

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting a withdrawal and sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF A PRESIDENTIAL DETERMINATION (98-17) RELATIVE TO VIETNAM—MESSAGE FROM THE PRESIDENT—PM 110

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Finance:

To the Congress of the United States:

Pursuant to section 402(c)(2)(A) of the Trade Act of 1974, as amended (the "Act"), I have determined that a waiver of the application of subsections 402 (a) and (b) with respect to Vietnam will substantially promote the objectives of section 402. A copy of that determination is attached. I also have received assurances with respect to the emigration practices of Vietnam required by section 402(c)(2)(B) of the Act. This message constitutes the report to the Congress required by section 402(c)(2).

Pursuant to subsection 402(c)(2) of the Act, I shall issue an Executive order waiving the application of subsections (a) and (b) of section 402 of the Act with respect to Vietnam.

WILLIAM J. CLINTON.

THE WHITE HOUSE, March 9, 1998.

MESSAGES FROM THE HOUSE

At 11:16 a.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 419. An act to provide surveillance, research, and services aimed at prevention of birth defects, and for other purposes.

The message also announced that pursuant to clause 6(f) of rule X, the Chair removes the gentleman from Iowa, Mr. LEACH, as a conferee on H.R. 1757 and appoints the gentleman from Indiana, Mr. BURTON, to fill the vacancy.

The message further announced that the House has agreed to the following concurrent resolution, in which it requests the concurrent resolution:

H. Con. Res. 206. Concurrent resolution permitting the use of the rotunda of the Capitol for a ceremony as part of the commemoration of the days of remembrance of victims of the Holocaust.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HELMS, from the Committee on Foreign Relations, without amendment and with a preamble:

S. Res. 187. A resolution expressing the sense of the Senate regarding the human rights situation in the People's Republic of China.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted.

By Mr. JEFFORDS, from the Committee on Labor and Human Resources:

Richard M. McGahey, of New York, to be an Assistant Secretary of Labor.

(The above nomination was reported with the recommendation that he be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. DEWINE:

S. 1741. A bill to provide for teacher training facilities; to the Committee on Labor and Human Resources.

By Mr. DEWINE (for himself, Mr. COATS, Mrs. HUTCHISON, Mr. SMITH of Oregon, and Ms. COLLINS):

S. 1742. A bill to improve the quality of individuals becoming teachers in elementary and secondary schools, to make the teaching profession more accessible to individuals who wish to start a second career, to encourage adults to share their knowledge and experience with children in the classroom, to give officials the flexibility the officials need to hire whom the officials think can do the best job, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. SPECTER (by request):

S. 1743. A bill to amend title 38, United States Code, to authorize memorialization of deceased spouses and surviving spouses of veterans and deceased members of the Armed Forces whose remains are not available for interment; to the Committee on Veterans Affairs.

S. 1744. A bill to redesignate the title of the National Cemetery System and the position of the Director of the National Cemetery System; to the Committee on Veterans Affairs.

S. 1745. A bill to amend title 38, United States Code, to provide flexibility in the order in which the Board of Veterans' Appeals hears and considers appeals; to the Committee on Veterans Affairs.

S. 1746. A bill to amend title 38, United States Code, to remove a statutory provision requiring a specified number of full-time equivalent positions in the VA's Office of Inspector General; to the Committee on Veterans Affairs.

By Mr. GRASSLEY (for himself, Mr. REID, and Mr. KERREY):

S. 1747. A bill to amend the Internal Revenue Code of 1986 to provide for additional taxpayer rights and taxpayer education, notice, and resources, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DEWINE:

S. 1741. A bill to provide for teacher training facilities; to the Committee on Labor and Human Resources.

THE TEACHER QUALITY ACT OF 1998

Mr. DEWINE. Mr. President, I rise today to express some serious concerns about what I believe amounts to a crisis in teacher education in the United States. This year, we will consider the reauthorization of the Higher Education Act of 1965. Therefore, it is appropriate that we not focus on the issue of improving teacher training in the United States.

We have to look to new ideas and programs—programs that will help restore America as an academic power. I believe that we must act immediately to find solutions for this crisis, because our children are suffering very serious consequences. Today, I will be offering two pieces of legislation that will serve as the first steps in addressing the future of teacher training and teacher certification.

Before I offer a description of the new legislation, Mr. President, I call my colleagues attention to these alarming statistics: 36% of those now teaching core subjects (English, math, science, social studies, foreign languages) neither majored nor minored in those subjects. A study conducted by the National Commission on Teaching and America's Future revealed, and I'm quoting from a summary of the report:

More than one-quarter of newly hired public school teachers in 1991 lacked the qualifications for their jobs, and nearly one-fourth of all secondary teachers did not even have a minor in their main teaching field.

The Commission also found that, quote:

56% percent of high school students taking physical science were being taught by out-of-field teachers, as were 27% of those taking mathematics and 21% of those taking English. The least qualified teachers were most likely to be found in high-poverty and predominantly minority schools and in lower-track classes. In fact, in schools with the highest minority enrollments, students had less than a 50% chance of getting a science or mathematics teacher who held a license and a degree in the field he or she taught.

Mr. President, this is a travesty—on a truly national scale. No wonder students are doing so poorly on standardized tests. If the teacher does not understand the subject he or she is teaching, then certainly the students will not learn what they need to know. It is inexcusable that in a country as powerful and wealthy as the United States, that we do not give our children the best academic resources available. The United States will not remain a world leader unless we turn this around, and start preparing our children for the future.

The process by which we train our teachers needs to be reformed—and I believe that there is a strong bipartisan consensus to support an effort for reform. Recently, I received a memorandum that was signed by members of

the Center for Education Reform, Empower America, the Education Leaders Council, Hudson Institute, Progressive Policy Institute, Brookings Institution, and Heritage Foundation that expressed bipartisan interest in strengthening the Federal role in teacher recruitment and preparation. I was impressed that members of each of these diverse groups can all agree that there must be some serious change in the current teacher education system.

The Progressive Policy Institute has urged:

* * * that the President and his advisors remain faithful to the most important achievement in education policy: redefining the goal of school reform as results, not regulation. The Progressive Policy Institute also wrote that instead of spending federal dollars to hire more teachers and support schools of education under the existing system, the Administration should encourage states to open up the teaching profession to talented individuals who can demonstrate mastery of the subject that they intend to teach; implement innovative means of recruiting and training teachers; provide incentives to teach in high-poverty schools; and ensure that institutions, administrators, and teachers are rewarded for high performance and held responsible for failure.

Mr. President, I could not agree more. Clearly, we must have more accountability and autonomy in the education system. We can no longer tolerate a system that allows unqualified teachers in the classroom. As schools are held more accountable for their results, the schools must have the autonomy to hire and fire whomever they want, and decide how best to compensate their faculty. Unquestionably, we must support all of the hard-working, dedicated teachers we now have in our classrooms. They deserve our utmost support and respect.

Mr. President, I am encouraged that President Clinton has taken an interest in reforming the education system. I do not, however, believe that merely reducing class size and hiring 100,000 new teachers would be a solution for our academic problems.

The answer is to only certify quality teachers—and to get quality teachers to teach our neediest kids. All children deserve well-educated teachers, and we need to make that proposition a reality.

Now you might ask what the Federal role should be in teacher training. Unquestionably, states are, and should remain, the primary actors in public education. Any new Federal programs should be voluntary for states, which should not be burdened by new Federal mandates. However, the Federal government can have a role—by helping the states focus on hiring quality teachers.

The Federal government needs to break the education school monopoly on teacher preparation. Too often, these education schools have weak academic standards—and focus on teaching methods over knowledge of subject matter. The students who enroll in teacher education programs in U.S. colleges tend to have lower scores on

SAT and ACT exams than those in virtually all other programs of study.

Federal funds that are set aside for teacher training should be made available to any program that trains teachers—as long as the program is held accountable for producing students that can demonstrate subject matter competence in the classes that they plan to teach. All teacher-training programs should be held accountable for results: producing teachers who know their subject well and know how to teach it. Their results are what matter, not their intentions or their resources or their requirements, or their accreditation.

The Federal government can assist the states by forgiving student loans or offering other financial incentives for well-educated people who teach in hard-to-staff schools.

For example, I introduced legislation last year that would provide loan forgiveness to individuals who obtain a college degree in early childhood education who then go on to teach in accredited child-care centers. The Quality Child Care Loan Forgiveness Act is a great example of how the Federal government can provide incentives to students to become teachers. All children, from pre-K to 12th grade, deserve the chance to have a qualified teacher that will help them reach their academic potential.

Today, Mr. President, I am proposing legislation that addresses the need for better teacher training programs. While it is important to stem the tide of unqualified teachers reaching the classroom, we must also focus on helping teachers that are already in the classroom and need assistance in becoming the best teachers that they can be. Today, therefore, I am introducing the Teacher Quality Act of 1998.

This legislation calls for the creation of teacher training programs across the United States that will help train teachers that are already in the classroom or about to enter the teaching profession.

This bill is common-sense legislation that will assist school districts in their struggle to maintain the highest possible academic standards for their children. My idea for this legislation developed out of my admiration for the Mayerson Academy in Cincinnati, Ohio. The Mayerson Academy was established in 1992 as a partnership between the Cincinnati business community and its schools. The mission of the Mayerson Academy is to provide the highest quality training and professional development opportunities to the men and women responsible for educating the children of Cincinnati. Its motto is "All Children Can Learn."

The doors of the academy are open for business from 8:00 am to 9:00 pm, Monday through Saturday, fifty weeks per year. The non-profit Mayerson Academy has a 10-year contract with Cincinnati Public Schools and also has training agreements with Princeton City Schools, Lakota Local School Dis-

trict, and the Oak Hills School District. The Mayerson Academy has advanced labs on how to learn math. Classes on how to use computers. Socratic discussions on how to organize and manage. Teachers can take advantage of core courses, through which they can earn graduate-level equivalency credits, or take one-time special-topic "action labs." The Mayerson Academy also utilizes all the latest breakthroughs in technology to get their message out across the country through the use of distance learning instruction. Teachers in Cincinnati Public Schools are eligible for a \$750 raise after 100 hours of training—and it counts toward Ohio's mandatory continuing education requirement for a teaching license.

The Mayerson Academy raised its start-up funds from generous private contributions from local banks, private foundations, and businesses such as Federated Department Stores, General Electric, and Procter and Gamble. Cincinnati's school district pays \$1.6 million a year to purchase 66,000 hours of training from Mayerson—and the teachers attend for free. However, the program is such a great success that this school year, the Academy will provide 160,000 hours of staff training, far exceeding the 66,000 hours of annual staff training time called for by the academy's agreement with the district. The Mayerson Academy is separate from the school system, in order to ensure independent evaluation of its results and a consistent base of support. This status also allows it to benefit from the perspectives and experience of the business leadership.

My legislation will establish a competitive grant program that will ask school districts to form public-private partnerships to establish teacher training programs. I believe that this legislation will assist in establishing teacher training centers like Mayerson—facilities that will help teachers gain subject matter mastery and give our children the best training teachers in the world.

The second piece of legislation that I am introducing today will expand and improve the supply of well-qualified elementary and secondary school teachers. This goal can be accomplished by encouraging and assisting States to develop and implement programs for alternative routes toward alternative certification or licensure. The Alternative Certification and Licensure of Teachers Act will give individuals who would like to teach the chance to do so. We're talking about teachers who can serve not just as mentors to these children, but also as role models to show them how a good education can make a huge positive difference in their future.

Through these programs, individuals who have a sense of what goals they wish to accomplish can bring their knowledge and experience into the classroom—and make a difference in children's lives.

