regardless of the terrorists' country of origin or residence, and to ensure that all terrorists involved in such attacks are pursued, prosecuted, and punished with equal vigor, regardless of the terrorists' country of origin or residence.

S. 985

At the request of Mr. DODD, the names of the Senator from Minnesota (Mr. COLEMAN) and the Senator from Arkansas (Mrs. LINCOLN) were added as cosponsors of S. 985, a bill to amend the Federal Law Enforcement Pay Reform Act of 1990 to adjust the percentage differentials payable to Federal law enforcement officers in certain high-cost areas, and for other purposes.

S. 1209

At the request of Mr. BENNETT, the name of the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 1209, a bill to provide for the acquisition of property in Washington County, Utah, for implementation of a desert tortoise habitat conservation plan.

S. 1223

At the request of Mr. BINGAMAN, the name of the Senator from Michigan (Ms. STABENOW) was added as a cosponsor of S. 1223, a bill to increase the number of well-trained mental health service professionals (including those based in schools) providing clinical mental health care to children and adolescents, and for other purposes.

S. 1266

At the request of Mrs. CLINTON, the names of the Senator from North Carolina (Mr. EDWARDS), the Senator from Connecticut (Mr. LIEBERMAN), the Senator from Wisconsin (Mr. KOHL) and the Senator from Virginia (Mr. ALLEN) were added as cosponsors of S. 1266, a bill to award a congressional gold medal to Dr. Dorothy Height, in recognition of her many contributions to the Nation.

S. 1482

At the request of Mr. INOUYE, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 1482, a bill to amend the Internal Revenue Code of 1986 to repeal the reduction in the deductible portion of expenses for business meals and entertainment.

S. 1645

At the request of Mr. CRAIG, the name of the Senator from Rhode Island (Mr. CHAFEE) was added as a cosponsor of S. 1645, a bill to provide for the adjustment of status of certain foreign agricultural workers, to amend the Immigration and Nationality Act to reform the H-2A worker program under that Act, to provide a stable, legal agricultural workforce, to extend basic legal protections and better working conditions to more workers, and for other purposes.

S. 1709

At the request of Mr. CRAIG, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 1709, a bill to amend the USA PATRIOT ACT to place reasonable limitations on the use of surveillance and the issuance of search warrants, and for other purposes.

S. 1800

At the request of Mr. AKAKA, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 1800, a bill to amend the Higher Education Act of 1965 to enhance literacy in finance and economics, and for other purposes.

S. 1813

At the request of Mr. LEAHY, the name of the Senator from Florida (Mr. NELSON) was added as a cosponsor of S. 1813, a bill to prohibit profiteering and fraud relating to military action, relief, and reconstruction efforts in Iraq, and for other purposes.

S. 1871

At the request of Mr. HATCH, the names of the Senator from Texas (Mr. CORNYN) and the Senator from Ohio (Mr. DEWINE) were added as cosponsors of S. 1871, a bill to authorize salary adjustments for Justices and judges of the United States for fiscal year 2004.

S. CON. RES. 81

At the request of Mrs. FEINSTEIN, the names of the Senator from Idaho (Mr. CRAPO) and the Senator from Kentucky (Mr. MCCONNELL) were added as cosponsors of S. Con. Res. 81, a concurrent resolution expressing the deep concern of Congress regarding the failure of the Islamic Republic of Iran to adhere to its obligations under a safeguards agreement with the International Atomic Energy Agency and the engagement by Iran in activities that appear to be designed to develop nuclear weapons.

S. RES. 202

At the request of Mr. CAMPBELL, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor of S. Res. 202, a resolution expressing the sense of the Senate regarding the genocidal Ukraine Famine of 1932–33.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BENNETT:

S. 1876. A bill to authorize the Secretary of the Interior to convey certain lands and facilities of the Provo River Project; to the Committee on Energy and Natural Resources.

Mr. BENNETT. Mr. President, I rise today to introduce legislation authorizing the title transfer of certain features of the Provo River Project, UT, from the Bureau of Reclamation to non-Federal ownership. This title transfer will provide many benefits, both directly and indirectly, for both the local government and the Federal Government, including economic, environmental, recreational, and safety benefits.

The facilities to be transferred are the Provo Reservoir Canal and associated lands and structures, the Salt Lake Aqueduct and associated lands and structures, and a 3.79 acre parcel of land in Pleasant Grove, UT. The Provo Reservoir Canal is a large, open, mostly unlined, 21.5 mile long canal that was constructed by the United States in the 1940s. The water transported through the Provo Reservoir Canal is used principally for municipal and industrial purposes. The Salt Lake Aqueduct is a 41.7 mile long, 69 inch diameter pipe, constructed by the United States and completed in 1951. The Provo River Water Users Association recently constructed a $2 million office and shop complex on the Pleasant Grove property, without the use of Federal funds.

Title transfer will facilitate the use of tax-exempt bond financing and low-interest loan financing for needed improvements. Currently, there is no Reclamation program for rehabilitating aging Reclamation facilities. Federal ownership of the facilities to be improved prevents low interest loans by others. On the Federal level, the transfer would eliminate the demands on limited Reclamation resources for the administration of the Salt Lake Aqueduct and the Provo Reservoir Canal.

It is anticipated that following title transfer, needed improvements would be made. For example, the Provo Reservoir Canal will be enclosed to provide for the conservation of water, improved water quality and security, the construction of a public trail system on top of the canal, and to eliminate the hazards of an open unlined canal in an urban environment. The critical importance of eliminating the safety hazard of an open canal in an urban setting was recently reinforced by the tragic death of two young men who unfortunately were lured by the thrill of attempting a swim through the canal to the other end. The enclosure of the canal would eliminate this safety risk and hopefully prevent any others from making a similar mistake.

The transfer has significant local support, including Utah County, Salt Lake County, Sandy City, Salt Lake City, Lindon City, Draper, Pleasant Grove City, Orem City and American Fork City.

I look forward to working with the Metropolitan Water District of Salt Lake and Sandy, the Provo River Water Users Association, and all interested parties to make this title transfer a success.

By Ms. MIKULSKI (for herself, Mr. ENSIGN, Mrs. MURRAY, Ms. SNOWE, Mr. DODD, Mr. KENNEDY, Mr. JEFFORDS, and Ms. CANTWELL):

S. 1879. A bill to amend the Public Health Service Act to revise and extend provisions relating to mammography quality standards; to the Committee on Health, Education, Labor, and Pensions.

Ms. MIKULSKI. Mr. President, I rise to introduce the Mammography Quality Standards Reauthorization Act of 2003. I am pleased to be joined in introducing this bill by Senator ENSIGN and

our bipartisan cosponsors. This important bipartisan bill is about saving lives. That's what the Mammography Quality Standards Act (MQSA) does. Accurate mammograms detect breast cancer early, so women can get treatment and be survivors.

Mammography is not perfect, but it is the best screening tool we have now. I authored MQSA over ten years ago to improve the quality of mammograms so that they are safe and accurate. Before MQSA became law, there was an uneven and conflicting patchwork of standards for mammography in this country. There were no national quality standards for personnel or equipment. Image quality of mammograms and patient exposure to radiation levels varied widely. The quality of mammography equipment was poor. Physicians and technologists were poorly trained. Inspections were lacking.

MQSA set federal safety and quality assurance standards for mammography facilities for: personnel, including doctors who interpret mammograms; equipment; and operating procedures. By creating national standards, Congress helped make mammograms a more reliable tool for detecting breast cancer. In 1998, Congress improved MQSA by giving information on test results directly to the women being tested, so no woman falls through the cracks because she never learns about a suspicious finding on her mammogram. Now it is time to renew MQSA and lay the foundation to strengthen it even further.

The bill that I am introducing with Senator ENSIGN today is a bipartisan agreement to extent MQSA for two years while making two additional changes to certificates that facilities are required to have to perform mammograms. First, the bill allows the Secretary of Health and Human Services to issue a temporary renewal certificate for up to 45 days to a facility seeking reaccreditation, if the accreditation body has issued an accreditation extension and other criteria are met. This will help ensure that a facility is not forced to close its doors to women seeking mammograms, while it is completing its reaccreditation and the quality of mammography is not compromised.

Second, the bill allows the Secretary, at the request of an accreditation body, to issue a limited provisional certificate to a facility to enable a facility to conduct examinations for educational purposes while an onsite visit from an accreditation body is in progress. This certificate would only be valid during the time the site visit team from the accreditation body is physically in the facility and would not be valid longer than 72 hours.

The two year reauthorization of MQSA is important. It will give Congress an opportunity to consider in the next reauthorization expert recommendations from an Institute of Medicine (IOM) study and a General Accounting Office (GAO) report on several issues related to MQSA. I have been working with the Labor, Health and Human Services (HHS), and Education Appropriations Subcommittee to get these studies going since I included them in the Senate fiscal year 2004 Labor/HHS Appropriations bill. The HELP Committee also heard testimony in support of a two year reauthorization at the HELP Committee's April hearing on MQSA.

As I talked to advocacy groups about ways to improve MQSA, the need to improve the skills of doctors reading mammograms was brought to my attention. One study found that a woman has a 50 percent chance of getting a ''false positive'' reading from her mammogram over 10 years. I'm gravely concerned about reports that doctors miss about 15 percent of breast cancers on mammograms. I was also disturbed by a New York Times investigation last year. It found that some radiologists were missing alarming numbers of breast cancers because they lacked the experience or training they needed for the difficult task of interpreting the X-ray. These are reasons why I requested the hearing that the HELP Committee held in April on this issue. While I am disappointed that the HELP Committee was not able to reach agreement this year on a continuing medical education provision to address this issue, I look forward to Congress reexamining this issue once the IOM and GAO studies are completed.

The IOM and GAO will look at several important issues such as: ways to improve physicians' interpretation of mammograms; possible changes to MQSA regulatory requirements; ways to ensure the recruitment and retention of sufficient numbers of adequately trained personnel to provide quality mammography; how data currently collected under MQSA could be better used; and factors that led to the closing of mammography facilities since 2001. I look forward to working with my colleagues in Congress to examine the recommendations from these studies in 2005 and to consider further improvements to MQSA in its next reauthorization.

The HELP Committee will mark up this bill tomorrow. This legislation is supported by groups including the American Cancer Society, the Susan G. Komen Breast Cancer Foundation, the national Alliance of Breast Cancer Organizations, and the American College of Radiology Association. I strongly urge Committee passage and swift Senate passage of the bill later this week. I hope that the House will also expeditiously pass this bill. There are an estimated 212,600 new cases of breast cancer and an estimated 40,200 breast cancer deaths in the United States this year. Early detection and treatment are essential to reducing breast cancer deaths. Congress should pass this bill this year to reauthorize MQSA and extend this valuable program that helps save the lives of women and men with breast cancer. I ask unanimous consent that letters of support be printed in the RECORD.

AMERICAN CANCER SOCIETY,
November 18, 2003.

Hon. BARBARA MIKULSKI,
U.S. Senate,
Washington, DC.

DEAR SENATOR MIKULSKI: On behalf of the American Cancer Society and its more than 28 million supporters, I would like to thank you, along with Senator Ensign, for your continued leadership in sponsoring the ''Mammography Quality Standards Act of 2003.'' As the largest national, community-based organization dedicated to eliminating the incidence and burden of cancer and improving cancer care, the Society strongly supports the reauthorization of the Mammography Quality standards Act of 1992 (MQSA) in the remaining days of this session.

In addition, we believe a two year reauthorization is appropriate at this time, as we continue to examine methods for mammography quality improvement. Currently, funding has been included in the LHHS Appropriation bill for the Institute of Medicine and General Accounting Office to study and recommend concrete improvement to MQSA. When the results of these studies are released, we look forward to again working with the Congress to further improve MQSA and ensure that women's access to high quality mammography continues.

The American Cancer Society, along with other professional societies and advocacy groups, was actively involved in the development of the 1992 MQSA law and its reauthorization in 1997, in an effort to further reduce deaths and disability from breast cancer. Mammography screening has led to earlier detection of breast cancer when it is in its most treatable stages, thereby providing a greater chance for life-saving treatments and a greater range of treatment options. Increasing utilization of mammography has been a major factor in the reduction of breast cancer deaths in the U.S. over the last decade. Based upon ongoing scientific evidence and improvements in technology, high-quality mammography continues to be the best available tool for the early detection of breast cancer. Therefore, the Society is honored to again lend our support to Congress in its commitment to ensure that women have access to high-quality mammograms.

The Society would like to commend you again for your leadership on this critical public health issue, and we look forward to continuing to work closely with you and the other cosponsors to ensure the enactment of this important legislation this year. If you or your staff have any questions, please contact Kelly Green Kahn, Manager of Federal Government Relations (202-661-5718).

Sincerely,

DANIEL E. SMITH,
National Vice President, Federal & State Government Relations.
WENDY K.D. SELIG,
Vice President, Legislative Affairs.

THE SUSAN G. KOMEN BREAST CANCER FOUNDATION,
November 17, 2003.

Re: Mammography Quality Standards Reauthorization Act of 2003

Hon. BARBARA MIKULSKI,
Senate Hart Office Building, Washington, DC.

DEAR SENATOR MIKULSKI: The Susan G. Komen Breast Cancer Foundation supports your introduction of the Mammography Quality Standards Reauthorization Act of 2003, and we appreciate your leadership in ensuring patient access to quality breast health and breast cancer care.

Thanks to more than 75,000 volunteers dedicated to the fight against breast cancer, the Susan G. Komen Breast Cancer Foundation is a unique grassroots network with more than 100 Affiliates nationwide and internationally. Since its inception in 1982, Komen has raised nearly $600 million in furtherance of its mission—to eradicate breast cancer as a life-threatening disease by advancing research, education, screening and treatment. Komen dedicates millions of dollars annually towards scientific and community outreach projects. The Komen Foundation Research Program has awarded more than 850 grants, totaling more than $110 million for breast cancer research. In addition, Komen Affiliates have funded hundreds of non-duplicative, community-based breast health education and breast cancer screening and treatment projects for the medically underserved.

Early detection of breast cancer saves lives. Mammography screening remains the gold standard in the early detection of breast cancer. In the past decade, breast cancer mortality rates have declined in the United States. This is due, in large measure, to early detection and timely treatment. The MQSA establishes a national standard of mammography care. Since enactment of the MQSA, women throughout the country have gained further confidence in their mammograms, as well as in those individuals and facilities that provide services as part of screening for breast cancer.

The Komen Foundation wishes to lend our continued support to the efforts of you and your colleagues to ensure enactment of the Mammography Quality Standards Reauthorization Act, and we applaud your efforts in advancing an issue of utmost importance.

Very truly yours,

SUSAN BRAUN,
President and CEO.

NABCO®, NATIONAL ALLIANCE OF BREAST CANCER ORGANIZATIONS,
New York, NY, November 18, 2003.

Hon. BARBARA MIKULSKI,
U.S. Senate, Washington, DC.

DEAR SENATOR MIKULSKI: On behalf of the millions of women, families, professionals and providers served by the education and information programs of the National Alliance of Breast Cancer Organizations (NABCO), I am writing to express support of 2003 legislation to reauthorize the Mammography Quality Standards Act of 1992 (MQSA). We thank you and your Senate co-sponsors for advancing this legislation.

Since our organization's founding in 1986, NABCO has been a visible proponent of high-quality early detection of breast cancer. We have worked with Congressional leaders on measures to educate women about good breast health, and on provisions to improve screening coverage and reimbursement, and to eliminate barriers to early diagnosis. Without question, early detection followed by prompt, state-of-the-art care offers women the best chance for successful treatment, and high-quality, regular mammograms are the best available tool to detect breast cancer at its earliest, treatable stages.

The MQSA system of certification, inspection and accreditation established basic standards that have improved the quality of mammography in the United States. After working with Congress to craft this legislation, it was my honor to serve as a consumer representative on the FDA's initial MQSA Advisory Committee. Since 1992, breast cancer survival has improved markedly—in large part because more women have taken advantage of regular, high-quality screening mammograms, available nationwide. The current reauthorization provisions will further strengthen this system.

However, new approaches are needed to continue to improve the quality and efficiency of this test, reflect technology innovations, disseminate outcomes, and attract dedicated professionals to the breast imaging field. We hope that you will seek NABCO's ongoing help to identify ways that MQSA can better serve facilities, medical professionals and consumers. We commend you and your staff for your recognition that high quality, accessible mammography is vital to making progress in the fight against breast cancer. With your support, we can offer women confidence that if they have breast cancer, it is likely to be detected, and that mammography and imaging services in the U.S. will continue to improve in quality.

Very truly yours,

AMY S. LANGER,
Executive Director.

AMERICAN COLLEGE OF RADIOLOGY,
Reston, VA, November 17, 2003.

Hon. BARBARA MIKULSKI,
U.S. Senate,
Washington, DC.

DEAR SENATOR MIKULSKI: On behalf of the 30,000 physician and physicist members of the American College of Radiology Association (ACRa), I would like to offer the College's full support for your introduction of legislation to reauthorize the Mammography Quality Standards Act (MQSA).

Since enactment of MQSA in 1992, women in the United States have gained confidence in the providers of their mammograms, through the knowledge that mammography facilities were being certified in accordance with federal standards. The successful collaboration of radiologists, mammography facility operators, federal and state regulators and consumer groups has produced significant improvements in the quality of mammograms nationwide. With the impending passage of this legislation, Congress and ACRa continue this legacy.

