agencies to conduct pilot ''share-in-savings'' partnerships under the Clinger-Cohen Act. We agree that making greater use of ''share-in-savings'' projects will lead to successful public-private joint ventures that can produce savings for the agencies and better results for the American people.

In particular, we think the approach to encouraging greater use of ''share-in-savings'' partnerships embodied in your planned amendment to this year's Treasury and General Government appropriations bill—allowing agencies to retain some of the savings, and the pilots to easily graduate to a regular authority—deserves serious consideration by Congress.

As you move forward, you may also want to look at the work of the General Service Administration's (GSA) Federal Technology Center. Ken Buck, Director of Business Innovations, Office of the Commissioner at GSA, is very knowledgeable about the successful methods of contracting and procurement using this approach.

In fact, the Council is working with GSA to develop case studies of best practices using share-in-savings methods for use by federal agencies. We will share that work with you as soon as it is available.

Again, thanks for your leadership on this very important issue, which will not only promote e-government but also excellence in government.

Sincerely,

PATRICIA MCGINNIS,
President and CEO.

By Mr. DOMENICI (for himself and Mr. BINGAMAN):

S. 3167. A bill to establish a physician recruitment and retention demonstration project under the Medicare Program under title XVIII of the Social Security Act; to the Committee on Finance.

PHYSICIAN RECRUITMENT AND RETENTION ACT OF 2000

Mr. DOMENICI. Mr. President, I rise today with my friend Senator BINGAMAN to introduce the ''Physician Recruitment and Retention Act of 2000.''

Almost like clockwork one can pick up an Albuquerque newspaper and read about the shortage of physicians in New Mexico and the resulting problems. When individuals have difficulty receiving adequate medical treatment, action must be taken.

For example, in Albuquerque an urban area of almost 700,000 there are only two neurosurgeons besides the five practicing at the University of New Mexico. Such a ratio can only cause one thing, severe difficulties for patients. Thus, a patient recently waited eighteen hours in an Albuquerque emergency room before seeing a neurosurgeon.

I would ask my colleagues the following: what good are hospitals filled with the latest technology if there are not enough doctors? And what good are modern medical offices if there are not enough doctors to treat the patients in a timely manner?

The problem I have just described is not just occurring in New Mexico, rather other states are experiencing similar problems because of a common set of problems. I would submit the combination of high levels of poverty and low Medicare reimbursement rates causes a twofold problem.

First, patients often have difficulty obtaining timely care and second, states cannot effectively recruit and retain their physicians. Our Bill builds upon the simple proposition that if Medicare Physician reimbursement rates are raised, patients will be the ultimate beneficiaries.

The Bill we are introducing creates a two state demonstration program to address these problems by increasing Medicare Physician reimbursements by 5 percent for a period of three years if certain criteria are met.

The Bill also authorizes a GAO study to determine whether: (1) patient access to care and the ability of states to recruit and retain physicians is adversely impacted when the enumerated factors in the previous section are present; and (2) increased Medicare Physician reimbursements improve patient access to care and the ability of states to recruit and retain physicians.

Thank you and I look forward to working with my colleague, Senator BINGAMAN, on this very important issue.

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

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

S. 3167

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 ''Physician Recruitment and Retention Act of 2000''.

SEC. 2. MEDICARE PHYSICIAN RECRUITMENT AND RETENTION DEMONSTRATION PROJECT.

(a) ESTABLISHMENT.—The Secretary of Health and Human Services (in this section referred to as the ''Secretary'') shall establish a demonstration project for the purpose of improving—

(1) access to health care for beneficiaries under part B of the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395j et seq.); and

(2) the ability of States to recruit and retain physicians.

(b) CONDUCT OF DEMONSTRATION PROJECT.—

(1) DEMONSTRATION SITES.—The demonstration project under this section shall be conducted in 2 sites, which shall be statewide.

(2) RECRUITMENT AND RETENTION OF PHYSICIANS.—Under the demonstration project, the Secretary shall increase by 5 percent payments for physicians' services (as defined in section 1861(q) of the Social Security Act (42 U.S.C. 1395x(q)) under section 1848 of such Act (42 U.S.C. 1395w–4) to physicians furnishing such services in any State that submits an application under paragraph (3) that is approved by the Secretary under paragraph (4).

(3) APPLICATION.—Any State wishing to participate in the demonstration program shall submit an application to the Secretary at such time, in such manner, and in such form as the Secretary may reasonably require.

(4) APPROVAL.—The Secretary shall approve the applications of 2 States that, based upon 1998 data, have—

(A) an uninsured population above 20 percent (as determined by the Bureau of the Census);

(B) a population eligible for medical assistance under the medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) above 17 percent (as determined by the Health Care Financing Administration);

(C) an unemployment rate above 4.8 percent (as determined by the Bureau of Labor Statistics);

(D) an average per capita income below $21,200 (as determined by the Bureau of Economic Analysis); and

(E) a geographic practice cost indices component of the reimbursement rate for physicians under the medicare program that is below the national average (as determined by the Health Care Financing Administration).

(5) DURATION.—The demonstration project under this section shall be conducted for a period of 3 years.

(c) WAIVER AUTHORITY.—The Secretary may waive such requirements of the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) to the extent and for the period that the Secretary determines is necessary for carrying out the demonstration project under this section.

(d) GAO STUDY AND REPORT.—

(1) STUDY.—The Comptroller General of the United States shall conduct a study on the demonstration project conducted under this section to determine whether the access of beneficiaries under the medicare program to health care and the ability of States to recruit and retain physicians is—

(A) adversely impacted by the factors described in subparagraphs (A) through (E) of subsection (b)(4); and

(B) improved by increased payments to physicians under subsection (b)(2).

(2) REPORT.—Not later than 1 year after the Secretary completes the demonstration project under this section, the Comptroller General of the United States shall submit a report on the results of the study conducted under paragraph (1) to the appropriate committees of Congress.

By Mr. TORRICELLI:

S. 3168. A bill to eliminate any limitation on indictment for sexual offenses and make awards to State to reduce their DNA casework backlogs; to the Committee on the Judiciary.

SEXUAL ASSAULT PROSECUTION ACT OF 2000

Mr. TORRICELLI. Mr. President, I rise today to introduce the Sexual Assault Prosecution act of 2000. This legislation will ensure that no rapist will evade prosecution when there is reliable evidence of their guilt.

As the law is written today, a rapist can walk away scot-free if they are not charged within five years of committing their crime. This is true when if overwhelming evidence of the offender's guilt, such as a DNA match with evidence taken from the crime scene, is later discovered. Some states, including my home state of New Jersey, have recognized the injustice presented by this situation and have already abolished their statutes of limitations on sexual assault crimes, and many other states are considering similar measures. Given the power and precision of DNA evidence, it is now time that the federal government abolish the current statute of limitations on federal sexual assault crimes.

The precision with which DNA evidence can identify a criminal assailant

has increased dramatically over the past couple decades. Because of its exactness, DNA evidence is now routinely collected by law enforcement personnel in the course of investigating many crimes, including sexual assault crimes. The DNA profile of evidence collected at a sexual assault crime scene can be compared to the DNA profiles of convicted criminals, or the profile of a particular suspect, in order to determine who committed the crime. Moreover, because of the longevity of DNA evidence, it can be used to positively identify a rapist many years after the actual sexual assault.

The enormous advancements in DNA science have greatly expanded law enforcement's ability to investigate and prosecute sexual assault crimes. Unfortunately, the law has not kept pace with science. Given the precise accuracy and reliability of DNA testing, however, the legal and moral justifications for continuing to impose a statute of limitations on sexual assault crimes are extremely weak. To that end, I am introducing the ''Sexual Assault Prosecution Act of 2000'' which will eliminate the statute of limitations for sexual assault crimes. This legislation will not affect the burdens of proof and the government will still have to prove guilt beyond a reasonable doubt before any person could be convicted of a crime.

Currently, the statute of limitations for arson and financial institution crimes is 10 years and is 20 years for crimes involving the theft of major artwork. If it made sense to extend the traditional five-year limitations period for these offenses, surely it makes sense to do so for sexual assault crimes, particularly when DNA technology makes it possible to identify an offender many years after the commission of the crime. By eliminating this ticking clock, we can see to it that no victim of sexual assault is denied justice simply because the clock ran out. I look forward to working with each and every one of you in order to get this legislation enacted into law.

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

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

S. 3168

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 ''Sexual Assault Prosecution Act of 2000''.

SEC. 2. SEXUAL OFFENSE LIMITATION.

(a) IN GENERAL.—Chapter 213 of title 18, United States Code, is amended—

(1) in section 3283, by striking ''sexual or''; and

(2) by adding at the end the following:

''§ 3296. Sexual offenses

''An indictment for any offense committed in violation of chapter 109A of this title may be found at any time without limitation.''.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—The table of sections for chapter 213 of title 18, United States Code, is amended by adding at the end the following:

''3296. Sexual offenses.''.

SEC. 3. AWARDS TO STATES TO REDUCE DNA CASEWORK BACKLOG.

(a) DEVELOPMENT OF PLAN.—

(1) IN GENERAL.—Not later than 45 days after the date of enactment of this Act, the Director of the Federal Bureau of Investigation, in coordination with the Assistant Attorney General of the Office of Justice Programs of the Department of Justice, and after consultation with representatives of States and private forensic laboratories, shall develop a plan to grant voluntary awards to States to facilitate DNA analysis of all casework evidence of unsolved crimes.

(2) OBJECTIVE.—The objective of the plan developed under paragraph (1) shall be to effectively expedite the analysis of all casework evidence of unsolved crimes in an efficient and effective manner, and to provide for the entry of DNA profiles into the combined DNA Indexing System (''CODIS'').

(b) AWARD CRITERIA.—The Federal Bureau of Investigation, in coordination with the Assistant Attorney General of the Office of Justice Programs of the Department of Justice, shall develop criteria for the granting of awards under this section including—

(1) the applying State's number of unsolved crimes awaiting DNA analysis; and

(2) the applying State's development of a comprehensive plan to collect and analyze DNA evidence.

(c) GRANTING OF AWARDS.—The Federal Bureau of Investigation, in coordination with the Assistant Attorney General of the Office of Justice Programs of the Department of Justice, shall develop applications for awards to be granted to States under this section, shall consider all applications submitted by States, and shall disburse all awards under this section.

(d) AWARD CONDITIONS.—States receiving awards under this section shall—

(1) require that each laboratory performing DNA analysis satisfies quality assurance standards and utilizes state-of-the-art DNA testing methods, as set forth by the Federal Bureau of Investigation in coordination with the Assistant Attorney General of the Office of Justice Programs of the Department of Justice;

(2) ensure that each DNA sample collected and analyzed be made available only—

(A) to criminal justice agencies for law enforcement purposes;

(B) in judicial proceedings if otherwise admissible;

(C) for criminal defense purposes, to a criminal defendant, who shall have access to samples and analyses performed in connection with any case in which such defendant is charged; or

(D) if personally identifiable information is removed, for a population statistics database, for identification research and protocol development purposes, or for quality control purposes; and

(3) match the award by spending 15 percent of the amount of the award in State funds to facilitate DNA analysis of all casework evidence of unsolved crimes.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Department of Justice $15,000,000 for each of fiscal years 2001, 2002, 2003, and 2004, for awards to be granted under this section.

Mr. SESSIONS (for himself, Mr. BINGAMAN, Mr. ALLARD, Mr. JOHNSON, Mr. CRAPO, and Mrs. LINCOLN):

S. 3169. A bill to amend the Federal Food, Drug, and Cosmetic Act and the International Revenue Code of 1986 with respect to drugs for minor animal species, and for other purposes; to the Committee on Finance.

MINOR ANIMAL SPECIES HEALTH AND WELFARE ACT OF 2000

Mr. SESSIONS. Mr. President, I rise today to bring attention to a problem that unfortunately goes largely unnoticed except by those who are directly affected. Livestock and food animal producers, pet owners, zoo and wildlife biologists, and animals themselves are facing a severe shortage of approved animal drugs for minor species.

Minor species include thousands of animal species, including all fish, birds, and sheep. By definition, they are any animals other than cattle, horses, chickens, swine, turkeys, dogs and cats, the most common animals. There are millions of those animals. A similar shortage of drugs and medicines for major animal species exists for diseases which occur infrequently or which occur in limited geographic areas. Due to the lack of availability for these minor-use drugs, millions of animals go untreated or treatment is delayed. Unnecessary animal physical and human emotional suffering results, and human health may be threatened as well.

Without access to these necessary minor-use drugs, farmers and ranchers will also suffer. An unhealthy animal left untreated can spread disease throughout an entire stock. This causes severe economic hardship to struggling ranchers and farmers.

For example, sheep ranchers lost nearly $45 million worth of livestock alone in 1999. The sheep industry estimates that if it had access to effective and necessary drugs, growers' reproduction costs for their animals could be cut by up to 15 percent. In addition, feedlot deaths from disease would be reduced by 1 to 2 percent, adding approximately $8 million to the revenue of the industry.

The catfish industry is the No. 2 agriculture industry in Alabama. Though it is not the State's only aquacultural commodity, catfish is by far its largest. The catfish industry generates enormous economic opportunity in the State, particularly in west Alabama, one of the poorest regions of the State and where I grew up.

