While crop insurance is an important risk management tool, today we offer two other risk management tools for farmers—income averaging and FARRM accounts. Two years ago Congress made income averaging a permanent risk management tool for farmers when calculating taxes. Unfortunately, the interaction between income averaging and the alternative minimum tax has prevented many farmers from receiving the benefit of income averaging. This bill fixes that problem. Under this bill, farmers will be able to contribute up to 20 percent of annual farm income into a FAARM account and deduct this amount from their taxes. This is an excellent tool for managing financial volatility associated with farming.

We also address regulatory reform in our bill. We are seeking a review of existing and proposed regulations to determine the cost of compliance for farmers, ranchers and foresters. We want to determine if there are more cost-effective ways for farmers, ranchers and foresters to achieve the objectives of these regulations.

Finally, we must do more to help develop new markets abroad for our farm commodities and agricultural products. Opportunity lies in developing

countries where growing wealth allows for increased demand for meat and processed commodities. Authorizing fast-track authority for the President to negotiate international trade agreements may be the single most important thing we can do to facilitate exports.

We also need to address sanctions. Sanctions that prohibit the export of U.S. agricultural products into the sanctioned country are often morally indefensible because they deny necessities to people, not the offending government. Such sanctions also deny markets for U.S. agricultural products which are then captured by our competitors.

This legislation represents what I believe is necessary to further the historic reforms initiated in the farm bill 4 years ago. I urge my colleagues to cosponsor this bill. I will continue to encourage my colleagues and the Administration to work to enact these proposals.

ADDITIONAL COSPONSORS

S. 345

At the request of Mr. ALLARD, the name of the Senator from North Dakota (Mr. CONRAD) was added as a cosponsor of S. 345, a bill to amend the Animal Welfare Act to remove the limitation that permits interstate movement of live birds, for the purpose of fighting, to States in which animal fighting is lawful.

S. 499

At the request of Mr. FRIST, the name of the Senator from Missouri (Mr. ASHCROFT) was added as a cosponsor of S. 499, a bill to establish a congressional commemorative medal for organ donors and their families.

S. 510

At the request of Mr. CAMPBELL, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 510, a bill to preserve the sovereignty of the United States over public lands and acquired lands owned by the United States, and to preserve State sovereignty and private property rights in non-Federal lands surrounding those public lands and acquired lands.

S. 1140

At the request of Mrs. BOXER, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 1140, a bill to require the Secretary of Labor to issue regulations to eliminate or minimize the significant risk of needlestick injury to health care workers.

S. 1191

At the request of Mr. DORGAN, the name of the Senator from Nevada (Mr. BRYAN) was added as a cosponsor of S. 1191, a bill to amend the Federal Food, Drug, and Cosmetic Act to provide for facilitating the importation into the United States of certain drugs that have been approved by the Food and Drug Administration, and for other purposes.

S. 1239

At the request of Mr. GRAHAM, the name of the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 1239, a bill to amend the Internal Revenue Code of 1986 to treat spaceports like airports under the exempt facility bond rules.

S. 1472

At the request of Mr. ASHCROFT, his name was added as a cosponsor of S. 1472, a bill to amend chapters 83 and 84 of title 5, United States Code, to modify employee contributions to the Civil Service Retirement System and the Federal Employees Retirement System to the percentages in effect before the statutory temporary increase in calendar year 1999, and for other purposes.

S. 1555

At the request of Mr. DOMENICI, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 1555, a bill to provide sufficient funds for the research necessary to enable an effective public health approach to the problems of youth suicide and violence, and to develop ways to intervene early and effectively with children and adolescents who suffer depression or other mental illness, so as to avoid the tragedy of suicide, violence, and longterm illness and disability.

S. 1810

At the request of Mrs. MURRAY, the name of the Senator from Arkansas (Mr. HUTCHINSON) was added as a cosponsor of S. 1810, a bill to amend title 38, United States Code, to clarify and improve veterans' claims and appellate procedures.

S. 1919

At the request of Mr. DODD, the names of the Senator from Massachusetts (Mr. KERRY), the Senator from Montana (Mr. BAUCUS) and the Senator from Vermont (Mr. JEFFORDS) were added as cosponsors of S. 1919, a bill to permit travel to or from Cuba by United States citizens and lawful resident aliens of the United States.

S. 1941

At the request of Mr. DODD, the names of the Senator from Montana (Mr. BAUCUS) and the Senator from Nevada (Mr. BRYAN) were added as cosponsors of S. 1941, a bill to amend the Federal Fire Prevention and Control Act of 1974 to authorize the Director of the Federal Emergency Management Agency to provide assistance to fire departments and fire prevention organizations for the purpose of protecting the public and firefighting personnel against fire and fire-related hazards.

S. 2018

At the request of Mrs. HUTCHISON, the name of the Senator from North Dakota (Mr. CONRAD) was added as a cosponsor of S. 2018, a bill to amend title XVIII of the Social Security Act to revise the update factor used in making payments to PPS hospitals under the medicare program.

S. 2033

At the request of Mr. KERRY, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 2033, a bill to provide for negotiations for the creation of a trust fund to be administered by the International Bank for Reconstruction and Development or the International Development Association to combat the AIDS epidemic.

S. 2387

At the request of Mr. LEAHY, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 2387, a bill to improve global health by increasing assistance to developing nations with high levels of infectious disease and premature death, by improving children's and women's health and nutrition, by reducing unintended pregnancies, and by combating the spread of infectious diseases, particularly HIV/AIDS, and for other purposes.

S. 2408

At the request of Mr. BINGAMAN, the names of the Senator from Louisiana (Ms. LANDRIEU), the Senator from Michigan (Mr. LEVIN), the Senator from New Jersey (Mr. LAUTENBERG), the Senator from Hawaii (Mr. AKAKA), the Senator from Arkansas (Mrs. LINCOLN), and the Senator from Nevada (Mr. BRYAN) were added as cosponsors of S. 2408, a bill to authorize the President to award a gold medal on behalf of the Congress to the Navajo Code Talkers in recognition of their contributions to the Nation.

S. 2434

At the request of Mr. L. CHAFEE, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 2434, a bill to provide that amounts allotted to a State under section 2401 of the Social Security Act for each of fiscal years 1998 and 1999 shall remain available through fiscal year 2002.

S. 2585

At the request of Mr. GRAHAM, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S. 2585, a bill to amend titles IV and XX of the Social Security Act to restore funding for the Social Services Block Grant, to restore the ability of the States to transfer up to 10 percent of TANF funds to carry out activities under such block grant, and to require an annual report on such activities by the Secretary of Health and Human Services.

S. 2615

At the request of Mr. KENNEDY, the names of the Senator from Minnesota (Mr. WELLSTONE), the Senator from California (Mrs. BOXER) and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of S. 2615, a bill to establish a program to promote child literacy by making books available through early learning and other child care programs, and for other purposes.

S. 2639

At the request of Mr. KENNEDY, the name of the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 2639, a bill to amend the