The technical corrections contained in this legislation will make sure that mammography facilities will not be closed due to administrative ''Catch 22's.'' Had these problems not been addressed, access by thousands of women seeking timely breast cancer detection and treatment may have been threatened. Furthermore, the Committee's willingness to work with the breast cancer community and consider incorporating the results of pending studies into the next reauthorization is truly appreciated and has the potential of improving the act even more.

The College looks forward to working with you and other interested parties to enact this legislation and thanks you for your leadership as we continue to improve the quality of mammography services throughout the country.

Sincerely,

E. STEPHEN AMIS,
Chairman, Board of Chancellors.

Mr. ENSIGN. Mr. President, I rise today to introduce, with my distinguished colleague from Maryland, Senator MIKULSKI, the Mammography Quality Standards Reauthorization Act of 2003. The purpose of this legislation is to reauthorize the Mammography Quality Standards Act in order to maintain access to high quality mammography services for every woman in America.

Breast cancer is the second leading cause of cancer deaths among American women. An estimated 211,300 new cases of invasive breast cancer are expected to occur among women in the United States in 2003. In my home State of Nevada alone, 1,400 new cases of breast cancer will be diagnosed in women, and an estimated 300 women in Nevada will die of breast cancer next year.

The MQSA was originally passed in 1992 to ensure that all women have access to quality mammography for the detection of breast cancer in its earliest, most treatable stages. Congress re-authorized MQSA in 1998, extending the program through 2002. Although MQSA was scheduled for reauthorization last Congress, we unfortunately failed to act.

The MQSA has had a positive impact on mammography quality. FDA inspection data continues to show overall facility compliance with the national standards to ensure the quality of x-ray images. Currently, over 98 percent of all mammography facilities pass the phantom image test during their facility inspection. MQSA remains as essential tool for early detection and for combating mortality associated with breast cancer.

The legislation I introduce today would reauthorize MQSA for 2 years, signifying Congress' commitment to extending the life of this important program. Reauthorizing the act for a shorter amount of time than previously done will allow Congress the time it needs to examine some serious issues facing the long-term effectiveness of the act while still maintaining vital quality standards in the interim.

In addition, this legislation would permit the Secretary of the Department of Health and Human Services to issue two additional and temporary certificates that will allow facilities who offer mammography services to continue to provide uninterrupted care while they go through the process of reaccredidation. This is important as we encourage more and more women to seek screening services each year.

With these significant changes, MQSA, I believe, will be more effective than ever. While we are improving the act with this bill, we need to tread carefully as we look to make further changes. Mammography, like every health discipline, is an imperfect science. On average, radiologists estimate that somewhere around 75 percent of cancer can be found through mammography. Thus, until the technology improves, the quality of the reading is limited.

We have to remember that in the medical field, human error is unavoidable. Most doctors practicing today are excellent at what they do, and placing additional regulations on them, especially in an already highly-regulated subspecialty, can often times do more harm than good. Congress needs to be increasingly vigilant in making sure that practices below acceptable standards are eliminated. To that end, one of the real benefits of MQSA is its required medical audit procedure which mandates that each FDA-approved facility has a system for following up on mammograms that reveal problems. In

other words, each facility performs a self-check on itself, helping to ensure quality care is being given.

The impact of medical liability on the radiological profession has been immense, leading to a shortage of quality doctors. As bad as it has been for the profession itself, the adverse effect it has had on patient access to care is intolerable. In places across the country, women are having to wait weeks, even months, to get a mammography screening. In a speech this February in Florida, the president of the American Medical Association stated that in a recent survey of Palm Beach, Miami Dade and Broward Counties, 7 of the 29 radiologists said they had stopped reading mammograms—and 8 others are considering that possibility. In addition, Orlando Regional Hospital reports that the average wait time for women seeking mammography rose from 20 days in 2000—to 150 days in 2002. The cause of all this is that many radiologists can't find or afford the necessary liability insurance.

The bottom line is that at a time when the medical liability crisis is hitting the industry harder than ever, the last thing the Federal Government should be doing is creating more avenues for abusive lawsuits. That is why Congress must balance the need to find ways to improve the quality and delivery of women's health, while at the same time preserving a positive and equitable medical environment for well-intentioned professionals to practice.

The MQSA has been an important program in increasing the quality of mammography services for women. I thank Senator MIKULSKI and HELP Committee Chairman GREGG for all of their hard work on this issue, and I look forward to seeing this legislation through to passage by the Senate and ultimately signed into law.

By Mr. SARBANES (for himself, Ms. MIKULSKI, Mr. WARNER, Mr. ALLEN, and Mr. SANTORUM):

S. 1880. A bill to establish the Special Blue Ribbon Commission on Chesapeake Bay Nutrient Pollution Control Financing; to the Committee on Environment and Public Works.

Mr. SARBANES. Mr. President, today I am introducing legislation to establish a special Blue Ribbon Commission on Chesapeake Bay Nutrient Pollution Control Financing. Joining me in sponsoring this measure are my colleagues Senators MIKULSKI, WARNER, ALLEN and SANTORUM.

On Tuesday, November 11, 2003, the Chesapeake Bay Foundation released its sixth annual State of the Bay report. The report is headlined ''The Bay's Health Remains Dangerously Out of Balance and Is Getting Worse.'' Indeed, this summer the Chesapeake Bay's so-called ''dead zone''—the area of oxygen-and life-depleted waters—extended more than 100 miles down the Bay, the largest area ever recorded. Scientists observed extensive algal blooms and watermen reported pulling up nets of dead fish and crab ''jubilees''—a rare phenomenon of crabs fleeing the water for air. The cause of the pollution of the Chesapeake Bay is clear: high levels of nitrogen coming from sewage treatment plants, air deposition, runoff from farmlands, and stormwater runoff from urban and suburban areas. The water pollution caused by high levels of nutrients, particularly nitrogen, continues despite two decades of efforts from all the jurisdictions in the watershed, Maryland, Virginia, Pennsylvania and the District of Columbia, to address it.

Scientists, State and Federal agencies and citizen advocates know what must be done to address the excessive nutrients which pollute the Bay's water. The 304 major sewage treatment plants in the watershed must be upgraded to reduce the nutrients coming into the Bay. Farmers must be given the best technology and resources to keep excess fertilizer and sediments out of the Bay. Air deposition must be reduced. And new financing mechanisms must be developed to help local governments control stormwater runoff.

Earlier this year, a Chesapeake Bay Commission report entitled The Cost of a Clean Bay, found a $9.4 billion gap in the resources needed to reduce nutrients and sediments in the Bay to levels sufficient to remove the estuary from the Environmental Protection Agency's list of impaired waters. While $9.4 billion seems like an enormous sum, we should remember that the health of Chesapeake Bay is vital not only to the more than 15 million people who live in the watershed, but to the Nation. It is one of our Nation's and the world's greatest natural resources covering 64,000 square miles within six States. It is a world-class fishery that still produces a significant portion of the finfish and shellfish catch in the United States. It provides vital habitat for living resources, including more than 3600 species of plants, fish and animals. It is a major resting area for migratory waterfowls and birds along the Atlantic including many endangered and threatened species. It is also a one-of-a-kind recreational asset enjoyed by millions of people, a major commercial waterway and shipping center for much of the eastern United States, and provides jobs for thousands of people. In short, the Chesapeake Bay is a magnificent, multifaceted resource worthy of the highest levels of protection and restoration.

On November 3, 2003, I was joined by the six Senators and 16 Members of the House of Representatives from the Chesapeake Bay watershed States, in a bipartisan letter to President Bush urging him to commit $1 billion to restoring the Bay's water quality. We pointed out to the President that, with a matching State funding requirement and proper targeting, these funds would provide a tremendous boost to the efforts to reduce nutrient pollution in the Bay and that this investment would pay big dividends in restoring the ecological and economic health or our nation's greatest estuary. We realize that this request is but a first step to bring to bear the necessary resources to accomplish the nutrient reduction.

The legislation which we are offering today represents the next step in the effort to close the $9.4 billion gap and help assure that the effort to reduce nutrient pollution in Chesapeake Bay will be focused properly and funded adequately for the long term. It directs the Administrator of EPA to establish a special Blue Ribbon Commission on Chesapeake Bay Nutrient Pollution Control Financing to oversee development of a comprehensive implementation plan to address the funding needs and/or regulatory requirements for reducing nutrient pollution loads in Chesapeake Bay sufficient to comply with Clean Water Act standards by the year 2010. The Commission is charged to address the appropriate responsibilities of the Federal, State and local governments in financing sewage treatment plant upgrades, agricultural and other nonpoint source runoff controls, and urban stormwater management. It is also directed to address the opportunities for enhancing the role of the private sector in financial support for nutrient reduction either directly or through public/private partnerships.

The Commission will have a vital role to play in Chesapeake Bay restoration. Through the work of the Chesapeake Bay Program and its partners, our scientific and technical understanding of what needs to be done to reduce excess nutrients going into the Bay serves as a model for the Nation. Yet these practices cannot be implemented without sufficient funding, and current estimates suggest that a doubling of nutrient reduction efforts to date will be required. The Commission is critically needed to explore responsibilities, opportunities and mechanisms for generating the financial backing needed to restore the Chesapeake Bay. Let me add that the economics of nutrient reduction is an issue faced by many regions of the country. Many of the recommendations of this Commission regarding the financing of sewage treatment plant upgrades, agricultural nutrient reduction practices, and stormwater and air pollution control could be transferred to for use elsewhere around the Nation.

It is our expectation that, in carrying out its functions, the Commission will draw upon the expertise of other Federal agencies, including the U.S. Department of Agriculture, the Army Corps of Engineers, and NOAA as well as State and local governments, academia and the private and non-profit sector and establish a multidisciplinary advisory panel to assist the Commission in preparing its report and recommendations. Valuable work is now being carried out by the Chesapeake Bay Program in a great number of areas including nutrient reduction,

oyster restoration, submerged aquatic vegetation, and environmental education to mention a few and it is not intended that the Commission be in any way a substitute for the Bay Program. Rather it is to support the work of the Bay Program by dissecting financial responsibilities into component parts—Federal, State, local and private and by addressing the funding and/or regulatory requirements of the work to be done to end the Bay's water pollution from too much nutrient loading.

Establishment of the special Blue Ribbon Commission on Chesapeake Bay Nutrient Pollution Control Financing will serve to kick start the critical work which must now be done to restore the Chesapeake Bay. It is supported by the Chesapeake Bay Foundation and the Chesapeake Bay Commission as evidenced by their letters. I ask unanimous consent that the two letters be printed in the RECORD. I urge my colleagues to support this measure.

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

CHESAPEAKE BAY COMMISSION,
Annapolis, MD, November 17, 2003.

Hon. PAUL S. SARBANES,
SH–309 Hart Senate Office Building,
Washington, DC.

DEAR SENATOR SARBANES: I am writing on behalf of the Chesapeake Bay Commission to commend you on your efforts to direct the Environmental Protection Agency (EPA) to establish a special blue ribbon Chesapeake Bay Nutrient Pollution Control Commission. The Commission would examine how best to finance reductions in nutrient pollution sufficient to comply with Clean Water Act standards by the year 2010. It is the logical next step in our efforts to restore the nation's crown jewel estuary, the Chesapeake Bay.

Earlier this year, our members issued a report entitled The Cost of a Clean Bay. The report found a $9.4 billion gap in the resources needed to reduce nutrients and sediments sufficient to remove the Bay from the EPA list of impaired waters. While $9.4 billion seems like an enormous sum, we should remember that the health of Chesapeake Bay is vital not only to the more than 15 million people who live in the watershed, but to the nation. It is the world's largest, most productive estuary, with a worth estimated at nearly $1.2 trillion. The Bay restoration leads the world in devising new and innovative solutions to reduce nutrient and sediment pollution. If the Bay restoration fails, it speaks volumes for the fate of most water quality restoration projects, world-wide.

At this point, the partners in the Chesapeake Bay Restoration Program have a well fleshed-out game plan. The leaders know what needs to be done and have, for the most part, implemented policies that will support these efforts. The stumbling block is the lack of available funding or, in the absence of money, the identification of viable regulatory alternatives that can provide equitable solutions.

On November 3, 2003, you joined your colleagues in the Bay watershed in a bipartisan letter to President Bush urging him to commit $1 billion to restoring the Bay's water quality. You pointed out that, with a matching State funding requirement and proper targeting, these funds would provide a tremendous boost to the efforts to reduce nutrient pollution in the Bay and that this investment would pay big dividends in restoring the ecological and economic health of our nation's greatest estuary. We offer our strong support on this request. Furthermore, we believe that the blue ribbon panel is its perfect complement.

Your effort represents the next—and critical—step in the effort to close the $9.4 billion gap, ensuring that the nutrient reduction goals will be reached. We applaud you in your efforts and offer our assistance to you as you pursue the best next step for the Bay restoration effort.

Sincerely,

ANN PESIRI SWANSON,
Executive Director.

CHESAPEAKE BAY FOUNDATION
Annapolis, MD, November 18, 2003.

Hon. PAUL SARBANES,
United States Senate,
Washington, DC,

DEAR SENATOR SARBANES: We wish to express our support and enthusiasm for your effort to establish a special Blue Ribbon Commission on financing the control of nutrient pollution in Chesapeake Bay. Your continued leadership on behalf of the Chesapeake is most appreciated.

As you know, this summer the Chesapeake Bay experienced one of the worst ''dead zones'' in history. Fish kills, beach closings, and algae blooms were commonplace. Over the past twenty years, the monitoring stations of the Chesapeake Bay Program have revealed little to no change in key water quality parameters such as dissolved oxygen, clarity, and algae concentration. The fundamental challenge remains controlling nitrogen and phosphorus pollution to the Chesapeake and its tributaries.

Over the past several years, a number of different reports have documented the financial needs of meeting the goals of the Chesapeake 2000 Agreement. These reports conclude that water pollution control, in particular, will require the most significant financial investments. Key water pollution control needs include sewage treatment, municipal storm water, and agricultural runoff.

Your effort to establish a Blue Ribbon Commission appropriately focuses on the biggest financial challenges confronting the Chesapeake Bay. It includes a diverse membership, and it engages the signatories to the Chesapeake Bay Agreement in developing specific recommendations to meet the needs of the Bay. Importantly, your effort acknowledges that regulatory mechanisms can be used to internalize pollution control costs to minimize burdens on the region's taxpayers.

The Chesapeake Bay Foundation believes that a financial commission is a timely and appropriate response to a number of the difficult challenges confronting the region's policy makers. We are very supportive of your effort, and we welcome the opportunity to work with you to implement your ideas.

Thank you again for your leadership on behalf of the Chesapeake Bay.

Sincerely,

WILLIAM C. BAKER,
President.

By Mr. LAUTENBERG (for himself, Mr. SCHUMER, Mrs. FEINSTEIN, Mr. CORZINE, Mr. REED, and Mrs. CLINTON):

S. 1882. A bill to require that certain notifications occur whenever a query to the National Instant Criminal Background Check System reveals that a person listed in the Violent Gang and Terrorist Organization File is attempting to purchase a firearm, and for other purposes; to the Committee on the Judiciary.

Mr. LAUTENBERG. Mr. President, I rise to introduce some legislation I consider an emergency because it overrides a misguided policy that threatens our homeland security and exposes our Nation to more vulnerable terrorist attacks.

The legislation I am introducing today is called the Terrorist Apprehension Act, and it is cosponsored by Senators SCHUMER, FEINSTEIN, CORZINE, and REED of Rhode Island.

This bill directs the administration to do all it can to apprehend potential terrorists within our borders. Sometimes they do things that defy common sense and are simply hard to believe. This is one of the most outrageous disclosures yet.

We have found out if someone on a terrorist watch list—someone who is a potential threat to communities across the country—goes ahead, buys a weapon, applies for a permit to buy a gun, and that information is logged into the gun background check system, the Attorney General has ordered the gun background check system not alert or even be allowed to share critical information with law enforcement concerning the whereabouts of the terrorist—not to give it to the FBI or the ATF or any of the law enforcement agencies.

I have to say, this is a mind-boggling policy. We could have a nationwide lookout for a known terrorist within our borders, but if he obtained a weapon, got a permit approved, the Justice Department's current policy is to refuse to reveal any data that might be available for law enforcement officials.

It works this way: The subject is on a terrorist watch list. This is a formal thing. The person who is listed on a terrorist watch list—look out, this guy is bad news, and we do not want him to roam freely. He can go ahead and buy a gun under the rapid response network for a gun permit. The background check is done. Then it goes into a crime database, including the terrorist watch list. The FBI terrorist task force cannot get the information by virtue of this policy because by directive, the Attorney General has said this information should be protected. To me, the protection our citizens need overrides that of these people who are unwelcome to begin with. But nevertheless, once they are on the terrorist watch list, we don't want to give them a lot of courtesy, especially to buy a weapon.

In combatting terrorism, Attorney General Ashcroft has shown little concern for core civil rights. That all changes when it comes to gun rights. The Attorney General seems more interested in protecting the rights of terrorists to obtain guns than the protection of our citizens.

I know many gun support groups have said: Listen, the terrorists wouldn't buy a firearm on the legal market anyway. But evidence points to something otherwise.

An investigation by my staff revealed that since September 11, in somewhere between 13 instances and possibly as many as 21 times—and the reason for the disparity is the information comes from two different places, but it is at least 13 times and possibly as many as 21—a person on the terrorist watch list has attempted to or successfully purchased firearms. Imagine. The madness is that the person gets the firearm and the information is cut off here instead of being available to the FBI and other law enforcement people.