There are many talented professionals with a high level of subject area competence outside the education profession who may wish to pursue careers in education, but could not meet the current requirements to be certified or licensed as teachers. For example, a former engineer could explain to his students the importance of geometry, algebra, and calculus. A doctor can show his students how hard courses in biology can put young people on the path to saving lives. If students can see that what they are learning in school really does prepare them for the future, they will be more willing to learn and grasp new concepts.

Mr. President, individuals on both sides of the aisle realize that alternative certification is an effective method to attract more qualified teachers into the classroom. The Progressive Policy Institute has written that "states should be eligible to use federal funds to establish meaningful alternative certification programs that have more than a marginal effect on teacher supply." There is also a study that shows that individuals who become certified through alternative certification programs are more likely to be minorities, specialize in science and mathematics, and teach in hard-to-staff inner-city districts than traditionally certified teachers.

Mr. President, both pieces of legislation that I am introducing today are targeted on improving American teaching. The Teacher Quality Act is solid legislation that answers the question, "How do we train teachers that are already in the field?" The Alternative Certification and Licensure of Teachers Act answers the question, "How are we going to attract qualified individuals into the teaching field?" I strongly believe that both of these initiatives can serve as the bedrock on which to enact real reforms in the teacher education system in America.

To conclude, Mr. President, I believe that improving educational opportunities for children has to be a top priority for this Congress. I ask my colleagues in the House and Senate to work together to forge a bipartisan approach that will ensure that our children are being taught by the most qualified teachers in the world. There is no question that we must develop a system that will draw students into the teaching profession. The Federal government and the States need to work together to provide incentives for people to become teachers, and build a sense of pride to this profession. We can no longer tolerate failure if we wish to keep America strong. Now is the time to address this issue—and I ask that members of the House Education and the Workforce Committee, and the Senate Labor Committee, work diligently to come up with the best answer for our children.

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. 1741

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 "Teacher Quality Act of 1998".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) there is a teacher quality crisis, not a teacher quantity crisis, in the United States;

(2) individuals entering a classroom should have a sound grasp of the subject the individuals intend to teach, and the individuals should know how to teach;

(3) the quality of teachers impacts student achievement;

(4) people who enter the teaching profession through alternative certification programs can benefit from having the opportunity to attend a teacher training facility;

(5) teachers need to increase their subject matter knowledge;

(6) less than 40 percent of the individuals teaching the core subjects (English, mathematics, science, social studies, and foreign languages) majored or minored in the core subjects; and

(7) according to the Third International Mathematics and Science Study, American high school seniors finished near the bottom of the study in both science and mathematics.

(b) PURPOSE.—The purpose of this Act is to strengthen teacher training programs by establishing a private and public partnership to create the best teacher training facilities in the world to ensure that teachers receive unlimited access to the most updated technology and skills training in education, so that students can benefit from the teachers' knowledge and experience.

SEC. 3. DEFINITIONS.

In this Act:

(1) LOCAL EDUCATIONAL AGENCY.—The term "local educational agency" has the meaning given the term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

(2) SECRETARY.—The term "Secretary" means the Secretary of Education.

SEC. 4. GRANTS.

(a) IN GENERAL.—From amounts appropriated under section 5 for a fiscal year the Secretary shall award grants to local educational agencies to enable the local educational agencies to establish teacher training facilities for elementary and secondary school teachers.

(b) COMPETITIVE BASIS.—The Secretary shall award grants under this Act on a competitive basis.

(c) PARTNERSHIP CONTRACT REQUIRED.—In order to receive a grant under this Act, a local educational agency shall enter into a contract with a nongovernmental organization to establish a teacher training facility.

(d) APPLICATIONS.—Each local educational agency desiring a grant under this Act shall submit to the Secretary an application at such time, in such manner, and accompanied by such information as the Secretary may require. Each such application shall contain an assurance that the local educational agency—

(1) has raised \$4,000,000 in matching funds, from public or private sources, for the support of the teacher training facility;

(2) will train the teachers employed by the local educational agency at the teacher training facility for a period of 10 years after the date the agency enters into the contract described in subsection (c); and

(3) will spend 0.5 percent of the local educational agency's total school budget for each fiscal year to support the teacher training facility.

(e) AMOUNT.—The Secretary shall award each grant under this section in the amount of \$4,000,000.

(f) NUMBER.—The Secretary shall award 2 grants under this title for fiscal year 1999, 3 such grants for fiscal year 2000, 3 such grants for fiscal year 2001, and 4 such grants for fiscal year 2002.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this Act \$8,000,000 for fiscal year 1999, \$12,000,000 for fiscal year 2000, \$12,000,000 for fiscal year 2001, and \$16,000,000 for fiscal year 2002.

By Mr. DEWINE (for himself, Mr. COATS, Mrs. HUTCHISON, Mr. SMITH of Oregon, and Ms. COLLINS):

S. 1742. A bill to improve the quality of individuals becoming teachers in elementary and secondary schools, to make the teaching profession more accessible to individuals who wish to start a second career, to encourage adults to share their knowledge and experience with children in the classroom, to give officials the flexibility the officials need to hire whom the officials think can do the best job, and for other purposes; to the Committee on Labor and Human Resources.

THE ALTERNATIVE CERTIFICATION AND LICENSURE OF TEACHERS ACT OF 1998

Mr. DEWINE. Mr. President, today I am introducing the Alternative Certification and Licensure of Teachers Act of 1998. I am very pleased to be joined by Senators COATS, COLLINS, HUTCHISON, and GORDON SMITH.

The purpose of this legislation is to expand and improve the supply of well-qualified elementary and secondary school teachers. We would accomplish this goal by encouraging and assisting States to develop and implement programs for alternative routes toward teacher certification or licensure.

There are many talented professionals with a high level of subject area competence outside the education profession who may wish to pursue careers in education, but could not meet the current requirements to be certified or licensed as teachers. For example, all of us here in Congress attain an unique knowledge of how our government works. Alternative certification and licensure could provide an opportunity for some of us to become teachers so we could share our knowledge and experiences of how government works with young people. The measure of a good teacher after all is how much and how well their students could learn.

Knowledgeable and eager individuals should be helped—not discouraged—to enter the K-12 classroom as teachers.

We can achieve this goal by giving States the maximum flexibility and incentives to create alternative certification programs. That's what my bill would do—it would enable the Federal Government to assist States by offering incentives to recruit well-educated people into the teaching profession.

This program would be voluntary for the States. States do not need to be burdened by new Federal mandates.

This bill would allow qualified individuals to fulfill State certification or licensure requirements, giving school systems the chance to take advantage of the expertise of such professionals and improve the pool of qualified individuals available to local educational agencies. These measures would do a great deal to expand and improve the supply of well-qualified teachers.

The bill would provide \$15 million each year to be divided among the States based on a student population formula. States would have to apply to the Secretary in order to be considered for funds. The money could be used to either create new alternative certification programs or to fund pre-existing programs. If a State does not apply for funds, then that money is reallocated to those States that most demonstrate the need for the money based on the Secretary of Education's discretion.

Alternative certification is nothing new. A study by C. Emily Feistritzer entitled "Alternative Teacher Certification: a State-by-State Analysis 1997" reports the following facts:

41 States and the District of Columbia are now implementing alternative routes for certifying teachers. However, virtually all of the States now offer some type of program other than the traditional approved college teacher education program route for initially licensing teachers.

23 States and the District of Columbia have designed alternative licensure programs for the explicit purpose of bringing talented individuals who already have at least a bachelor's degree in a field other than education into teaching—up from just 11 such programs in 1991.

117 programs in the 50 States and the District of Columbia are now available for people who already have a bachelor's degree and want to become licensed to teach. This compares with 91 programs in 1991.

Interest in alternative teacher certification continues to escalate. 35 states reported that interest from "people wanting to get licensed to teach" has increased in the last five years.

Mr. President, it's clear that interest in the alternative certification route is on the increase. Among the talented people we can attract into the teaching profession by this means are military personnel who are nearing retirement, people who have been down-sized and are looking for a second career, business leaders who want to share their knowledge with a new generation of children, housewives who are looking for a new career after their children have moved out of the family home, and people who want to leave the private sector so they can use their college major to make a difference in children's lives.

Teacher training has become a very important issue to this Congress and to

the Administration. As of today, there have been no fewer than seven teacher training bills introduced in the House and Senate. In fact, President Clinton has requested \$1.1 billion in his latest budget to pay for 37,000 new teachers. It is clear that members on both sides of the aisle understand the importance of having quality teachers in the classroom.

Therefore, there's clear bipartisan support for programs that encourage and recruit the most knowledgeable individuals to teach our children. It is my hope that we can see bipartisan support for programs that give talented individuals an alternative route into the teaching profession.

In order to find the best possible teachers for our children, we need to support programs that are flexible and creative. We need to encourage the brightest minds in our communities to consider teaching as a career. Teachers who have had a previous career can explain to children the importance of a good education. For example, a former engineer could explain to his students the importance of geometry, algebra, and calculus. A doctor can show his students how hard courses in biology can put young people on the path to saving lives. If students can see that what they are learning in school really does prepare them for the future, they will be more willing to learn and grasp new concepts.

In this bill, States would be given the flexibility to reach out for new teaching talent and fill specifically hard-to-staff teacher positions.

Alternative certification and licensure programs give the best and brightest individuals who would like to teach the chance to do so. We're talking about teachers who can serve not just as mentors to these children, but also as role models to show them how a good education is crucial to their futures. Through these programs, individuals who have a sense of what goals they wish to accomplish can bring their knowledge and experience into the classroom.

Mr. President, Federal support for alternative certification and licensure would help ensure that schools continue to attract quality teachers to the classroom. We owe it to all school children to give them the best resources available. That is why we must encourage all States to hire the most capable, knowledgeable, and experienced teachers that are available.

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. 1742

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 "Alternative Certification and Licensure of Teachers Act of 1998".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) the measure of a good teacher is how much and how well the teacher's students learn;

(2) the main teacher quality problem in 1998 is the lack of subject matter knowledge;

(3) knowledgeable and eager individuals of sound character and various professional backgrounds should be encouraged to enter the kindergarten through grade 12 classrooms as teachers;

(4) many talented professionals who have demonstrated a high level of subject area competence outside the education profession may wish to pursue careers in education, but have not fulfilled the traditional requirements to be certified or licensed as teachers;

(5) States should have maximum flexibility and incentives to create alternative teacher certification and licensure programs in order to recruit well-educated people into the teaching profession; and

(6) alternative routes can enable qualified individuals to fulfill State teacher certification or licensure requirements and will allow school systems to utilize the expertise of professionals and improve the pool of qualified individuals available to local educational agencies as teachers.

(b) PURPOSE.—It is the purpose of this Act to improve the supply of well-qualified elementary school and secondary school teachers by encouraging and assisting States to develop and implement programs for alternative routes to teacher certification or licensure requirements.

SEC. 3. ALLOTMENTS.

(a) ALLOTMENTS TO STATES.—

(1) IN GENERAL.—From the amount appropriated to carry out this Act for each fiscal year, the Secretary shall allot to each State the lesser of—

(A) the amount the State applies for under section 4; or

(B) an amount that bears the same relation to the amount so appropriated as the total population of children ages 5 through 17 in the State bears to the total population of such children in all the States (based on the most recent data available that is satisfactory to the Secretary).

(2) REALLOCATION.—If a State does not apply for the State's allotment, or the full amount of the State's allotment, under paragraph (1), the Secretary may reallocate the excess funds to 1 or more other States that demonstrate, to the satisfaction of the Secretary, a current need for the funds.

(b) SPECIAL RULE.—Notwithstanding section 421(b) of the General Education Provisions Act (20 U.S.C. 1225(b)), funds awarded under this Act shall remain available for obligation by a recipient for a period of 2 calendar years from the date of the grant.

SEC. 4. STATE APPLICATIONS.