The catfish industry estimates its losses at $60 million a year, attributable to diseases for which drugs are not available. Indeed, it is not uncommon for a catfish producer to lose half his stock in a pond due to disease. The U.S. aquaculture industry overall, including food fish and ornamental fish, produces and raises over 800 different species. Unfortunately, this industry has only five drugs that are approved for treating these diseases. This results in tremendous economic hardship and suffering.

Because of limited market opportunity, low profit margins, and the enormous capital investment required, it is seldom economically feasible for drug manufacturers to pursue research

and development and then seek approval of it by FDA for drugs used in treating these minor species and for infrequent conditions and diseases in all animals. As a result, a group of people have come together, an effective professional coalition, to deal with this problem.

I, along with Senator BINGAMAN from New Mexico, Senator ALLARD, Senator CRAPO, Senator LINCOLN, and Senator JOHNSON resolve to improve this situation by introducing the Minor Animal Species Health and Welfare Act of 2000. This legislation will allow animal drug manufacturers the opportunity to develop and obtain approval for minor-use drugs which are vitally needed by a wide variety of animal industries.

Our legislation incorporates the major proposals of the Food and Drug Administration's Center for Veterinary Medicine to increase the availability of drugs for minor animal species and rare diseases in all animals. It actually creates incentives for animal drug manufacturers to invest in product development and obtain FDA marketing approvals.

This legislation creates a program very similar to the very successful human orphan drug program that has dramatically increased the availability of drugs to treat rare human diseases over the past 20 years. Besides providing benefits to livestock producers and animal owners, this measure will develop incentives and sanctioning programs for the pharmaceutical industry, while maintaining and ensuring public health.

The Minor Animal Species Health and Welfare Act will not alter FDA drug approval responsibilities that ensure the safety of animal drugs to the public. The FDA Center for Veterinary Medicine currently evaluates new animal drug products prior to approval and use. This rigorous testing and review process provides consumers with the confidence that animal drugs are safe for animals and consumers of products derived from treated animals.

Current FDA requirements include guidelines to prevent harmful residues and evaluations to examine the potential for the selection of resistant pathogens. Any food animal medicine or drug considered for approval under this bill would be subject to these same assessments.

The Minor Animal Species Health and Welfare Act is supported by 25 organizations, including the American Farm Bureau Federation, the American Health Institute, the American Veterinary Medical Association, and the National Aquaculture Association. It is vital legislation.

This act will reduce the economic risks and hardship which fall upon ranchers and farmers as a result of diseases. It will benefit pets and their owners and benefit various endangered species of aquatic animals. The act will also promote the health of all animal species while protecting human health and will alleviate unnecessary animal suffering.

This is commonsense legislation which will benefit millions of American pet owners, farmers, and ranchers. It is the result of a tremendous cooperative effort by virtually every entity concerned with this problem. They have worked with the Food and Drug Administration and continue to work with the FDA on this bill.

I believe we are on the verge of taking a big step to facilitate the introduction of more drugs that help treat animals in our country. I thank the people who have all worked to make this a reality. I particularly thank Mary Alice Tyson on my staff who has worked so hard on this project.

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

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

S. 3169

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 ''Minor Animal Species Health and Welfare Act of 2000''.

SEC. 2. FINDINGS.

The Congress finds as follows:

(1) There is a severe shortage of approved animal drugs for use in minor species.

(2) There is a severe shortage of approved drugs for treating animal diseases and conditions that occur infrequently or in limited geographic areas.

(3) Because of the small market shares, low-profit margins involved, and capital investment required, it is generally not economically feasible for animal drug manufacturers to pursue approvals for these species, diseases, and conditions.

(4) Because the populations for which such drugs are intended are small and conditions of animal management may vary widely, it is often difficult or impossible to design and conduct studies to establish drug safety and effectiveness under traditional animal drug approval processes.

(5) It is in the public interest and in the interest of animal welfare to provide for special procedures to sanction the lawful use and marketing of animal drugs for minor species and minor uses that take into account these special circumstances and that ensure that such drugs do not endanger the public health.

(6) Exclusive marketing rights and tax credits for clinical testing expenses have helped encourage the development of orphan drugs for human use, and comparable incentives will help encourage the development and sanctioning for lawful marketing of animal drugs for minor species and minor uses.

SEC. 3. AMENDMENTS AFFECTING THE FOOD AND DRUG ADMINISTRATION.

(a) DEFINITIONS.—Section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321) is amended by adding at the end the following:

''(kk) The term 'minor species' means animals other than cattle, horses, swine, chickens, turkeys, dogs, and cats, except that the Secretary may amend this definition by regulation.

''(ll) The term 'minor use' means the use of a drug—

''(1) in a minor species, or

''(2) in an animal species other than a minor species for a disease or condition that occurs infrequently or in limited geographic areas, except that the Secretary may amend this definition by regulation.

''(mm) The term 'species with no human food safety concern' means an animal species, or life stage of an animal species, that is not customarily used for food for humans and does not endanger the public health.''.

(b) MINOR USE ANIMAL DRUGS.—Chapter V of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 351 et seq.) is amended by adding at the end the following new subchapter:

''SUBCHAPTER F—ANIMAL DRUGS FOR MINOR USES

''DESIGNATION OF DRUGS FOR MINOR USES

''SEC. 571. (a) Prior to the submission of an application for approval of a new animal drug under section 512(b), a manufacturer or sponsor of such drug may request that the Secretary designate such drug as a drug for a minor use. The Secretary shall designate such drug as a drug for minor use if the Secretary finds that such drug is or will be investigated for a minor use and the application for such drug is approved under section 512. A request for a designation of a drug under this subsection shall contain the consent of the applicant to notice being given by the Secretary under subsection (c) respecting the designation of the drug.

''(b) The designation of a drug as a drug for a minor use under subsection (a) shall be subject to the condition that—

''(1) if an application was approved for the drug under section 512(c), the manufacturer of the drug will notify the Secretary of any discontinuance of the production of the drug at least 1 year before discontinuance; and

''(2) if an application has not been approved for the drug under section 512(c) and if preclinical investigations or investigations under section 512(j) are being conducted with the drug, the manufacturer or sponsor of the drug will notify the Secretary of any decision to discontinue active pursuit of approval of an application under section 512(b).

''(c) Notice respecting the designation of a drug under subsection (a) shall be made available to the public.

''PROTECTION FOR DRUGS FOR MINOR USES

''SEC. 572. (a) Except as provided in subsection (b):

''(1) If the Secretary approves an application filed pursuant to section 512 for a drug designated under section 571 for a minor use, no active ingredient (including any salt or ester of the active ingredient) of which has been approved in any other application under section 512, the Secretary may not approve or conditionally approve another application submitted under section 512 or section 573 for such drug for such minor use for a person who is not the holder of such approved application until the expiration of 10 years from the date of the approval of the application.

''(2) If the Secretary approves an application filed pursuant to section 512 for a drug designated under section 571 for a minor use, which includes an active ingredient (including an ester or salt of the active ingredient) that has been approved in any other application under section 512, the Secretary may not approve or conditionally approve another application submitted under section 512 or section 573 for such drug for such minor use for a person who is not the holder of such approved application until the expiration of 7 years from the date of approval of the application.

''(b) If an application filed pursuant to section 512 is approved for a drug designated under section 571, the Secretary may, during the 10-year or 7-year period beginning on the date of the application approval, approve or

conditionally approve another application under section 512 or section 573 for such drug for such minor use for a person who is not the holder of such approved application if—

''(1) the Secretary finds, after providing the holder notice and opportunity for the submission of views, that in such period the holder of the approved application cannot assure the availability of sufficient quantities of the drug to meet the needs for which the drug was designated; or

''(2) such holder provides the Secretary in writing the consent of such holder for the approval or conditional approval of other applications before the expiration of such 10-year or 7-year period.

''CONDITIONAL APPROVAL FOR MINOR USE NEW ANIMAL DRUGS

''SEC. 573. (a)(1) Except as provided in paragraph (2), any person may file with the Secretary an application for conditional approval of a new animal drug for a minor use. Such person shall submit to the Secretary as part of an application—

''(A) reports of investigations which have been made to show whether or not such drug is safe for use;

''(B) information to show that there is a reasonable expectation that the drug is effective for its intended use, such as data from a pilot investigation, data from an investigation in a related species, data from a single investigation, data from an investigation using surrogate endpoints, data based on pharmacokinetic extrapolations, data from a short-term investigation, or data from the investigation of closely-related diseases;

''(C) the quantity of drug expected to be manufactured and distributed on an annual basis;

''(D) a commitment that the applicant will conduct additional investigations to support approval of an application under section 512 within the time frame set forth in subsection (d)(1)(A);

''(E) reasonable data for establishing a conditional dose; and

''(F) the information required by section 512(b)(1)(B)–(H).

''(2) A person may not file an application under paragraph (1) if the person has filed a previous application under paragraph (1) for the same drug and conditions for use that was conditionally approved by the Secretary under subsection (b).

''(b)(1) Within 180 days after the filing of an application pursuant to subsection (a), or such additional period as may be agreed upon by the Secretary and the applicant, the Secretary shall either (A) issue an order conditionally approving the application if the Secretary then finds that none of the grounds for denying conditional approval specified in subsection (c) applies, or (B) give the applicant notice of an opportunity for an expedited informal hearing on the question whether such application is conditionally approvable.

''(2) A drug manufactured in a pilot or other small facility may be used to demonstrate the safety and effectiveness of the drug and to obtain conditional approval for the drug prior to manufacture of the drug in a larger facility, unless the Secretary makes a determination that a full scale production facility is necessary to ensure the safety or effectiveness of the drug.

''(c)(1) If the Secretary finds, after due notice to the applicant and giving the applicant an opportunity for an expedited informal hearing, that—

''(A) the investigations, reports of which are required to be submitted to the Secretary pursuant to subsection (a), do not include adequate tests by all methods reasonably applicable to show whether or not such drug is safe for use under the conditions prescribed, recommended, or suggested in the proposed labeling;

''(B) the results of such tests show that such drug is unsafe for use under such conditions or do not show that such drug is safe for use under such conditions;

''(C) the methods used in, and the facilities and controls used for, the manufacture, processing, and packing of such drug are inadequate to preserve its identity, strength, quality, and purity;

''(D) upon the basis of the information submitted to the Secretary as part of the application, or upon the basis of any other information before the Secretary with respect to such drug, the Secretary has insufficient information to determine whether such drug is safe for use under such conditions;

''(E) evaluated on the basis of the information submitted to the Secretary as part of the application and any other information before the Secretary with respect to such drug, there is insufficient information to show that there is a reasonable expectation that the drug will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the proposed labeling;

''(F) upon the basis of information submitted to the Secretary as part of the application or any other information before the Secretary with respect to such drug, any use prescribed, recommended, or suggested in labeling proposed for such drug will result in a residue of such drug in excess of a tolerance found by the Secretary to be safe for such drug;

''(G) based on a fair evaluation of all material facts, such labeling is false or misleading in any particular;

''(H) such drug induces cancer when ingested by humans or animal or, after tests which are appropriate for the evaluation of the safety of such drug, induces cancer in humans or animal, unless the Secretary finds that, under the conditions for use specified in proposed labeling and reasonably certain to be followed in practice—

''(i) such drug will not adversely affect the animals for which it is intended; and

''(ii) no residue of such drug will be found (by methods of examination prescribed or approved by the Secretary by regulations, which regulations shall not be subject to subsections (c)) in any edible portion of such animals after slaughter or in any food yielded by or derived from the living animals; or

''(I) another person has received approval under section 512 for a drug with the same active ingredient or ingredients and the same conditions of use, and that person is able to assure the availability of sufficient quantities of the drug to meet the needs for which the drug is intended;

the Secretary shall issue an order refusing to conditionally approve the application. If, after such notice and opportunity for hearing, the Secretary finds that subparagraphs (A) through (I) do not apply, the Secretary shall issue an order conditionally approving the application.

''(2) In determining whether such drug is safe for use under the conditions prescribed, recommended, or suggested in the proposed labeling thereof, the Secretary shall consider, among other relevant factors, (A) the probable consumption of such drug and of any substance formed in or on food because of the use of such drug, (B) the cumulative effect on man or animal of such drug, taking into account any chemically or pharmacologically related substance, (C) safety factors which in the opinion of experts, qualified by scientific training and experience to evaluate the safety of such drugs, are appropriate for the use of animal experimentation data, and (D) whether the conditions of use prescribed, recommended, or suggested in the proposed labeling are reasonably certain to be followed in practice. Any order issued under this subsection refusing to approve an application shall state the findings upon which it is based.

''(d)(1) A conditional approval granted by the Secretary under this section shall be effective for a 1-year period. The Secretary shall, upon request, renew a conditional approval for up to 4 additional 1-year terms, unless the Secretary by order makes a finding that—

''(A) the applicant is not making appropriate progress toward meeting approval requirements under section 512, and is unlikely to be able to fulfill such requirements and obtain such approval under such section before the 5 year maximum term of the conditional approval expires;

''(B) excessive quantities of the drug have been produced, without adequate explanation; or

''(C) another drug with the same active ingredient or ingredients for the same conditions of use has received approval under section 512, and the holder of the approved application is able to assure the availability of sufficient quantities of the drug to meet the needs for which the drug is intended.

''(2) If the Secretary does not renew a conditional approval, the Secretary shall provide due notice and an opportunity for an expedited informal hearing to the applicant.