In addition, the terrorists know that our gun laws are weak. Found in the ruins of a terrorist training camp that was destroyed by U.S. missiles in Kabul, Afghanistan was a book called ''How Can I Train Myself For Jihad.'' The book discusses the ease with which weapons can be purchased in the United States in order to engage in terrorism.

The guns that terrorists have access to in our country can be devastating, such as the 50-caliber assault weapon which would take down a helicopter, as we may have seen. This is according to the Congressional Research Service. That weapon can penetrate 6 inches of steel plating and has a range of a mile. One has to ask: Why is it available at all on the civilian market?

On this issue of terrorist access to weapons, it is peculiar, at least, to know that Attorney General Ashcroft's position is at odds with the Department of Homeland Security. During his confirmation earlier this year, Secretary Tom Ridge acknowledged to me in a question publicly that the link between access to guns and terrorism is a dangerous one.

Under oath at another hearing, the general counsel of the Department of Homeland Security told me it was his belief that someone on the terrorist watch list should not even be permitted to purchase guns.

Not only does the Attorney General think it is OK to allow these guns to be purchased by terrorists, but he thinks it should be done secretly, without law enforcement's knowledge. That has to change. We hope the Attorney General will reverse course immediately. Unfortunately, I doubt he even comprehends the anomaly this generates.

This is why it is critical that the Senate pass this emergency legislation before we leave for the year. If we don't, we will put our constituents at risk unnecessarily. My legislation is simple and to the point. It says, if a terrorist buys a gun, law enforcement must be notified right away. We would like to prevent them from getting the gun, but the law, as it is for now, is the FBI, the local police, and the regional terrorist task force must be told the time and the place of purchase.

I introduce this bill today and hope that we can pass it as soon as possible.

By Mr. ENZI (for himself, Mr. BINGAMAN, Mr. THOMAS, and Mr. CRAIG):

S. 1883. A bill to amend the Public Health Service Act to provide greater access for residents of frontier areas to the healthcare services provided by community health centers; to the Committee on Health, Education, Labor, and Pensions.

Mr. ENZI. Mr. President, I rise today to introduce legislation that would increase the likelihood that citizens who live on the American frontier and in other sparsely populated areas will have access to affordable healthcare in their communities.

Since my election to the Senate in 1996, one of my goals has been to educate folks in Washington about what life is like in the West.

Obviously there are rural areas along the East and West Coasts and in the Midwest. But people who live in these places are always surprised when they travel for the first time to places like my home State of Wyoming. They are amazed at just how rural Wyoming is.

Well, Wyoming is more than rural. Most Wyomingites live in the remaining stretches of the American frontier. Now, that's not to say that there aren't plenty of sparsely populated areas elsewhere, even in coastal States. There are many places outside the West that share the characteristics of the frontier. But almost all of Wyoming is sparsely populated. In fact, more people live in the 68 square miles of the District of Columbia than live in the 98,000 square miles of Wyoming.

People who live on the frontier and other sparsely populated areas face some unique challenges, and one of those challenges is access to affordable healthcare. People who live in frontier areas are more likely to lack health insurance than other rural and urban citizens. Also, frontier areas generally do not have population centers that can support the full range of healthcare services available in most urban and some rural areas.

One of the proven ways of improving healthcare in medically underserved areas is through the establishment of federally qualified community health centers, or CHCs. Community health centers are not-for-profit providers of health care to the working poor, the uninsured, and other vulnerable populations. These safety-net providers served ten million people across America in 2001.

Community health centers deliver preventive and primary care to patients regardless of their ability to pay. Almost half of the patients treated at community health centers have no insurance coverage at all. Community health centers set their charges according to income, and they do not collect any fees from their poorest clients.

President Bush has proposed major increases in funding for the establishment and expansion of community health centers, and Congress has begun to provide that funding. Senators across the political spectrum agree that community health centers play an important role in providing health services to the uninsured and underinsured in many medically underserved areas. We all agree that we ought to encourage the development of more sites where those in need but without means can get proper care.

Unfortunately, many frontier areas do not have community health centers. Wyoming, for example, only has one CHC, located in Casper. That center just opened a satellite clinic in Riverton, a town of 9,300 people almost 125 miles away, so now we have two sites.

The Federal Government keeps statistics on the degree of ''health center penetration into the unserved.'' In other words, we keep track of what percentage of those who need access to affordable healthcare can get adequate service through community health centers.

In Wyoming, only 7.9 percent of the unserved had reasonable access to community health center services, based on 2001 data. Lest you think this is just a Wyoming problem, Mr. President, let me share some percentages from other states: Alabama: 15.9 percent; Georgia: 8.9 percent; Indiana: 10.1 percent; Kansas: 10.4 percent; Louisiana: 4.3 percent; Maryland: 15.8 percent; Nebraska: 5.3 percent; Nevada: 7.8 percent; North Carolina: 11.1 percent; Oklahoma: 7.8 percent; Texas: 9.0 percent; and Virginia: 12.2 percent.

Why are these access figures so low? It's not because communities aren't interested in helping their less fortunate neighbors. It's because many communities on the frontier and in other sparsely populated areas can't even apply for community health center funding.

Why can't they apply? Well, believe it or not, the Federal Government doesn't consider many isolated communities to be located in ''medically underserved areas.'' And a community has to be designated as being a ''medically underserved area'' before one can even apply for CHC funding.

The barrier for frontier communities lies in the index that the Federal Government uses to determine ''medical underservice.'' That index looks at four factors: the percentage of people over 65 years of age, and the ratio of primary-care physicians per 1,000 people.

Using these four factors, the agency has calculated that only four Wyoming's 23 counties qualify to be ''medically underserved areas.'' I find this interesting, since Wyoming ranks 46th out of the 50 State in terms of physician-to-population ratio.

I have an idea about the source of this contradiction. When I went to accounting school, one of the things I learned about was a concept called ''statistical validity.'' What I learned was that the statistical validity of a sample is a function of sample size: in other words, the larger the sample, the more accurate the results associated with the sample.

Well, as you can imagine, sparsely populated states like Wyoming offer

less statistically valid samples than other states. Many of our counties score very well on factors like infant mortality. Take Western County, for instance. Weston County has a very low infant mortality rate—in fact, their rate in 2002 was zero. But there were only 59 births in Weston County. Now I'm happy to see that statistic, but it really hurts Weston County's score on the agency index.

Even looking at 5 years of data in sparsely populated counties doesn't provide a statistically valid sample. From 1994 to 1998, Weston County's infant mortality rate was 8.5 per 1000 births, slightly above the national average. From 1995 to 1999, Weston County's rate jumped to 14.7 percent—nearly twice the national average.

Why did the infant mortality rate jump so dramatically in Weston County? The only difference was that in 1999, two of the 60 babies born in the county died soon after birth.

When two deaths have such a dramatic impact on the infant mortality rate, it's because the sample size simply isn't large enough to provide a valid result. Slight variations in small samples can result in huge differences when translated into statistical data. And in my opinion, we shouldn't be making decisions based on statistics that aren't valid indicators of the healthcare status of a community.

I am concerned that the Federal definition of ''medically underserved areas'' does not recognize the unique nature and needs of people who live in the sparsely populated areas of our country. This makes me concerned that frontier communities are going to miss out on a great opportunity to participate in our national expansion of community health centers.

That's why I'm joining today with my distinguished colleagues Senators BINGAMAN, THOMAS, and CRAIG to introduce the Frontier Healthcare Access Act. We believe that people who live on the frontier and in other sparsely populated areas ought to have a fair shot at competing for federal support as we grow the community health center program.

Our bill would automatically deem ''frontier areas'' to be eligible for Federal funding for the development and expansion of community health centers.

The bill would require no new funding—it would simply designate frontier communities as special populations eligible for federal CHC support. Nor would the bill create a new preference for frontier areas—it would simply allow frontier communities into the competition for funding. The bill would end the application of a statistical formula that doesn't provide a valid assessment of need in sparsely populated areas—but it would still require frontier communities to compete with other communities to receive federal CHC support.

The Frontier Healthcare Access Act also would direct the Federal Government to create a new definition of ''frontier area.'' The bill would require that the new definition go beyond the traditional population-density approach to include important factors like distance in miles and travel time in minutes to the nearest significant healthcare service area or market. This is important, because defining frontier solely by population overlooks some important considerations.

For example, in some large counties, the presence of a city in one corner skews population density and overshadows the existence of many large frontier areas. Furthermore, a key component to frontier life is distance. Even areas with population density as high as 20 people per square mile should be considered frontier if the community is located far from the closest significant service center or market.

The National Rural Health Association and the Western Governors Association have already endorsed a definition using the factors proposed by the Frontier Healthcare Access Act. If the federal government adopts a similar definition, it would ensure eligibility for community health center development and expansion for about ten million citizens who live in more than 800 counties located in 38 states—not just the frontier West.

Mr. President, people in hundreds of cities and towns across the country have access to affordable healthcare services through community health centers. People who live in sparsely populated areas ought to have a fair opportunity to create the same sort of access.

The Frontier Healthcare Access Act would create this opportunity for people who live in isolated communities across our great country. I hope that my colleagues will join me in making this opportunity possible for our citizens who live in every part of our remaining American frontier—whether the buffalo still roam there or not.

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. 1883

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 ''Frontier Healthcare Access Act of 2003''.

SEC. 2. FINDINGS AND PURPOSE.

Congress makes the following findings:

(1) People who live in frontier areas are medically underserved and face unique challenges in accessing affordable healthcare.

(2) People who live in frontier areas are more likely to lack health insurance than other rural and urban citizens.

(3) Frontier areas generally do not have population centers that can support the full range of healthcare services available in most urban and some rural areas.

(4) Community health centers play an important role in providing health services to many medically underserved areas and populations.

(5) Many frontier areas do not have community health centers.

(6) Many frontier areas cannot currently qualify for community health centers because the Federal definition of medically underserved areas or populations does not appropriately or effectively recognize the unique nature and needs of frontier areas and those who live in them.

(7) Any definition of frontier areas for purposes of eligibility for Federal or State healthcare programs should look beyond simple measures of population density to consider such factors as the distance from and travel time to the nearest significant healthcare service center or market.

(8) President George W. Bush has made the development of new community health centers a priority of his administration.

(9) People who live in frontier areas should be included explicitly in this expansion of the community health center program.

(b) PURPOSE.—It is the purpose of this Act to provide greater access for residents of frontier areas to the healthcare services provided by community health centers.

SEC. 3. FRONTIER COMMUNITY HEALTH CENTERS.

Section 330 of the Public Health Service Act (42 U.S.C. 254b) is amended—

(1) in subsection (a)(1), by striking ''and residents of public housing'' and inserting ''residents of public housing, and residents of frontier areas'';

(2) by redesignating subsections (j), (n), (o), (p), (q), (r), (s), (q), and (s) as subsections (k), (l), (m), (n), (o), (p), (q), (r), and (s), respectively; and

(3) by inserting after subsection (i), the following:

''(j) RESIDENTS OF FRONTIER AREAS.—

''(1) IN GENERAL.—The Secretary may award grants for the purposes described in subsections (c), (e), and (f) for the planning and delivery of services to areas identified under paragraph (3)(B).

''(2) SUPPLEMENT NOT SUPPLANT.—A grant awarded under this subsection shall be expended to supplement, and not supplant, the expenditures of the health center and the value of in-kind contributions for the delivery of services to the population described in paragraph (1).

''(3) DEFINITION.—

''(A) IN GENERAL.—In this subsection, the term 'frontier area' means a county or a rational area identified by the Secretary in consultation with appropriate State offices of rural health.

''(B) REGULATIONS.—The Secretary shall through regulations develop a definition to identify frontier areas and shall designate residents of such areas as medically underserved for purposes of this section. In developing such definition the Secretary shall consider factors such as population density, distance in miles from the nearest significant healthcare service center or market, and travel time in minutes from the nearest significant healthcare service center or market.''.

By Mr. DASCHLE (for Mr. KERRY):

S. 1884. A bill to assure a healthy American manufacturing sector, and for other purposes; to the Committee on Finance.

By Mr. DASCHLE (for Mr. KERRY):

S. 1885. A bill to amend the Internal Revenue Code of 1986 to provide tax incentives for manufacturing businesses

in the United States; to the Committee on Finance.

By Mr. DASCHLE (for Mr. KERRY):

S. 1886. A bill to amend the Small Business Act and the Small Business Act of 1958 to establish the National Office for the Development of Small Manufacturers, to increase the level of assistance available for small manufacturers, and for other purposes; to the Committee on Small Business and Entrepreneurship.

(At the request of Mr. DASCHLE, the following statement was ordered to be printed in the RECORD.)

• Mr. KERRY. Mr. President, I come to the floor today to introduce three bills to address the growing needs of small manufacturers, to stimulate the manufacturing sector of our economy, and to put back to work the millions of American workers in the manufacturing sector that have lost their jobs in the past 3 years. The three comprehensive bills are: the Manufacturing Assistance, Development and Education (MADE) in America Act, the Enhance Domestic Manufacturing and Worker Assistance Act, and the Manufacturing Jobs Production Act.

It's no secret that during the past 3 years, manufacturing employment in the United States has declined from 17.3 million to 14.6 million jobs. This loss of manufacturing jobs represents a loss of more than one in every seven such jobs. Over the past 3 years, the United States has lost an average of 80,000 manufacturing jobs a month. The States that rely the most on their manufacturing sector have suffered the most during the past 3 years. Indiana has lost 67,000 manufacturing jobs, California—297,000, Ohio—152,000, Illinois—126,000, Michigan—127,000, Pennsylvania—133,000, South Carolina—55,200, and North Carolina—145,300. Even in my home State of Massachusetts, we have lost approximately 80,000 manufacturing jobs since January 2001.

The loss of manufacturing jobs is of great concern because the manufacturing sector is more important than any other sector in supporting overall economic growth, technological innovation, and a high standard of living for Americans. Over the past 10 years, manufacturers have performed nearly 60 percent of research and development in the United States and have paid over one-third of all corporate tax payments to State and local governments.

Further, replacing manufacturing jobs with service sector jobs will not help stabilize the American economy. According to a University of Michigan study, 6.5 spin-off jobs are created as a result of every new job created in manufacturing. Service sector jobs simply cannot generate that type of economic activity. The benefits of manufacturing can also be found in national salary averages. In 2001, salaries and benefits averaged $54,000 in the manufacturing sector, while the average salary and benefits package in the private sector overall was only $45,600.

In 1955, manufacturing jobs were 30.5 percent of all U.S. employment, today they make up just 14 percent. The manufacturing decline has been marked by a relocation of factories abroad along with reduced exports and increased imports of manufactured goods. Both large and small companies have been affected and a continued shrinking of the manufacturing base may shift the manufacturing innovation process to other global centers and most certainly result in a decline in U.S. living standards.

As a member of the Finance and Commerce committees and ranking member of the Senate Committee on Small Business and Entrepreneurship, I have been fighting for the creation of new manufacturing jobs during debate over the President's tax cuts, and I will continue to do so in the months ahead. President Bush has done nothing to address the loss of manufacturing jobs, and many communities across the country are suffering because of it, as more and more plants close and more and more jobs move overseas. This administration is indifferent to these changes, and the pain being felt in million of American households, and that's unacceptable.

In fact, indifferent may be too kind a word. The Bush administration has been downright cruel to working Americans, pursuing billions of tax cuts for the most well-off in our society as their only economic policy, while millions of hard-working Americans have lost their jobs and will be left with the bill from this administration's reckless fiscal policies. In fact, you could argue that the manufacturing jobs picture is actually worse than the hard numbers tell us. While many estimates show that 2.5 million manufacturing jobs have been lost since President Bush took office, in previous postwar recoveries, manufacturing employment had recovered by this point in the business cycle and risen by more than 5 percent. Under the Bush presidency, manufacturing employment has continued to deteriorate steadily, falling so far by 8 percent. Morgan Stanley's respected economists tell us that the difference represents 2.1 million additional manufacturing jobs. More supply-side, trickle-down, ideologically driven tax cuts are not going to turn this around. Congress needs to take action and pass some policies that are meaningful to people, and will actually create jobs, and soon.

The President and his followers insist that his tax cuts are starting to work, basing their claims on a couple of months where the overall job creation numbers were positive. But the truth is that the meager job gains of the last three months have done little to lift most parts of the economy because nearly 80 percent of those small gains have come in just three sectors: government, temporary staffing, and education and health services. Manufacturing is not yet on the mend, and people who are finding new jobs are finding jobs at lower pay. We need to take action.

Small-business owners have made it clear to me, to Congress, and to the administration what actions are needed to reinvigorate the manufacturing sector. Unlike the Bush administration, which has ignored these requests for help, Congress must have the courage to make the tough decisions and not simply pander to wealthy Americans and giant corporations with unbalanced tax cuts. The Nation's gross domestic product may be temporarily up, but manufacturing jobs are still way down. To get those jobs back, and to continue competing on the international stage, our manufacturers, particularly our small manufacturers, need adequate representation and leadership at all levels of government, here and abroad. They need a well-educated, highly skilled, productive labor force; Federal contracting and subcontracting opportunities; greater access to capital; foreign patent protection; trade adjustment, global marketing, and entrepreneurial development assistance; and responsible, targeted tax credits. This legislation addresses those needs, while the President's tax cuts continue to undercut them.