(a) IN GENERAL.—Any State desiring to receive an allotment under this Act shall, through the State educational agency, submit an application at such time, in such manner, and containing such information, as the Secretary may reasonably require.

(b) REQUIREMENTS.—Each application shall—

(1) describe the programs, projects, and activities to be undertaken with assistance provided under this Act; and

(2) contain such assurances as the Secretary considers necessary, including assurances that—

(A) assistance provided to the State educational agency under this Act will be used to supplement, and not to supplant, any State or local funds available for the development and implementation of programs to provide alternative routes to fulfilling teacher certification or licensure requirements;

(B) the State educational agency has, in developing and designing the application, consulted with—

(i) representatives of local educational agencies, including superintendents and school board members (including representatives of their professional organizations if appropriate);

(ii) elementary school and secondary school teachers, including representatives of their professional organizations;

(iii) schools or departments of education within institutions of higher education;

(iv) parents; and

(v) other interested individuals and organizations; and

(C) the State educational agency will submit to the Secretary, at such time as the Secretary may specify, a final report describing the activities carried out with assistance provided under this Act and the results achieved with respect to such activities.

(c) GEPA PROVISIONS INAPPLICABLE.—Sections 441 and 442 of the General Education Provisions Act (20 U.S.C. 1232d and 1232e), except to the extent that such sections relate to fiscal control and fund accounting procedures, shall not apply to this Act.

SEC. 5. USE OF FUNDS.

(a) USE OF FUNDS.—

(1) IN GENERAL.—A State educational agency shall use funds provided under this Act to support programs, projects, or activities that develop and implement new, or expand and improve existing, programs that enable individuals to move to a teaching career in elementary or secondary education from another occupation through an alternative route to teacher certification or licensure.

(2) TYPES OF ASSISTANCE.—A State educational agency may carry out such programs, projects, or activities directly, through contracts, or through grants to local educational agencies, intermediate educational agencies, institutions of higher education, or consortia of such agencies or institutions.

(b) USES.—Funds received under this Act may be used for—

(1) the design, development, implementation, and evaluation of programs that enable qualified professionals who have demonstrated a high level of subject area competence outside the education profession and are interested in entering the education profession to fulfill State teacher certification or licensure requirements;

(2) the establishment of administrative structures necessary for the development and implementation of programs to provide alternative routes to fulfilling State teacher certification or licensure requirements;

(3) training of staff, including the development of appropriate support programs, such as mentor programs, for teachers entering the school system through alternative routes to teacher certification or licensure;

(4) the development of recruitment strategies;

(5) the development of reciprocity agreements between or among States for the certification or licensure of teachers; or

(6) other programs, projects, and activities that—

(A) are designed to meet the purpose of this Act; and

(B) the Secretary determines appropriate.

SEC. 6. DEFINITIONS.

In this Act:

(1) ELEMENTARY SCHOOL; LOCAL EDUCATIONAL AGENCY; SECONDARY SCHOOL; SECRETARY; AND STATE EDUCATIONAL AGENCY.—The terms “elementary school”, “local educational agency”, “secondary school”, “Secretary”, and “State educational agency” have the meanings given the terms in sec-

tion 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

(2) INSTITUTION OF HIGHER EDUCATION.—The term “institution of higher education” has the meaning given the term in section 1201 of the Higher Education Act of 1965 (20 U.S.C. 1141).

(3) STATE.—The term “State” means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this Act \$15,000,000 for fiscal year 1999 and each of the 4 succeeding fiscal years.

By Mr. SPECTER (by request):

S. 1743. A bill to amend title 38, United States Code, to authorize memorialization of deceased spouses and surviving spouses of veterans and deceased members of the Armed Forces whose remains are not available for interment; to the Committee on Veterans' Affairs.

ARMED FORCES LEGISLATION

Mr. SPECTER. Mr. President, as Chairman of the Committee on Veterans' Affairs, I have today introduced, at the request of the Secretary of Veterans Affairs, S. 1743, a proposed bill to authorize memorialization of deceased spouses and surviving spouses of veterans and deceased members of the Armed Forces whose remains are not available for interment. The Secretary of Veterans Affairs submitted this legislation to the President of the Senate by letter dated June 24, 1997.

My introduction of this measure is in keeping with the policy which I have adopted of generally introducing—so that there will be specific bills to which my colleagues and others may direct their attention and comments—all Administration-proposed draft legislation referred to the Committee on Veterans' Affairs. Thus, I reserve the right to support or oppose the provisions of, as well as any amendment to, this legislation.

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

S. 1743

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

SECTION 1. AUTHORIZATION TO FURNISH MEMORIAL HEADSTONES AND MARKERS FOR SPOUSES AND SURVIVING SPOUSES OF VETERANS AND DECEASED SERVICE MEMBERS.

Section 2306(b) of title 38, United States Code, is amended—

(a) by adding “(which for purposes of this subsection includes a person who died in the active military, naval, or air service) or any spouse or surviving spouse (which for purposes of this section includes an unremarried surviving spouse who had a subsequent remarriage which was terminated by death or divorce) of a veteran” following “any veteran”;

(b) by striking out “veteran's” in paragraph (2) and inserting in lieu thereof “individual's”; and

(c) by adding at the end thereof “Where the Secretary has furnished a memorial headstone or marker under this subsection for

the purpose of commemorating a veteran, or has furnished a headstone or marker for the unmarked grave of a veteran under subsection (a) of this section, the Secretary shall, where feasible, add a memorial inscription to the existing headstone or marker under this subsection for the veteran's surviving spouse.”.

SEC. 2. AMENDMENTS TO PROVISIONS GOVERNING MEMORIAL AREAS.

Section 2403(b) of title 38, United States Code, is amended by striking all after “appropriate” and inserting in lieu thereof “group memorials shall be erected to honor the memory of groups of individuals referred to in subsection (a) of this section, and appropriate memorial headstones and markers shall be erected to honor the memory of individuals referred to in subsection (a) of this section or subsection (b) of section 2306 of this title.

SEC. 3. EFFECTIVE DATE.

The amendments made by this Act shall be effective with respect to deaths occurring after the date of its enactment.

THE SECRETARY OF VETERANS AFFAIRS

Washington, DC, June 24, 1997.

Hon. ALBERT GORE, Jr.,

President of the Senate,

Washington, DC.

DEAR MR. PRESIDENT: Transmitted herewith is a draft bill to amend sections 2306 and 2403 of title 38, United States Code, to authorize memorialization of deceased spouses and surviving spouses of veterans and deceased members of the Armed Forces whose remains are not available for interment.

The law currently authorizes the Secretary of Veterans Affairs to furnish and to erect in national cemeteries appropriate memorial headstones or markers for veterans and members of the Armed Forces whose remains are not available for interment because they have not been recovered or identified, were buried at sea, were donated to science, or were cremated and the ashes scattered. However, there is no authorization for memorialization of the deceased spouses of such persons whose remains are not available for interment. Since spouses are currently eligible for other burial benefits such as Government-furnished headstones or markers for unmarked graves and interment in a national cemetery, if their remains are available, we believe it is inequitable to deny the comparable benefit of memorialization when remains are unavailable. This benefit would be particularly meaningful when a spouse predeceases a veteran by providing the veteran with a suitable remembrance of the deceased loved one which can be appreciated by the veteran during his or her lifetime.

Where a veteran predeceases his or her spouse and the veteran's grave is marked with an upright headstone, a memorial inscription for the spouse may be placed on the back of the same headstone, and a separate marker for the spouse would not generally be required. If the veteran's grave is marked with a flat stone marker, an inscription can usually be added for the spouse, space permitting. Accordingly, the draft bill provides that, where feasible, a memorial inscription shall be placed on an existing headstone or marker in lieu of furnishing a new memorial headstone or marker.

The addition of an inscription to an existing marker will not be feasible in some situations. When an existing marker or headstone cannot be modified, we contemplate replacing the existing marker with a new marker or headstone bearing inscriptions for both the veteran and the spouse. For example, where a veteran has predeceased his or her spouse, it would not be feasible to add a

memorial inscription for the spouse to an existing bronze marker or to a niche marker for cremated remains. A new headstone or marker will also be necessary where a spouse predeceases a veteran. Upon the veteran's subsequent death, the veteran may be buried under circumstances requiring use of a different style of marker than was supplied for memorialization of the spouse, e.g., a niche marker for cremated remains, as opposed to a full-sized flat marker or headstone. Further, since the Department of Veterans Affairs places the veteran's name in a pre-eminent position on a marker or headstone, the spouse's marker would be replaced with a new marker or headstone bearing inscriptions for both the veteran and the spouse, with the veteran's inscription being pre-eminent.

Because it is likely that relatively few spouses will require memorialization, we anticipate that the costs associated with this proposal would be insignificant. This proposal would affect direct spending; therefore, it is subject to pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. The Office of Management and Budget (OMB) estimates that the pay-as-you-go effect of this proposal would be less than \$500,000.

The OMB advises that there is no objection from the standpoint of the Administration's program to the submission of this proposal to the Congress.

Sincerely yours,

JESSE BROWN.

By Mr. SPECTER (by request):

S. 1744. A bill to redesignate the title of the National Cemetery System and the position of the Director of the National Cemetery System; to the Committee on Veterans' Affairs.

THE NATIONAL CEMETERY ADMINISTRATION
REDESIGNATION ACT OF 1998

Mr. SPECTER. Mr. President, as chairman of the Committee on Veterans' Affairs, I have today introduced, at the request of the Secretary of Veterans Affairs, S. 1744, a proposed bill to redesignate the National Cemetery System of the Department of Veterans Affairs as the "National Cemetery Administration" and the Director of the National Cemetery System as the "Assistant Secretary for Memorial Affairs." The Acting Secretary of Veterans Affairs submitted this legislation to the President of the Senate by letter dated September 17, 1997.

My introduction of this measure is in keeping with the policy which I have adopted of generally introducing—so that there will be specific bills to which my colleagues and others may direct their attention and comments—all Administration-proposed draft legislation referred to the Committee on Veterans' Affairs. Thus, I reserve the right to support or oppose the provisions of, as well as any amendment to, this legislation.

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

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

S. 1744

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

SECTION 1. REDESIGNATION OF TITLE OF NATIONAL CEMETERY SYSTEM.

The title of the National Cemetery System of the Department of Veterans Affairs is hereby redesignated as the National Cemetery Administration.

SEC. 2. REDESIGNATION OF POSITION OF DIRECTOR OF THE NATIONAL CEMETERY SYSTEM.

The position of Director of the National Cemetery System of the Department of Veterans Affairs is hereby redesignated as Assistant Secretary for Memorial Affairs.

SEC. 3. ASSISTANT SECRETARIES.

Section 308(a) of title 38, United States Code, is amended by—

(a) in subsection (a) thereof, changing the period at the end of the first sentence of that subsection to a comma and adding the following at the end of that sentence: "in addition to the Assistant Secretary for Memorial Affairs";

(b) in subsection (b) thereof, by inserting "other than the Assistant Secretary for Memorial Affairs" after "Assistant Secretaries"; and

(c) in subsection (c) thereof, by inserting "pursuant to subsection (b)" after "Assistant Secretary".

SEC. 4. TITLE 38 CONFORMING AMENDMENTS.

(a) Title 38, United States Code, is amended by striking out "Director of the National Cemetery System" each place it appears (including in headings and tables) and inserting in lieu thereof "Assistant Secretary for Memorial Affairs".

(b) Section 301(c) of title 38, United States Code, is amended by striking out "System" in subsection (c)(4) and inserting in lieu thereof "Administration".

(c) Section 307 of title 38, United States Code, is amended—

(1) by striking out "a" in the first sentence and inserting in lieu thereof "an";

(2) by striking out "Director" in the second sentence and inserting in lieu thereof "Assistant Secretary for Memorial Affairs"; and

(3) by striking out "System" in the second sentence and inserting in lieu thereof "Administration".