''(e)(1) The Secretary shall, after due notice and opportunity for an expedited informal hearing to the applicant, issue an order withdrawing conditional approval of an application filed pursuant to subsection (a) if the Secretary finds—

''(A) that experience or scientific data show that such drug is unsafe for use under the conditions of use upon the basis of which the application was conditionally approved;

''(B) that new evidence not contained in such application or not available to the Secretary until after such application was conditionally approved, or tests by new methods, or tests by methods not deemed reasonably applicable when such application was conditionally approved, evaluated together with the evidence available to the Secretary when the application was conditionally approved, shows that such drug is not shown to be safe for use under the conditions of use upon the basis of which the application was conditionally approved;

''(C) on the basis of new information before the Secretary with respect to such drug, evaluated together with the evidence available to the Secretary when the application was conditionally approved, that there is not a reasonable expectation that such drug will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the labeling;

''(D) that the application contains any untrue statement of a material fact; or

''(E) that the applicant has made any changes from the standpoint of safety or effectiveness beyond the variations provided for in the application unless the applicant has supplemented the application by filing with the Secretary adequate information respecting all such changes and unless there is in effect a conditional approval of the supplemental application, which supplemental application shall be treated in the same manner as the original application.

If the Secretary finds that there is an imminent hazard to the health of man or of the animals for which such drug is intended, the Secretary may suspend the conditional approval of such application immediately, and give the applicant prompt notice of the Secretary's action and afford the applicant the

opportunity for an expedited informal hearing. Authority to suspend the conditional approval of an application shall not be delegated below the Commissioner of Food and Drugs.

''(2) The Secretary may also, after due notice and opportunity for an expedited informal hearing to the applicant, issue an order withdrawing the conditional approval of an application with respect to any new animal drug under this section if the Secretary finds—

''(A) that the applicant has failed to establish a system for maintaining required records, or has repeatedly or deliberately failed to maintain such records or to make required reports in accordance with a regulation or order under subsection (h), or the applicant has refused to permit access to, or copying or verification of, such records as required by paragraph (2) of such subsection;

''(B) that on the basis of new information before the Secretary, evaluated together with the evidence before the Secretary when the application was conditionally approved, the methods used in, or the facilities and controls used for, the manufacture, processing, and packing of such drug are inadequate to assure and preserve its identity, strength, quality, and purity and were not made adequate within a reasonable time after receipt of written notice from the Secretary specifying the matter complained of; or

''(C) that on the basis of new information before the Secretary, evaluated together with the evidence before the Secretary when the application was conditionally approved, the labeling of such drug, based on a fair evaluation of all material facts, is false or misleading in any particular and was not corrected within a reasonable time after receipt of written notice from the Secretary specifying the matter complained of.

''(3) Any order under this subsection shall state the findings upon which it is based.

''(f) The decision of the Secretary under subsections (c), (d), or (e) shall constitute a final agency decision for purposes of judicial review.

''(g)(1) When an application filed pursuant to subsection (a) is conditionally approved, the Secretary shall by notice publish in the Federal Register the name and address of the applicant and the conditions and indications of use of the new animal drug covered by such application, including any tolerance and withdrawal period or other use restriction and, if such new animal drug is intended for use in animal feed, appropriate purposes and conditions of use (including special labeling requirements and any requirement that an animal feed bearing or containing the new animal drug be limited to use under the professional supervision of a licensed veterinarian) applicable to any animal feed for use in which such drug is conditionally approved, the expiration date of the conditional approval, and such other information, upon the basis of which such application was conditionally approved, as the Secretary deems necessary to assure the safe and effective use of such drug.

''(2) Upon withdrawal of conditional approval of such new animal drug application or upon its suspension, the Secretary shall publish a notice in the Federal Register.

''(h)(1) In the case of any new animal drug for which a conditional approval of an application filed pursuant to subsection (a) is in effect, the applicant shall establish and maintain such records, and make such reports to the Secretary, of data relating to experience, and other data or information, received or otherwise obtained by such applicant with respect to such drug, or with respect to animal feeds bearing or containing such drug, as the Secretary may by general regulation, or by order with respect to such application, prescribe on the basis of a finding that such records and reports are necessary in order to enable the Secretary to determine, or facilitate a determination, whether there is or may be ground for refusing to renew the conditional approval under subsection (d) or for invoking subsection (e). Such regulation or order shall provide, where the Secretary deems it to be appropriate, for the examination, upon request, by the persons to whom such regulation or order is applicable, of similar information received or otherwise obtained by the Secretary.

''(2) Every person required under this subsection to maintain records, and every person in charge or custody thereof, shall, upon request of an officer or employee designated by the Secretary, permit such officer or employee at all reasonable times to have access to and copy and verify such records.

''(i)(1) The label and labeling of a drug with a conditional approval under this section shall state that fact prominently and conspicuously.

''(2) Conditions of use that are the subject of a conditional approval under this section shall not be combined in product labeling with any conditions of use approved under section 512.

''(j)(1) Safety and effectiveness data and information which has been submitted in an application filed under subsection (a) for a drug and which has not previously been disclosed to the public shall be made available to the public, upon request, unless extraordinary circumstances are shown—

''(A) if no work is being or will be undertaken to have the application conditionally approved,

''(B) if the Secretary has determined that the application is not conditionally approvable and all legal appeals have been exhausted,

''(C) if conditional approval of the application under subsection (c) is withdrawn and all legal appeals have been exhausted, or

''(D) if the Secretary has determined that such drug is not a new animal drug.

''(2) Any request for data and information pursuant to paragraph (1) shall include a verified statement by the person making the request that any data or information received under such paragraph shall not be disclosed by such person to any other person—

''(A) for the purpose of, or as part of a plan, scheme, or device for, obtaining the right to make, use, or market, or making, using, or marketing, outside the United States, the drug identified in the application filed under subsection (a), and

''(B) without obtaining from any person to whom the data and information are disclosed an identical verified statement, a copy of which is to be provided by such person to the Secretary, which meets the requirements of this paragraph.

''(k) To the extent consistent with the public health, the Secretary shall promulgate regulations for exempting from the operation of this section new animal drugs, and animal feeds bearing or containing new animal drugs, intended solely for investigational use by experts qualified by scientific training and experience to investigate the safety and effectiveness of animal drugs. Such regulations may, in the discretion of the Secretary, among other conditions relating to the protection of the public health, provide for conditioning such exemption upon the establishment and maintenance of such records, and the making of such reports to the Secretary, by the manufacturer or the sponsor of the investigation of such article, of data (including but not limited to analytical reports by investigators) obtained as a result of such investigational use of such article, as the Secretary finds will enable the Secretary to evaluate the safety and effectiveness of such article in the event of the filing of an application pursuant to this section. Such regulations, among other things, shall set forth the conditions (if any) upon which animals treated with such articles, and any products of such animals (before or after slaughter), may be marketed for food use.

''INDEX OF LEGALLY MARKETED UNAPPROVED MINOR USE ANIMAL DRUGS FOR MINOR SPECIES WITH NO HUMAN FOOD SAFETY CONCERN

''SEC. 574. (a)(1) The Secretary shall establish an index of unapproved minor use new animal drugs that may be lawfully marketed for use in minor species with no human food safety concern.

''(2) Such index is intended to benefit primarily zoo and wildlife species, aquarium and bait fish, reptiles and amphibians, caged birds, and small pet mammals as well as some commercially produced species such as cricket, earthworms and possibly nonfood life stages of some minor species used for human food such as oysters and shellfish.

''(3) Such index shall conform to the requirements in subsection (d).

''(b)(1) Any person may submit a request to the Secretary for a preliminary determination that a drug may be eligible for inclusion in the index. Such a request shall include—

''(A) information regarding the proposed species, conditions of use, and anticipated annual production;

''(B) information regarding product formulation and manufacturing; and

''(C) information sufficient for the Secretary to determine that there does not appear to be human food safety, environmental safety, occupational safety, or bioavailability concerns with the proposed use of the drug.

''(2) Within 90 days after the submission of a request for a preliminary determination under paragraph (1), the Secretary shall grant or deny the request, and notify the submitter of the Secretary's conclusion. The Secretary shall grant the request if it appears that—

''(A) the request addresses the need for a minor use animal drug for which there is no approved or conditionally approved drug, and

''(B) the proposed drug use does not appear to raise human food safety, environmental safety, occupational safety, or bioavailability concerns.

''(3) If the Secretary denies the request, the Secretary shall provide due notice and an opportunity for an expedited informal hearing.

''(4) If the Secretary does not grant or deny the request within 90 days, the Secretary shall provide the Committee on Commerce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate with the reasons action on the request did not occur within such 90 days.

''(5) The decision of the Secretary under this subsection shall constitute a final agency decision for purposes of judicial review.

''(c)(1) With respect to a drug for which the Secretary has made a preliminary determination of eligibility under subsection (b), the submitter of that request may request that the Secretary add the drug to the index established by subsection (a). Such a request shall include—

''(A) a copy of the Secretary's preliminary determination of eligibility issued under subsection (b);

''(B) a qualified expert panel report that meets the requirements in paragraph (2);

''(C) a proposed index entry;

''(D) proposed labeling;

''(E) anticipated annual production of the drug; and

''(F) a commitment to manufacture, label, and distribute the drug in accordance with the index entry and any additional requirements that the Secretary may prescribe by general regulation or specific order.

''(2) For purposes of paragraph (1), a 'qualified expert panel report' is a written report that—

''(A) is authored by a panel of individuals qualified by scientific training and experience to evaluate the safety and effectiveness of animal drugs for the intended uses and species in question and operating external to the Food and Drug Administration;

''(B) addresses all available target animal safety and effectiveness information, including anecdotal information where necessary;

''(C) addresses proposed labeling;

''(D) addresses whether the drug should be limited to use under the professional supervision of a licensed veterinarian; and

''(E) addresses whether, in the expert panel's opinion, the benefits of using the drug outweigh its risks, taking into account the harm being caused by the absence of an approved or conditionally approved new animal drug for the minor use in question.

''(3) Within 180 days after the receipt of a request for listing a drug in the index, the Secretary shall grant or deny the request. The Secretary shall grant the request if the Secretary finds, on the basis of the expert panel report and other information available to the Secretary, that the benefits of using the drug outweigh its risks, taking into account the harm caused by the absence of an approved or conditionally approved new animal drug for the minor use in question. If the Secretary denies the request, the Secretary shall provide due notice and the opportunity for an expedited informal hearing. If the Secretary does not grant or deny the request within 180 days, the Secretary shall provide the Committee on Commerce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate with the reasons action on the request did not occur within such 180 days. The decision of the Secretary under this paragraph shall constitute a final agency decision for purposes of judicial review.

''(d)(1) The index established by subsection (a) shall include the following information for each listed drug:

''(A) The name and address of the sponsor of the index listing.

''(B) The name of the drug, its dosage form, and its strength.

''(C) Labeling.

''(D) Production limits or other conditions the Secretary deems necessary to prevent misuse of the drug.

''(E) Requirements that the Secretary deems necessary for the safe and effective use of the drug.

''(2) The Secretary shall publish the index, and revise it monthly.

''(e)(1) If the Secretary finds, after due notice to the sponsor and an opportunity for an expedited informal hearing, that—

''(A) on the basis of new information before the Secretary, evaluated together with the evidence available to the Secretary when the drug was listed in the index, the benefits of using the drug do not outweigh its risks, or

''(B) the conditions and limitations of use in the index listing have not been followed,

the Secretary shall remove the drug from the index. The decision of the Secretary shall constitute final agency decision for purposes of judicial review.

''(2) If the Secretary finds that there is an imminent hazard to the health of man or of the animals for which such drug is intended, the Secretary may suspend the listing of such drug immediately, and give the sponsor prompt notice of the Secretary's action and afford the sponsor the opportunity for an expedited informal hearing. Authority to suspend the listing of a drug shall not be delegated below the Commissioner of Food and Drugs.

''(f)(1) In the case of any new animal drug for which an index listing pursuant to subsection (a) is in effect, the sponsor shall establish and maintain such records, and make such reports to the Secretary, of data relating to experience, and other data or information, received or otherwise obtained by such sponsor with respect to such drug, or with respect to animal feeds bearing or containing such drug, as the Secretary may by general regulation, or by order with respect to such listing, prescribe on the basis of a finding that such records and reports are necessary in order to enable the Secretary to determine, or facilitate a determination, whether there is or may be ground for invoking subsection (e). Such regulation or order shall provide, where the Secretary deems it to be appropriate, for the examination, upon request, by the persons to whom such regulation or order is applicable, of similar information received or otherwise obtained by the Secretary.

''(2) Every person required under this subsection to maintain records, and every person in charge or custody thereof, shall, upon request of an officer or employee designated by the Secretary, permit such officer or employee at all reasonable times to have access to and copy and verify such records.

''(g) The labeling of a drug that is the subject of an index listing shall state, prominently and conspicuously, that the drug is legally marketed but not approved.

''(h) The Secretary shall promulgate regulations to implement this section. Such regulations shall address, among other subjects, the composition of the expert panel, sponsorship of the expert panel under the auspices of a recognized professional organization, conflict of interest criteria for panel members, and the use of advisory committees convened by the Food and Drug Administration.