Mr. President, we often receive complaints that the Federal and State small business programs duplicate, rather than complement, each other. While the SBA has stated that it has sufficient systems and programs in place to address the concerns of manufacturers, statistics on small manufacturers, as well as the business owners themselves, prove otherwise. Many state that accessing these programs is often confusing and difficult because they are fragmented, spread out and not tailored to bridge gaps found between State and Federal assistance programs. To address these problems, my bill will create the National Office for the Development of Small Manufacturers at the Small Business Administration, led by an associate administrator. This new office will be responsible for coordinating and strengthening existing programs, as well as establishing new SBA programs to address the needs of small manufacturers and to promote programs throughout the Federal Government that assist small- and medium-size manufacturers. While the President has established a ''new'' manufacturing czar at the Department of Commerce, this action is seen as lateral movement and does nothing to assist those manufacturers that are suffering the most, the Nation's small business manufacturers.

Once established, the National Office for the Development of Small Manufacturers will be responsible for implementing a Manufacturing Corps through block grants to each State that will address the skilled worker crisis in this country by promoting technical education pertinent to the manufacturing sector. First, the Manufacturing Corps would help current manufacturing workers improve their

skill set and advance their technical abilities. Each State's grant would ultimately provide small manufacturers with more highly skilled workers—something that the industry has posed as a global competitive disadvantage—and allow the unemployed and those in declining industries to make the pivotal move back to work or to other manufacturing sectors, respectively.

Second, the Manufacturing Corps would help small manufacturers fill their skilled labor needs by encouraging college and university students studying engineering, computers, and other high-tech fields to work in the small manufacturing sector by offering to repay a portion of their student loans if they do so for a specified period of time. Similar to incentives for students going into the nonprofit or government work, the government would repay the loans of those who commit to working for a small manufacturer for 4 years following graduation if their annual employment compensation does not exceed $60,000.

Third, the Manufacturing Corps would establish a vocational and technology training for students at the high school level to prepare students who are not planning to attend college directly after graduation to enter the manufacturing sector. As in woodshop or auto shop courses, high school students will learn the technical skills to become effective, skilled manufacturing employees, such as machinists or metal workers. Additionally, schools providing such assistance would partner with community manufacturers to address their skilled worker needs and to provide employment opportunities for students after graduation.

Another duty charged to the National Office for the Development of Small Manufacturers is to create a government-wide ''One Stop Small Manufacturing Shop'' for small manufacturers. This online web portal will serve as the single point of contact for information on entrepreneurial development assistance, access to capital, specific outreach programs, contracting opportunities, and R&D projects. We already have successful programs that can be used as a prototype for the web page such as the National Industrial Manufacturing Assistance Program's Web site at the Office of Industrial Technologies at the Department of Energy.

The greatest challenge to small businesses, as with all businesses, is the ability to obtain contracts. The BusinessLINC program within the SBA has been proven, since its inception, to successfully match small businesses with potential clients. The teaming model has created thousands of jobs and millions of dollars in contracts. The BusinessLINC–M program will also team small businesses with non-governmental organizations that can have a direct impact on their bottom-line through contracting or mentoring. There is a great potential for the BusinessLINC–M program to match suppliers with distributors, offer contracting and subcontracting opportunities, which directly benefits the local economy while allowing access to vendors in the distributors' backyards. The National Office for the Development of Small Manufacturers will create a similar program to foster symbiotic partnerships between small and large businesses to spur contracting opportunities. This BusinessLINC–M program would instead match up small manufacturers with larger firms that could utilize their products, creating subcontracting opportunities and a stronger supply chain.

Finally, the National Office for the Development of Small Manufacturers will develop a manufacturing mentor-protégé program to focus on improving the management practices, domestic and foreign marketing abilities, efficiency, and product development of small manufacturers by pairing them with larger, more experienced manufacturers that would provide such guidance.

One of the first things we can do to help small manufacturers is to tailor the SBA's loan and venture capital programs so that they offer small manufacturers affordable, long-term financing in amounts that are truly appropriate for them. This legislation will assist small businesses with fixed-asset costs, working capital, loan dollars to help them export what they have produced in the United States, and venture capital investments to spur expansion and growth.

To provide that capital, we have increased the loan amounts available to small manufacturers, increased venture leverage, and allowed refinancing of certain existing business debt. The maximum 504 loan, for equipment and property, will be raised from $1 million to $4 million, the maximum microloan will be raised from $35,000 to $50,000, and the gross loan amount for 7(a) working capital loans will increase from $1 million to $4 million for small manufacturers.

Investors should be encouraged to devote more of their money to the fastest growing small manufacturers. The SBIC program can provide that venture capital money. Under this bill, if SBICs invest 50 percent in small manufacturers, then a single fund can leverage $150 million instead of $115 million and a manager with several SBICs can leverage $185 million from the SBA. The legislation also restores and increases funding to establish additional New Markets Venture Capital firms and increases the SBA's leverage against private funds raised in the New Markets Venture Capital program from 150 percent to 200 percent so these venture capital firms can invest more in small manufacturers.

For growing small businesses using the loans from the 504 program to buy new equipment or buildings, we raise the limit for lenders so that they must create or retain one job for every $100,000 loaned to manufacturers. This is in place of the $35,000 that is currently in place. For non-manufacturers, it will be raised to $50,000. For manufacturers, the costs of retaining jobs are higher, and we want these jobs to be good living wages and not the $3 per hour or lower that exists in some countries.

After a natural disaster, the already slumping manufacturing industry faces an even greater challenge in returning business to normal and affording the costs of repair. Recognizing that they face these problems, the MADE in America Act changes several provisions to the SBA's disaster loan program. It increases the maximum loan size from $1.5 million to $5 million; allows small manufacturers to consolidate debt by refinancing not just existing disaster loans but any outstanding business loan; waives the principal and interest payments for 6 months; authorizes the administration to waive unreasonable size limitations; and prohibits the SBA from selling all disaster loans to other creditors. Disaster loans, at the most, have an interest rate of 4 percent and terms of up to 30 years. This low rate and long term keeps manufacturers' payments down as well as their debt, particularly when they refinance their more expensive business loans.

To help small manufacturers and small R&D firms, we need to reduce trade barriers, so that they are able to sell their products and technologies in other countries. Small-business owners commonly cited the expense required to secure foreign patent protection as a significant barrier to their ability to operate in international markets. Part of encouraging the spread of their innovations into other countries is decreasing their vulnerability to big foreign corporations that can take their ideas when they try to sell their products around the world. Our small businesses need patent protection. However, the costs associated with filing such patents are often prohibitively expensive.

For example, Mr. Clifford Hoyt, who is vice president and chief technology officer of Cambridge Research and Instrumentation, testified on June 21, 2001, as part of the Committee's hearing on reauthorization of the STTR program that cost of ''patent protection in Europe is $20,000.'' Information from the American Intellectual Property Law Association's meeting shows that the costs of foreign patents range from $7,200 in Canada to $27,200 in Japan. Those costs include fees for filing, examination, translation and attorneys.

With this legislation, to address the intellectual property problem for small exporters, I propose enacting a variation of a bill I introduced 2 years ago. The MADE in America Act would establish a self-sustaining grant fund to help small manufacturers and R&D firms pay for the cost associated with foreign patent protection. Each company would be limited to one grant and, in order to be eligible for the

grant, it must have already filed for patent protection in the United States. Both of these provisions are designed to ensure, to the extent possible, that companies apply for assistance for their most promising technology and therefore are in the best position to return money to the grant fund when their patented technology becomes profitable. By giving the companies only one shot at a grant to protect and make money from their technologies, it forces them to select the one most likely to succeed and have sales. At the same time, requiring companies to have already filed for patent protection in the United States prior to seeking a foreign patent grant is a gauge of the company's confidence in the commercial potential of its technology.

Ultimately, the goal is to create a self-sustaining grant fund. To do so, in return for the grants, each recipient would be obligated to pay 5 percent of its related export sales or licensing fees to the fund, to be known as the ''Small Business Foreign Patent Protection Grant Fund.'' To maintain a reasonable incentive for the small businesses, the total amount recipients would be required to pay would be capped at four times the amount of the grant, which for a $25,000 grant would be $100,000.

When I first introduced this bill a couple of years ago, the grants were limited to companies that participate in the SBA's SBIR and STTR programs. However, this bill opens the grant funding to all small firms, while reserving 50 percent of the money for SBIR and STTR firms through the first three quarters to each year. Intellectual property protection is critical to these small firms that have a great product or invention, and keeping these innovations in the hands of American firms is important to the U.S. economy.

Mr. President, today I am also introducing the Enhance Domestic Manufacturing and Worker Assistance Act. America's manufacturing decline and the associated loss of good, stable manufacturing jobs has been marked by a relocation of factories abroad along with reduced exports and increased imports of manufactured goods. This legislation will respond to the manufacturing crisis in two ways. The proposal recognizes the harmful impact that trade has on small manufacturers and provides assistance to those workers, companies and communities that have suffered through Trade Adjustment Assistance programs. The proposal also provides critical assistance to U.S. domestic manufacturers to ensure that they adjust to the global economy and remain competitive in the 21st century.

First of all, for those workers, businesses and communities that have been harmed by trade, my bill assists them by reauthorizing our Trade Adjustment Assistance programs for workers and business firms. The bill includes elements of an innovative program to assist similarly situated communities. Recognizing that entire communities experience economic displacement, this proposal will assist harmed communities in exploring new avenues of economic development and job creation. Combined, these programs will assist hundreds of mostly small- and medium-sized manufacturing and agricultural companies that experience loss of jobs and sales due to import competition and other adverse consequences of trade. For example, TAA for workers provides income support, job search and worker relation assistance for affected workers.

Next, my legislation will enhance two programs that have proven effective in assisting domestic manufacturing firms. For example, the bill will strengthen the very effective Manufacturing Extension Partnership program. This program assists struggling small- and medium-size manufacturers to modernize, increase productivity, cut waste, achieve higher profits, and compete in the demanding global market. With increased funding, the MEP program can expand its program reach and decrease the fees paid by small manufacturers to access the assistance. It is exactly this type of program that will make American manufacturers competitive again, allowing them to maintain existing jobs and create additional high-skilled and high-paying jobs in the United States.

In addition, my legislation increases funding for the Advanced Technology Partnership program. This very important program fosters public-private partnerships to accelerate the development of innovative technologies and bridges the gap between the research lab and the market place. The program has been very effective in accelerating the development of innovative technologies that promise significant commercial payoffs and widespread benefits for the Nation. Unfortunately, the Bush administration has sought to eliminate this program, at a time when technological change is faster than ever before and small manufacturers must be technologically competitive.

Strengthening the MEP and ATP programs will go a long way in assisting small domestic manufacturers as they attempt to regain market share lost to international competition and recover from the resulting devastating job losses.

Finally, this bill will also create an ''Office of Small Business'' within the Office of the United States Trade Representative that will focus on the issues affecting small- and medium-size manufacturers as they relate to our international trade policy. This proposal is very similar to a proposal that I offered with Senator OLYMPIA SNOWE in the 107th Congress. Small manufacturers are directly impacted by our trade policies—often adversely—yet they do not have a seat at the table and lack the ability to effectively express their concerns. The establishment of this office will ensure that issues important to small manufacturers are taken into consideration as our Nation's trade policy is carried out in the future and will assist small businesses in export promotion and trade compliance.

The final piece of my legislation plan to enhance U.S. manufacturing is my bill titled the ''Manufacturing Job Production Act.'' The bill has four components, all of which are fiscally responsible. None of them will by themselves completely make up for the jobs lost during this administration, but they will each do their part in stimulating new job creation and new investment in manufacturing firms.

The first component of my plan is a Temporary Manufacturing Job Creation Tax Credit. It is a similar proposal to one I introduced earlier this year, when we were debating the President's third major tax cut in 3 years. My idea is straightforward: Any domestic manufacturer would receive an income tax credit based on a percentage of the net increase in taxable Social Security payroll linked to new manufacturing/production jobs, comparing total applicable payroll for one year to the previous year, adjusted for inflation. The credit would apply only to domestic production/manufacturing jobs created in 2004 and 2005, and it would include jobs created in U.S. territories, and those created by foreign-owned companies in the United States or its territories.

Unlike many of the administration's tax cuts, which carry huge costs at the vague promise of a positive economic result, my idea is outcome-based because it only costs money if it actually works. Plus, it has a built-in safety valve to prevent abuse, because it prevents firms from receiving tax credits if they create new manufacturing jobs while simultaneously laying off other workers, and it stops companies from tilting the benefits to high-salary workers because these salaries are already above the Social Security payroll tax cap. By comparing payroll taxes paid over a whole year, it also provides an incentive for firms to hire new workers and keep them on payroll and makes the calculation simple for businesses. It also provides an employment stimulus for U.S. companies with subsidiaries or manufacturing facilities on U.S. possessions, such as Puerto Rico.

My proposal would be in place for 2 years, and the Joint Committee on Taxation estimates that it would cost less than $4 billion. Surely we could pass this proposal and offset its modest cost by finally closing some of the Enron tax loopholes or passing the corporate inversion proposals that have previously passed this body unanimously, only to be opposed by the House. I think the percentage of Americans that would support that tradeoff would be upwards of 80 percent. Paying for this proposal by closing tax loopholes for wealthy corporation makes perfect sense. It will help our economy grow and help slow the flow of manufacturing jobs overseas.

The second element of may plan expands upon a capital gains provision that I have included in other legislation. Section 4 of S. 842, my small business tax stimulus bill, provides that there shall be no capital gains tax applied to new equity investments in small businesses with gross sales under $100 million, if the investments are held for at least 4 years. The zero capital gains tax applies to businesses involved in certain ''critical technologies'' as well as specialized Small Business Investment Companies, or SSBICs. For the Manufacturing Job Production Act, this capital gains proposal is expanded to include new equity investments in small manufacturing firms. Such a proposal should generate new investments in manufacturing, particularly small manufacturing companies that have been so damaged by recent economic trends. And like the job creation credit, it only costs significant money if it has the desired effect. That factor alone makes it far preferable to the Republican ''throw it and see if it sticks'' tax cut strategy.

The third part of my manufacturing plan is a revised BRIDGE Act, designed to give a little extra boost to small manufacturers. The BRIDGE Act stands for Business Retained Income During Growth and Expansion. It will help ensure that rapidly expanding, entrepreneurial businesses have access to the capital they need to continue creating jobs and stimulating the economy.

Each year, the United States economy generates 600,000 to 800,000 new businesses. Most new business start small and stay small—but some evolve into fast-growth companies with the capacity to propel the economy forward. These fast-growing companies create the most new jobs, yet access to financing—particularly in the current economic environment, but also when the economy is strong—presents a pivotal challenge to them. A typical startup may open its doors with a combination of personal savings, credit card borrowing, and family lending. Once a business has grown past a certain size—say, when sales reach $10 million or more—the company is better able to attract external financing at a reasonable cost. However, there are many companies in a middle range, including many small manufacturers, which desperately need additional financing in the range of $250,000 to $1 million. These companies face a severe credit crunch that limits their growth and the number of new jobs they can create.

I believe that if congress does anything to assist small manufacturers, it should take steps to ease the credit crunch for those climbing the economic ladder from small- to medium-size enterprise, thereby generating new ones. The BRIDGE Act addresses this financing gap. As ranking member of the Committee on Small Business and Entrepreneurship, I have been the leading voice for this idea in the Senate, and it is something worth trying. Like my other proposals for tax relief for small manufacturers, it only generates cost to taxpayers if it actually works.

The BRIDGE Act is simple. It would allow a fast-growing business with less than $10 million in sales to temporarily defer up to $250,000 of its Federal income tax liability, but only if the money is reinvested in the company. The 2-year deferral would be repayable wit interest over a 4-year period. For small manufacturers, the maximum tax deferral would be $400,000, and the payback period would be extended to a maximum of 6 years. Thus, the act will free up new investment capital for growing companies by allowing them to use a portion of their Federal tax liability for self-financing. Its revenue cost is minimal—in fact, if the program is implemented temporarily, as in my bill, it actually raises a small amount in the 10-year budget window—since the deferred taxes are paid back with interest.

The fourth and final component of my tax relief plan for small manufacturers is to make permanent the increase in Section 179 small business expensing that was passed earlier this year as part of the President's third tax cut. However, this increase is set to expire at the end of 2005. While the recent increase does not help the smallest of small businesses, it can be helpful to small manufacturers who purchase more expensive equipment. It is one element of the various Bush tax cuts that deserves to be made permanent. My proposal would permanently increase the annual expensing limit to $100,000.

Mr. President, we may not have all the answers here in the Congress. Some of these trends in manufacturing employment have taken a long time to develop, and we won't be able to turn them around overnight. But at least we shouldn't ignore the changes and act as if more tax cuts will solve the problem. My manufacturing tax plan contains four reasonable, responsible components—and most will cost money only if they are actually effective. It's time for this administration to get its head out of the sand and start proposing job-creating strategies that will actually work.

Mr. President, nearly 3 million Americans, all across this Nation, have lost their jobs since 2000. We need to act now, with a comprehensive strategy that not only incorporates tax cuts but also includes real job training, business development, capital access, and levels the playing field for U.S. manufacturers. I believe this legislation addresses many of the concerns of the small business community and will take a significant step towards reversing the current trend of economic decline and job loss in the manufacturing sector.