(d)(1) Section 2306(d) of title 38, United States Code, is amended by striking out "within the National Cemetery System" in the first sentence of subsection (d)(1) and inserting in lieu thereof "under the control of the National Cemetery Administration".

(2) Section 2306(d) of title 38, United States Code, is amended by striking out "within the National Cemetery System" in subsection (d)(2) and inserting in lieu thereof "under the control of the National Cemetery Administration".

(e)(1) The table of sections at the beginning of chapter 24 of title 38, United States Code, is amended by striking out "Establishment of National Cemetery System; composition of such system; appointment of director;" and inserting in lieu thereof "Establishment of National Cemetery Administration; authority of such administration; appointment of Assistant Secretary."

(2) The heading of section 2400 of title 38, United States Code, is amended by striking out "Establishment of National Cemetery System; composition of such system; appointment of director" and inserting in lieu thereof "Establishment of National Cemetery Administration; authority of such administration; appointment of Assistant Secretary".

(3) Section 2400(a) of title 38, United States Code, is amended by striking out "shall be within the Department a National Cemetery System" in the first sentence and inserting in lieu thereof "is within the Department a National Cemetery Administration respon-

sible" in the first sentence and by striking out "Such system" in the second sentence and inserting in lieu thereof "The National Cemetery Administration".

(4) Section 2400(b) of title 38, United States Code, is amended by striking out "The National Cemetery System" and inserting "National cemeteries and other facilities under the control of the National Cemetery Administration" in lieu thereof.

(5) Section 2402 of title 38, United States Code, is amended by striking out "in the National Cemetery System" and inserting "under the control of the National Cemetery Administration" in lieu thereof.

(6) Section 2403(c) of title 38, United States Code, is amended by striking out "in the National Cemetery System created by this chapter" and inserting "under the control of the National Cemetery Administration" in lieu thereof.

(7) Section 2405(c) of title 38, United States Code, is amended by striking out "within the National Cemetery System" and inserting in lieu thereof "under the control of the National Cemetery Administration" and by striking out "within such System" and inserting in lieu thereof "under the control such Administration".

(8) Section 2408(c) of title 38, United States Code, is amended by striking out "in the National Cemetery System" in subsection (c)(1) and inserting "under the control of the National Cemetery Administration" in lieu thereof.

SEC. 5. EXECUTIVE SCHEDULE CONFORMING AMENDMENT.

Section 5315 of title 5, United States Code, is amended by striking out "(6)" following "Assistant Secretaries, Department of Veterans Affairs" and inserting in lieu thereof "(7)" and by striking out "Director of the National Cemetery System."

SEC. 6. REFERENCES IN OTHER LAWS.

(a) Any reference to the National Cemetery System in any Federal law, Executive order, rule, regulation, delegation of authority, or document of or pertaining to the Department of Veterans Affairs, which reference pertains to the organization within that Department which controls the Department's national cemeteries shall be deemed to refer to the National Cemetery Administration.

(b) Any reference to the Director of the National Cemetery System in any Federal law, Executive order, rule, regulation, delegation of authority, or document of or pertaining to the Department of Veterans Affairs shall be deemed to refer to the Assistant Secretary for Memorial Affairs.

THE SECRETARY OF VETERANS AFFAIRS,

Washington, September 17, 1997.

Hon. ALBERT GORE, JR.,

President of the Senate, Washington, DC.

DEAR MR. PRESIDENT: Transmitted herewith is a draft bill to redesignate the National Cemetery System (NCS) as the "National Cemetery Administration" and the Director of the National Cemetery System as the "Assistant Secretary for Memorial Affairs." The legislation would elevate the NCS to the same organizational status within the Department of Veterans Affairs (VA) as the Veterans Health Administration (VHA) and the Veterans Benefits Administration (VBA). I request that this draft bill be referred to the appropriate committee for prompt consideration and enactment.

On March 15, 1989, the Veterans' Administration was redesignated as the Department of Veterans Affairs and elevated to cabinet-level status as an executive department. At that time, two of the three VA components that administer veterans' programs were also redesignated. The Department of Medicine and Surgery was redesignated as the

Veterans Health Services and Research Administration (now the Veterans Health Administration) and the Department of Veterans' Benefits was redesignated as the Veterans Benefits Administration. The designation of the third program component, the National Cemetery System, was not changed.

On October 9, 1992, the title of the Chief Medical Director, the head of the Veterans Health Administration, was redesignated as the Under Secretary for Health and the title of the Chief Benefits Director was redesignated as the Under Secretary for Benefits. The title of the Director of the National Cemetery System was not changed.

The NCS was established on June 18, 1973, in accordance with the National Cemeteries Act of 1973, Pub. L. No. 93-43, §2(a), 87 Stat. 75. The fourfold mission of the NCS is: (1) to provide for the interment in national cemeteries of the remains of deceased veterans, their spouses, and certain other dependents and to permanently maintain their graves; (2) to mark the graves of eligible persons buried in national, state, and private cemeteries; (3) to administer the State Cemetery Grants Program to aid states in establishing, expanding, or improving state veterans' cemeteries; and, (4) to administer the Presidential Memorial Certificate Program.

NCS is the only one of the three VA components responsible for delivering benefits to veterans and their dependents that is referred to as a "System" rather than an "Administration." The proposed redesignation "National Cemetery Administration" would more accurately recognize NCS' status as a benefit-delivery administration.

Section 307 of title 38, United States Code, establishes the position of Director of the National Cemetery System. The present position title implies that the Director's responsibility is limited to management of the system of national cemeteries and does not adequately reflect tie responsibilities associated with the fourfold mission of the NCS. The proposed redesignation "Assistant Secretary for Memorial Affairs" would assure that the position receives the status commensurate with its responsibilities. The redesignation would not affect the duties and responsibilities of the position, which would remain the same.

Section 308(a) of title 38, United States Code, provides that VA shall have no more than six Assistant Secretaries. Under the draft bill, the position of Assistant Secretary for Memorial Affairs, so designated in section 307, would not be counted as one of the six Assistant Secretary positions referred to in section 308(a).

Currently, the salary level for the NCS Director is set by statute at Executive Level IV. The salary level for the other VA Assistant Secretary positions is also set at Executive Level IV. The proposed redesignation of the NCS Director as the Assistant Secretary for Memorial Affairs would not affect the salary level of the position, which would remain at Executive Level IV.

Although the proposed redesignation would require changes in some forms and publications, we contemplate making these changes as the documents are reordered or revised. For this reason, and because the Director's salary level would not change, no costs or savings are associated with this proposal.

The Office of Management and Budget advises that there is no objection from the standpoint of the Administration's program to the submission of this legislative proposal to the Congress.

Sincerely yours,

HERSHEL W. GOBER,
Secretary-Designate.

By Mr. SPECTER (by request):

S. 1745. A bill to amend title 38, United States Code, to provide flexibility in the order in which the Board of Veterans' Appeals hears and considers appeals; to the Committee on Veteran's Affairs.

VETERANS' APPEALS BOARD LEGISLATION

Mr. SPECTER. Mr. President, as chairman of the Committee on Veterans' Affairs, I have today introduced, at the request of the Secretary of Veterans Affairs, S. 1745, a proposed bill to provide flexibility in the order in which the Board of Veterans' Appeals of the Department of Veterans Affairs hears and considers appeals. The Acting Secretary of Veterans Affairs submitted this legislation to the President of the Senate by letter dated August 7, 1997.

My introduction of this measure is in keeping with the policy which I have adopted of generally introducing—so that there will be specific bills to which my colleagues and others may direct their attention and comments—all Administration-proposed draft legislation referred to the Committee on Veterans' Affairs. Thus, I reserve the right to support or oppose the provisions of, as well as any amendment to, this legislation.

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

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

S. 1745

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

SECTION 1. EXCEPTION TO DOCKET ORDER CONSIDERATION

Section 7107(a) of title 38, United States Code, is amended—

(1) in paragraph (1), by striking "Except as provided in subsection (f)" and inserting "Except as provided in paragraph (2) and subsection (f)";

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting the following:
"(2) The Board may consider and decide an appeal later than its place on the docket would normally require if such delay is necessary to provide the appellant a hearing."

SEC. 2. SCHEDULING OF FIELD HEARINGS.

(a) Section 7107(d) of title 38, United States Code, is amended by striking paragraph (2) and inserting the following:

"(2) A hearing to be held within an area served by a regional office of the Department shall (except as provided in paragraph (3)) be scheduled to be held in accordance with that case's place on the docket referred to in subsection (a) relative to the other cases for which a hearing is scheduled to be held in that area."

(b) The amendment made by subsection (a) applies to requests for a hearing received by the Department on or after the date of enactment.

SEC. 3. ADVANCEMENT ON THE HEARING DOCKET.

Section 7107(d) of title 38, United States Code, is amended by striking paragraph (3) and inserting the following:

"(3) A hearing to be held within an area served by a regional office of the Department may, for cause shown, be advanced on motion for an earlier hearing. Any such motion

shall set forth succinctly the grounds upon which it is based and may not be granted unless the case involves interpretation of law of general application affecting other claims or for other sufficient cause shown."

THE SECRETARY OF VETERANS AFFAIRS,
Washington, August 7, 1997.

Hon. ALBERT GORE, JR.,
President of the Senate, Washington, DC.

DEAR MR. PRESIDENT: Transmitted herewith is a draft bill to amend title 38, United States Code, to provide flexibility in the order in which the Board of Veterans' Appeals (Board) hears and considers appeals. This proposed legislation would reduce delays in the issuance of Board decisions caused by late requests for field hearings. I request that this draft bill be referred to the appropriate committee for prompt consideration and enactment.

Current 38 U.S.C. §7107(a) requires the Board to consider and decide each appeal in regular order according to its place upon the docket. Furthermore, 38 U.S.C. §7107(b) requires the Board to afford an appellant an opportunity for a hearing before deciding his or her appeal. An appellant may request that a hearing before the Board be held at the Board's principal location in Washington, D.C., or at a Department of Veterans Affairs (VA) facility within the area served by a VA regional office. 38 U.S.C. §7107(d)(1). A hearing to be held within an area served by a regional office must be scheduled to be held in the order in which requests for hearings within that area are received by VA. 38 U.S.C. §7107(d)(2).

The order in which appeals must be scheduled for hearing in a given area and the order in which they must be considered and decided sometimes conflict. Such conflict arises when VA receives appellants' requests for hearings in an area in an order different from the order in which those appeals were docketed for consideration. (An appeal is docketed when the Board receives from the agency of original jurisdiction a copy of the substantive appeal.) For example, appellant A, whose appeal is high on the consideration docket, may request a field hearing in a given area long after many other appellants, whose appeals rank lower on the consideration docket, have already requested a hearing in that area. Not only must hearings for the lower ranking appeals be scheduled to be held before appellant A's hearing, but consideration and decision on every appeal ranking lower than appellant A's appeal must await consideration and decision on appellant A's appeal. The result is delay for all.

Aggravating this situation are two facts: First, limits on Board resources often constrain the Board to hold hearings at a given field facility infrequently, sometimes as seldom as once a year. Thus, a long time may pass before a requested hearing is actually held. Second, the long time elapsing between the initiation of and decision on an appeal, caused by a large appeal backlog, gives ample opportunity for appellants ranking high on the consideration docket to request a field hearing after lower ranking appellants have already requested one.

Our draft bill would alleviate the delays caused by this situation. Section 1 would create an exception to the docket-order consideration requirement for certain cases in which a hearing is requested. Section 1 would permit the Board to consider cases lower on the consideration docket before a case in which the appellant has requested a hearing that, due to resource shortfalls or the lateness of the request, cannot be held promptly. Section 2 would provide that a field hearing be scheduled to be held in accordance with that case's place on the consideration docket relative to other cases for

which a hearing is requested within that area. Under that provision, field hearings would be scheduled to be held in the same order in which the cases will be considered and decided. This change would apply to hearing requests received by VA on or after the date of enactment.