''(i) To the extent consistent with the public health, the Secretary shall promulgate regulations for exempting from the operation of this section new animal drugs intended solely for investigational use by experts qualified by scientific training and experience to investigate the safety and effectiveness of animal drugs. Such regulations may, in the discretion of the Secretary, among other conditions relating to the protection of the public health, provide for conditioning such exemption upon the establishment and maintenance of such records, and the making of such reports to the Secretary, by the manufacturer or the sponsor of the investigation of such article, of data (including but not limited to analytical reports by investigators) obtained as a result of such investigational use of such article, as the Secretary finds will enable the Secretary to evaluate the safety and effectiveness of such article in the event of the filing of a request for an index listing pursuant to this section. Such regulations, among other things, shall set forth the conditions (if any) upon which animals treated with such articles, and any products of such animals (before or after slaughter), may be marketed for food use.

''GRANTS AND CONTRACTS FOR DEVELOPMENT OF ANIMAL DRUGS FOR MINOR USES

''SEC. 575. (a) The Secretary may make grants to and enter into contracts with public and private entities and individuals to assist in defraying the costs of qualified testing expenses and manufacturing expenses incurred in connection with the development of drugs for minor uses.

''(b) For purposes of subsection (a) of this section:

''(1) The term 'qualified testing' means—

''(A) clinical testing—

''(i) which is carried out under an exemption for a drug for minor uses under section 512(j), 573(k), or 574(i); and

''(ii) which occurs after the date such drug is designated under section 571 and before the date on which an application with respect to such drug is submitted under section 512; and

''(B) preclinical testing involving a drug for minor use which occurs after the date such drug is designated under section 571 and before the date on which an application with respect to such drug is submitted under section 512.

''(2) The term 'manufacturing expenses' means expenses incurred in developing processes and procedures intended to meet current good manufacturing practice requirements which occur after such drug is designated under section 571 and before the date on which an application with respect to such drug is submitted under section 512.

''(c) For grants and contracts under subsection (a), there are authorized to be appropriated $1,000,000 for fiscal year 2001, $1,500,000 for fiscal year 2002, and $2,000,000 for fiscal year 2003.''.

(c) THREE-YEAR EXCLUSIVITY FOR MINOR USE APPROVALS.—Section 512(c)(2)(F)(ii), (iii), and (v) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360b(c)(2)(F)(ii), (iii), and (v)) is amended by striking ''(other than bioequivalence or residue studies)'' and inserting ''(other than bioequivalence studies or, except in the case of a new animal drug for minor uses, residue studies)''.

(d) SCOPE OF REVIEW FOR MINOR USE APPLICATIONS.—Section 512(d) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360b(d)) is amended by adding at the end the following:

''(5) In reviewing a supplement to an approved application that seeks a minor use approval, the Secretary shall not reconsider information in the approved application to determine whether it meets current standards for approval.''.

(e) PRESUMPTION OF NEW ANIMAL DRUG STATUS.—Section 709 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 379a) is amended by designating the existing text as subsection (a), and by adding after such new subsection the following:

''(b) In any action to enforce the requirements of this Act respecting a drug for minor use that is not the subject of an approval under section 512, a conditional approval under section 573, or an index listing under section 574, it shall be presumed that the drug is a new animal drug.''.

(f) CONFORMING AMENDMENTS.—

(1) Section 512(a)(1) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360b(a)(1)) is amended by striking subparagraphs (A) and (B) and inserting the following:

''(A) there is in effect an approval of an application filed pursuant to subsection (b) with respect to such use or intended use of such drug, and such drug, its labeling, and such use conform to such approved application;

''(B) there is in effect a conditional approval of an application filed pursuant to section 573 with respect to such use or intended use of such drug, and such drug, its labeling, and such use conform to such conditionally approved application; or

''(C) there is in effect an index listing pursuant to section 574 with respect to such use or intended use of such drug, and such drug, its labeling, and such use conform to such index listing.''.

(2) Section 512(a)(4) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360b(a)(4)) is amended by adding after ''if an approval of an application filed under subsection (b)'' the following: ''or a conditional approval of an application filed under section 573''.

(3) Section 503(f) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 353(f)) is amended as follows:

(A) In paragraph (1)(A)(ii) by striking ''512'' and inserting the following: ''512, a conditionally approved application under subsection (b) of section 573, or an index listing under subsection (a) of section 574.''.

(B) In paragraph (3) by striking ''section 512'' and inserting the following: ''sections 512, 573, or 574.''.

(4) Section 504(a)(1) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 354(a)(1)) is amended by striking ''512(b)'' and inserting ''512(b), a conditionally approved application filed pursuant to section 573, or an index listing pursuant to section 574.''.

(5) Section 504(a)(2)(B) and (b) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 354(a)(2)(B), and 354(b)) are amended by striking ''512(i)'' and inserting ''512(i) or section 573(g), or the index listing pursuant to section 574.''.

(6) Section 403(a) of the Food and Drug Administration Modernization Act of 1997 (21 U.S.C. 371(a)) is amended by adding at the end ''For purposes of this section, an approved article includes a new animal drug that is the subject of a conditional approval or an index listing under sections 573 and 574 of the Federal Food, Drug, and Cosmetic Act, respectively.''.

(g) REGULATIONS.—The Secretary of Health and Human Services shall promulgate proposed regulations to implement amendments to the Federal Food, Drug, and Cosmetic Act made by this Act within 6 months of the date of enactment of this Act, and final regulations within 24 months of the date of enactment of this Act.

(h) OFFICE OF MINOR USE ANIMAL DRUG DEVELOPMENT.—

(1) The Secretary of Health and Human Services shall establish within the Center of Veterinary Medicine of the Food and Drug Administration an Office of Minor Use Animal Drug Development (referred to in this subsection as the ''Office''). The Secretary of Health and Human Services shall select an individual to serve as the Director of such Office. The Director of such Office shall report directly to the Director of the Center for Veterinary Medicine. The Office shall be responsible for designating minor use animal drugs under section 571 of the Federal Food, Drug, and Cosmetic Act, for administering grants and contracts for the development of animal drugs for minor uses under section 575 of the Federal Food, Drug, and Cosmetic Act, and for serving as liaison with any party interested in minor use animal drug development.

(2) For the Office described under paragraph (1), there are authorized to be appropriated $1,200,000 for each of the fiscal years 2001 through 2003.

SEC. 4. CREDIT FOR CLINICAL TESTING EXPENSES FOR CERTAIN ANIMAL DRUGS FOR MINOR USES.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 45C the following new section:

''SEC. 45D. CLINICAL TESTING EXPENSES FOR CERTAIN ANIMAL DRUGS FOR MINOR USES.

''(a) GENERAL RULE.—For purposes of section 38, the minor use animal drug credit determined under this section for the taxable year is an amount equal to 50 percent of the qualified animal clinical testing expenses for the taxable year.

''(b) QUALIFIED ANIMAL CLINICAL TESTING EXPENSES.—For purposes of this section—

''(1) QUALIFIED ANIMAL CLINICAL TESTING EXPENSES.—

''(A) IN GENERAL.—Except as otherwise provided in this paragraph, the term 'qualified animal clinical testing expenses' means the amounts which are paid or incurred by the taxpayer during the taxable year which would be described in subsection (b) of section 41 if such subsection were applied with the modifications set forth in subparagraph (B).

''(B) MODIFICATIONS.—For purposes of subparagraph (A), subsection (b) of section 41 shall be applied—

''(i) by substituting 'animal clinical testing' for 'qualified research' each place it appears in paragraphs (2) and (3) of such subsection, and

''(ii) by substituting '100 percent' for '65 percent' in paragraph (3)(A) of such subsection.

''(C) EXCLUSION FOR AMOUNTS FUNDED BY GRANTS, ETC.—The term 'qualified animal clinical testing expenses' shall not include any amount to the extent such amount is funded by any grant, contract, or otherwise by another person (or any governmental entity).

''(D) SPECIAL RULE.—For purposes of this paragraph:

''(i) section 41 shall be deemed to remain in effect for periods after June 30, 2000; and

''(ii) the trade or business requirement of section 41(b)(1) shall be deemed to be satisfied in the case of a taxpayer that owns animals and that conducts clinical testing on such animals.

''(2) ANIMAL CLINICAL TESTING.—

''(A) IN GENERAL.—The term 'animal clinical testing' means any clinical testing—

''(i) which is carried out under an exemption for a drug being tested for minor use under section 512(j), 573(k), or 574(i) of the Federal Food, Drug, and Cosmetic Act (or regulations issued under such sections),

''(ii) which occurs—

''(I) after the date such drug is designated under section 571 of such Act, and

''(II) before the date on which an application with respect to such drug is approved under section 512(c) of such Act, and

''(iii) which is conducted by or on behalf of—

''(I) the taxpayer to whom the designation under such section 571 applies, or

''(II) the owner of the animals that are the subject of clinical testing.

''(B) TESTING MUST BE FOR MINOR USE.—Animal clinical testing shall be taken into account under subparagraph (A) only to the extent such testing is related to the use of a drug for the minor use for which it was designated under section 571 of the Federal Food, Drug, and Cosmetic Act.

''(c) COORDINATION WITH CREDIT FOR INCREASING RESEARCH EXPENDITURES.—

''(1) IN GENERAL.—Except as provided in paragraph (2), any qualified animal clinical testing expenses for a taxable year to which an election under this section applies shall not be taken into account for purposes of determining the credit allowable under section 41 for such taxable year.

''(2) EXPENSES INCLUDED IN DETERMINING BASE PERIOD RESEARCH EXPENSES.—Any qualified animal clinical testing expenses for any taxable year which are qualified research expenses (within the meaning of section 41(b)) shall be taken into account in determining base period research expenses for purposes of applying section 41 to subsequent taxable years.

''(d) DEFINITION AND SPECIAL RULES.—

''(1) MINOR USE.—For purposes of this section, the term 'minor use' has the meaning given such term by section 201(ll) of the Federal Food, Drug, and Cosmetic Act. Determinations under the preceding sentence with respect to any drug shall be made on the basis of the facts and circumstances as of the date such drug is designated under section 571 of the Federal Food, Drug, and Cosmetic Act.

''(2) DENIAL OF CREDIT FOR TESTING CONDUCTED BY CORPORATIONS TO WHICH SECTION 936 APPLIES.—No credit shall be allowed under this section with respect to any animal clinical testing conducted by a corporation to which an election under section 936 applies.

''(3) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of paragraphs (1) and (2) of section 41(f) shall apply for purposes of this section.

''(4) ELECTION.—This section shall apply to any taxpayer for any taxable year only if such taxpayer elects (at such time and in such manner as the Secretary may by regulations prescribe) to have this section apply for such taxable year.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b) of such Code is amended—

(A) by striking ''plus'' at end of paragraph (11),

(B) by striking the period at the end of paragraph (12) and inserting '', plus'', and

(C) by adding at the end the following new paragraph:

''(13) the minor use animal drug credit determined under section 45D(a).''.

(2) Section 280C(b) of such Code is amended—

(A) in paragraph (1), by striking ''section 45C(b)'' and inserting ''section 45C(b) or 45D(b)'', and

(B) in paragraphs (1) and (2), by striking ''section 45C'' each place it appears and inserting ''section 45C or 45D''.

(c) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 45C the following new item:

''Sec. 45D. Clinical testing expenses for certain animal drugs for minor uses.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

(e) REGULATIONS.—The Secretary of the Treasury shall publish proposed regulations to implement amendments to the Internal Revenue Code of 1986 made by this Act within 6 months after the date of the enactment of this Act, and final regulations within 24 months after such date.

Mr. DODD (for himself, Ms. COLLINS, and Mr. KENNEDY):

S. 3170. A bill to amend the Higher Education Act of 1965 to assist institutions of higher education to help at-risk students to stay in school and complete their 4-year postsecondary academic programs by helping those institutions to provide summer programs and grant aid for such students, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

COLLEGE COMPLETION CHALLENGE GRANTS ACT OF 2000

Mr. DODD. Mr. President, I rise today to join Senator COLLINS in offering legislation that will support our youth and promote their abilities by helping them stay in college and complete their degrees.

There is no question that post-secondary education is a critical component in individual success in today's economy. Parents understand this reality from the day their children are born and they start worrying about how to make college affordable. Students know it as they work to achieve

good grades and high test scores. And policymakers know it as we work to increase Pell grants and support increased saving options for families.

But colleges achievement is not just about being accepted at a higher education institution. To fully see the benefits of post-secondary education, one must complete a degree. And yet, while college enrollment rates have been rising, 37 percent of students who enter post-secondary education drop out before they receive a degree or certificate. This problem is especially acute for minorities. Thirty percent of African-Americans and Hispanic-Americans drop out of college before the end of their first year. This is almost double the rate of white Americans.

For these students and for us as a nation, these statistics represent a lost opportunity. Clearly, these students aspire to greater things—to more education and better careers. But instead of fulfilling this promise, they leave school with their potential unrealized. Unfortunately, many of them also leave school not just with an academic set-back, but also with substantial student loan debt, which today is as much a reality of college attendance as is a course syllabus.

The legislation I am introducing today, the ''College Completion Challenge Grants Act of 2000'', would provide vital support and assistance to at-risk students to help them stay in school and complete their degrees. The College Completion Challenge grant program is based on the successful work of the Student Support Services (SSS) program, which is one of the Turning R Into Opportunity programs. While TRIO is better known for its early intervention programs with talented, at-risk high school students, SSS follows through on these early efforts by supporting at-risk, first-generation college students once they are enrolled. The College Completion Challenge grants would supplement these student support services by offering additional scholarship aid, intensive summer programs, and further support services to students at risk of dropping out. Higher education institutions participating in SSS as well as those that provide similar support through other sources would be eligible to apply for these additional dollars.