I ask unanimous consent that the text of the MADE in America Act, the Enhance Domestic Manufacturing and Worker Assistance Act, and the Manufacturing Jobs Production Act be printed in the RECORD, and I urge all of my colleagues to support these bills.●

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

S. 1884

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 ''Enhance Domestic Manufacturing and Worker Assistance Act of 2003''.

TITLE I—EXTENSION AND EXPANSION OF TRADE ADJUSTMENT ASSISTANCE

SEC. 101. EXTENSION FOR WORKERS AND FIRMS.

(a) IN GENERAL.—Section 285 (a) and (b) (1) and (2) of the Trade Act of 1974 (19 U.S.C. 2271 note) are amended by striking ''September 30, 2007'' each place it appears and inserting ''September 30, 2012''.

(b) AUTHORIZATION.—

(1) WORKERS.—Section 245 of the Trade Act of 1974 (19 U.S.C. 2317) is amended by striking ''September 30, 2007'' and inserting ''September 30, 2012''.

(2) FIRMS.—

(A) IN GENERAL.—Section 256(b) of the Trade Act of 1974 (19 U.S.C. 2346(b)) is amended—

(i) by striking ''$16,000,000'' and inserting ''$32,000,000''; and

(ii) by striking ''2007'' and inserting ''2012''.

(B) EXPANSION OF LOANS.—Section 255(h) of such Act (19 U.S.C. 2345) is amended—

(i) in paragraph (1), by striking ''$3,000,000'' and inserting ''$6,000,000''; and

(ii) in paragraph (2), by striking ''$1,000,000'' and inserting ''$2,000,000''.

(3) FARMERS.—Section 298(a) of the Trade Act of 1974 (19 U.S.C. 2401g) is amended by striking ''2007'' and inserting ''2012''.

(c) FISHERMEN.—Notwithstanding any other provision of law, for purposes of chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.) fishermen who harvest wild stock shall be eligible for adjustment assistance to the same extent and in the same manner as a group of workers under such chapter 2.

SEC. 102. TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITIES.

(a) IN GENERAL.—Chapter 4 of title II of the Trade Act of 1974 (19 U.S.C. 2371 et seq.) is amended to read as follows:

''CHAPTER 4—TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITIES

''SEC. 271. DEFINITIONS.

''In this chapter:

''(1) AFFECTED DOMESTIC PRODUCER.—The term 'affected domestic producer' means any manufacturer, producer, farmer, rancher, fisherman or worker representative (including associations of such persons) that was affected by a finding under the Antidumping Act of 1921, or by an antidumping or countervailing duty order issued under title VII of the Tariff Act of 1930.

''(2) AGRICULTURAL COMMODITY PRODUCER.—The term 'agricultural commodity producer' has the same meaning as the term 'person' as prescribed by regulations promulgated under section 1001(5) of the Food Security Act of 1985 (7 U.S.C. 1308(5)).

''(3) COMMUNITY.—The term 'community' means a city, county, or other political subdivision of a State or a consortium of political subdivisions of a State that the Secretary certifies as being negatively impacted by trade.

''(4) COMMUNITY NEGATIVELY IMPACTED BY TRADE.—A community negatively impacted by trade means a community with respect to which a determination has been made under section 273.

''(5) ELIGIBLE COMMUNITY.—The term 'eligible community' means a community certified under section 273 for assistance under this chapter.

''(6) FISHERMAN.—

''(A) IN GENERAL.—The term 'fisherman' means any person who—

''(i) is engaged in commercial fishing; or

''(ii) is a United States fish processor.

''(B) COMMERCIAL FISHING, FISH, FISHERY, FISHING, FISHING VESSEL, PERSON, AND UNITED STATES FISH PROCESSOR.—The terms 'commercial fishing', 'fish', 'fishery', 'fishing', 'fishing vessel', 'person', and 'United States fish processor' have the same meanings as such terms have in the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802).

''(7) JOB LOSS.—The term 'job loss' means the total or partial separation of an individual, as those terms are defined in section 247.

''(8) SECRETARY.—The term 'Secretary' means the Secretary of Commerce.

''SEC. 272. COMMUNITY TRADE ADJUSTMENT ASSISTANCE PROGRAM.

''(a) ESTABLISHMENT.—Within 6 months after the date of enactment of the Enhance Domestic Manufacturing and Worker Assistance Act of 2003, the Secretary shall establish a Trade Adjustment Assistance for Communities Program at the Department of Commerce.

''(b) PERSONNEL.—The Secretary shall designate such staff as may be necessary to carry out the responsibilities described in this chapter.

''(c) COORDINATION OF FEDERAL RESPONSE.—The Secretary shall—

''(1) provide leadership, support, and coordination for a comprehensive management program to address economic dislocation in eligible communities;

''(2) coordinate the Federal response to an eligible community—

''(A) by identifying all Federal, State, and local resources that are available to assist the eligible community in recovering from economic distress;

''(B) by ensuring that all Federal agencies offering assistance to an eligible community do so in a targeted, integrated manner that ensures that an eligible community has access to all available Federal assistance;

''(C) by assuring timely consultation and cooperation between Federal, State, and regional officials concerning economic adjustment for an eligible community; and

''(D) by identifying and strengthening existing agency mechanisms designed to assist eligible communities in their efforts to achieve economic adjustment and workforce reemployment;

''(3) provide comprehensive technical assistance to any eligible community in the efforts of that community to—

''(A) identify serious economic problems in the community that are the result of negative impacts from trade;

''(B) integrate the major groups and organizations significantly affected by the economic adjustment;

''(C) access Federal, State, and local resources designed to assist in economic development and trade adjustment assistance;

''(D) diversify and strengthen the community economy; and

''(E) develop a community-based strategic plan to address economic development and workforce dislocation, including unemployment among agricultural commodity producers, and fishermen;

''(4) establish specific criteria for submission and evaluation of a strategic plan submitted under section 274(d);

''(5) establish specific criteria for submitting and evaluating applications for grants under section 275; and

''(6) administer the grant programs established under sections 274 and 275.

''SEC. 273. CERTIFICATION AND NOTIFICATION.

''(a) CERTIFICATION.—Not later than 45 days after an event described in subsection (c)(1), the Secretary of Commerce shall determine if a community described in subsection (b)(1) is negatively impacted by trade, and if a positive determination is made, shall certify the community for assistance under this chapter.

''(b) DETERMINATION THAT COMMUNITY IS ELIGIBLE.—

''(1) COMMUNITY DESCRIBED.—A community described in this paragraph means a community with respect to which—

''(A) the Secretary of Labor certifies a group of workers (or their authorized representative) in the community as eligible for assistance pursuant to section 223;

''(B) the Secretary of Commerce certifies a firm located in the community as eligible for adjustment assistance under section 251;

''(C) the Secretary of Agriculture certifies a group of agricultural commodity producers (or their authorized representative) in the community as eligible for adjustment assistance under section 293;

''(D) an affected domestic producer is located in the community; or

''(E) the Secretary determines that a significant number of fishermen in the community is negatively impacted by trade.

''(2) NEGATIVELY IMPACTED BY TRADE.—The Secretary shall determine that a community is negatively impacted by trade, after taking into consideration—

''(A) the number of jobs affected compared to the size of workforce in the community;

''(B) the severity of the rates of unemployment in the community and the duration of the unemployment in the community;

''(C) the income levels and the extent of underemployment in the community;

''(D) the outmigration of population from the community and the extent to which the outmigration is causing economic injury in the community; and

''(E) the unique problems and needs of the community.

''(c) DEFINITION AND SPECIAL RULES.—

''(1) EVENT DESCRIBED.—An event described in this paragraph means one of the following:

''(A) A notification described in paragraph (2).

''(B) A certification of a firm under section 251.

''(C) A finding under the Antidumping Act of 1921, or an antidumping or countervailing duty order issued under title VII of the Tariff Act of 1930.

''(D) A determination by the Secretary that a significant number of fishermen in a community have been negatively impacted by trade.

''(2) NOTIFICATION.—The Secretary of Labor, immediately upon making a determination that a group of workers is eligible for trade adjustment assistance under section 223, (or the Secretary of Agriculture, immediately upon making a determination that a group of agricultural commodity producers is eligible for adjustment assistance under section 293, as the case may be) shall notify the Secretary of Commerce of the determination.

''(d) NOTIFICATION TO ELIGIBLE COMMUNITIES.—Immediately upon certification by the Secretary of Commerce that a community is eligible for assistance under subsection (b), the Secretary shall notify the community—

''(1) of the determination under subsection (b);

''(2) of the provisions of this chapter;

''(3) how to access the clearinghouse established by the Department of Commerce regarding available economic assistance;

''(4) how to obtain technical assistance provided under section 272(c)(3); and

''(5) how to obtain grants, tax credits, low income loans, and other appropriate economic assistance.

''SEC. 274. STRATEGIC PLANS.

''(a) IN GENERAL.—An eligible community may develop a strategic plan for community economic adjustment and diversification and shall be eligible for assistance as provided for under section 275.

''(b) REQUIREMENTS FOR STRATEGIC PLAN.—A strategic plan shall contain, at a minimum, the following:

''(1) A description and justification of the capacity for economic adjustment, including the method of financing to be used.

''(2) A description of the commitment of the community to the strategic plan over the long term and the participation and input of groups affected by economic dislocation.

''(3) A description of the projects to be undertaken by the eligible community.

''(4) A description of how the plan and the projects to be undertaken by the eligible community will lead to job creation and job retention in the community.

''(5) A description of how the plan will achieve economic adjustment and diversification.

''(6) A description of how the plan and the projects will contribute to establishing or maintaining a level of public services necessary to attract and retain economic investment.

''(7) A description and justification for the cost and timing of proposed basic and advanced infrastructure improvements in the eligible community.

''(8) A description of how the plan will address the occupational and workforce conditions in the eligible community.

''(9) A description of the educational programs available for workforce training and future employment needs.

''(10) A description of how the plan will adapt to changing markets and business cycles.

''(11) A description and justification for the cost and timing of the total funds required by the community for economic assistance.

''(12) A graduation strategy through which the eligible community demonstrates that the community will terminate the need for Federal assistance.

''(c) GRANTS TO DEVELOP STRATEGIC PLANS.—The Secretary, upon receipt of an application from an eligible community, may award a grant to that community to be used to develop and implement the strategic plan.

''(d) SUBMISSION OF PLAN.—A strategic plan developed under subsection (a) shall be submitted to the Secretary for evaluation and approval.

''SEC. 275. GRANTS FOR ECONOMIC DEVELOPMENT.

''(a) IN GENERAL.—The Secretary, upon approval of a strategic plan from an eligible community, may award a grant to that community to carry out any project or program that is certified by the Secretary to be included in the strategic plan approved under section 274(d), or consistent with that plan.

''(b) ADDITIONAL GRANTS.—Subject to paragraph (2), in order to assist eligible communities to obtain funds under Federal grant programs, other than the grants provided for in section 274(c) or subsection (a), the Secretary may, on the application of an eligible community, make a supplemental grant to the community if—

''(1) the purpose of the grant program from which the grant is made is to provide technical or other assistance for planning, constructing, or equipping public works facilities or to provide assistance for public service projects; and

''(2) the grant is 1 for which the community is eligible except for the community's inability to meet the non-Federal share requirements of the grant program.

''(c) RURAL COMMUNITY PREFERENCE.—The Secretary shall develop guidelines to ensure that rural communities receive preference in the allocation of resources.

''SEC. 276. GENERAL PROVISIONS.

''(a) REGULATIONS.—The Secretary shall prescribe such regulations as are necessary to carry out the provisions of this chapter. Not later than 60 days before implementing any regulation or guideline proposed by the Secretary with respect to this chapter, the Secretary shall submit the regulation or guideline to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives for approval.

''(b) SUPPLEMENT NOT SUPPLANT.—Funds appropriated under this chapter shall be used to supplement and not supplant other Federal, State, and local public funds expended to provide economic development assistance for communities.

''(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this chapter amounts as follows:

''(1) For fiscal year 2005, $350,000,000.

''(2) For each of fiscal years 2006 through 2015, the amount authorized to be appropriated by this subsection for the preceding fiscal year increased by a percentage equal to the percentage by which—

''(A) the Consumer Price Index (all items, United States city average) for the 12-month period ending on the August 31 of such preceding fiscal year, exceeds

''(B) such Consumer Price Index for the 12-month period preceding the 12-month period described in subparagraph (A). Amounts appropriated pursuant to this subsection shall remain available until expended.''.

(b) CONFORMING AMENDMENTS.—

(1) TERMINATION.—Section 285(b) of the Trade Act of 1974 (19 U.S.C. 2271 note) is amended by adding at the end the following new paragraph:

''(3) ASSISTANCE FOR COMMUNITIES.—Technical assistance and other payments may not be provided under chapter 4 after September 30, 2015.''.

(2) TABLE OF CONTENTS.—The table of contents for title II of the Trade Act of 1974 is amended by striking the items relating to chapter 4 of title II and inserting after the items relating to chapter 3 the following new items:

''CHAPTER 4—TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITIES

''Sec. 271. Definitions.
''Sec. 272. Community Trade Adjustment Assistance Program.
''Sec. 273. Certification and notification.
''Sec. 274. Strategic plans.
''Sec. 275. Grants for economic development.
''Sec. 276. General provisions.''.

(c) JUDICIAL REVIEW.—Section 284(a) of the Trade Act of 1974 (19 U.S.C. 2395(a)) is amended by striking ''section 271'' and inserting ''section 273''.

(d) EFFECTIVE DATE.—The provisions of this section shall take effect on October 1, 2004.

SEC. 103. OFFICE OF TRADE ADJUSTMENT ASSISTANCE.

(a) IN GENERAL.—Chapter 3 of title II of the Trade Act of 1974 (19 U.S.C. 2341 et seq.) is amended by inserting after section 255 the following new section:

''SEC. 255A. OFFICE OF TRADE ADJUSTMENT ASSISTANCE.

''(a) ESTABLISHMENT.—Not later than 90 days after the date of enactment of the Enhance Domestic Manufacturing and Worker Assistance Act of 2003, there shall be established in the International Trade Administration of the Department of Commerce an Office of Trade Adjustment Assistance.

''(b) PERSONNEL.—The Office shall be headed by a Director, and shall have such staff as may be necessary to carry out the responsibilities of the Secretary of Commerce described in this chapter.

''(c) FUNCTIONS.—The Office shall assist the Secretary of Commerce in carrying out the Secretary's responsibilities under this chapter.''.

(b) CONFORMING AMENDMENT.—The table of contents for the Trade Act of 1974 is amended by inserting after the item relating to section 255, the following new item:

''Sec. 255A. Office of Trade Adjustment Assistance.''.

TITLE II—REAUTHORIZATION OF CERTAIN DEPARTMENT OF COMMERCE PARTNERSHIP PROGRAMS

SEC. 201. MANUFACTURING EXTENSION PARTNERSHIP PROGRAM.

(a) IN GENERAL.—There is authorized to be appropriated for the National Institute of Standards and Technology for the Manufacturing Extension Partnership Program amounts as follows:

(1) For fiscal year 2005, $212,000,000.
(2) For fiscal year 2006, $272,000,000.
(3) For fiscal year 2007, $332,000,000.
(4) For fiscal year 2008, $392,000,000.
(5) For fiscal year 2009, $452,000,000.
(6) For fiscal year 2010, $512,000,000.
(7) For fiscal year 2011, $572,000,000.
(8) For fiscal year 2012, $632,000,000.
(9) For fiscal year 2013, $692,000,000.
(10) For fiscal year 2014, $752,000,000.
(11) For fiscal year 2015, $812,000,000.

(b) MANUFACTURING EXTENSION PARTNERSHIP PROGRAM DEFINED.—In this section, the term ''Manufacturing Extension Partnership Program'' means the program of Manufacturing Extension Partnership carried out by the National Institute of Standards and Technology under section 26 of the National Institute of Standards and Technology Act (15 U.S.C. 278l), as provided in part 292 of title 15, Code of Federal Regulations.

SEC. 202. ADVANCED TECHNOLOGY PROGRAM.

There are authorized to be appropriated for the National Institute of Standards and Technology for carrying out the Advanced Technology Program under section 28 of the National Institute of Standards and Technology Act (15 U.S.C. 278n), $400,000,000 for each of fiscal years 2004 through 2013.

TITLE III—SMALL BUSINESS OFFICE

SEC. 301. ESTABLISHMENT OF OFFICE.

(a) IN GENERAL.—Chapter 4 of title I of the Trade Act of 1974 (19 U.S.C. 2171) is amended by adding after section 141, the following new section:

''SEC. 141A. SMALL BUSINESS OFFICE.

''(a) ESTABLISHMENT.—Not later than 90 days after the date of enactment of the Enhance Domestic Manufacturing and Worker Assistance Act of 2003, there shall be established in the Office of the United States Trade Representative an Office of Small Business.

''(b) PERSONNEL.—The Office shall be headed by a Director, and shall have such staff as may be necessary to carry out the functions and responsibilities described in this section.

''(c) FUNCTIONS.—The Office shall—

''(1) assist the United States Trade Representative in carrying out the Trade Representative's responsibilities under this chapter; and

''(2) ensure that small business manufacturing issues are taken into consideration in carrying out those responsibilities.''.

(b) CONFORMING AMENDMENT.—The table of contents for the Trade Act of 1974 is amended by inserting after the item relating to section 141, the following new item:

''Sec. 141A. Office of Small Business.''.

S. 1885

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 ''Manufacturing Job Production Act of 2003''.

SEC. 2. TEMPORARY MANUFACTURING JOB CREATION TAX CREDIT.