Section 3 would permit the Board to advance a case on the hearing docket upon motion for cause shown, the same standard for which a case may be advanced on the consideration docket under 38 U.S.C. § 7107(a)(2). Although current section 7107(d)(3) permits the Secretary to advance a case on the hearing docket if the Secretary knows that the appellant is seriously ill or under severe financial hardship, advancement on the hearing docket on that basis does not necessarily result in advancement of the case on the consideration docket. By making the standard for advancement on either docket the same, advancement on either docket would result in advancement on the other docket.

Enactment of this proposed legislation would result in no significant costs or savings.

The Office of Management and Budget advises that there is no objection to the submission of this proposal from the standpoint of the Administration's program.

Sincerely yours,

HERSHEL W. GOBER
Acting Secretary.

Enclosure.

By Mr. SPECTER (by request):

S. 1746. A bill to amend title 38, United States Code, to remove a statutory provision requiring a specified number of full-time equivalent positions in the VA's Office of Inspector General; to the Committee on Veterans' Affairs.

DEPARTMENT OF VETERANS AFFAIRS
LEGISLATION

Mr. SPECTER. Mr. President, as chairman of the Committee on Veterans' Affairs, I have today introduced, at the request of the Secretary of Veterans Affairs, S. 1746, a proposed bill to remove a statutory provision requiring a specified number of full-time equivalent positions in the Office of the Inspector General, Department of Veterans Affairs. The Acting Secretary of Veterans Affairs submitted this legislation to the President of the Senate by letter dated August 7, 1997.

My introduction of this measure is in keeping with the policy which I have adopted of generally introducing—so that there will be specific bills to which my colleagues and others may direct their attention and comments—all Administration-proposed draft legislation referred to the Committee on Veterans' Affairs. Thus, I reserve the right to support or oppose the provisions of, as well as any amendment to, this legislation.

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

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

S. 1746

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 312 of title 38, United States Code, is amended—

(1) by striking out "(a)" in subsection (a); and

(2) by striking out subsection (b).

THE SECRETARY OF VETERANS AFFAIRS,
Washington, August 7, 1997.

Hon. AL GORE,
President of the Senate, Washington, DC.

DEAR MR. PRESIDENT: There is transmitted herewith, a draft bill, "To amend title 38, United States Code, to remove a statutory provision requiring a specified number of full-time equivalent positions in the VA's Office of Inspector General." We request that it be referred to the appropriate committees for prompt consideration and enactment.

This draft bill would eliminate the requirement that the Secretary provide a set level of staffing of 417 full-time equivalent positions for the Office of Inspector General. VA has been unable to meet the statutory employment floor since 1993. The Department's full-time equivalent employment level is determined by appropriations, and moreover, the statutory floor limits VA's ability to operate in the most efficient manner. Accordingly, it is appropriate to delete the statutory requirement.

The draft bill would also eliminate the requirement that the President include in the budget transmitted to Congress an estimate of an amount sufficient for the level of staffing established for the Inspector General. Elimination of the floor renders the report unnecessary.

The Office of Management and Budget advises that there is no objection to the submission of this proposal, and that enactment of this proposal would be in accord with the program of the President.

Sincerely yours,

HERSHEL W. GOBER,
Acting Secretary.

SECTION-BY-SECTION ANALYSIS

The draft bill would amend 38 U.S.C. § 312 by deleting subsection (b), thus eliminating the requirement that the Secretary shall provide a set level of staffing of 417 full time equivalent positions ("FTE") for the Inspector General. It would also eliminate the requirement that the President include in the budget transmitted to Congress an estimate of an amount sufficient for the level of staffing established for the Inspector General.

There are two reasons why the statutory Inspector General FTE level should be eliminated. First, funding restraints since 1993 have prevented VA from meeting the statutory FTE requirement. Second, the statutory FTE level limits VA's ability to operate in the most efficient manner. The proposal also does away with the related reporting requirements because elimination of the statutory FTE level renders the reporting requirement unnecessary.

There are no costs associated with this proposal.

By Mr. GRASSLEY (for himself,
Mr. REID, and Mr. KERREY):

S. 1747. A bill to amend the Internal Revenue Code of 1986 to provide for additional taxpayer rights and taxpayer education, notice, and resources, and for other purposes.

TAXPAYER BILL OF RIGHTS 3

Mr. GRASSLEY. Mr. President, I rise today to introduce legislation to further protect taxpayer rights.

Mr. President, I have long championed taxpayer rights. In 1989, I co-authored the first ever taxpayer bill of rights with Senator David Pryor of Arkansas. We joined forces again in 1996 to pass the sequel known as T2, the Taxpayer Bill of Rights 2. Yet, my

work as a member of the National Commission on the Restructuring of the IRS and as a senior member of the Senate Finance Committee led me to believe that we need even more taxpayer protections. In addition, we need to make a concerted effort to educate taxpayers of their rights and the IRS tax procedures.

The findings of the National Commission on Restructuring the Internal Revenue Service, of which I was a member, recommended increasing taxpayer rights. The Senate Finance Committee recently concluded months of hearings that demonstrated to us, and to the public, that American taxpayers are being treated unfairly by the IRS. I cannot sit idly by and let this happen to the American people.

For a start, last year Senator KERREY and I introduced legislation that would implement the Restructuring Commission's proposals, including the taxpayer rights recommendations. The House of Representatives, when considering identical legislation, weakened some of the provisions. To its credit, the House also added some strong, imaginative protections in return. I applaud everyone who works to increase taxpayer rights, and to give the unrepresented taxpayer a louder voice against the IRS.

With introduction of this legislation, the Taxpayer Bill of Rights 3, or T3, I am saying that I want to see the strongest taxpayer protections possible in any Senate-passed IRS restructuring legislation. The bill I am introducing today, the Taxpayer Bill of Rights 3, contains the strongest provisions from both the Kerrey-Grassley bill and from the House-passed bill, and also some additional protections.

This bill takes a two-pronged approach to assure taxpayer rights. First, it increases basic taxpayer rights. It helps place a check on IRS collection actions. It gets the IRS off the back of delinquent taxpayers who are making good faith efforts to resolve disputes, and it prohibits the IRS from harassing and abusing taxpayers. Specifically, it requires the IRS to obtain court approval before seizing taxpayer property or belongings. Further, it requires that the levy is reasonable. If the IRS is levying a principal residence or business, then the IRS must have exhausted all other payment options, including the use of installment agreements. It also increases taxpayer rights by allowing honest citizens to sue the IRS when its employees negligently disregard provisions of the code or regulations.

It also requires the IRS to enter into installment agreements for tax liability that is less than \$10,000, if the taxpayer has not failed to file or pay taxes in the last 5 years, and has no prior installment agreements. It also requires the Commissioner to catalog and review taxpayer complaints of misconduct by IRS employees, and develop procedures for review and discipline. It expands the grounds on which taxpayers can sue the IRS for civil damages to include negligent actions.

These are only a few of this bill's provisions.

Another inequity that is solved is the difference between interest on tax overpayments and underpayments. Currently, the IRS charges you more in interest on money you owe to it, than it gives you on money that it owes you. This is simply not fair.

Another unfairness that occurs is that the IRS does not have to live by the same collection rules that creditors live by. My bill prohibits the IRS from communicating with a delinquent taxpayer at any unusual time or place, generally prohibiting telephone calls other than between 8:00 a.m. and 9:00 p.m. It also prohibits the IRS from harassing or abusing delinquent taxpayers.

The second prong of my bill increases taxpayer education, notice and resources. Taxpayers must be aware of their rights in order to take advantage of them. Recent hearings have exposed IRS strategies that target the little guy by using his lack of knowledge about the process and about his rights against him. I intend to bring this unjust practice to an end. My bill establishes a 24-hour a day, toll-free taxpayer help line. This help line must be staffed at all times by a person trained in helping individual taxpayers, and during regular business hours by a person trained to help small businesses. All paper communications received from the IRS must prominently display this phone number, as well as the number of the local taxpayer advocate, low-income taxpayer clinics and the toll-free number for taxpayers to register complaints of misconduct by IRS employees.

In addition, the IRS must inform taxpayers of their rights and IRS processes. This includes notice at the time of an interview, in a first notice of appeal, and in other contacts with the IRS. Taxpayers also must be notified of their right to refuse to extend the statute of limitations when the IRS asks the taxpayer to extend this time.

Mr. President, this bill sends a clear signal to the IRS: put the customer first. Blame only those who are guilty. To this end, my bill is missing one provision that is vital to taxpayer rights reform. Today, in addition to introducing my own freestanding legislation, I am adding myself as a cosponsor to Senator D'AMATO's innocent spouse reform bill. Innocent spouses are caught in the trap of joint and several liability and are unfairly saddled with another's tax debt. If we are truly trying to bring fairness and equity to the American tax system, then strong, and retroactive innocent spouse reform must be a part of any IRS reform bill.

Finally, I'll be working during Finance Committee and Senate consideration of IRS reform legislation to give taxpayers the rights they deserve. This bill, the Taxpayer Bill of Rights 3, is the first step in this direction. Let the word ring clear: The era of IRS bullying is over.

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:

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

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the "Taxpayer Bill of Rights 3".

(b) **AMENDMENT OF 1986 CODE.**—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) **TABLE OF CONTENTS.**—

Sec. 1. Short title; amendment of 1986 Code; table of contents.

Sec. 2. Findings.

TITLE I—TAXPAYER RIGHTS

Sec. 101. Disclosure of criteria for examination selection.

Sec. 102. Civil damages for negligence in collection actions.

Sec. 103. Tax return information.

Sec. 104. Freedom of information.

Sec. 105. Elimination of application of failure to pay penalty during period of installment agreement.

Sec. 106. Safe harbor for qualification for installment agreements.

Sec. 107. Cataloging complaints.

Sec. 108. Suspension of statute of limitations on filing refund claims during periods of disability.

Sec. 109. Limitation on financial status audit techniques.

Sec. 110. Notice of deficiency to specify deadlines for filing tax court petition.

Sec. 111. Refund or credit of overpayments before final determination.

Sec. 112. Threat of audit prohibited to coerce tip reporting alternative commitment agreements.

Sec. 113. Court approval for seizure of taxpayer's property.

Sec. 114. Expansion of authority to issue taxpayer assistance orders.

Sec. 115. Modifications to certain levy exemption amounts.

Sec. 116. Offers-in-compromise.

Sec. 117. Increase in overpayment rate payable to taxpayers other than corporations.

Sec. 118. Levy prohibited during certain negotiations.

Sec. 119. Application of certain fair debt collection procedures.

Sec. 120. Allowance of civil damage suits by persons other than taxpayers for IRS unauthorized collection actions.

Sec. 121. Cooperative agreements with State tax authorities.

TITLE II—TAXPAYER EDUCATION, NOTICE, AND RESOURCES

Sec. 201. Explanation of taxpayers' rights.

Sec. 202. Toll-free customer help line.

Sec. 203. Notice of various telephone numbers.

Sec. 204. Procedures involving taxpayer interviews.

Sec. 205. Explanation of joint and several liability.

Sec. 206. Procedures relating to extensions of statute of limitations by agreement.

Sec. 207. Explanations of appeals and collection process.

Sec. 208. Independent operation of local taxpayer advocates.

SEC. 2. FINDINGS.