Mr. President, the House of Representatives has already acted on similar legislation, which was included in the Higher Education Technical Amendments that passed the House earlier this year. So, I am hopeful that we too can find an appropriate vehicle to support these students as they pursue their dreams. I urge my colleagues to support this legislation.

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

S. 3171. A bill to amend the Internal Revenue Code of 1986 to extend the section 29 credit for producing fuel from a non-conventional source; to the Committee on Finance.

ENERGY SECURITY FOR AMERICAN CONSUMERS ACT OF 2000

Mr. MURKOWSKI. Mr. President, if this country is ever going to achieve the goal of reducing our dependency on foreign sources of oil to at least 50 percent, we are going to have to provide incentives that will encourage our energy industry to recover oil and gas from nonconventional sources.

In the aftermath of the twin oil shocks of the 1970s, Congress enacted Section 29 of the tax code which provides a tax credit to encourage production of oil and gas from unconventional sources such as Devonian shale, tight rock formations, coalbeds and geopressurized brine. This credit has helped the industry invest in new technologies which allow us to recover large oil and gas deposits that are locked in various formations which are very expensive to develop.

Since the Clinton-Gore Administration came into office, it has sent up various proposals all designed to eliminate the Section 29 credit. As a result of their efforts, the Section 29 credit has not applied to any facilities placed in service since July 1, 1998. That makes absolutely no sense when we realize that today we are 56 percent dependent on foreign sources of oil. Doing away with this credit sends a direct signal to the market—this country will not lift a finger to encourage energy development at home.

I think it is time to reverse the failed energy policies of the Clinton-Gore administration. As part of that effort, I am today introducing legislation that would extend the Section 29 credit until 2013 and allow it to apply to facilities that are placed in service before 2011. I am pleased that Senators BREAUX and STEVENS are joining me in this effort.

Mr. President, if we are to retain the prosperity we have enjoyed over the last 20 years, we must have a stable and secure supply of oil and natural gas. Section 29 is an important provision that will allow our energy development companies to bring technologies on line to develop new energy deposits.

Moreover, the bill expands the definition of qualifying investments to include heavy oil. In Alaska, there are several billion barrels of heavy oil in West Sak Prudhoe Bay that are just too costly to exploit because of the density of the oil and the fact that it is heavily laden with sand. Extension of the Section 29 credit could very well mean that these billions of barrels of heavy oil could be exploited and brought onto the U.S. energy market.

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

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

S. 3171

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 ''Energy Security for American Consumers Act of 2000''.

SEC. 2. EXTENSION OF CREDIT FOR PRODUCING FUEL FROM A NONCONVENTIONAL SOURCE.

(a) EXTENSION OF CREDIT.—Subsection (f) of section 29 of the Internal Revenue Code of 1986 (relating to credit for producing fuel from a nonconventional source) is amended—

(1) in paragraph (1)(A), by inserting before ''or'' the following: ''or from a well drilled after the date of the enactment of the Energy Security for American Consumers Act of 2000, and before January 1, 2011,'',

(2) in paragraph (1)(B), by inserting before ''and'' at the end the following: ''or placed in service after the date of the enactment of the Energy Security for American Consumers Act of 2000, and before January 1, 2011,'', and

(3) in paragraph (2), by striking ''2003'' and inserting ''2013''.

(b) REDUCTION IN AMOUNT OF CREDIT BY 20 PERCENT PER YEAR STARTING IN 2007.— Subsection (a) of section 29 of such Code is amended to read as follows:

''(a) ALLOWANCE OF CREDIT.—

''(1) IN GENERAL.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to—

''(A) the applicable amount, multiplied by

''(B) the barrel-of-oil equivalent of qualified fuels—

''(i) sold by the taxpayer to an unrelated person during the taxable year, and

''(ii) the production of which is attributable to the taxpayer.

''(2) APPLICABLE AMOUNT.—For purposes of paragraph (1), the applicable amount is the amount determined in accordance with the following table:

In the case of taxable years beginning in calendar year:	The applicable amount is:
2001 to 2008	$3.00
2009	$2.60
2010	$2.00
2011	$1.40
2012	$0.80
2013 and thereafter	$0.00.''

(c) CREDIT ALLOWED AGAINST BOTH REGULAR TAX AND ALTERNATIVE MINIMUM TAX.—Paragraph (6) of section 29(b) of such Code is amended to read as follows:

''(6) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) for any taxable year shall not exceed the excess of—

''(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

''(B) the sum of the credits allowable under this part (other than subpart C and this section) and under section 1397E.''

(d) QUALIFIED FUELS TO INCLUDE HEAVY OIL.—Subsection (c) of section 29 of such Code (defining qualified fuels) is amended—

(1) in paragraph (1), by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting '', and'', and by adding at the end the following new subparagraph:

''(D) heavy oil, as defined in section 613A(c)(6)(7).'', and

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

''(4) SPECIAL RULE FOR HEAVY OIL.—Heavy oil shall be considered to be a qualified fuel only if it is produced from a well drilled, or in a facility placed in service, after the date of the enactment of the Energy Security for American Consumers Act of 2000, and before January 1, 2011.''

(e) REPEAL OF SUPERSEDED SUBSECTION.—Subsection (g) of section 29 of such Code is repealed.

(f) EFFECTIVE DATE.—The amendments made by this Act shall apply to taxable years beginning after December 31, 2000.

By Mr. KENNEDY:

S. 3172. A bill to provide access to affordable health care for all Americans; to the Committee on Finance.

BASIC HEALTH PLAN ACT

Mr. KENNEDY. Mr. President, last week, the Census Bureau released new figures on the number of the uninsured. Thanks to a prosperous economy and the Children's Health Insurance Program, the number of the uninsured declined for the first time in more than a decade. But that decline was small, and it is no cause for complacency. The number of uninsured is still far too high—43 million Americans have no insurance coverage—and any weakening in the economy is likely to send the number higher again.

It's a national disgrace that so many Americans find the quality of their health determined by the quantity of their wealth. In this age of the life sciences, the importance of good medical care in curing disease and improving and extending life is more significant than ever, and denying any family the health care they need is unacceptable.

Earlier this year, along with a number of my colleagues in the House and Senate, I introduced bipartisan legislation to extend the Child Health Insurance Program to include the parents of participating children and to increase the enrollment of eligible children in Medicaid and CHIP. It received a majority vote in the Senate, but it was defeated on a procedural motion. I hope that we will be able to pass it promptly next year, as an initial effective step to reduce the number of the uninsured.

Today, I am introducing an additional measure. The Basic Access to Secure Insurance Coverage Health plan—or BASIC Health plan. Congressman John Dingell is introducing a companion measure in the House. Our proposal uses the model of the Child Health Insurance Program to make subsidized coverage available—through private insurance or Medicaid—to all Americans with incomes below 300 percent of poverty—$25,000 a year for an individual and $42,000 a year for a family of three.

Almost three-quarters of the uninsured are in this income range. Our plan also includes innovative steps to encourage current and newly eligible individuals and families to enroll. It is a major step toward the day when access to affordable health care will be a reality for all Americans, and I hope it will be enacted as well next year.

The need for BASIC is clear. One of our highest national priorities for the new century must be to make good health care a reality for all our people. Every other industrialized society in the world except South Africa achieved that goal in the 20th century—and under Nelson Mandela and Thabo Mbeki, South Africa has taken giant steps toward universal health care today. But in our country, the law of the jungle still too often prevails. Forty-three million of our fellow citizens are left out and left behind when it comes to health insurance.

The dishonor roll of suffering created by this national problem is a long one.

Children fail to get a healthy start in life because their parents cannot afford the eyeglasses or hearing aids or doctors visits they need.

A young family loses its chance to participate in the American dream, when a breadwinner is crippled or killed because of lack of timely access to medical care.

A teenager is condemned to go without a college education because the family's income and energy are sucked away by the high financial and emotional cost of uninsured illness.

An older couple sees its hope for a dignified retirement dashed when the savings of a lifetime are washed away by a tidal wave of medical debt.

Even in this time of unprecedented prosperity, more than 200,000 Americans annually file for bankruptcy because of uninsured medical costs. And the human costs of being uninsured are often just as devastating.

In any given year, one-third of the uninsured go without needed medical care.

Eight million uninsured Americans fail to take the medication that their doctor prescribes, because they cannot afford to fill the prescription.

Four hundred thousand children suffer from asthma but never see a doctor. Five hundred thousand children with recurrent earaches never see a doctor. Another five hundred thousand children with severe sore throats never see a doctor.

Thirty-two thousand Americans with heart disease go without life-saving and life-enhancing bypass surgery or angioplasty—because they are uninsured.

Twenty-seven thousand uninsured women are diagnosed with breast cancer each year. They are twice as likely as insured women not to receive medical treatment before their cancer has already spread to other parts of their bodies. As a result, they are 50 percent more likely to die of the disease.

Overall, eighty-three thousand Americans die each year because they have no insurance. The lack of insurance is the seventh leading cause of death in America today. Our failure to provide health insurance for every citizen kills more people than kidney disease, liver disease, and AIDS combined.

Today our opportunity to finally end these millions of American tragedies is greater than ever before. Our prosperous economy gives us large new resources to invest in meeting this critical need. Recently, some Republicans in Congress have finally joined Democrats in urging our country to meet the challenge of providing health coverage to the 43 million Americans who are uninsured.

The BASIC plan can be a bridge for both Republicans and Democrats to come together. It is based on the model of the Child Health Insurance Program, which enjoys broad bi-partisan support in every state in the country. It emphasizes a Federal-State partnership to make care accessible and affordable. Insurance is provided primarily through the private sector, but without employer mandates.

The BASIC plan is designed to supplement, not replace, the current employment-based system of health care. It will also build on Medicaid, which effectively serves so many of the very poor, the working poor, the disabled, and people with AIDS.

Federal subsidies under BASIC will be targeted to those without insurance today. We should not disrupt the health coverage that 161 million Americans now receive through their employers. It makes no sense to encourage those who already have reliable employer-based health insurance to turn instead to a new government-subsidized program. The cost to taxpayers would balloon needlessly, and force us to reduce benefits in order to cut costs.

The proposal builds on and expands proven programs that are already in place. States will provide coverage under Medicaid for all very low income people, consistent with the mandate that already exists in federal law to provide Medicaid coverage for all children with family incomes below 100 percent of poverty. Medicaid's broad benefits and minimal cost-sharing are ideal for very low income people, because they cannot afford to contribute significantly to the cost of their own care.

For low and moderate income individuals and families, the plan follows the CHIP model. States will have the choice of providing coverage through Medicaid or contracting with private insurance companies to offer subsidized coverage to those eligible to participate. The state would pay the insurance company a premium for each individual enrolled. For higher income enrollees, the individual would make a premium contribution as well.

One-third of all the uninsured today are poor, and almost three-quarters of the uninsured have incomes below 300 percent of poverty. A program of subsidies targeted on these low and moderate income Americans will put affordable health insurance within reach of the vast majority of the uninsured.

One of the biggest problems we face in expanding health insurance coverage through such a program is assuring that those who are eligible actually participate. We have learned a great deal from the experience under CHIP on how to achieve this objective. We know that simple, mail-in forms are important. We know that public information campaigns and the involvement of community-based organizations can be valuable. We know that programs with presumptive eligibility are effective—so that people can be signed up

right away, without waiting until the eligibility verification process has been completed. We know that enrolling people for a year at a time without subjecting them to reapplications or reverification of income more often than once a year is critical. Through steps like these, we can see that the uninsured are not only eligible for the program but actually participate in it, so that they actually have the financial protection and access to timely medical care they need.

The BASIC Health plan will not require employers to contribute to the cost of coverage. But it will require them to make the BASIC plan coverage available through the workplace, and forward the premiums of workers to the insurance company that the workers choose. This step is a minimum obligation that responsible employers should be willing to accept—and it can significantly increase the number of the uninsured who actually have coverage. Eighty-two percent of uninsured Americans today are workers or dependents of workers. Our message to all of them is that help is finally on the way.

The cost of the BASIC place is an estimated $200 billion to $300 billion over the next ten years—approximately the cost of the prescription drug plans that many of us have proposed under Medicare. It's a substantial amount of the surplus, but as we know from the success of Medicare, few if any federal dollars are better spent.

In sum, every child deserves a healthy start and life. Every family deserves protection against the high cost of illness. All Americans deserve timely access to quality, affordable health care. The American people want action. It is time for all of us to make the cause of health care for all a national priority.

I ask unanimous consent that a summary of the BASIC plan and a fact sheet on the problem of the uninsured be included in the RECORD.

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

NEED FOR LEGISLATION AND SUMMARY OF THE ''BASIC'' HEALTH PROGRAM: UNIVERSAL ACCESS TO AFFORDABLE QUALITY HEALTH INSURANCE

America is the only industrial country in the world, except South Africa, that does not guarantee health care for all its citizens. The number of uninsured declined last year for the first time in more than a decade—but 43 million Americans remain uninsured, and any slowdown in the economy is likely to send the number up again. The vast majority of the uninsured are workers or dependents of workers. The consequences of being uninsured go far beyond vulnerability to catastrophic medical costs. The uninsured often lack timely access to quality health care, especially preventive care. They suffer unnecessary illness and even death because they have no coverage.