(a) IN GENERAL.—Subpart F of part IV of subchapter A of chapter 1 (relating to rules for computing work opportunity credit) is amended by inserting after section 51A the following new section:

''SEC. 51B. REFUND OF PAYROLL TAXES ATTRIBUTABLE TO NEW MANUFACTURING EMPLOYEES DURING 2004 AND 2005.

''(a) GENERAL RULE.—In the case of an employee's first taxable year beginning in any applicable calendar year, the amount of the work opportunity credit determined under section 51 (without regard to this section) for the taxable year shall be increased by the increased manufacturing wages payroll tax rebate amount.

''(b) APPLICABLE CALENDAR YEAR.—For purposes of this section, the term 'applicable calendar year' means 2004 and 2005.

''(c) INCREASED MANUFACTURING WAGES PAYROLL TAX REBATE AMOUNT.—

''(1) IN GENERAL.—For purposes of this section, the term 'increased manufacturing wages payroll tax rebate amount' means an amount equal to the applicable percentage of the excess (if any) of—

''(A) the qualified manufacturing wages paid or incurred by the employer with respect to employment during the applicable calendar year, over

''(B) the sum of—

''(i) the qualified manufacturing wages paid or incurred by the employer with respect to employment during the previous calendar year, plus

''(ii) an amount equal to the amount determined under clause (i) multiplied by a percentage equal to the percentage change in the contribution and benefit base under section 230 of the Social Security Act from the applicable calendar year to the previous calendar year.

''(2) APPLICABLE PERCENTAGE.—For purposes of this subsection, the term 'applicable percentage' means—

''(A) for 2004, 50 percent, and

''(B) for 2005, 25 percent.

''(d) OTHER DEFINITIONS AND RULES.—For purposes of this section—

''(1) QUALIFIED MANUFACTURING WAGES.—

''(A) IN GENERAL.—The term 'qualified manufacturing wages' means wages which are paid by the taxpayer and included under section 263A in the cost of property produced by the taxpayer.

''(B) WAGES.—The term 'wages' has the meaning given such term by section 3121(a), except that in the case of any employer subject to tax under chapter 22 with respect to any employee, the such term includes compensation within the meaning of section 3231(e).

''(C) UNITED STATES.—For purposes of this paragraph, the term 'United States' includes the territories and possessions of the United States.

''(2) PREDECESSORS.—Any reference in this section to an employer shall include a reference to a predecessor.

''(3) OTHER RULES.—Rules similar to the rules of sections 51(k) and 52 shall apply.

''(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out this section, including

regulations for the application of this section in the case of acquisitions and dispositions.''.

(b) CONFORMING AMENDMENT.—The table of sections for subpart F of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 51A the following new item:

''Sec. 51B. Refund of payroll taxes attributable to new manufacturing employees during 2004 and 2005.''.

SEC. 3. MODIFICATIONS OF EXCLUSIONS AND ROLLOVERS OF GAIN ON QUALIFIED SMALL BUSINESS STOCK.

(a) EXCLUSION OF GAIN ON QUALIFIED SMALL BUSINESS STOCK.—

(1) INCREASE IN EXCLUSION PERCENTAGE.—

(A) IN GENERAL.—Section 1202(a)(1) (relating to exclusion for gain from certain small business stock) is amended by striking ''50 percent'' and inserting ''75 percent''.

(B) 100-PERCENT EXCLUSION FOR CRITICAL TECHNOLOGY, SMALL MANUFACTURING, AND SPECIALIZED SMALL BUSINESS INVESTMENT BUSINESSES.—Section 1202(a) is amended by adding at the end the following new paragraph:

''(3) CRITICAL TECHNOLOGY, SMALL MANUFACTURING, AND SPECIALIZED SMALL BUSINESS INVESTMENT BUSINESSES.—

''(A) IN GENERAL.—In the case of qualified small business stock acquired after the date of the enactment of this paragraph which is stock in—

''(i) a critical technology corporation,

''(ii) a manufacturing corporation, or

''(iii) a corporation which is a specialized small business investment company (as defined in subsection (c)(2)(B)(ii)),

paragraph (1) shall be applied by substituting '100 percent' for '75 percent'.

''(B) CRITICAL TECHNOLOGY CORPORATION.—The term 'critical technology corporation' means a corporation substantially all of the active business activities of which during substantially all of a taxpayer's holding period of stock in the corporation are in connection with—

''(i) transportation or homeland security technologies,

''(ii) antiterrorism technologies,

''(iii) technologies enhancing security by improving methods of personal identification (including biometrics),

''(iv) environmental technologies for pollution minimization, remediation, or waste management,

''(v) national defense technologies, or

''(vi) energy efficiency or the development of non-fossil based fuel source technologies.

''(C) MANUFACTURING CORPORATION.—The term 'manufacturing corporation' means a corporation substantially all of the active business activities of which during substantially all of a taxpayer's holding period of stock in the corporation are in connection with manufacturing (as determined under the North American Industrial Classification System).''.

(C) EMPOWERMENT ZONE CONFORMING AMENDMENT.—Section 1202(a)(2)(A) is amended—

(i) by striking ''60 percent'' and inserting ''100 percent'', and

(ii) by striking ''50 percent'' and inserting ''75 percent''.

(2) DECREASE IN HOLDING PERIOD.—

(A) IN GENERAL.—Section 1202(a)(1) is amended by striking ''5 years'' and inserting ''4 years''.

(B) CONFORMING AMENDMENT.—Section 1202(j)(1)(A) is amended by striking ''5 years'' and inserting ''4 years''.

(3) EXCLUSION AVAILABLE TO CORPORATIONS.—

(A) IN GENERAL.—Subsection (a) of section 1202 (relating to partial exclusion for gains from certain small business stock) is amended by striking ''other than a corporation''.

(B) TECHNICAL AMENDMENT.—Subsection (c) of section 1202 is amended by adding at the end the following new paragraph:

''(4) STOCK HELD AMONG MEMBERS OF CONTROLLED GROUP NOT ELIGIBLE.—Stock of a member of a parent-subsidiary controlled group (as defined in subsection (d)(3)) shall not be treated as qualified small business stock while held by another member of such group.''.

(4) STOCK OF LARGER BUSINESSES ELIGIBLE FOR EXCLUSION.—

(A) IN GENERAL.—Paragraph (1) of section 1202(d) (defining qualified small business) is amended by striking ''$50,000,000'' each place it appears and inserting ''$100,000,000''.

(B) INFLATION ADJUSTMENT.—Section 1202(d) (defining qualified small business) is amended by adding at the end the following:

''(5) INFLATION ADJUSTMENT OF ASSET LIMITATION.—In the case of stock issued in any calendar year after 2004, the $100,000,000 amount contained in paragraph (1) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year, determined by substituting 'calendar year 2003' for 'calendar year 1992' in subparagraph (B) thereof.

If any amount as adjusted under the preceding sentence is not a multiple of $10,000, such amount shall be rounded to the nearest multiple of $10,000.''.

(b) INCREASE IN PERIOD TO PURCHASE REPLACEMENT STOCK AND QUALIFY FOR ROLLOVER.—

(1) IN GENERAL.—Section 1045(a)(2) (relating to nonrecognition of gain) is amended by striking ''60-day'' and inserting ''180-day''.

(2) CONFORMING AMENDMENT.—Section 1045(b)(2) is amended by striking ''60-day'' and inserting ''180-day''.

(c) EFFECTIVE DATES.—

(1) EXCLUSION.—The amendments made by subsection (a) shall apply to stock issued after the date of the enactment of this Act.

(2) ROLLOVER.—The amendment made by subsection (b) shall apply to sales after the date of the enactment of this Act.

SEC. 4. DEFERRED PAYMENT OF TAX BY CERTAIN SMALL BUSINESSES.

(a) IN GENERAL.—Subchapter B of chapter 62 of the Internal Revenue Code of 1986 (relating to extensions of time for payment of tax) is amended by adding at the end the following new section:

''SEC. 6168. EXTENSION OF TIME FOR PAYMENT OF TAX FOR CERTAIN SMALL BUSINESSES.

''(a) IN GENERAL.—An eligible small business may elect to pay the tax imposed by chapter 1 in 4 equal installments (6 equal installments in the case of a qualified manufacturer).

''(b) LIMITATION.—The maximum amount of tax which may be paid in installments under this section for any taxable year shall not exceed whichever of the following is the least:

''(1) The tax imposed by chapter 1 for the taxable year.

''(2) The amount contributed by the taxpayer into a BRIDGE Account during such year.

''(3) The excess of—

''(A) $250,000 ($400,000 in the case of a qualified manufacturer), over

''(B) the aggregate amount of tax for which an election under this section was made by the taxpayer (or any predecessor) for all prior taxable years.

''(c) DEFINITIONS.—For proposes of this section—

''(1) ELIGIBLE SMALL BUSINESS.—

''(A) IN GENERAL.—The term 'eligible small business' means, with respect to any taxable year, any person if—

''(i) such person meets the active business requirements of section 1202(e) throughout such taxable year,

''(ii) the taxpayer has gross receipts of $10,000,000 or less for the taxable year,

''(iii) the gross receipts of the taxpayer for such taxable year are at least 10 percent greater than the average annual gross receipts of the taxpayer (or any predecessor) for the 2 prior taxable years, and

''(iv) the taxpayer uses an accrual method of accounting.

''(B) CERTAIN RULES TO APPLY.—Rules similar to the rules of paragraphs (2) and (3) of section 448(c) shall apply for purposes of this subsection.

''(2) QUALIFIED MANUFACTURER.—The term 'qualified manufacturer' means an eligible small business substantially all of the business activities of which are in connection with manufacturing (as determined under the North American Industrial Classification System).

''(d) DATE FOR PAYMENT OF INSTALLMENTS; TIME FOR PAYMENT OF INTEREST.—

''(1) DATE FOR PAYMENT OF INSTALLMENTS.—

''(A) IN GENERAL.—If an election is made under this section for any taxable year, the first installment shall be paid on or before the due date for such installment and each succeeding installment shall be paid on or before the date which is 1 year after the date prescribed by this paragraph for payment of the preceding installment.

''(B) DUE DATE FOR FIRST INSTALLMENT.—The due date for the first installment for a taxable year shall be whichever of the following is the earliest:

''(i) The date selected by the taxpayer.

''(ii) The date which is 2 years after the date prescribed by section 6151(a) for payment of the tax for such taxable year.

''(2) TIME FOR PAYMENT OF INTEREST.—If the time for payment of any amount of tax has been extended under this section—

''(A) INTEREST FOR PERIOD BEFORE DUE DATE OF FIRST INSTALLMENT.—Interest payable under section 6601 on any unpaid portion of such amount attributable to the period before the due date for the first installment shall be paid annually.

''(B) INTEREST DURING INSTALLMENT PERIOD.—Interest payable under section 6601 on any unpaid portion of such amount attributable to any period after such period shall be paid at the same time as, and as a part of, each installment payment of the tax.

''(C) INTEREST IN THE CASE OF CERTAIN DEFICIENCIES.—In the case of a deficiency to which subsection (e)(3) applies for a taxable year which is assessed after the due date for the first installment for such year, interest attributable to the period before such due date, and interest assigned under subparagraph (B) to any installment the date for payment of which has arrived on or before the date of the assessment of the deficiency, shall be paid upon notice and demand from the Secretary.

''(e) SPECIAL RULES.—

''(1) APPLICATION OF LIMITATION TO PARTNERS AND S CORPORATION SHAREHOLDERS.—

''(A) IN GENERAL.—In applying this section to a partnership which is an eligible small business—

''(i) the election under subsection (a) shall be made by the partnership,

''(ii) the amount referred to in subsection (b)(1) shall be the sum of each partner's tax which is attributable to items of the partnership and assuming the highest marginal rate under section 1, and

''(iii) the partnership shall be treated as the taxpayer referred to in paragraphs (2) and (3) of subsection (b).

''(B) OVERALL LIMITATION ALSO APPLIED AT PARTNER LEVEL.—In the case of a partner in a partnership, the limitation under subsection (b)(3) shall be applied at the partnership and partner levels.

''(C) SIMILAR RULES FOR S CORPORATIONS.—Rules similar to the rules of subparagraphs (A) and (B) shall apply to shareholders in an S corporation.

''(2) ACCELERATION OF PAYMENT IN CERTAIN CASES.—

''(A) IN GENERAL.—If—

''(i) the taxpayer ceases to meet the requirement of subsection (c)(1)(A)(i), or

''(ii) there is an ownership change with respect to the taxpayer,

then the extension of time for payment of tax provided in subsection (a) shall cease to apply, and the unpaid portion of the tax payable in installments shall be paid on or before the due date for filing the return of tax imposed by chapter 1 for the first taxable year following such cessation.

''(B) OWNERSHIP CHANGE.—For purposes of subparagraph, in the case of a corporation, the term 'ownership change' has the meaning given to such term by section 382. Rules similar to the rules applicable under the preceding sentence shall apply to a partnership.

''(3) PRORATION OF DEFICIENCY TO INSTALLMENTS.—Rules similar to the rules of section 6166(e) shall apply for purposes of this section.

''(f) BRIDGE ACCOUNT.—For purposes of this section—

''(1) IN GENERAL.—The term 'BRIDGE Account' means a trust created or organized in the United States for the exclusive benefit of an eligible small business, but only if the written governing instrument creating the trust meets the following requirements:

''(A) No contribution will be accepted for any taxable year in excess of the amount allowed as a deferral under subsection (b) for such year.

''(B) The trustee is a bank (as defined in section 408(n)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which such person will administer the trust will be consistent with the requirements of this section.

''(C) The assets of the trust consist entirely of cash or of obligations which have adequate stated interest (as defined in section 1274(c)(2)) and which pay such interest not less often than annually.

''(D) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

''(E) Amounts in the trust may be used only—

''(i) as security for a loan to the business or for repayment of such loan, or

''(ii) to pay the installments under this section.

''(2) ACCOUNT TAXED AS GRANTOR TRUST.—The grantor of a BRIDGE Account shall be treated for purposes of this title as the owner of such Account and shall be subject to tax thereon in accordance with subpart E of part I of subchapter J of this chapter (relating to grantors and others treated as substantial owners).

''(3) TIME WHEN PAYMENTS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a payment to a BRIDGE Account on the last day of a taxable year if such payment is made on account of such taxable year and is made within 3½ months after the close of such taxable year.

''(g) REPORTS.—The Secretary may require such reporting as the Secretary determines to be appropriate to carry out this section.

''(h) APPLICATION OF SECTION.—This section shall apply to taxes imposed for taxable years beginning after December 31, 2003, and before January 1, 2008.''.

(b) PRIORITY OF LENDER.—Subsection (b) of section 6323 of the Internal Revenue Code of 1986 (relating to protection for certain interests even though notice filed) is amended by adding at the end the following new paragraph:

''(11) LOANS SECURED BY BRIDGE ACCOUNTS.—With respect to a BRIDGE account (as defined in section 6168(f)) with any bank (as defined in section 408(n)), to the extent of any loan made by such bank without actual notice or knowledge of the existence of such lien, as against such bank, if such loan is secured by such account.''.

(c) CLERICAL AMENDMENT.—The table of sections for subchapter B of chapter 62 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''Sec. 6168. Extension of time for payment of tax for certain small businesses.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

(e) STUDY BY GENERAL ACCOUNTING OFFICE.—

(1) STUDY.—In consultation with the Secretary of the Treasury, the Comptroller General of the United States shall undertake a study to evaluate the applicability (including administrative aspects) and impact of the amendments made by section 4 of the Manufacturing Job Production Act of 2003, including how it affects the capital funding needs of businesses under the Act and number of businesses benefiting.

(2) REPORT.—Not later than March 31, 2007, the Comptroller General shall transmit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a written report presenting the results of the study conducted pursuant to this subsection, together with such recommendations for legislative or administrative changes as the Comptroller General determines are appropriate.

SEC. 5. PERMANENT EXTENSION OF INCREASED EXPENSING FOR SMALL BUSINESSES.

(a) IN GENERAL.—Paragraph (1) of section 179(b) of the Internal Revenue Code of 1986 (relating to dollar limitation) is amended by striking ''$25,000 ($100,000 in the case of taxable years beginning after 2002 and before 2006)'' and inserting ''$100,000''.

(b) INCREASE IN QUALIFYING INVESTMENT AT WHICH PHASEOUT BEGINS.—Paragraph (2) of section 179(b) of the Internal Revenue Code of 1986 (relating to reduction in limitation) is amended by striking ''$200,000 ($400,000 in the case of taxable years beginning after 2002 and before 2006)'' and inserting ''$400,000''.

(c) OFF-THE-SHELF COMPUTER SOFTWARE.—Paragraph (1) of section 179(d) of the Internal Revenue Code of 1986 (defining section 179 property) is amended by striking '', and which is placed in service in a taxable year beginning after 2002 and before 2006''.

(d) INFLATION ADJUSTMENT.—Subparagraph (A) of section 179(b)(5) of the Internal Revenue Code of 1986 (relating to inflation adjustments) is amended by striking ''and before 2006''.

(e) REVOCATION OF ELECTION.—Paragraph (2) of section 179(c) of the Internal Revenue Code of 1986 is amended by striking the last sentence.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Manufacturing Assistance, Development, and Education in America Act'' or the ''MADE in America Act''.

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

SEC. 2. DEFINITION OF SMALL MANUFACTURER.