The Senate finds that—

(1) the National Commission on Restructuring the Internal Revenue Service has found the urgent need for significant Internal Revenue Service reform;

(2) the ongoing hearings of the Committee on Finance of the Senate have uncovered consistent abuse of taxpayers by the Internal Revenue Service;

(3) the Internal Revenue Service should be responsible and held accountable for its treatment of taxpayers;

(4) the American public expects and deserves timely and accurate service from the Internal Revenue Service; and

(5) additional taxpayer protections are necessary to ensure that taxpayers receive fair, impartial, and courteous assistance from the Internal Revenue Service.

TITLE I—TAXPAYER RIGHTS

SEC. 101. DISCLOSURE OF CRITERIA FOR EXAMINATION SELECTION.

(a) **IN GENERAL.**—The Secretary of the Treasury or the Secretary's delegate shall, as soon as practicable, but not later than 180 days after the date of the enactment of this Act, incorporate into the statement required by section 6227 of the Omnibus Taxpayer Bill of Rights (Internal Revenue Service Publication No. 1) a statement which sets forth in simple and nontechnical terms the criteria and procedures for selecting taxpayers for examination. Such statement shall not include any information the disclosure of which would be detrimental to law enforcement, but shall specify the general procedures used by the Internal Revenue Service, including the extent to which taxpayers are selected for examination on the basis of information available in the media or on the basis of information provided to the Internal Revenue Service by informants.

(b) **TRANSMISSION TO COMMITTEES OF CONGRESS.**—Such Secretary shall transmit drafts of the statement required under subsection (a) (or proposed revisions to any such statement) to the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and the Joint Committee on Taxation on the same day.

SEC. 102. CIVIL DAMAGES FOR NEGLIGENCE IN COLLECTION ACTIONS.

(a) **IN GENERAL.**—Section 7433 (relating to civil damages for certain unauthorized collection actions) is amended—

(1) in subsection (a), by inserting ", or by reason of negligence," after "recklessly or intentionally"; and

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by inserting "\$100,000, in the case of negligence)" after "\$1,000,000", and

(B) in paragraph (1), by inserting "or negligent" after "reckless or intentional".

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to actions of officers or employees of the Internal Revenue Service after the date of the enactment of this Act.

SEC. 104. FREEDOM OF INFORMATION.

(a) **IN GENERAL.**—The Secretary of the Treasury or the Secretary's delegate shall, as soon as practicable, but not later than 180 days after the date of the enactment of this Act, develop procedures under which expedited access will be granted to requests under section 551 of title 5, United States Code, when—

(1) there exists widespread and exceptional media interest in the requested information, and

(2) expedited processing is warranted because the information sought involves possible questions about the government's integrity which affect public confidence.

In addition, such procedures shall require the Internal Revenue Service to provide an explanation to the person making the request if the request is not satisfied within 30 days, including a summary of actions taken to date and the expected completion date. Finally, to the extent that any such request is not satisfied in full within 60 days, such person may seek a determination of whether such request should be granted by the appropriate Federal district court.

(b) TRANSMISSION TO COMMITTEES OF CONGRESS.—Such Secretary shall transmit drafts of the procedures required under subsection (a) (or proposed revisions to any such procedures) to the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and the Joint Committee on Taxation on the same day.

SEC. 105. ELIMINATION OF APPLICATION OF FAILURE TO PAY PENALTY DURING PERIOD OF INSTALLMENT AGREEMENT.

(a) IN GENERAL.—Subsection (c) of section 6651 (relating to the penalty for failure to file tax return or to pay tax) is amended by adding at the end the following:

“(3) TOLLING DURING PERIOD OF INSTALLMENT AGREEMENT.—If the amount required to be paid is the subject of an agreement for payment of tax liability in installments made pursuant to section 6159, the additions imposed under subsection (a) shall not apply so long as such agreement remains in effect.”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to agreements entered into after the date of the enactment of this Act.

SEC. 106. SAFE HARBOR FOR QUALIFICATION FOR INSTALLMENT AGREEMENTS.

(a) IN GENERAL.—Subsection (a) of section 6159 (relating to agreements for payment of tax liability in installments) is amended—

(1) by striking “The Secretary is” and inserting the following:

“(1) IN GENERAL.—The Secretary is”,
(2) by moving the text 2 ems to the right, and

(3) by adding at the end the following:

“(2) SAFE HARBOR.—The Secretary shall enter into an agreement to accept the payment of a tax liability in installments if—

“(A) the amount of such liability does not exceed \$10,000,

“(B) the taxpayer has not failed to file any tax return or pay any tax required to be shown thereon during the immediately preceding 5 years, and

“(C) the taxpayer has not entered into any prior installment agreement under this paragraph.”

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to agreements entered into after the date of the enactment of this Act.

SEC. 107. CATALOGING COMPLAINTS.

(a) IN GENERAL.—The Commissioner of Internal Revenue shall, as soon as practicable, but not later than 180 days after the date of the enactment of this Act, develop procedures to catalog and review taxpayer complaints of misconduct by Internal Revenue Service employees. Such procedures should include guidelines for internal review and discipline of employees, as warranted by the scope of such complaints.

(b) HOTLINE.—The Commissioner of Internal Revenue shall, as soon as practicable, but not later than 180 days after the date of the enactment of this Act, establish a toll-free telephone number for taxpayers to reg-

ister complaints of misconduct by Internal Revenue Service employees, and shall publish such number in Publication 1.

SEC. 108. SUSPENSION OF STATUTE OF LIMITATIONS ON FILING REFUND CLAIMS DURING PERIODS OF DISABILITY.

(a) IN GENERAL.—Section 6511 (relating to limitations on credit or refund) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following:

“(h) RUNNING OF PERIODS OF LIMITATION SUSPENDED WHILE TAXPAYER IS UNABLE TO MANAGE FINANCIAL AFFAIRS DUE TO DISABILITY.—

“(1) IN GENERAL.—In the case of an individual, the running of the periods specified in subsections (a), (b), and (c) shall be suspended during any period of such individual's life that such individual is financially disabled.

“(2) FINANCIALLY DISABLED.—

“(A) IN GENERAL.—For purposes of paragraph (1), an individual is financially disabled if such individual is unable to manage his financial affairs by reason of his medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. An individual shall not be considered to have such an impairment unless proof of the existence thereof is furnished in such form and manner as the Secretary may require.

“(B) EXCEPTION WHERE INDIVIDUAL HAS GUARDIAN, ETC.—An individual shall not be treated as financially disabled during any period that such individual's spouse or any other person is authorized to act on behalf of such individual in financial matters.”

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to periods of disability before, on, or after the date of the enactment of this Act but shall not apply to any claim for credit or refund which (without regard to such amendment) is barred by the operation of any law or rule of law (including res judicata) as of January 1, 1998.

SEC. 109. LIMITATION ON FINANCIAL STATUS AUDIT TECHNIQUES.

Section 7602 is amended by adding at the end the following:

“(e) LIMITATION ON EXAMINATION ON UNREPORTED INCOME.—The Secretary shall not use financial status or economic reality examination techniques to determine the existence of unreported income of any taxpayer unless the Secretary has a reasonable indication that there is a likelihood of such unreported income.”

SEC. 110. NOTICE OF DEFICIENCY TO SPECIFY DEADLINES FOR FILING TAX COURT PETITION.

(a) IN GENERAL.—The Secretary of the Treasury or the Secretary's delegate shall include on each notice of deficiency under section 6212 of the Internal Revenue Code of 1986 the date determined by such Secretary (or delegate) as the last day on which the taxpayer may file a petition with the Tax Court.

(b) LATER FILING DEADLINES SPECIFIED ON NOTICE OF DEFICIENCY TO BE BINDING.—Subsection (a) of section 6213 (relating to restrictions applicable to deficiencies; petition to Tax Court) is amended by adding at the end the following: “Any petition filed with the Tax Court on or before the last date specified for filing such petition by the Secretary in the notice of deficiency shall be treated as timely filed.”

(c) EFFECTIVE DATE.—Subsection (a) and the amendment made by subsection (b) shall apply to notices mailed after December 31, 1998.

SEC. 111. REFUND OR CREDIT OF OVERPAYMENTS BEFORE FINAL DETERMINATION.

(a) TAX COURT PROCEEDINGS.—Subsection (a) of section 6213 is amended—

(1) by striking “, including the Tax Court.” and inserting “, including the Tax Court, and a refund may be ordered by such court of any amount collected within the period during which the Secretary is prohibited from collecting by levy or through a proceeding in court under the provisions of this subsection.”, and

(2) by striking “to enjoin any action or proceeding” and inserting “to enjoin any action or proceeding or order any refund”.

(b) OTHER PROCEEDINGS.—Subsection (a) of section 6512 is amended by striking the period at the end of paragraph (4) and inserting “, and”, and by inserting after paragraph (4) the following:

“(5) As to any amount collected within the period during which the Secretary is prohibited from making the assessment or from collecting by levy or through a proceeding in court under the provisions of section 6213(a), and

“(6) As to overpayments the Secretary is authorized to refund or credit pending appeal as provided in subsection (b).”

(c) REFUND OR CREDIT PENDING APPEAL.—Paragraph (1) of section 6512(b) is amended by adding at the end the following: “If a notice of appeal in respect of the decision of the Tax Court is filed under section 7483, the Secretary is authorized to refund or credit the overpayment determined by the Tax Court to the extent the overpayment is not contested on appeal.”

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 112. THREAT OF AUDIT PROHIBITED TO COERCE TIP REPORTING ALTERNATIVE COMMITMENT AGREEMENTS.

The Secretary of the Treasury or the Secretary's delegate shall instruct employees of the Internal Revenue Service that they may not threaten to audit any taxpayer in an attempt to coerce the taxpayer into entering into a Tip Reporting Alternative Commitment Agreement.

SEC. 113. COURT APPROVAL FOR SEIZURE OF TAXPAYER'S PROPERTY.

(a) IN GENERAL.—Section 6331(a) (relating to levy and distraint) is amended by adding at the end the following:

“(2) LIMITATION ON AUTHORITY OF SECRETARY.—Notwithstanding paragraph (1), the Secretary shall not levy upon any property or rights to property until a court of competent jurisdiction—

“(A) has determined that—

“(i) such levy is reasonable under the circumstances, and

“(ii) in the case of a levy upon the principal residence or business establishment of the taxpayer, the Secretary has exhausted all other payment options, and

“(B) issues a writ of execution.”

(b) CONFORMING AMENDMENT.—Section 6331(a) is amended by striking “If any person” and inserting:

“(1) IN GENERAL.—If any person”.

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective for seizures occurring on or after the date of the enactment of this Act.

SEC. 114. EXPANSION OF AUTHORITY TO ISSUE TAXPAYER ASSISTANCE ORDERS.

(a) IN GENERAL.—Section 7811(a) (relating to taxpayer assistance orders) is amended—

(1) by striking “Upon application” and inserting the following:

“(1) IN GENERAL.—Upon application”,

(2) by moving the text 2 ems to the right, and

(3) by adding at the end the following:

"(2) DETERMINATION OF HARDSHIP.—For purposes of determining whether a taxpayer is suffering or about to suffer a significant hardship, the Taxpayer Advocate should consider—

"(A) whether the Internal Revenue Service employee to which such order would issue is following applicable published administrative guidance, including the Internal Revenue Manual,

"(B) whether there is an immediate threat of adverse action,

"(C) whether there has been a delay of more than 30 days in resolving taxpayer account problems,

"(D) the prospect that the taxpayer will have to pay significant professional fees for representation,

"(E) whether the taxpayer will suffer irreparable injury, or a long-term adverse impact, if relief is not granted, and

"(F) any other factor the Taxpayer Advocate deems appropriate."

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 115. MODIFICATIONS TO CERTAIN LEVY EXEMPTION AMOUNTS.

(a) FUEL, ETC.—Section 6334(a)(2) (relating to fuel, provisions, furniture, and personal effects) is amended by striking "\$2,500" and inserting "\$5,000".