Growth in the Uninsured

The number of the uninsured has grown from 32 million in 1987 to 43 million this year. Except for a brief pause in 1993 and 1994, the number of uninsured has consistently increased by a million or more each year until this year. Even these figures understate the number of the uninsured. During the course of a year, 70 million Americans will be uninsured for an extended period of time.

Characteristics of the Uninsured

The vast majority of privately insured Americans—161 million citizens under 65—receive coverage on the job as workers or members of their families. But the uninsured are also overwhelmingly workers or their dependents. Eighty-two percent of those without insurance are employees or family members of employees. Of these uninsured workers, most are members of families with at least one person working full-time.

Most uninsured workers are uninsured because their employer either does not offer coverage, or because they are not eligible for the coverage offered. Seventy percent of uninsured workers are in firms where no coverage is offered. Eighteen percent are in firms that offer coverage, but they are not eligible for it, usually because they are part-time workers or have not been employed by the firm long enough to qualify for coverage. Only 12 percent of uninsured workers are offered coverage and decline.

The uninsured are predominantly low and moderate income persons. Almost 25 percent are poor (income of $8,501 or less for a single individual; $13,290 or less for a family of three). Twenty-eight percent have incomes between 100 and 200 percent of poverty. Eighteen percent have incomes between 200 and 300 percent of poverty. Almost three-fourths have incomes below 300 percent of poverty.

Consequences of Being Uninsured

An uninsured family is exposed to financial disaster in the event of serious illness. Unpaid medical bills account for 200,000 bankruptcies annually. Over 9 million families spend more than one fifth of their total income on medical costs. The health consequences of being uninsured are often as devastating as the economic costs:

In any given year, one-third of the uninsured go without needed medical care.

Eight million uninsured Americans fail to take medication their doctors prescribe, because they cannot afford to fill the prescription.

Thirty-two thousand Americans with heart disease go without life-saving and life-enhancing bypass surgery or angioplasty, because they are uninsured.

Twenty-seven thousand uninsured women are diagnosed with breast cancer each year. They are twice as likely as insured women not to receive medical treatment until their cancer has already spread in their bodies. As a result, they are 50 percent more likely to die of the disease.

The tragic bottom line is that eighty-three thousand Americans die every year because they have no insurance. Being uninsured is the seventh leading cause of death in America. Our failure to provide health insurance for every citizen kills more people than kidney disease, liver disease, and AIDS combined.

THE PROPOSAL: SUMMARY OF BASIC ACCESS TO SECURE INSURANCE COVERAGE HEALTH PLAN (''BASIC'' HEALTH PLAN)

Overview

The BASIC program builds on the bi-partisan Child Health Insurance Program and on Vice-President Gore's proposal to extend insurance coverage under CHIP and Medicaid to the parents of eligible children. The Child Health Insurance Program provides subsidized coverage through Medicaid or private insurers contracting with state governments for low and moderate income children. The BASIC plan extends the availability of subsidized coverage to all uninsured low and moderate income Americans, regardless of age or family status. It guarantees the availability of coverage in every state for every uninsured person, and includes provisions to encourage enrollment by those who are eligible. The plan also allows those who have incomes too high to qualify for subsidies to participate in the program by paying the full premium.

Key Provisions

Phase 1: Coverage for Children and Parents—Expansion of CHIP and Medicaid

Eligibility levels are raised to 300 percent of poverty for all uninsured children.

Coverage is made available to all uninsured parents of eligible children.

Coverage is made available to legal immigrant children and their parents.

The required benefit package for children is improved by adding eye-glasses, hearing aids, and medically necessary rehabilitative services for disabled or developmentally delayed children.

Additional steps are established to encourage enrollment of eligible children and their parents, including presumptive eligibility, qualification for at least twelve months, and simplified application forms.

The system of capped state allotments under CHIP is eliminated and federal matching funds are made available for all eligible persons enrolled in the program.

Phase II: Coverage for the Remaining Uninsured

Subsidized coverage is made available for all uninsured single adults with incomes below 300 percent of poverty. Coverage is phased in by income levels, beginning with those below 50 percent of poverty in the third year of the program, rising to 300 percent of poverty in the ninth year.

Unsubsidized coverage is available to all individuals in families with incomes too high to qualify for subsidized coverage, by paying the cost through premiums.

Responsibility of Employers

Eighty-two percent of the uninsured are workers or dependents of workers. Employers will not be required to provide coverage or contribute to the cost of coverage—but they will be required to offer their uninsured employees an opportunity to enroll in the program and agree to facilitate the coverage by withholding any required premium contributions from the employee's periodic pay.

Cost

Preliminary estimates of similar proposals indicate that the federal cost will be $200–$300 billion over the next ten years, beyond the amount already budgeted for expansions of coverage under the current CHIP program.

By Mr. SMITH of New Hampshire (for himself, Mr. WARNER, Mr. INHOFE, Mr. THOMAS, Mr. BOND, Mr. VOINOVICH, Mr. CRAPO, Mr. L. CHAFEE, Mr. BAUCUS, Mr. MOYNIHAN, and Mr. GRAHAM):

S. 3173. A bill to improve the implementation of the environmental streamling provisions of the Transportation Equity Act for the 21st Century; read the first time.

ENVIRONMENTAL STREAMLINING IMPROVEMENT ACT

Today I am introducing legislation that requires the US Department of Transportation to make substantial revisions to the recently proposed regulations on transportation planning and environmental streamlining. This action is necessary because the proposed

regulations fail to fully comply with the direction that Congress gave to the U.S. Department of Transportation (US DOT) in the Transportation Equity Act for the 21st Century—the so-called TEA—21—that we passed in 1998.

The proposed regulations cover the inter-related disciplines of transportation planning and environmental protection. It is my view that transportation system development and the environment can exist in harmony if there is proper planning and foresight. All too often, though, there is a lack of coordination that results in unnecessary delays to transportation projects, or leads to wasted time and funds on projects that never get built.

This is the problem that I, along with my colleagues, Senators GRAHAM and WYDEN, attempted to address when we authored TEA–21's environmental streamlining provision. Our provision, which is section 1309 of TEA–21, required a more systematic approach to avoid conflicts, expedite approvals, and eliminate duplicated efforts in developing transportation projects.

Section 1309 does not weaken environmental standards or avoid existing requirements for environmental analysis. Instead, section 1309 requires better coordination between the transportation and environmental agencies.

Specifically, section 1309 requires that US DOT to establish a coordinated review process among the various state and federal agencies, to ensure concurrent rather than sequential reviews by these agencies, and to establish a dispute resolution process so that delays are not created by lingering, unresolved problems. We also included other changes in TEA–21 that were intended to put greater order and efficiency into the planning and approval of transportation projects.

Unfortunately, the proposed regulations fail to meet the requirements of TEA–21 in two important respects: First, the regulations do not incorporate the specific requirements of environmental streamlining with regard to time periods for review or a dispute resolution process.

Second, the regulations create new data collection, consultation and analysis requirements that will further complicate and delay transportation projects.

The full Committee on Environment and Public Works held a hearing two weeks ago to take testimony from the administration and the states on the intent and effect of these regulations. the states unanimously objected to the increased burden that would result from these proposed regulations. Where we intended to reduce delay, state transportation departments testified that these regulations would add years to project development, putting us even further behind in meeting our transportation needs.

A few weeks ago, eleven bipartisan members of my committee joined in a letter to the Secretary of Transportation recommending that the proposed regulations be revised and reissued. That is precisely the subject of the legislation I am introducing today.

This bill requires the Secretary of Transportation to revise the rules, taking into consideration the hundreds of comments received on the current proposal, and to comply with the clear directives that US DOT received from Congress in section 1309 of TEA–21. I hope that with a second chance, the US DOT will craft rules that clearly meet Congressional intent.

Mr. BAUCUS. Mr. President, today Senator SMITH, on behalf of Senator VOINOVICH, myself and others is introducing the Environmental Streamlining Improvement Act.

This bill ensures that the United States Department of Transportation will issue a revised rule on TEA–21 environmental streamlining regulations. This bill will give the USDOT another chance to follow the statute when issuing proposed rules on planning and the environment.

The Environment and Public Works Committee has held three hearings on the subject of environmental streamlining since the passage of TEA–21 in 1998. I am sorry to say that in the 2 years it has taken the USDOT to issue this NPRM, they fall far short of what Congress has intended. TEA–21 is very specific about what the regulations should do. The proposed regulations follow neither the word nor the intent of TEA–21.

I remember working with Senators WARNER, GRAHAM, WYDEN and CHAFEE and with the House members to develop an agreement on environmental streamlining. Those provisions are now Sections 1308 and 1309 of TEA–21.

I had heard from the Montana Department of Transportation and from others about how cumbersome a process it is to complete a highway project. Everyone who worked on TEA–21, in both the House and Senate, wanted to include a direction to the USDOT to streamline the planning and project development processes for the states.

We were very clear—the environment and the environmental reviews should not get short shrift! But, we need to find a way to make it easier to get a final decision, eliminate unnecessary delays, move faster and with as little paperwork as possible.

I cannot over-emphasize that the planning and environmental provisions of TEA–21 need to be implemented in a way that will streamline the expedite, not complicate, the process of delivering transportation projects.

That is why Congress directed the USDOT to include certain elements in their regulations on environmental streamlining.

We included concepts to be incorporated in future regulations—like concurrent environmental reviews by agencies and reasonable deadlines for the agencies to follow when completing their reviews.

Certainly we did not legislate an easy task to the USDOT. Trying to coordinate so many separate agencies is like trying to herd cats. The whole concept of environmental streamlining—that is, to make the permit and approval process work more smoothly and effectively, while still ensuring protection of the environment—is one of the more difficult challenges of TEA–21.

So I waited for the rules to come out. And waited. And two years after the passage of TEA–21 I look at the proposed rules and I am very disappointed.

I have identified several problems with these regulations and I would like to mention just a few things that I see as real problems.

First, elevating the planning process participants to the roles of decision makers. These regulations were supposed to help the States get their jobs done better and more efficiently. Its one thing to add more participants to the process. More involvement is a good thing.

But its another thing to give them the authority to make decisions about how the planning process will work. This decision maker role is currently held by State DOTs and Metropolitan Planning Organizations for a reason.

Second, what happened to ''streamlining?'' The basic elements of real streamlining are the only things not in the regs.

Third, these regulations are supposed to answer questions—but what is contained in the proposed regulations raises even more questions because they are vague there they need to be precise.

Fourth, this proposal makes it even harder, if not impossible to come to a decision. These regulations include initiatives not outlined in sections 1308 and 1309 and in many areas would strip states of their authority.

I would also like to mention that the Montana Department of Transportation filed comments or wrote letters at every possible opportunity for the public record. As I read these proposed regulations, I see that MDT's comments were either never read by the USDOT or ignored.

Let me close by saying that I believe the proposed rules would add significant requirements and uncertainty to planning and environmental review for transportation projects. In practical terms, they would increase overhead and delay—and delay usually means increased project costs. These proposed rules could make it difficult for States to deliver their programs. Contracts won't get let and jobs will be lost.

I know this is a tough task. To streamline a process while ensuring that we maintain a thorough planning and environmental review process. But, adding requirements to the process is contrary to the course charted by Congress.

At our last hearing, the administration testified that their intent was to streamline the process. The bill we are introducing today would allow them to make good on their intent.

Our bill requires the USDOT go back to the drawing board and incorporate

comments received from States and others and issue another NPRM. I am confident the USDOT will do the right thing this time.

Mr. VOINOVICH. Mr. President, I rise today to thank Senator BOB SMITH of introducing the Environmental Streamlining Improvement Act today. Last month several of my colleagues on the Environmental and Public Works Committee, following a full committee hearing on the issue, requested that the Administration revise its proposed rules on environmental streamlining and transportation planning, taking into consideration comments already submitted on the proposed rules, and publish them in the Federal Register for an additional 120-day comment period. This legislation is being introduced today because the Administration has not responded to our request.

In addition to requiring the Administration to consider public comments and to revise and re-propose rules on environmental streamlining and transportation planning, this legislation would prevent the Secretary of Transportation from finalizing the rules until May 1, 2001, and require a report on changes that were made to the revised rules.

When I was Governor of Ohio, I witnessed first-hand the frustration of many of the various state agencies because they were required to complete a myriad of federally-required tasks on whatever project they initiated.

With my background as a local and state official, I bring a unique perspective to this issue. While environmental review is good public policy, I believe that there are more efficient ways to ensure adequate and timely delivery of construction projects, while still carefully assessing environmental concerns.

Congress recognized the frustration of the states and enacted planning and environmental provisions to initiate environmental streamlining and expedite project delivery. These programs are embodied in Sections 1308 and 1309 of TEA–21. Section 1308 calls for the integration of the Major Investment Study, which had been a separate requirement for major metropolitan projects, with the National Environmental Policy Act (NEPA) process. Section 1309 of TEA–21 calls for the establishment of a coordinated review process for the Department of Transportation to work with other federal agencies to ensure that transportation projects are advanced according to cooperatively determined time-frames. This is accomplished by using concurrent rather than sequential reviews, and allows states to include state-specific environmental reviews in the coordinated process.

Last year, I conducted two hearings as Chairman of the Subcommittee on Transportation and Infrastructure on streamlining and project delivery. During those hearings I stressed how important it is that the planning and environmental streamlining provisions of TEA–21 be implemented in a way that will streamline and expedite, not complicate, the process of delivering transportation projects. A year after these hearings and nearly two years after the passage of TEA–21, the Department of Transportation finally published its proposed planning and NEPA regulations on May 25, 2000. Frankly, I am very disappointed with how long it took to propose these rules, and I believe many of my colleagues feel the same way. More importantly, there is a lot of disappointment with the proposed rules in general.

I strongly believe these proposed regulations are inconsistent with TEA–21 and Congressional intent and do little, if anything, to streamline and expedite the ability of states to commence transportation projects. The proposed rules create new mandates and requirements, add new decision-makers to the process, and provide endless fodder for all kinds of lawsuits, especially with regard to environmental justice.

In Ohio, the process of highway construction has been dubbed: ''So you Want a Highway? Here's the Eight Year Hitch.'' My hope has been that in the future we could say ''So you Want a Highway? Here's the Five Year Hitch.'' I don't see that happening with the proposal we have before us. For that reason, I am very pleased Senator SMITH has introduced this legislation today.

Mr. CRAIG (for himself, Mr. CONRAD, Mr. BAUCUS, Mr. BINGAMAN, Mr. BREAUX, Mr. BURNS, Mr. CRAPO, Mr. DASCHLE, Mr. ENZI, Mr. GORTON, Mr. GRAMM, Mr. GRAMS, Mr. GREGG, Mr. HARKIN, Mrs. HUTCHISON, Mr. JEFFORDS, Mr. JOHNSON, Mr. KENNEDY, Mr. KERREY, Mr. LEAHY, Mr. LUGAR, Ms. MIKULSKI, Mrs. MURRAY, Mr. REED, Mr. SARBANES, Mr. SMITH of New Hampshire, Mr. THOMAS, and Mr. WELLSTONE):

S. 3175. A bill to amend the Consolidated Farm and Rural Development Act to authorize the National Rural Development Partnership, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

NATIONAL RURAL DEVELOPMENT PARTNERSHIP ACT OF 2000

Mr. CRAIG. Mr. President, I rise today with Senator CONRAD to introduce the ''National Rural Development Partnership Act of 2000''—a bill to codify the National Rural Development Partnership (NRDP or the Partnership) and provide a funding source for the program. I am pleased that Senators BAUCUS, BINGAMAN, BREAUX, BURNS, CRAPO, DASCHLE, ENZI, GORTON, GRAMM, GRAMS, GREGG, HARKIN, HUTCHISON, JEFFORDS, JOHNSON, KENNEDY, KERREY, LEAHY, LUGAR, MIKULSKI, MURRAY, REED, SARBANES, BOB SMITH, THOMAS, and WELLSTONE are joining us as original cosponsors.

The Partnership was established under the Bush Administration in 1990, by Executive Order 12720. Although the Partnership has existed for ten years, it has never been formally authorized by Congress. The current basis for the existence of the Partnership is found in the Consolidated Farm and Rural Development Act of 1972 and the Rural Development Policy Act of 1980. In addition, the Conference Committee Report on the 1996 federal Farm Bill created specific responsibilities and expectations for the Partnership and state rural development councils (SRDCs).

The Partnership is a nonpartisan interagency working group whose mission is to ''contribute to the vitality of the Nation by strengthening the ability of all rural Americans to participate in determining their futures.'' The NRDP and SRDCs do something no other entities do: facilitate collaboration among federal agencies and between federal agencies and state, local, and tribal governments and the private and non-profit sectors to increase coordination of programs and services to rural areas. When successful, these efforts result in more efficient use of limited rural development resources and actually add value to the efforts and dollars of others.

On March 8, 2000, the Subcommittee on Forestry, Conservation, and Rural Revitalization, which I chair, held an oversight hearing on the operation and accomplishments of the NRDP and SRDCs. The Subcommittee heard from a number of witnesses, including officials of the US Departments of Agriculture, Transportation and Health & Human Services, state agencies, and private sector representatives. The hearing established the need for some legislative foundation and consistent funding. The legislation we are introducing accomplishes this.

This legislation formally recognizes the existence and operations of the Partnership, the National Rural Development Council (NRDC), and SRDCs. In addition, the legislation gives specific responsibilities to each component of the Partnership and authorizes it to receive Congressional appropriations.

Specifically, the bill formally establishes the NRDP and indicates it is composed of the NRDC and SRDCs. NRDP is established for empowering and building the capacity of rural communities, encouraging participation in flexible and innovative methods of addressing the challenges of rural areas, and encouraging all those involved in the Partnership to be fully engaged and to share equally in decision making. This legislation also identifies the role of the federal government in the Partnership as being that of partner, coach, and facilitator. Federal agencies are called upon to designate senior-level officials to participate in the NRDC and to encourage field staff to participate in SRDCs. Federal agencies are also authorized to enter into cooperative agreements with, and to provide grants and other assistance to, state rural development councils, regardless of the form of legal organization of a state rural development council.

The composition of the NRDC is specified as being one representative from each federal agency with rural responsibilities, and governmental and non-governmental for-profit and non-profit organizations that elect to participate in the NRDC. The legislation outlines the duties of the Council as being to provide support to SRDCs; facilitate coordination among federal agencies and between the federal, state, local and tribal governments and private organizations; enhance the effectiveness, responsiveness, and delivery of federal government programs; gather and provide to federal agencies information about the impact of government programs on rural areas; review and comment on policies, regulations, and proposed legislation; provide technical assistance to SRDCs; and develop strategies for eliminating administrative and regulatory impediments. Federal agencies do have the ability to opt out of participation in the Council, but only if they can show how they can more effectively serve rural areas without participating in the Partnership and Council.

This legislation provides that states may participate in the Partnership by entering into a memorandum of understanding with USDA to establish an SRDC. SRDCs are required to operate in a nonpartisan and nondiscriminatory manner and to reflect the diversity of the states within which they are organized. The duties of the SRDCs are to facilitate collaboration among government agencies at all levels and the private and non-profit sectors; to enhance the effectiveness, responsiveness, and delivery of federal and state government programs; to gather information about rural areas in its state and share it with the NRDC and other entities; to monitor and report on policies and programs that address, or fail to address, the needs of rural areas; to facilitate the formulation of needs assessments for rural areas and participate in the development of the criteria for the distribution of federal funds to rural areas; to provide comments to the NRDC and others on policies, regulations, and proposed legislation; assist the NRDC in developing strategies for reducing or eliminating impediments; to hire an executive director and support staff; and to fundraise.

As I have stated before, this legislation authorizes the Partnership to receive appropriations as well as authorizing and encouraging federal agencies to make grants and provide other forms of assistance to the Partnership and authorizing the Partnership to accept private contributions. The SRDCs are required to provide at least a 25 percent match for funds it receives as a result of its cooperative agreement with the federal government.

As you know, too many parts of rural America have not shared in the boom that has brought great prosperity to urban America. We need to do more to ensure that rural citizens will have opportunities similar to those enjoyed by urban areas. To do so, we do not necessarily need new government programs. Instead, we must do a better job of coordinating the many programs available for USDA and other federal agencies that can benefit rural communities. With the passage of this legislation, the NRDP and SRDCs will be better situated to provide that much needed coordination.

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

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

S. 3175

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 ''National Rural Development Partnership Act of 2000''.

SEC. 2. FINDINGS.

Congress finds that—

(1) rural development has been given high priority throughout most of this century as a means of achieving a sound balance between rural and urban areas in the United States, a balance that Congress considers essential to the peace, prosperity, and welfare of all citizens of the United States;

(2)(A) during the last half century, Congress has enacted many laws and established many programs to provide resources to rural communities;

(B) in addition, numerous efforts have been made to coordinate Federal rural development programs; and

(C) during the last decade, the National Rural Development Partnership and its principal components, the National Rural Development Council and State rural development councils, have successfully provided opportunities for collaboration and coordination among Federal agencies and between Federal agencies and States, nonprofit organizations, the private sector, tribal governments, and other entities committed to rural advancement;

(3) Congress enacted the Rural Development Act of 1972 (86 Stat. 657) and the Rural Development Policy Act of 1980 (94 Stat. 1171) as a manifestation of this commitment to rural development;

(4) section 2(b)(3) of the Rural Development Policy Act of 1972 (7 U.S.C. 2204b(b)(3)) directs the Secretary of Agriculture to develop a process through which multi-state, State, substate, and local rural development needs, goals objectives, plans and recommendations can be received and assessed on a continuing basis;

(5) the National Rural Development Partnership and State Rural Development Councils were established as vehicles to help coordinate development of rural programs in 1990;

(6) in 1991, the Secretary began to execute those statutory responsibilities, in part through the innovative mechanism of national, State, and local rural development partnerships administered by the Under Secretary of Agriculture for Small Community and Rural Development;

(7) that mechanism, now known as the ''National Rural Development Partnership'', has been recognized as a model of new governance and as an example of the effectiveness of collaboration between the Federal, State, local, tribal, private, and nonprofit sectors in addressing the needs of the rural communities of the United States;

(8) partnerships by agencies and entities in the Partnership would extend scarce but valuable funding through collaboration and cooperation; and

(9) the continued success and efficacy of the Partnership could be enhanced through specific Congressional authorization removing any statutory barriers that could detract from the benefits potentially achieved through the Partnership's unique structure.

SEC. 3. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.

The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by adding at the end the following:

''SEC. 381P. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.

''(a) DEFINITIONS.—In this section:

''(1) AGENCY WITH RURAL RESPONSIBILITIES.—The term 'agency with rural responsibilities' means any executive agency (as defined in section 105 of title 5, United States Code) that—

''(A) implements Federal law targeted at rural areas, including—

''(i) the Act of April 24, 1950 (commonly known as the Granger-Thye Act) (64 Stat. 82, chapter 9);

''(ii) the Intergovernmental Cooperation Act of 1968 (82 Stat. 1098);

''(iii) section 41742 of title 49, United States Code;

''(iv) the Rural Development Act of 1972 (86 Stat. 657);

''(v) the Rural Development Policy Act of 1980 (94 Stat. 1171);

''(vi) the Rural Electrification Act of 1936 (2 U.S.C. 901 et seq.);

''(vii) amendments made to section 334 of the Public Health Service Act (42 U.S.C. 254g) by the Rural Health Clinics Act of 1983 (97 Stat. 1345); and

''(viii) the Rural Housing Amendments of 1983 (97 Stat. 1240) and the amendments made by the Rural Housing Amendments of 1983 to title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.); or

''(B) administers programs that have a significant impact on rural areas, including—

''(i) the Appalachian Regional Commission;

''(ii) the Department of Agriculture;

''(iii) the Department of Commerce;

''(iv) the Department of Defense;

''(v) the Department of Education;

''(vi) the Department of Energy;

''(vii) the Department of Health and Human Services;

''(viii) the Department of Housing and Urban Development;

''(ix) the Department of the Interior;

''(x) the Department of Justice;

''(xi) the Department of Labor;

''(xii) the Department of Transportation;

''(xiii) the Department of the Treasury.

''(xiv) the Department of Veterans Affairs;

''(xv) the Environmental Protection Agency;

''(xvi) the Federal Emergency Management Administration;

''(xvii) the Small Business Administration;

''(xviii) the Social Security Administration;

''(xix) the Federal Reserve System;

''(xx) the United States Postal Service;

''(xxi) the Corporation for National Service;

''(xxii) the National Endowment for the Arts and the National Endowment for the Humanities; and

''(xxiii) other agencies, commissions, and corporations.

''(2) COUNCIL.—The term ''Council'' means the National Rural Development Council established by subsection (c).

''(3) PARTNERSHIP.—The term ''Partnership'' means the National Rural Development Partnership established by subsection (b).

''(4) RURAL AREA.—The term ''rural area'' means—

''(A) all the territory of a State that is not within the boundary of any standard metropolitan statistical area, as designated by the Director of the Office of Management and Budget;

''(B) all territory within any standard metropolitan statistical area described in subparagraph (A) within a census tract having a population density of less than 20 persons per square mile, as determined by the Secretary according to the most recent census of the United States as of any date; and

''(C) such areas as a State Rural Development Council may identify as rural.

''(5) STATE RURAL DEVELOPMENT COUNCIL.—The term ''State rural development council'' means a State rural development council that meets the requirements of subsection (d).

''(b) ESTABLISHMENT.—

''(1) IN GENERAL.—There is established a National Rural Development Partnership composed of—

''(A) the National Rural Development Council established under subsection (a); and

''(B) State rural development councils established under subsection (d).

''(2) PURPOSES.—The purposes of the Partnership are—

''(A) to empower and build the capacity of States and rural communities within States to design unique responses to their own special rural development needs, with local determinations of progress and selection of projects and activities;

''(B) to encourage participants to be flexible and innovative in establishing new partnerships and trying fresh, new approaches to rural development issues, with responses to rural development that use different approaches to fit different situations; and

''(C) to encourage all 5 partners of the Partnership (Federal, State, local, and tribal governments, the private sector, and nonprofit organizations) to be fully engaged and share equally in decisions.

''(3) ROLE OF FEDERAL GOVERNMENT.—The role of the Federal Government in the Partnership should be that of a partner, coach, and facilitator, with Federal agencies authorized—

''(A) to cooperate closely with States to implement the Partnership;

''(B) to provide States with the technical and administrative support necessary to plan and implement tailored rural development strategies to meet local needs;

''(C) to delegate decisionmaking to other levels;

''(D) to ensure that the head of each department and agency specified in subsection (a)(1)(B) designates a senior-level agency official to represent the department or agency, respectively, on the Council and directs appropriate field staff to participate fully with the State rural development council within their jurisdiction; and

''(E) to enter into cooperative agreements with, and to provide grants and other assistance to, State rural development councils, regardless of the form of legal organization of a State rural development council and notwithstanding any other provision of law.

''(4) ROLE OF PRIVATE AND NONPROFIT SECTOR ORGANIZATIONS.—Private and nonprofit sector organizations are encouraged—

''(A) to act as full partners in the Partnership and State rural development councils; and

''(B) to cooperate with participating government organizations in developing innovative problem approaches to rural development.

''(c) NATIONAL RURAL DEVELOPMENT COUNCIL.—

''(1) ESTABLISHMENT.—There is established a National Rural Development Council.

''(2) COMPOSITION.—The Council shall be composed of—

''(A) 1 representative of each agency with rural responsibilities that elects to participate in the Council; and

''(B) representatives of local, regional, State, tribal, and nongovernmental profit and nonprofit organizations that elect to participate in the activities of the Council.

''(3) DUTIES.—The Council shall—

''(A) provide support for the work of the State rural development councils;

''(B) facilitate coordination among Federal programs and activities, and with State, local, tribal, and private programs and activities, affecting rural development;

''(C) enhance the effectiveness, responsiveness, and delivery of Federal programs in rural areas;

''(D) gather and provide to Federal authorities information and input for the development and implementation of Federal programs impacting rural economic and community development;

''(E) review and comment on policies, regulations, and proposed legislation that affect or would affect rural areas;

''(F) provide technical assistance to State rural development councils for the implementation of Federal programs; and

''(G) develop and facilitate strategies to reduce or eliminate administrative and regulatory impediments.

''(4) ELECTION NOT TO PARTICIPATE.—An agency with rural responsibilities that elects not to participate in the Partnership shall submit to Congress a report that describes—

''(A) how the programmatic responsibilities of the Federal agency that target or have an impact on rural areas are better achieved without participation by the agency in the Partnership; and

''(B) a more effective means of partnership-building and collaboration to achieve the programmatic responsibilities of the agency.

''(5) PERFORMANCE EVALUATIONS.—In conducting a performance evaluation of an employee of an agency with rural responsibilities, the agency shall consider any comments submitted by a State rural development council.

''(d) STATE RURAL DEVELOPMENT COUNCILS.—

''(1) ESTABLISHMENT.—Each State may elect to participate in the Partnership by entering into a memorandum of agreement with the Secretary to establish a State rural development council.

''(2) STATE DIVERSITY.—Each State rural development council shall—

''(A) have a nonpartisan and nondiscriminatory membership that is broad and representative of the economic, social, and political diversity of the State; and

''(B) carry out programs and activities in a manner that reflects the diversity of the State.

''(3) DUTIES.—Each State rural development council shall—

''(A) facilitate collaboration among Federal, State, local, and tribal governments and the private and nonprofit sectors in the planning and implementation of programs and policies that target or have an impact on rural areas of the State;

''(B) enhance the effectiveness, responsiveness, and delivery of Federal and State programs in rural areas of the State;

''(C) gather and provide to the Council and other appropriate organizations information on the condition of rural areas in the State;

''(D) monitor and report on policies and programs that address, or fail to address, the needs of the rural areas of the State;

''(E) facilitate the formulation of local needs assessments for the rural areas of the State and participate in the development of criteria for the distribution of Federal funds to the rural areas of the State;

''(F) provide comments to the Council and other appropriate organizations on policies, regulations, and proposed legislation that affect or would affect the rural areas of the State;

''(G) in conjunction with the Council, facilitate the development of strategies to reduce or eliminate conflicting or duplicative administrative or regulatory requirements of Federal, State, local, and tribal governments;

''(H) use grant or cooperative agreement funds available to the Partnership to—

''(i) retain an Executive Director and such support staff as are necessary to facilitate and implement the directives of the State rural development council; and

''(ii) defray expenses associated with carrying out subparagraphs (A) through (G) and subparagraph (J);

''(I) be authorized to solicit funds to supplement and match funds granted under subparagraph (H); and

''(J) be authorized to engage in all other appropriate activities.

''(4) COMMENTS OR RECOMMENDATIONS.—

''(A) IN GENERAL.—A State rural development council may provide comments and recommendations to an agency with rural responsibilities related to the activities of the State rural development council within the State.

''(B) AGENCY.—The agency with rural responsibilities shall provide to the State rural development council a written response to the comments or recommendations.

''(5) ACTIONS OF STATE RURAL DEVELOPMENT COUNCIL MEMBERS.—When carrying out a program or activity authorized by a State rural development council, a member of the Council shall be regarded as an employee of the Federal Government for purposes of chapter 171 of title 28, United States Code.

''(6) FEDERAL PARTICIPATION IN STATE RURAL DEVELOPMENT COUNCILS.—

''(A) IN GENERAL.—Subject to subparagraph (B), Federal employees may participate in a State rural development council.

''(B) CONFLICTS.—A Federal employee who participates in a State rural development council shall not participate in the making of any council decision if the agency represented by the Federal employee has any financial or other interest in the outcome of the decision.

''(C) FEDERAL GUIDANCE.—The Attorney General shall issue guidance to all Federal employees that participate in State rural development councils that describes specific decisions that—

''(i) would constitute a conflict of interest for the Federal employee; and

''(ii) from which the Federal employee must recuse himself or herself.

''(e) ADMINISTRATION OF THE PARTNERSHIP.—

''(1) DETAIL OF EMPLOYEES.—In order to provide experience in intergovernmental collaboration, with the approval of the head of an agency with rural responsibilities that elects to participate in the Partnership, an employee of the agency with rural responsibilities is encouraged to be detailed to the Partnership without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

''(2) ADDITIONAL SUPPORT.—The Secretary shall provide for any additional support staff to the Partnership as the Secretary determines to be necessary to carry out the duties of the Partnership.

''(3) PANEL.—

''(A) IN GENERAL.—A panel consisting of representatives of the Council and State rural development councils shall be established to lead and coordinate the strategic

operation, policies, and practices of the Partnership.

''(B) ANNUAL REPORTS.—In conjunction with the Council and State rural development councils, the panel shall prepare and submit to Congress an annual report on the activities of the Partnership.

''(f) FUNDING.—

''(1) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

''(2) FEDERAL AGENCIES.—

''(A) IN GENERAL.—Notwithstanding any other provision of law, in order to carry out the purposes described in subsection (b)(2), the Partnership shall be eligible to receive grants, gifts, contributions, or technical assistance from, or enter into contracts with, any Federal department or agency, to the extent otherwise permitted by law.

''(B) ASSISTANCE.—Federal departments and agencies are encouraged to use funds made available for programs that target or impact rural areas to provide assistance to, and enter into contracts with, the Partnership, as described in subparagraph (A).

''(3) CONTRIBUTIONS.—The Partnership may accept private contributions.

''(g) MATCHING REQUIREMENTS FOR STATE RURAL DEVELOPMENT COUNCILS.—A State rural development council shall provide matching funds, or in-kind goods or services, to support the activities of the State rural development council in an amount that is not less than 25 percent of the amount of Federal funds received under the agreement described in subsection (d)(1).

''(h) TERMINATION.—The authority provided under this section shall terminate 5 years after the date of enactment of this section.''.

ADDITIONAL COSPONSORS

S. 61

At the request of Mr. DEWINE, the names of the Senator from Idaho (Mr. CRAIG) and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 61, a bill to amend the Tariff Act of 1930 to eliminate disincentives to fair trade conditions.

S. 922

At the request of Mr. ABRAHAM, the names of the Senator from Connecticut (Mr. DODD), the Senator from Nevada (Mr. REID), the Senator from Nevada (Mr. BRYAN), the Senator from Georgia (Mr. MILLER), and the Senator from New Jersey (Mr. LAUTENBERG) were added as cosponsors of S. 922, a bill to prohibit the use of the ''Made in the USA'' label on products of the Commonwealth of the Northern Mariana Islands and to deny such products duty-free and quota-free treatment.

S. 1510

At the request of Mr. MCCAIN, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 1510, a bill to revise the laws of the United States appertaining to United States cruise vessels, and for other purposes.

S. 1536

At the request of Mr. DEWINE, the names of the Senator from North Carolina (Mr. HELMS), the Senator from Louisiana (Ms. LANDRIEU), the Senator from Maine (Ms. SNOWE), the Senator from South Dakota (Mr. DASCHLE), and the Senator from Virginia (Mr. WARNER) were added as cosponsors of S. 1536, a bill to amend the Older Americans Act of 1965 to extend authorizations of appropriations for programs under the Act, to modernize programs and services for older individuals, and for other purposes.

S. 1563

At the request of Mr. ABRAHAM, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. 1563, a bill to establish the Immigration Affairs Agency within the Department of Justice, and for other purposes.

S. 1900

At the request of Mr. LAUTENBERG, the name of the Senator from Montana (Mr. BURNS) was added as a cosponsor of S. 1900, a bill to amend the Internal Revenue Code of 1986 to allow a credit to holders of qualified bonds issued by Amtrak, and for other purposes.

S. 2274

At the request of Mr. GRASSLEY, the name of the Senator from Wyoming (Mr. THOMAS) was added as a cosponsor of S. 2274, a bill to amend title XIX of the Social Security Act to provide families and disabled children with the opportunity to purchase coverage under the medicaid program for such children.

S. 2448

At the request of Mr. HATCH, the name of the Senator from Arizona (Mr. KYL) was added as a cosponsor of S. 2448, a bill to enhance the protections of the Internet and the critical infrastructure of the United States, and for other purposes.

S. 2698

At the request of Mr. GORTON, his name was added as a cosponsor of S. 2698, a bill to amend the Internal Revenue Code of 1986 to provide an incentive to ensure that all Americans gain timely and equitable access to the Internet over current and future generations of broadband capability.

S. 2703

At the request of Mr. AKAKA, the name of the Senator from Virginia (Mr. ROBB) was added as a cosponsor of S. 2703, a bill to amend the provisions of title 39, United States Code, relating to the manner in which pay policies and schedules and fringe benefit programs for postmasters are established.

S. 2718

At the request of Mr. SMITH of New Hampshire, the names of the Senator from Maine (Ms. SNOWE) and the Senator from New York (Mr. SCHUMER) were added as cosponsors of S. 2718, a bill to amend the Internal Revenue Code of 1986 to provide incentives to introduce new technologies to reduce energy consumption in buildings.

S. 2725

At the request of Mr. SMITH of New Hampshire, the names of the Senator from New York (Mr. SCHUMER) and the Senator from Pennsylvania (Mr. SANTORUM) were added as cosponsors of S. 2725, a bill to provide for a system of sanctuaries for chimpanzees that have been designated as being no longer needed in research conducted or supported by the Public Health Service, and for other purposes.

S. 2787

At the request of Mr. HATCH, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 2787, a bill to reauthorize the Federal programs to prevent violence against women, and for other purposes.

S. 2939

At the request of Mr. GRASSLEY, the names of the Senator from New Mexico (Mr. BINGAMAN) and the Senator from New York (Mr. SCHUMER) were added as cosponsors of S. 2939, a bill to amend the Internal Revenue Code of 1986 to provide a credit against tax for energy efficient appliances.

S. 2986

At the request of Mr. HUTCHINSON, the names of the Senator from South Carolina (Mr. THURMOND), the Senator from Wyoming (Mr. THOMAS), the Senator from Texas (Mr. GRAMM), the Senator from Minnesota (Mr. GRAMS), and the Senator from Kentucky (Mr. BUNNING) were added as cosponsors of S. 2986, a bill to limit the issuance of regulations relating to Federal contractor responsibility, to require the Comptroller General to conduct a review of Federal contractor compliance with applicable laws, and for other purposes.

S. 3020

At the request of Mr. GRAMS, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 3020, a bill to require the Federal Communications Commission to revise its regulations authorizing the operation of new, low-power FM radio stations.

S. 3060

At the request of Mr. WELLSTONE, the names of the Senator from Nebraska (Mr. HAGEL) and the Senator from Nebraska (Mr. KERREY) were added as cosponsors of S. 3060, a bill to amend the Hmong Veterans' Naturalization Act of 2000 to extend the applicability of that Act to certain former spouses of deceased Hmong veterans.

S. 3067

At the request of Mr. JEFFORDS, the names of the Senator from Vermont (Mr. LEAHY) and the Senator from Texas (Mrs. HUTCHISON) were added as cosponsors of S. 3067, a bill to require changes in the bloodborne pathogens standard in effect under the Occupational Safety and Health Act of 1970.

S. 3101

At the request of Mr. ASHCROFT, the names of the Senator from South Carolina (Mr. THURMOND) and the Senator from Missouri (Mr. BOND) were added as cosponsors of S. 3101, a bill to amend the Internal Revenue Code of 1986 to allow as a deduction in determining adjusted gross income the deduction for expenses in connection with services as a member of a reserve component of the Armed Forces of the United States.