(a) SMALL BUSINESS ACT.—Section 3(j) of the Small Business Act (15 U.S.C. 632(j)) is amended by striking ''For the purposes of section 7(b)(2) of this Act, the term'' and inserting ''As used in this Act—

''(1) the term 'small manufacturer' means a small business concern (as defined in subsection (a))—

''(A) whose primary business is classified in sector 31, 32, or 33 of the North American Industrial Classification System; and

''(B) whose production facilities are all located in the United States; and

''(2) the term''.

(b) SMALL BUSINESS INVESTMENT ACT OF 1958.—Section 103 of the Small Business Investment Act of 1958 (15 U.S.C. 662) is amended—

(1) in paragraph (16), by striking ''and'' at the end;

(2) in paragraph (17), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(18) the term 'small manufacturer' means a small business concern (as defined in section 3(a) of the Small Business Act)—

''(A) whose primary business is classified in sector 31, 32, or 33 of the North American Industrial Classification System; and

''(B) whose production facilities are all located in the United States.''.

TITLE I—NATIONAL OFFICE FOR THE DEVELOPMENT OF SMALL MANUFACTURERS

SEC. 101. ESTABLISHMENT OF OFFICE.

(a) IN GENERAL.—The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) by redesignating section 36 as section 37; and

(2) by inserting after section 35 the following:

''SEC. 36. NATIONAL OFFICE FOR DEVELOPMENT OF SMALL MANUFACTURERS.

''(a) ESTABLISHMENT.—There is established in the Administration the National Office for the Development of Small Manufacturers (referred to in this section as the 'Office') to cultivate and develop small manufacturers through a variety of means.

''(b) ASSOCIATE ADMINISTRATOR FOR SMALL MANUFACTURING.—

''(1) APPOINTMENT.—The Office shall be administered by the Associate Administrator for Small Manufacturing (referred to in this section as the 'Associate Administrator'), who shall be appointed under section 4(b)(1).

''(2) RESPONSIBILITIES.—In administering the Office, the Associate Administrator, who shall be an appointee in the Senior Executive Service, shall—

''(A) oversee and coordinate the formulation, execution, and promotion of policies and programs of the Administration that provide assistance to small manufacturers,

including the creation of the Manufacturing Corps;

''(B) direct Federal agencies and departments to provide information regarding their manufacturing resources and programs, and to take appropriate action to enhance assistance to small manufacturers;

''(C) coordinate the activities, and delivery of such activities, of Federal agencies and departments relating to manufacturing;

''(D) coordinate the activities of Federal agencies with manufacturing activities of the States; and

''(E) consult with and report to the Administrator regarding the fulfillment of responsibilities under this subsection.

''(c) MANUFACTURING CORPS.—

''(1) ESTABLISHMENT.—The Administrator shall establish a program within the Office to be known as the Manufacturing Corps to focus on the education and training of the existing and potential workforce of small manufacturers.

''(2) ADMINISTRATION.—The Manufacturing Corps shall be administered by the Associate Administrator.

''(3) RESPONSIBILITIES.—The Manufacturing Corps shall address the pressing need for more skilled workers by promoting vocational, technical, and academic education relating to the manufacturing sector.

''(4) CURRICULUM DEVELOPMENT.—

''(A) OUTREACH.—The Associate Administrator shall regularly seek input from small manufacturers regarding the human capital needs of the manufacturing industry.

''(B) COOPERATION.—The input received under subparagraph (A) shall be used to develop, and annually update, a detailed manufacturing training curriculum for each State through the cooperative effort of small manufacturers and educational institutions.

''(d) MANUFACTURING TRAINING BLOCK GRANTS.—

''(1) GRANTS AUTHORIZED.—The Administrator, in consultation with the Associate Administrator, shall award block grants to States, which shall allocate grant funds to individuals and eligible entities to develop and implement manufacturing training programs.

''(2) FUNDING FORMULA.—

''(A) IN GENERAL.—Subject to subparagraph (C), the amount of a formula grant received by a State under this subsection shall be equal to an amount determined in accordance with the following formula:

''(i) The annual amount made available under subsection (i) for the Manufacturer Corps Program shall be divided on a pro rata basis, based on the percentage of the population of each State, as compared to the population of the United States.

''(ii) If the pro rata amount calculated under clause (i) for any State is less than the minimum funding level under subparagraph (C), the Administration shall determine the aggregate amount necessary to achieve that minimum funding level for each such State.

''(iii) The aggregate amount calculated under clause (ii) shall be deducted from the amount calculated under clause (i) for States eligible to receive more than the minimum funding level. The deductions shall be made on a pro rata basis, based on the population of each such State, as compared to the total population of all such States.

''(iv) The aggregate amount deducted under clause (iii) shall be added to the grants of those States that are not eligible to receive more than the minimum funding level in order to achieve the minimum funding level for each such State, except that the eligible amount of a grant to any State shall not be reduced to an amount below the minimum funding level.

''(B) GRANT DETERMINATION.—The amount of a grant that a State is eligible to apply for under this subsection shall be the amount determined under subparagraph (A), subject to any modifications required under subparagraph (C), and shall be based on the amount available for the fiscal year in which performance of the grant commences, but not including amounts distributed in accordance with subparagraph (D). The amount of a grant received by a State under any provision of this subparagraph shall not exceed the amount of matching funds from sources other than the Federal Government, as required under paragraph (7).

''(C) MINIMUM FUNDING LEVEL.—Each State shall receive a block grant under this subsection in an amount not less than—

''(i) $200,000 for any fiscal year in which the total amount appropriated for grants under this subsection is not more than $25,000,000;

''(ii) $300,000 for any fiscal year in which the total amount appropriated for grants under this subsection is more than $25,000,000, but not more than $50,000,000;

''(iii) $400,000 for any fiscal year in which the total amount appropriated for grants under this subsection is more than $50,000,000, but not more than $75,000,000; and

''(iv) $500,000 for any fiscal year in which the total amount appropriated for grants under this subsection is more than $75,000,000.

''(D) DISTRIBUTIONS.—Subject to subparagraph (C), if any State does not apply for, or use, its full funding eligibility for a fiscal year, the Administration shall distribute the remaining funds as supplemental grants to any State, as the Administration determines, in its discretion, to be appropriate.

''(3) ELIGIBLE ENTITIES.—Secondary, vocational, and postsecondary schools that receive public funding, manufacturing extension partnerships, small business development centers, women's business centers, and similar nonprofit organizations shall be eligible to receive grant funds from States under this subsection.

''(4) USE OF FUNDS.—

''(A) IN GENERAL.—Grants awarded under this section may only be used to develop and implement vocational, technical, or academic training programs to educate and enhance the skills of—

''(i) individuals working in the field of manufacturing; and

''(ii) students who are interested in working in the field of manufacturing.

''(B) SECONDARY SCHOOLS.—Secondary schools may use funds received under this subsection to develop and conduct vocational and technology training to high school students to prepare students who are not planning to attend college immediately after graduation for employment in the field of manufacturing. Schools are encouraged to partner with small manufacturers to address their skilled worker needs and to provide employment opportunities for students after graduation.

''(C) CONTINUING EDUCATION.—Manufacturing extension partnerships, small business development centers, women's business centers, and similar nonprofit organizations may use funds received under this subsection to assist existing manufacturing workers to improve their skills and advance their technical abilities.

''(5) STUDENT LOAN REPAYMENT PROGRAM.—

''(A) IN GENERAL.—States may use grant funds received under this subsection to encourage recent college graduates to work for a small manufacturer by repaying a portion of their student loans during the period of such employment.

''(B) MAXIMUM AMOUNTS.—A State may make payments of not more than $300 per month toward the student loan principal and interest of any college graduate who has committed to work for a small manufacturer for a 4-year period beginning not sooner than the date on which the graduate submits an application under paragraph (6)(B). Aggregate payments to any individual under this paragraph may not exceed $25,000.

''(C) RENEWAL.—After the initial 4-year term established under subparagraph (B) has been completed, the State may annually renew its commitment under subparagraph (B) for successive 1-year periods if the college graduate commits to continue working for the small manufacturer.

''(D) MAXIMUM COMPENSATION.—Individuals whose gross annual compensation (including bonuses) from the small manufacturer is greater than $60,000 are ineligible to participate in the student loan repayment program authorized by this paragraph.

''(6) APPLICATION.—

''(A) INSTITUTIONAL APPLICANTS.—Any eligible entity desiring funding under this subsection shall submit a proposal to the appropriate representative of the State in which it is located.

''(B) INDIVIDUAL APPLICANTS.—Any college graduate desiring to participate in the student loan repayment program authorized under paragraph (5) shall submit an application to the appropriate representative of the State in which the graduate resides in such form as such representative may reasonably require.

''(C) CRITERIA.—States may determine which applicants receive funding under this subsection based upon specific needs and available resources.

''(7) MATCHING REQUIREMENT.—

''(A) YEARS 1 AND 2.—During each of the first and second years of the grant program established under this subsection, each State receiving a block grant under this subsection shall provide $1 in non-Federal funding for each $3 received in Federal funding under this section.

''(B) YEARS 3 AND 4.—During each of the third and fourth years of the grant program established under this subsection, each State receiving a block grant under this subsection shall provide $1 in non-Federal funding for each $2 received in Federal funding under this section.

''(C) YEARS 5 THROUGH 10.—During each of the fifth through tenth years of the grant program established under this subsection, each State receiving a block grant under this subsection shall provide $1 in non-Federal funding for each $1 received in Federal funding under this section.

''(8) STATE REPORTING REQUIREMENT.—Each State receiving a grant under this subsection shall provide sufficient information to the Administration about the distribution of grant funds to complete the report required under subsection (e).

''(9) DEFINED TERM.—As used in this subsection, the term 'State' has the meaning given the term in section 34(a).

''(e) BUSINESSLINC MANUFACTURING.—

''(1) IN GENERAL.—In accordance with this subsection, the Administrator may make grants to and enter into cooperative agreements with any coalition of private entities, public entities, or any combination of private and public entities—

''(A) to expand business-to-business relationships between large and small manufacturers; and

''(B) to provide large and small manufacturers, directly or indirectly, with online information and a database of companies that are interested in mentor-protege programs or community-based, statewide, or local business development programs.

''(2) MATCHING REQUIREMENT.—Subject to subparagraph (B), the Administrator may make a grant to a coalition under paragraph (1) only if the coalition provides for activities described in paragraph (1)(A) or (1)(B) an

amount, either in kind or in cash, equal to the grant amount.

''(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection $2,000,000 for each of the fiscal years 2004 through 2008, which shall remain available until expended.

''(f) WEBSITE FOR SMALL MANUFACTURERS.—The Associate Administrator shall establish a website that contains information for small manufacturers regarding—

''(1) entrepreneurial development assistance;

''(2) access to capital;

''(3) specific outreach programs;

''(4) contracting opportunities; and

''(5) research and development projects.

''(g) MENTOR-PROTEGE PROGRAM.—The Associate Administrator shall establish a mentor-protege program that pairs small manufacturers with larger, more experienced manufacturers to provide guidance regarding—

''(1) management practices;

''(2) domestic and foreign marketing;

''(3) efficiency improvements; and

''(4) product development.

''(h) REPORT.—

''(1) IN GENERAL.—The Administrator, in consultation with the Associate Administrator, shall submit an annual report on the implementation of this section to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives.

''(2) CONTENTS.—Each report submitted under paragraph (1) shall include, for the reporting period—

''(A) the number of persons assisted under this section, categorized by type of assistance received;

''(B) the number of persons described under subparagraph (A) who had previously received assistance under this section;

''(C) the number of persons described in subparagraph (A) who are working in the manufacturing sector;

''(D) the number and amount of grants awarded under this section, categorized by type of recipient;

''(E) the number of small manufacturers receiving grant funds under this section; and

''(F) the net increase in manufacturing jobs available at the small manufacturers described in subparagraph (E);

''(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $275,000,000 for each of the fiscal years 2005 through 2014 to carry out this subsections (c) and (d).''.

(b) CONFORMING AMENDMENTS.—Section 4(b)(1) of the Small Business Act (15 U.S.C. 633(b)(1)) is amended—

(1) by striking ''five Associate Administrators'' and inserting ''6 Associate Administrators''; and

(2) by adding at the end the following: ''One of the Associate Administrators shall be the Associate Administrator for Small Manufacturing, who shall administer the National Office for the Development of Small Manufacturers established under section 36.''.

TITLE II—INVESTING IN THE FUTURE OF MANUFACTURING

SEC. 201. INCREASED ACCESS TO CAPITAL.

(a) WORKING CAPITAL LOANS.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended—

(1) in paragraph (3)—

(A) by inserting ''TOTAL AMOUNT OF LOANS.—'' before ''No loan'';

(B) by amending subparagraph (A) to read as follows:

''(A) if the total amount outstanding and committed (by participation or otherwise) to the borrower under section 7(a) would exceed $1,000,000 (or if the gross loan amount would exceed $2,000,000), except as provided in subparagraphs (B) and (D) and paragraph (14), plus an amount not to exceed the maximum amount of a development company financing under title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.), and the Administration shall report to Congress in its annual budget request and performance plan on the number of small business concerns that have financings under this subsection and under title V of the Small Business Investment Act of 1958, and the total amount and general performance of such financings;'';

(C) in subparagraph (B)—

(i) by striking ''$1,250,000'' and inserting ''$1,300,000''; and

(ii) by striking ''and'' at the end;

(D) in subparagraph (C), by striking the period at the end and inserting ''; and''; and

(E) by adding at the end the following:

''(D) to a small manufacturer if the total amount outstanding and committed to the borrower from the business loan and investment fund established by this Act would exceed $2,000,000 (or if the gross loan amount would exceed $4,000,000).''; and

(2) in paragraph (14), by adding at the end the following:

''(D) The total amount of financings under this paragraph that are outstanding and committed (by participation or otherwise) to the borrower from the business loan and investment fund established under this Act may not exceed $1,300,000 and the gross loan amount under this paragraph may not exceed $2,600,000.''.

(b) DISASTER LOANS.—Section 7(b)(3) of the Small Business Act (15 U.S.C. 636(b)) is amended by inserting after subparagraph (F) the following:

''(G) LIMITATION ON SALES OF LOANS.—The Administration may not sell a loan under this subsection as part of an asset sale.

''(H) SMALL MANUFACTURERS.—

''(i) MAXIMUM LOAN AMOUNT.—Notwithstanding subparagraph (E), the Administration may make a disaster loan to a small manufacturer under this paragraph, either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis, in an amount greater than $1,500,000, if the total amount outstanding and committed to the borrower does not exceed $5,000,000.

''(ii) REFINANCING DISASTER LOANS.—Any loan made to a small manufacturer under this subparagraph that was outstanding on the date of the disaster may be refinanced by a small manufacturer that is also eligible to receive a loan under this subsection. The refinanced amount shall be considered to be part of the new loan for purposes of this subsection and shall be in addition to any other loan eligibility for that small manufacturer under this Act and the Small Business Investment Act of 1958. With respect to a refinancing under this clause, payments of principal shall be deferred, and interest shall not accrue during the 6-month period following the date of refinancing.

''(iii) REFINANCING BUSINESS DEBT.—

''(I) IN GENERAL.—Any business debt of a small manufacturer that was outstanding on the date of the disaster may be refinanced by the small manufacturer if it is also eligible to receive a loan under this subsection. With respect to a refinancing under this clause, payments of principal shall be deferred, and interest shall not accrue during the 6-month period following the date of refinancing.

''(II) RESUMPTION OF PAYMENTS.—At the end of the 6-month period described in subclause (I), the payment of periodic installments of principal and interest shall be required with respect to such loan, in the same manner and subject to the same terms and conditions as would otherwise be applicable to any other loan made under this subsection.

''(iv) AUTHORITY TO INCREASE OR WAIVE SIZE STANDARDS AND SIZE REGULATIONS.—

''(I) IN GENERAL.—At the discretion of the Administrator, the Administrator may increase or waive otherwise applicable size standards or size regulations with respect to businesses applying for disaster loans under this subparagraph.

''(II) EXEMPTION FROM ADMINISTRATIVE PROCEDURES.—The provisions of subchapter II of chapter 5, of title 5, United States Code, shall not apply to any increase or waiver by the Administrator under subclause (I).''.

(c) MICROLOANS.—Section 7(m) of the Small Business Act (15 U.S.C. 636(m)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) in clause (iii), by striking ''and'' at the end;

(ii) in clause (iv), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(v) to assist small manufacturers.''; and

(B) in subparagraph (B)(iii), by inserting ''(or $50,000 if the borrower is a small manufacturer)'' after ''$35,000''; and

(2) in paragraph (3)(E)—

(A) by striking ''In no case shall an intermediary'' and inserting ''An intermediary may not''; and

(B) by inserting before the period at the end the following: '', unless the borrower is a small manufacturer. An intermediary may not make a loan to a small manufacturer under this section of more than $50,000, or have outstanding or committed to any small manufacturer more than $50,000''.

SEC. 202. LOANS AND INVESTMENTS IN SMALL MANUFACTURERS.

(a) MANUFACTURING LOANS.—

(1) JOB CREATION OR RETENTION STANDARDS.—Section 501 of the Small Business Investment Act of 1958 (15 U.S.C. 695) is amended—

(A) in subsection (d)(2), by inserting ''increasing the productive capacity of small manufacturers,'' after ''area''; and

(B) by striking the undesignated paragraph at the end and inserting the following:

''(e) JOB CREATION OR RETENTION.—A project being funded by the debenture is deemed to satisfy the job creation or retention requirement under subsection (d)(1) if the project creates or retains—

''(1) 1 job opportunity for every $50,000 guaranteed by the Administration; or

''(2) in the case of a manufacturing project, 1 job opportunity for every $100,000 guaranteed by the Administration.''.