(b) BOOKS, ETC.—Section 6334(a)(3) (relating to books and tools of a trade, business, or profession) is amended by striking "\$1,250" and inserting "\$10,000".

(c) CONFORMING AMENDMENT.—Section 6334(f)(1) (relating to inflation adjustment) is amended—

(1) by striking "1997" and inserting "1999", and

(2) by striking "1996" in subparagraph (B) and inserting "1998".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect with respect to levies issued after December 31, 1998.

SEC. 116. OFFERS-IN-COMPROMISE.

(a) IN GENERAL.—Section 7122 (relating to offers-in-compromise) is amended by adding at the end the following:

"(c) ALLOWANCES.—The Secretary shall develop and publish guidelines for national and local allowances to ensure that taxpayers entering into a compromise have an adequate means to provide for basic living expenses."

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

SEC. 117. INCREASE IN OVERPAYMENT RATE PAYABLE TO TAXPAYERS OTHER THAN CORPORATIONS.

(a) IN GENERAL.—Subparagraph (B) of section 6621(a)(1) (defining overpayment rate) is amended to read as follows:

"(B) 3 percentage points (2 percentage points in the case of a corporation)."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to interest for calendar quarters beginning after the date of the enactment of this Act.

SEC. 118. LEVY PROHIBITED DURING CERTAIN NEGOTIATIONS.

(a) IN GENERAL.—Section 6331 (relating to levy and distraint) is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following:

"(j) NO LEVY DURING CERTAIN NEGOTIATIONS.—

"(1) IN GENERAL.—No levy may be made under subsection (a) on the salary or wages or other property of any person with respect to any unpaid tax in a case, and during the period, to which paragraph (2) or (3) applies.

"(2) OFFERS IN COMPROMISE; INSTALLMENT AGREEMENTS.—This paragraph applies to any unpaid tax of such person—

"(A) during the period that an offer by such person in compromise under section 7122, or for an installment agreement under section 6159, of such unpaid tax is pending with the Secretary, and

"(B) if such offer is rejected by the Secretary, during the 30 days thereafter (and, if an appeal of such rejection is filed within such 30 days, during the period that such appeal is pending).

"(3) CERTAIN ASSESSMENTS OF INDIVIDUAL INCOME TAX.—This paragraph applies to any unpaid tax of an individual which is imposed by subtitle A during the 60-day period beginning on the date such individual requests that this paragraph apply to such tax if—

"(A) such tax was included in a notice of deficiency under section 6212 mailed to the last known address of such individual, and

"(B) the assessment of such tax was not prevented at any prior time by reason of any action taken by such individual.

"(4) EXCEPTION.—Paragraph (1) shall not apply if the Secretary finds that—

"(A) the collection of the tax is in jeopardy, or

"(B) the offer or request is made solely to delay collection.

"(5) SUSPENSION OF STATUTE OF LIMITATIONS ON COLLECTION.—Subsection (i)(4) shall apply for purposes of this subsection."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxes assessed on or after the 60th day after the date of the enactment of this Act.

SEC. 119. APPLICATION OF CERTAIN FAIR DEBT COLLECTION PROCEDURES.

(a) IN GENERAL.—Subchapter A of chapter 64 (relating to collection) is amended by inserting after section 6303 the following:

"SEC. 6304. FAIR TAX COLLECTION PRACTICES.

"(a) COMMUNICATION WITH THE TAXPAYER.—Without the prior consent of the taxpayer given directly to the Secretary or the express permission of a court of competent jurisdiction, the Secretary may not communicate with a taxpayer in connection with the collection of any unpaid tax—

"(1) at any unusual time or place or a time or place known or which should be known to be inconvenient to the taxpayer;

"(2) if the Secretary knows the taxpayer is represented by an attorney with respect to such unpaid tax and has knowledge of, or can readily ascertain, such attorney's name and address, unless the attorney fails to respond within a reasonable period of time to a communication from the Secretary or unless the attorney consents to direct communication with the taxpayer; or

"(3) at the taxpayer's place of employment if the Secretary knows or has reason to know that the taxpayer's employer prohibits the taxpayer from receiving such communication.

In the absence of knowledge of circumstances to the contrary, the Secretary shall assume that the convenient time for communicating with a taxpayer is after 8 a.m. and before 9 p.m., local time at the taxpayer's location.

"(b) PROHIBITION OF HARASSMENT AND ABUSE.—The Secretary may not engage in any conduct the natural consequence of which is to harass, oppress, or abuse any person in connection with any unpaid tax. Without limiting the general application of the foregoing, the following conduct is a violation of this subsection:

"(1) The use or threat of use of violence or other criminal means to harm the physical person, reputation, or property of any person.

"(2) The use of obscene or profane language or language the natural consequence of which is to abuse the hearer or reader.

"(3) The publication of a list of taxpayers who allegedly refuse to pay taxes, except to

a consumer reporting agency or to persons meeting the requirements of section 603(f) or 604(a)(3) of the Fair Credit Reporting Act.

"(4) Causing a telephone to ring or engaging any person in telephone conversation repeatedly or continuously with intent to annoy, abuse, or harass any person at the called number.

"(5) Except as provided under rules similar to the rules in section 804 of the Fair Debt Collection Practices Act (15 U.S.C. 1692b), the placement of telephone calls without meaningful disclosure of the caller's identity.

"(c) CIVIL ACTION FOR VIOLATIONS OF SECTION.—

"For civil action for violations of this section, see section 7433."

(b) CLERICAL AMENDMENT.—The table of sections for subchapter A of chapter 64 is amended by inserting after the item relating to section 6303 the following:

"Sec. 6304. Fair tax collection practices."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 120. ALLOWANCE OF CIVIL DAMAGE SUITS BY PERSONS OTHER THAN TAXPAYERS FOR IRS UNAUTHORIZED COLLECTION ACTIONS.

(a) IN GENERAL.—Section 7433(a) (relating to civil damages for certain unauthorized collection damages) is amended—

(1) by striking "a taxpayer" and inserting "any person", and

(2) by striking "such taxpayer" and inserting "such person".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to actions by officers or employees of the Internal Revenue Service after the date of the enactment of this Act.

SEC. 121. COOPERATIVE AGREEMENTS WITH STATE TAX AUTHORITIES.

(a) IN GENERAL.—Chapter 77 (relating to miscellaneous provisions) is amended by adding after section 7524 the following:

"SEC. 7525. TAX ADMINISTRATION AGREEMENTS.

"(a) IN GENERAL.—To the extent provided in regulations, the Secretary is authorized to enter into tax administration agreements with any State agency, body, or commission described in section 6103(d)(1). Under such agreements, the Secretary may delegate powers relating to the administration of this title to officers and employees of such State agency, body, or commission, only if such officers and employees in exercising such powers are under the supervision of the Secretary.

"(b) TAX ADMINISTRATION AGREEMENT DEFINED.—A tax administration agreement is a written agreement entered into by the Secretary and a State agency, body, or commission described in section 6103(d)(1) that provides for a delegation of tax administration powers or a payment of reasonable compensation for activities conducted by either party to the agreement. Each Federal or State tax administration power to be exercised pursuant to a tax administration agreement shall be performed in accordance with the terms of the agreement to the extent such terms do not conflict with the Federal or State laws that otherwise authorize the respective tax administration function.

"(c) JUDICIAL PROCEEDINGS.—

"(1) REVIEW BY THE UNITED STATES COURTS.—Nothing in this subchapter shall give any court of the United States any additional jurisdiction nor diminish its jurisdiction.

"(2) PROHIBITION OF REVIEW BY THE STATE COURTS.—No court or other tribunal of any State shall have jurisdiction to adjudicate in any action, legal or equitable, the validity or

scope of an assessment of an internal revenue tax that is the subject of a tax administration agreement.

"(3) LIMITATION ON PERSONAL JURISDICTION.—No court or other tribunal of any State shall have jurisdiction over an individual who exercises Federal tax administration powers pursuant to a tax administration agreement for actions relating to the exercise of those powers.

"(d) PAYMENT FOR SERVICES.—The Secretary is authorized to pay reasonable compensation for activities conducted by a State pursuant to a tax administration agreement. The Secretary is authorized to collect reasonable compensation for activities conducted by the United States pursuant to a tax administration agreement.

"(e) AVAILABILITY OF FUNDS.—Any funds appropriated for purposes of the administration of this title shall be available for purposes of carrying out the Secretary's responsibilities under a tax administration agreement. Any reasonable compensation received pursuant to a tax administration agreement shall be credited to the amounts so appropriated and shall remain available to the Internal Revenue Service until expended to supplement appropriations made available to the appropriations accounts in the fiscal year during which this provision is enacted and all fiscal years thereafter.

"(f) TAX TREATIES AND OTHER INTERNATIONAL AGREEMENTS.—To the extent the provisions of this subchapter or a tax administration agreement may conflict with the terms of any tax treaty, or other international agreement of the United States containing provisions relating to taxation or the administration of tax laws, the terms of the treaty or international agreement shall control.

"(g) EMPLOYEE STATUS.—Any officer or employee of the United States acting pursuant to a tax administration agreement shall be deemed to remain a Federal employee. Except as otherwise expressly provided by the laws of the United States, any officer or employee of a State acting pursuant to a tax administration agreement shall be deemed to remain a State employee."

(b) CONFORMING AMENDMENTS.—

(1) Section 6103(d) is amended—

(A) by amending paragraph (1) to read as follows:

"(1)(A) IN GENERAL.—Returns and return information with respect to taxes imposed by chapters 1, 2, 6, 11, 12, 21, 23, 24, 31, 32, 44, 51, and 52 and subchapter D of chapter 36 shall be open to inspection by, or disclosure to, any State agency, body, or commission, or its legal representative, which is charged under the laws of such State with the responsibility for the administration of State tax laws for the purpose of, and only to the extent necessary in—

"(i) the administration of such laws, including any procedures with respect to locating, any person who may be entitled to a refund; or

"(ii) the administration of Federal tax laws pursuant to a tax administration agreement entered into between such agency, body or commission and the Secretary under section 7525.

"(B) WRITTEN REQUEST BY AGENCY HEAD REQUIRED FOR DISCLOSURE.—The inspection of returns and return information under this paragraph shall be permitted, or disclosure of such returns and return information made, only upon written request by the head of such agency, body, or commission, and only to the representatives of such agency, body, or commission designated in such written request as the individuals who are to inspect or receive the returns or return information on behalf of such agency, body, or commission.

"(C) PERMISSIBLE RECIPIENTS.—The representatives of such agency, body, or commission to whom disclosure is permitted under this paragraph shall include only employees or legal representatives of such agency, body, or commission, or a person described in subsection (n) of this section. However, notwithstanding the foregoing, disclosure shall not be permitted to any individual who is the chief executive officer of such State.

"(D) CONFIDENTIAL INFORMANTS; IMPAIRMENT OF INVESTIGATIONS.—Return information shall not be disclosed under this paragraph to the extent that the Secretary determines that such disclosure would identify a confidential informant or seriously impair any civil or criminal tax investigation."; and

(B) by adding at the end the following:

"(5) JOINT RETURN FILING PROGRAMS.—

"(A) IN GENERAL.—Upon written request by the head of any agency, body, or commission described in paragraph (1), the Secretary may disclose common data to such agency, body or commission for the purpose of carrying out a joint return filing program entered into under section 7525.

"(B) COMMON DATA DEFINED.—For purposes of this paragraph, 'common data' means any item of information that is required by both Federal and State law to be attached to or included on the respective Federal and State returns.

"(C) PROCEDURES FOR STATE AGENCIES.—Subsections (a)(2) and (p)(4) of this section shall not apply with respect to any disclosures made pursuant to this paragraph. However, common data disclosed pursuant to this paragraph is subject to subsection (p)(8) of this section."

(2) Section 6103(p)(3) is amended—

(A) in subparagraph (A) by inserting "(d)," after "subsections (c),"; and

(B) in subparagraph (C)(i) by striking "(d)."

(3) Section 7212(a) is amended by inserting "or any State officer or employee who is authorized to administer Federal tax laws pursuant to an agreement authorized by section 7525" after "any officer or employee of the United States" in both places it appears.

(4) Section 7213(a)(2) is amended by deleting "(d)," and inserting instead "(d)(1), (2), (3), or (4)."

(5) Section 7214 is amended—

(A) in subsection (a), by inserting "or any State officer or employee who is authorized to administer Federal tax laws pursuant to an agreement authorized by section 7525" after "Any officer or employee of the United States"; and

(B) in subsection (b), by inserting "or any State employee who is authorized to administer Federal tax laws pursuant to an agreement authorized by section 7525" after "Any internal revenue officer or employee".

(6) Section 7431(a)(1) is amended by inserting "or any State employee who is authorized to administer Federal tax laws pursuant to an agreement authorized by section 7525" after "If any officer or employee of the United States".

(7) Section 7432(a) is amended by inserting "or any State employee who is authorized to release liens under section 6325 pursuant to an agreement authorized by section 7525" after "If any officer or employee of the Internal Revenue Service".

(8) Section 7433(a), as amended by this Act, is amended by inserting "or any State employee who is authorized to collect Federal taxes pursuant to an agreement authorized by section 7525" after "If, in connection with any collection of Federal tax with respect to any person, any officer or employee of the Internal Revenue Service".

(c) CLERICAL AMENDMENT.—The table of sections for chapter 77 is amended by adding at the end the following:

"Sec. 7525. Tax administration agreements."

TITLE II—TAXPAYER EDUCATION, NOTICE, AND RESOURCES

SEC. 201. EXPLANATION OF TAXPAYERS' RIGHTS.

The Secretary of the Treasury or the Secretary's delegate shall, as soon as practicable, but not later than 180 days after the date of the enactment of this Act, revise the statement required by section 6227 of the Omnibus Taxpayer Bill of Rights (Internal Revenue Service Publication No. 1) to more clearly inform taxpayers of their rights.

SEC. 202. TOLL-FREE CUSTOMER HELP LINE.

The Secretary of the Treasury or the Secretary's delegate shall, as soon as practicable, but not later than 180 days after the date of the enactment of this Act, establish a 24-hour-a-day toll-free telephone customer help line, staffed at all times by a person trained in helping individual taxpayers and staffed during regular business hours (for all time zones in the United States) by a person trained in helping small business taxpayers.

SEC. 203. NOTICE OF VARIOUS TELEPHONE NUMBERS.

The Secretary of the Treasury or the Secretary's delegate shall, as soon as practicable, but not later than 180 days after the date of the enactment of this Act, provide that all paper communications received by a taxpayer from the Internal Revenue Service shall include in a prominent manner the telephone number and purpose of the nearest local office of the taxpayer advocate and the low income taxpayer clinic and the toll-free telephone number for taxpayers to register complaints of misconduct by Internal Revenue Service employees established under section 107(b).

SEC. 204. PROCEDURES INVOLVING TAXPAYER INTERVIEWS.

(a) IN GENERAL.—Paragraph (1) of section 7521(b) (relating to procedures involving taxpayer interviews) is amended to read as follows:

"(1) EXPLANATIONS OF PROCESSES.—An officer or employee of the Internal Revenue Service shall—

"(A) before or at an initial interview, provide to the taxpayer—

"(i) in the case of an in-person interview with the taxpayer relating to the determination of any tax, an explanation of the audit process and the taxpayer's rights under such process, or

"(ii) in the case of an in-person interview with the taxpayer relating to the collection of any tax, an explanation of the collection process and the taxpayer's rights under such process, and

"(B) before an in-person initial interview with the taxpayer relating to the determination of any tax—

"(i) inquire whether the taxpayer is represented by an individual described in subsection (c),

"(ii) explain that the taxpayer has the right to have the interview take place in a reasonable place and that such place does not have to be the taxpayer's home,

"(iii) explain the reasons for the selection of the taxpayer's return for examination, and

"(iv) provide the taxpayer with a written explanation of the applicable burdens of proof on taxpayers and the Internal Revenue Service.

If the taxpayer is represented by an individual described in subsection (c), the interview may not proceed without the presence of such individual unless the taxpayer consents."

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to interviews and examinations taking place after the date of the enactment of this Act.

SEC. 205. EXPLANATION OF JOINT AND SEVERAL LIABILITY.

(a) **IN GENERAL.**—The Secretary of the Treasury or the Secretary's delegate shall, as soon as practicable, but not later than 180 days after the date of the enactment of this Act, establish procedures to clearly alert taxpayers of their joint and several liabilities on all tax forms, publications, and instructions issued during the period joint and several liability remains a standard of liability. Such procedures shall include explanations of the possible consequences of joint and several liability.

(b) **TRANSMISSION TO COMMITTEES OF CONGRESS.**—Such Secretary shall transmit drafts of the procedures required under subsection (a) (or proposed revisions to any such procedures) to the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and the Joint Committee on Taxation on the same day.

SEC. 206. PROCEDURES RELATING TO EXTENSIONS OF STATUTE OF LIMITATIONS BY AGREEMENT.

(a) **IN GENERAL.**—Paragraph (4) of section 6501(c) (relating to the period for limitations on assessment and collection) is amended—

(1) by striking "Where" and inserting the following:

"(A) **IN GENERAL.**—Where",

(2) by moving the text 2 ems to the right, and

(3) by adding at the end the following:

"(B) **NOTICE TO TAXPAYER OF RIGHT TO REFUSE OR LIMIT EXTENSION.**—The Secretary shall notify the taxpayer of the taxpayer's right to refuse to extend the period of limitations, or to limit such extension to particular issues, on each occasion when the taxpayer is requested to provide such consent."

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to requests to extend the period of limitations made after the date of the enactment of this Act.

SEC. 207. EXPLANATIONS OF APPEALS AND COLLECTION PROCESS.

(a) **TAXPAYER SPECIFIC EXPLANATION.**—The Secretary of the Treasury or the Secretary's delegate shall, as soon as practicable but not later than 180 days after the date of the enactment of this Act, include with any 1st letter of proposed deficiency which allows the taxpayer an opportunity for administrative review in the Internal Revenue Service Office of Appeals an explanation of the appeals process and the collection process with respect to such proposed deficiency.

(b) **GENERAL EXPLANATION.**—The Secretary of the Treasury or the Secretary's delegate shall, as soon as practicable but not later than 180 days after the date of the enactment of this Act, make available to the general public, a booklet which in simple language provides an explanation of the appeals process and the collection process and the rights of taxpayers at each step of such process.

SEC. 208. INDEPENDENT OPERATION OF LOCAL TAXPAYER ADVOCATES.

(a) **INDEPENDENT OPERATION OF LOCAL OFFICES.**—Section 7802(d) (relating to Office of Taxpayer Advocate) is amended by adding at the end the following:

"(4) **OPERATION OF LOCAL OFFICES.**—

"(A) **INDEPENDENT OPERATION.**—Each local taxpayer advocate shall, at the taxpayer advocate's discretion, not disclose to the Internal Revenue Service contact with, or information provided by, a taxpayer.

"(B) **MAINTENANCE OF INDEPENDENT COMMUNICATIONS.**—Each local office of the taxpayer advocate shall maintain separate phone, fac-

simile, and other electronic communication access, and a separate post office address from the Internal Revenue Service district office or service center which it serves."

(b) **EFFECTIVE DATE.**—The amendment made by this section shall take effect on the date of the enactment of this Act.

ADDITIONAL COSPONSORS

S. 153

At the request of Mr. MOYNIHAN, the name of the Senator from Tennessee [Mr. FRIST] was added as a cosponsor of S. 153, a bill to amend the Age Discrimination in Employment Act of 1967 to allow institutions of higher education to offer faculty members who are serving under an arrangement providing for unlimited tenure, benefits on voluntary retirement that are reduced or eliminated on the basis of age, and for other purposes.

S. 623

At the request of Mr. INOUE, the name of the Senator from Maryland [Mr. SARBANES] was added as a cosponsor of S. 623, a bill to amend title 38, United States Code, to deem certain service in the organized military forces of the Government of the Commonwealth of the Philippines and the Philippine Scouts to have been active service for purposes of benefits under programs administered by the Secretary of Veterans Affairs.

S. 625

At the request of Mr. MCCONNELL, the name of the Senator from Alabama [Mr. SESSIONS] was added as a cosponsor of S. 625, a bill to provide for competition between forms of motor vehicle insurance, to permit an owner of a motor vehicle to choose the most appropriate form of insurance for that person, to guarantee affordable premiums, to provide for more adequate and timely compensation for accident victims, and for other purposes.

S. 887

At the request of Ms. MOSELEY-BRAUN, the name of the Senator from Minnesota [Mr. WELLSTONE] was added as a cosponsor of S. 887, a bill to establish in the National Service the National Underground Railroad Network to Freedom program, and for other purposes.

S. 1194

At the request of Mr. KYL, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 1194, a bill to amend title XVIII of the Social Security Act to clarify the right of medicare beneficiaries to enter into private contracts with physicians and other health care professionals for the provision of health services for which no payment is sought under the medicare program.

S. 1286

At the request of Mr. JEFFORDS, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of S. 1286, a bill to amend the Internal Revenue Code of 1986 to exclude from gross income certain

amounts received as scholarships by an individual under the National Health Corps Scholarship Program.

S. 1334

At the request of Mr. BOND, the name of the Senator from Utah [Mr. BENNETT] was added as a cosponsor of S. 1334, a bill to amend title 10, United States Code, to establish a demonstration project to evaluate the feasibility of using the Federal Employees Health Benefits program to ensure the availability of adequate health care for Medicare-eligible beneficiaries under the military health care system.

S. 1422

At the request of Mr. MCCAIN, the name of the Senator from Wyoming [Mr. ENZI] was added as a cosponsor of S. 1422, a bill to amend the Communications Act of 1934 to promote competition in the market for delivery of multichannel video programming and for other purposes.

S. 1461

At the request of Mr. LAUTENBERG, the name of the Senator from New Hampshire [Mr. GREGG] was added as a cosponsor of S. 1461, a bill to establish a youth mentoring program.

S. 1473

At the request of Mr. GRAHAM, the name of the Senator from Ohio [Mr. DEWINE] was added as a cosponsor of S. 1473, a bill to encourage the development of a commercial space industry in the United States, and for other purposes.

S. 1490

At the request of Mr. JEFFORDS, the name of the Senator from Louisiana [Ms. LANDRIEU] was added as a cosponsor of S. 1490, a bill to improve the quality of child care provided through Federal facilities and programs, and for other purposes.

S. 1578

At the request of Mr. MCCAIN, the name of the Senator from Wyoming [Mr. ENZI] was added as a cosponsor of S. 1578, a bill to make available on the Internet, for purposes of access and retrieval by the public, certain information available through the Congressional Research Service web site.

S. 1594

At the request of Mr. BENNETT, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of S. 1594, a bill to amend the Bank Protection Act of 1968 for purposes of facilitating the use of electronic authentication techniques by financial institutions, and for other purposes.

S. 1618

At the request of Mr. MCCAIN, the names of the Senator from Michigan [Mr. ABRAHAM] and the Senator from Montana [Mr. BAUCUS] were added as cosponsors of S. 1618, a bill to amend the Communications Act of 1934 to improve the protection of consumers against "slamming" by telecommunications carriers, and for other purposes.

S. 1648

At the request of Mr. JEFFORDS, the name of the Senator from Utah [Mr.