(2) MAXIMUM AMOUNT.—Section 502(2) of the Small Business Investment Act of 1958 (15 U.S.C. 696(2)) is amended to read as follows:

''(2) MAXIMUM AMOUNT.—Loans made by the Administration under this section shall be limited to—

''(A) $1,000,000 for each small business concern if the loan proceeds will not be directed toward a goal or project described in subparagraph (B) or (C);

''(B) $1,300,000 for each small business concern if the loan proceeds will be directed toward 1 or more of the public policy goals described under section 501(d)(3); and

''(C) $4,000,000 for each small business concern if the loan proceeds will be directed toward manufacturing projects.''.

(3) RULE OF CONSTRUCTION.—Section 502 of the Small Business Investment Act of 1958 (15 U.S.C. 696) is amended by adding at the end the following:

''(7) RULE OF CONSTRUCTION.—A loan under this section shall not be construed to be limited by any loan guaranteed by the Administration under subsection (a) or (b) of section

7 of the Small Business Act (15 U.S.C. 636(a) and (b)).''.

(b) SMALL BUSINESS INVESTMENT COMPANIES.—Section 303(b)(4) of the Small Business Investment Act of 1958 (15 U.S.C. 683(b)(4)) is amended—

(1) in subparagraph (A), by striking ''(as determined by the Administrator)'' and all that follows and inserting ''may not exceed $115,000,000.''; and

(2) by amending subparagraph (B) to read as follows:

''(B) EXCEPTIONS.—

''(i) MAJORITY OF FINANCINGS IN SMALL MANUFACTURERS.—If the licensee certifies in writing that not less than 50 percent of the aggregate dollar amount of its financings are to small manufacturers—

''(I) the maximum amount of outstanding leverage issued to any 1 company shall be $150,000,000; and

''(II) the maximum amount of outstanding leverage issued to companies that are under common control shall be $185,000,000.

''(ii) COMPANIES UNDER COMMON CONTROL.—The Administrator may, on a case-by-case basis—

''(I) approve an amount of leverage that exceeds the amount described in clause (i) and subparagraph (A) for companies under common control; and

''(II) impose such additional terms and conditions as the Administrator determines to be appropriate to minimize the risk of loss to the Administration in the event of default.''.

(c) NEW MARKET VENTURE CAPITAL PROGRAM.—

(1) PURPOSES.—Section 352 of the Small Business Investment Act (15 U.S.C. 689a) is amended—

(A) in paragraph (1), by inserting ''and small manufacturers'' after ''enterprises''; and

(B) in paragraph (2), by inserting ''and small manufacturers'' after ''enterprises''.

(2) MAXIMUM GUARANTEE FOR SMALL MANUFACTURERS.—Section 355(d)(1) of the Small Business Investment Act (15 U.S.C. 689d(d)(1)) is amended—

(A) by striking ''does not exceed 150 percent'' and inserting ''does not exceed—

''(A) 150 percent''; and

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

''(B) 200 percent of the private capital of the company, if the New Markets Venture Capital company certifies in writing that not less than 50 percent of its investments are in small manufacturers.''.

(d) AUTHORIZATION OF ADDITIONAL APPROPRIATIONS.—Section 368 of the Small Business Investment Act of 1958 (15 U.S.C. 689q) is amended—

(1) by redesignating subsection (b) as subsection (c); and

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

''(b) AUTHORIZATION OF ADDITIONAL APPROPRIATIONS.—In addition to the authorizations under subsection (a), there are authorized to be appropriated for each of fiscal years 2005 and 2006, to remain available until expended, the following sums:

''(1) Such subsidy budget authority as may be necessary to guarantee $75,000,000 of debentures under this part.

''(2) $15,000,000 to make grants under this part.''.

TITLE III—EXPORT ASSISTANCE FOR SMALL MANUFACTURERS

SEC. 301. SMALL BUSINESS FOREIGN PATENT PROTECTION GRANT PILOT PROGRAM.

Section 9 of the Small Business Act (15 U.S.C. 638) is amended by adding at the end the following:

''(x) SMALL BUSINESS FOREIGN PATENT PROTECTION GRANT PILOT PROGRAM.—

''(1) GRANTS AUTHORIZED.—The Administrator shall make grants from the Fund established under paragraph (5) for the purpose of assisting small business concerns in seeking foreign patent protection in accordance with this subsection.

''(2) NUMBER AND AMOUNT OF GRANTS.—

''(A) MAXIMUM AMOUNT.—The amount of a grant made to any small business concern under this subsection may not exceed $25,000, and no awardee may receive more than 1 grant under this subsection.

''(B) RESERVED AMOUNTS.—

''(i) IN GENERAL.—Not less than ½ of all amounts awarded under this section shall be reserved for recipients of awards under the Small Business Innovation Research Program or the Small Business Technology Transfer Program.

''(ii) EXCEPTION.—Any amount reserved for grants under clause (i) for any fiscal year that has not been obligated by July 1st of such fiscal year, may be used for grants under this subsection to any small business concern.

''(3) GRANT PURPOSES.—Grant amounts awarded under this subsection shall be used by grantees to underwrite costs associated with initial foreign patent applications for technologies or products developed by small business concerns, and for which an application for United States patent protection has already been filed.

''(4) CONSIDERATIONS.—In awarding grants under this subsection, the Director of the Office of Technology shall consider—

''(A) the size and financial need of the applicant;

''(B) the potential foreign market for the technology;

''(C) the timeframes for filing foreign patent applications; and

''(D) such other factors as the Administrator deems relevant.

''(5) ESTABLISHMENT OF REVOLVING FUND.—There is established in the Treasury of the United States a revolving fund, which shall be—

''(A) known as the 'Small Business Foreign Patent Protection Grant Fund' (referred to in this subsection as the 'Fund');

''(B) administered by the Office of Technology of the Administration, in consultation with the National Office for Development of Small Manufacturers; and

''(C) used solely to fund grants under this subsection and to pay the costs to the Administration of administering those grants.

''(6) ROYALTY FEES.—

''(A) IN GENERAL.—Each recipient of a grant under this subsection shall pay a fee to the Administration, to be deposited into the Fund, based on the export sales receipts or licensing fees, if any, from the product or technology that is the subject of the foreign patent petition.

''(B) ANNUAL INSTALLMENTS BASED ON RECEIPTS.—The fee required under subparagraph (A)—

''(i) shall be paid to the Administration in annual installments, based on the export sales receipts or licensing fees described in subparagraph (A) that are collected by the grant recipient in that calendar year;

''(ii) shall not be required to be paid in any calendar year in which no export sales receipts or licensing fees described in subparagraph (A) are collected by the grant recipient; and

''(iii) shall not exceed, in total, the lesser of—

''(I) 5 percent of the total export sales receipts and licensing fees referred to in subparagraph (A); or

''(II) 4 times the amount of the grant received.

''(7) ADMINISTRATIVE PROVISIONS.—Not later than 180 days after the date of enactment of this subsection, the Administrator shall—

''(A) issue such regulations as are necessary to carry out this subsection; and

''(B) establish appropriate application and other administrative procedures, as the Administrator deems necessary.

''(8) REPORT.—The Administrator shall, not later than January 31, 2008, submit a report to Congress on the grants authorized by this subsection, which report shall include, categorized by year and total—

''(A) the number of grant recipients under this subsection since the date of enactment of this subsection;

''(B) the number and amount of sales or licensing fees of such grant recipients that have made foreign sales (or granted licenses to make foreign sales) and a brief description of each technology or product;

''(C) the number of technologies or products developed under the Small Business Innovation Research Program or the Small Business Technology Transfer Program, and the amounts of such sales (or licenses);

''(D) the total amount of fees paid into the Fund by recipients of grants under this subsection in accordance with paragraph (6);

''(E) recommendations for any adjustment in the percentages specified in paragraph (6)(B)(iii)(I) or the amount specified in paragraph (6)(B)(iii)(II) necessary to reduce to zero the cost to the Administration of making grants under this subsection;

''(F) any recommendations regarding the grant amount; and

''(G) any recommendations of the Administrator regarding improvements to the programs, whether authorization for grants under this subsection should be extended, and any necessary legislation related to such an extension.

''(9) STAFFING.—The Administrator shall ensure that there are sufficient staff in the Office of Technology, including not fewer than 2 full-time employees, to carry out the grant program established under this subsection.

''(10) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Fund, to remain available until expended—

''(A) $2,500,000 for fiscal years 2005;

''(B) $5,000,000 for fiscal year 2006;

''(C) $7,500,000 for fiscal year 2007; and

''(D) $10,000,000 for each of fiscal years 2008 and 2009.''.

By Mr. SPECTER (for himself, Mr. SCHUMER, Mr. GRAHAM of South Carolina, Mr. WYDEN, Ms. COLLINS, Mr. GRAHAM of Florida, and Mr. BAYH):

S. 1888. A bill to half Saudi support for institutions that fund, train, incite, encourage, or in any other way aid and abet terrorism, and to secure full Saudi cooperation in the investigation of terrorist incidents; to the committee on Foreign Relations.

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

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

SAUDI ARABIA ACCOUNTABILITY ACT OF 2003

Cosponsors: Schumer, Lindsey Graham, Wyden, Collins, Bob Graham, Bayh.

CONTENT

Sanctions. Unless the President makes a certification that Saudi Arabia is making a

maximum effort to fight terrorism (details below), he shall take the following actions:

Prohibit export to Saudi Arabia of any defense articles or services listed on the Arms Export Control Act. Prohibit export to Saudi Arabia of any items listed on the Commerce Control List (these are materials that have both economic and military uses). Restrict travel of Saudi diplomats to a 25-radius of the city in which their offices are located (would apply to the Saudi Embassy in DC, the Saudi UN mission in New York, and the Saudi Consulates in Houston and Los Angeles).

Presidential Certification. The President is not required to impose sanctions on Saudi Arabia if he certifies that Saudi Arabia is:

Fully cooperating with the United States in investigating and preventing terrorist attacks; Has permanently closed all Saudi-based terror organizations; Has ended any funding or other support by the Government of Saudi Arabia for any offshore terror organizations.

Presidential Waiver. Even it he has not made the certification, the President may waive the application of the sanctions if he determines that it is in the national security interest of the United States to do so.

DEFINITIONS

Offshore Terror Organizations are defined as ''charities, schools, and any other organization or institution outside of Saudi Arabia that train, incite, encourage, or in any other way aid and abet terrorism anywhere in the world.'' Thus a religious school or madrassah that incites its students to terror would be defined as a terrorist organization for purposes of this bill.

Saudi-Based Terror Organizations are the same types of organizations located within the kingdom of Saudi Arabia.

S. 1888

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 ''Saudi Arabia Accountability Act of 2003''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) United Nations Security Council Resolution 1373 (2001) mandates that all states ''refrain from providing any form of support, active or passive, to entities or persons involved in terrorist acts'', take ''the necessary steps to prevent the commission of terrorist acts'', and ''deny safe haven to those who finance, plan, support, or commit terrorist acts''.

(2) The Council on Foreign Relations concluded in an October 2002 report on terrorist financing that ''[f]or years, individuals and charities based in Saudi Arabia have been the most important source of funds for al-Qaeda, and for years, Saudi officials have turned a blind eye to this problem''.

(3) The Middle East Media Research Institute concluded in a July 3, 2003, report on Saudi support for Palestinian terrorists that ''for decades, the royal family of the Kingdom of Saudi Arabia has been the main financial supporter of Palestinian groups fighting Israel''. The report notes specifically that Saudi-sponsored organizations have funneled over $4,000,000,000 to finance the Palestinian intifada that began in September 2000.

(4) Much of this Saudi money has been directed to Hamas and to the families of suicide bombers, directly funding and rewarding suicide bombers. In December 2000, former Palestinian Prime Minister Mahmoud Abbas wrote to the Saudis to complain about their support for Hamas.

(5) The New York Times, citing United States and Israeli sources, reported on September 17, 2003, that at least 50 percent of the current operating budget of Hamas comes from ''people in Saudi Arabia''.

(6) Many Saudi-funded religious institutions and the literature they distribute teach a message of hate and intolerance that provides an ideological basis for anti-Western terrorism. The effects of these teachings are evidenced by the fact that Osama bin Laden himself and 15 of the 19 September 11th hijackers were Saudi citizens.

(7) After the 1996 bombing of the Khobar Towers housing complex at Dahran, Saudi Arabia, which killed 19 United States Air Force personnel and wounded approximately 400 people, the Government of Saudi Arabia refused to allow United States officials to question individuals held in detention by the Saudis in connection with the attack.

(8) During an October 2002 hearing on financing of terrorism before the Committee on the Judiciary of the Senate, the Undersecretary for Enforcement of the Department of the Treasury testified that the Government of Saudi Arabia had taken only ''baby steps'' toward stemming the financing of terrorist activities.

(9) During a July 2003 hearing on terrorism before the Subcommittee on Terrorism, Technology and Homeland Security of the Committee on the Judiciary of the Senate, David Aufhauser, General Counsel of the Treasury Department, stated that Saudi Arabia is, in many cases, the ''epicenter'' of financing for terrorism.

(10) A joint committee of the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives issued a report on July 24, 2003, that quotes various United States Government personnel who complained that the Saudis refused to cooperate in the investigation of Osama bin Laden and his network both before and after the September 11, 2001, terrorist attacks.

(11) There are indications that, since the May 12, 2003, suicide bombings in Riyadh, the Government of Saudi Arabia is making a more serious effort to combat terrorism.

SEC. 3. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) it is imperative that the Government of Saudi Arabia immediately and unconditionally—

(A) provide complete, unrestricted, and unobstructed cooperation to the United States, including the unsolicited sharing of relevant intelligence in a consistent and timely fashion, in the investigation of groups and individuals that are suspected of financing, supporting, plotting, or committing an act of terror against United States citizens anywhere in the world, including within the Kingdom of Saudi Arabia;

(B) permanently close all charities, schools, or other organizations or institutions in the Kingdom of Saudi Arabia that fund, train, incite, encourage, or in any other way aid and abet terrorism anywhere in the world (hereafter in this Act referred to as ''Saudi-based terror organizations''), including by means of providing support for the families of individuals who have committed acts of terrorism;

(C) end funding or other support by the Government of Saudi Arabia for charities, schools, and any other organizations or institutions outside the Kingdom of Saudi Arabia that train, incite, encourage, or in any other way aid and abet terrorism anywhere in the world (hereafter in this Act referred to as ''offshore terror organizations''), including by means of providing support for the families of individuals who have committed acts of terrorism; and

(D) block all funding from private Saudi citizens and entities to any Saudi-based terror organization or offshore terrorism organization; and

(2) the President, in deciding whether to make the certification under section 4, should judge whether the Government of Saudi Arabia has continued and sufficiently expanded the efforts to combat terrorism that it redoubled after the May 12, 2003, bombing in Riyadh.

SEC. 4. SANCTIONS.

(a) RESTRICTIONS ON EXPORTS AND DIPLOMATIC TRAVEL.—Unless the President makes the certification described in subsection (c), the President shall take the following actions:

(1) Prohibit the export to the Kingdom of Saudi Arabia, and prohibit the issuance of a license for the export to the Kingdom of Saudi Arabia, of—

(A) any defense articles or defense services on the United States Munitions List under section 38 of the Arms Export Control Act (22 U.S.C. 2778) for which special export controls are warranted under such Act (22 U.S.C. 2751 et seq.); and

(B) any item identified on the Commerce Control List maintained under part 774 of title 15, Code of Federal Regulations.

(2) Restrict travel of Saudi diplomats assigned to Washington, District of Columbia, New York, New York, the Saudi Consulate General in Houston, or the Saudi Consulate in Los Angeles to a 25-mile radius of Washington, District of Columbia, New York, New York, the Saudi Consulate General in Houston, or the Saudi Consulate in Los Angeles, respectively.

(b) WAIVER.—The President may waive the application of subsection (a) if the President—

(1) determines that it is in the national security interest of the United States to do so; and

(2) submits to the appropriate congressional committees a report that contains the reasons for such determination.

(c) CERTIFICATION.—The President shall transmit to the appropriate congressional committees a certification of any determination made by the President after the date of the enactment of this Act that the Government of Saudi Arabia—

(1) is fully cooperating with the United States in investigating and preventing terrorist attacks;

(2) has permanently closed all Saudi-based terror organizations;

(3) has ended any funding or other support by the Government of Saudi Arabia for any offshore terror organization; and

(4) has exercised maximum efforts to block all funding from private Saudi citizens and entities to offshore terrorist organizations.

SEC. 5. REPORT.

(a) REQUIREMENT FOR REPORT.—Not later than 6 months after the date of the enactment of this Act, and every 12 months thereafter until the President makes the certification described in section 4(c), the Secretary of State shall submit to the appropriate congressional committees a report on the progress made by the Government of Saudi Arabia toward meeting the conditions described in paragraphs (1) through (4) of section 4(c).

(b) FORM.—The report submitted under subsection (a) shall be in unclassified form but may include a classified annex.

SEC. 6. DEFINITION OF APPROPRIATE CONGRESSIONAL COMMITTEES.

In this Act, the term ''appropriate congressional committees'' means the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives.