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PETER J. VISCLOSKY
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February 1, 2000

Ms. Sandra Thurman
Director
National Aids Policy Office
736 Jackson Place, NW
Washington, D.C. 20503

Dear Sandra:

Knowing of your interest in the regulation of Health Maintenance Organizations (HMOs), I write to apprise you of recent developments in the fight to pass a Patients' Bill of Rights.

I voted for and co-sponsored H.R. 2723, the Bipartisan Consensus Managed Care Improvement Act of 1999, in order to ensure that patients receive the high quality care for which they are already paying. H.R. 2723 is a bipartisan compromise which would provide a strong Patients' Bill of Rights for those participating in HMOs by ensuring that medical decisions are made by doctors and patients, not by insurance company bureaucrats. H.R. 2723 would create a reasonable set of standards which would give patients and doctors more flexibility in health care decisions. For instance, H.R. 2723 would establish a "prudent layperson standard" for emergency service care, preventing insurance companies from penalizing those who make rational decisions in emergency situations such as visiting an emergency room due to a health crisis without following proper HMO instructions. In the event that employers change health coverage, the measure would also allow patients receiving long-term care to continue the prescribed protocol under their doctor's supervision. In addition, this measure would prohibit HMO plans from denying physicians the right to recommend costly procedures when necessary. These and other provisions in H.R. 2723 would lay the groundwork for accountability in the health insurance industry. **I support H.R. 2723 because I believe that the desire of insurance companies to limit their costs should not prevent their enrollees from receiving adequate health care.** The standards of care this legislation sets for health plans, which is supported by both Republicans and Democrats, are entirely reasonable.

Certainly not all HMOs abuse their patients, but there are far too many horror stories from real patients to think that all HMOs act in a responsible and reasonable manner. I feel I would be remiss in my duties as the representative of Indiana's First Congressional District if I did not take action to ensure the health and well-being of Indiana's residents.

On October 7, 1999, the House of Representatives approved H.R. 2723 by a vote of 275 to 171. Earlier, on July 15, 1999, the Senate passed S. 1344, a similar measure but with much weaker patient protection provisions. It is now the responsibility of a joint House-Senate conference committee to reconcile the differences between the two bills. Despite the overwhelming bipartisan support for H.R. 2723 in the House, two obstacles, brought about by the House Speaker, are likely to impede the passage of such a conference bill. The first obstacle was Speaker Hastert's decision to attach H.R. 2723 to a separate measure, H.R. 2990, the Quality Care for the Uninsured Act. H.R. 2990 theoretically would increase access to health insurance for an estimated 44 million uninsured individuals in America. However, the House-Senate Joint Tax Committee found that the measure would decrease the number of uninsured only by about 1 percent and would ultimately cost approximately $50 billion over ten years. Furthermore, H.R. 2990 would not provide any method to fund this initiative. With today's concerns over budget constraints, this measure will only be a poison pill for a comprehensive Patients' Bill of Rights.

The second impediment to a conference committee agreement lies in the conferees themselves. It is the responsibility of the Speaker of the House to appoint Members of the House as representatives to the conference committee. As conferees, these Members should represent the will of the House in the conference committee. However, 62 percent of the conferees appointed by Speaker Hastert are actually opposed to a Patients Bill of Rights and voted against H.R. 2723. Despite the Speaker's actions, the House of Representatives overwhelmingly voted to instruct the appointed conferees to fight for strong patient protections in the conference.

After four years of battling to pass a Patients' Bill of Rights, this bipartisan measure is an important step in the right direction. **I will continue to work in the second session of the 106th Congress to see that legislation to protect patients' rights becomes law.**

Sincerely,

Peter J. Visclosky
Member of Congress

PJV:ng

CIRO D. RODRIGUEZ
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left voice
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Congress of the United States
House of Representatives

August 5, 1999

Ms. Sandra Thurman
Director
Office of National AIDS Policy
736 Jackson Place
Washington, D.C. 20502

Dear Ms. Thurman:

As Chair of the Congressional Hispanic Caucus (CHC) Health Task Force, I write to invite you to participate in our upcoming Hispanic Health Awareness Week. During the week's events, the CHC will host hearings on issues that affect the Hispanic community. There will be three hearings focusing on diabetes, HIV/AIDS, and substance abuse and mental health.

I respectfully invite you to participate in our hearing focusing on HIV/AIDS and the Hispanic community. Your experience at the White House in the Office of National AIDS Policy would provide a valuable source of information for the CHC hearing which will be held on **Thursday, September 9, 1999 at 10:00 a.m. in Room B318 Rayburn on Capitol Hill.**

We feel it is important to have a representative from the White House present at the hearing providing us insight on what the administration is doing to increase access to services for Hispanics afflicted with HIV/AIDS. At the hearing we would like you to address the following in your written testimony: (1) your perspective on the health status of Hispanics with HIV/AIDS; (2) what the White House is doing to address the issue of HIV/AIDS and the Hispanic community; and (3) policy recommendations that may be implemented congressionally or administratively to address the problem of HIV/AIDS and the Hispanic community. In your oral testimony, we ask that you provide a summary of the testimony and be available to answer a few questions from Hispanic Caucus members. In order to prepare our Hispanic Caucus members, we would request that testimony be submitted to my office one-week prior to the hearing in order to disseminate the information to other offices.

The Congressional Hispanic Caucus aims to educate our colleagues on Capitol Hill

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about the health needs of the Hispanic Community. Your participation will greatly enhance this dialogue and assist us in promoting an agenda that will help the Hispanic community.

We will be in touch with you to ensure receipt of this letter and confirmation of your participation. Please contact me or Gabriella Gomez of my staff at (202) 225-1640 if you have further questions.

Sincerely,

Ciro D. Rodriguez
Member of Congress

gcg/2011757

Congress of the United States

Washington, DC 20515

September 21, 1999

The Honorable John Podesta
Chief of Staff
The White House
Washington, D.C. 20502

Dear John:

We are writing to acknowledge the President's leadership in his address before the United Nations today. In his speech, the President emphasized the problem of underinvestment in research on vaccines for the most deadly infectious diseases in the world: malaria, TB, and HIV/AIDS. The President also noted that there are several proposals for addressing this problem, including tax credits to encourage private sector investment.

The Lifesaving Vaccine Technology Act (introduced in the House as H.R. 1274, and soon to be introduced in the Senate) would provide a 30% tax credit on qualified R&D expenditures on vaccines for malaria, TB, HIV, and other diseases that kill 1 million or more people annually. The legislation is based on the existing Research and Experimentation Tax Credit which has proven successful over the last 18 years at stimulating private sector R&D in other areas.

As negotiations on fiscal year 2000 spending and tax bills begin, we urge you to include provisions of The Lifesaving Vaccine Technology Act as a priority.

The Lifesaving Vaccine Technology Act is highly targeted. It will cost relatively little to implement, but would have a profound impact on America's response to international public health needs. This legislation is also consistent with the Administration's efforts to expand the response to the global AIDS crisis. Our legislation would require companies using the credit to establish a good faith plan for the widest possible global access to the vaccine, but these companies would *not* waive any rights to pricing, patent ownership, or release of proprietary information.

The Lifesaving Vaccine Technology Act is widely supported by leading organizations in the public health community, including the American Public Health Association, Global Health Council, AIDS Action, AIDS Policy Center for Children, Youth, and Families, the International AIDS Vaccine Initiative, and the AIDS Vaccine Advocacy Coalition.

Thank you for your consideration of this important legislation.

Sincerely,

NANCY PELOSI
Member of Congress

JOHN F. KERRY
United States Senate

JAMES E. CLYBURN
6TH DISTRICT, SOUTH CAROLINA

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Congress of the United States
House of Representatives
Washington, DC 20515–4006

June 24, 1999

The Honorable Albert Gore
Vice President of the United States
The White House
Washington, DC 20501

Dear Mr. Vice President:

On behalf of the Congressional Black Caucus (CBC), I am writing with regards to your ongoing efforts in South Africa.

As you know for the past two Congresses, the CBC has made addressing the crisis of AIDS in minority communities a top priority. We applaud your efforts to strengthen U.S.-South Africa ties through the Gore-Mbeki Commission, and we are well aware of your efforts to focus attention on the fight against AIDS in South Africa. You have brought senior-level U.S. health officials with you on your trips to Cape Town, and when the Commission met in Washington, South African health officials had access to America's top minds in the fight against AIDS.

Your willingness to pioneer this new instrument of foreign relations -- and make such a substantial personal investment in the U.S.-South African relationship -- has brought far more help to the South African people's fight against AIDS than they would have had otherwise.

That is why we in the CBC are concerned with the recent characterizations of your conversations with President Mbeki and your position on trade sanctions against South Africa -- characterizations that are entirely out of line with your record.

We know you are committed to a viable U.S.-South Africa relationship and that you are committed to helping those who are suffering of those with AIDS. We urge you to continue a flexible approach toward resolving our trade differences with South Africa over the Medicines Act.

I would be grateful if you could give a brief update on your efforts on this matter. Thank you for your consideration.

Sincerely,

Rep. James E. Clyburn
Chairman, Congresional Black Caucus

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The Lifesaving Vaccine Technology Act of 1999

H.R. 1274

Rep. Nancy Pelosi and Senator John Kerry

Responding to the human toll of malaria, tuberculosis and HIV/AIDS:

Every year tuberculosis, malaria, and HIV/AIDS kill over 7 million people. Preventive vaccines are our best hope to bring these destructive worldwide epidemics under control. The National Institutes of Health is doing crucially important vaccine research. But private sector biotech and pharmaceutical companies have much of the expertise to develop and produce vaccines. The problem is that severe scientific and economic disincentives stand in the way of private sector investment in vaccines for the most deadly infectious diseases.

Leveraging private resources to fight infectious disease:

The Lifesaving Vaccine Technology Act would provide a 30% tax credit on qualified research and development expenditures on vaccines for malaria, TB, HIV, and other diseases that kill 1 million or more people annually. Smaller companies could choose to pass a smaller (20%) credit on to their equity investors who finance R&D on one of these vaccines. The legislation is based on the existing Research and Experimentation Tax Credit, which has proven successful over the last 18 years in stimulating private sector R&D in other areas. *The Lifesaving Vaccine Technology Act* will leverage private sector resources and encourage the market to work more effectively to address the biggest public health opportunities.

Addressing international access to vaccines:

The Lifesaving Vaccine Technology Act would require a company that develops a vaccine using the credit to establish a good faith plan for the widest possible global access to the vaccine. Companies would *not* waive any rights to pricing, patent ownership, or release of proprietary information. The bill also expresses the Sense of Congress in support of multi-lateral international efforts, such as a vaccine purchase fund and alternative pricing strategies, to accelerate the introduction of priority vaccines into the poorest countries in the world.

Who supports this legislation?:

The American Public Health Association, the Global Health Council, AIDS Action, the International AIDS Vaccine Initiative, the AIDS Vaccine Advocacy Coalition, Reproductive Health Technologies Project, the Alliance for Microbicide Development, and the Program for Appropriate Technology in Health (PATH) all support the bill.

For more information on The Lifesaving Vaccine Technology Act contact:

Chris Collins with Rep. Nancy Pelosi (202) 225-4965 or
Jim Jones with Senator John Kerry (202) 224-8515

The Lifesaving Vaccine Technology Act of 1999
H.R. 1274

A Vaccine Research and Development Tax Credit
Targeted at the Most Deadly Infectious Diseases in the World

Introduced by Rep. Nancy Pelosi

> *When private-sector investment has failed, it all adds up to very few vaccines. We need a coordinated push from beginning to end. Unless there is vigorous investment from the private sector, vaccines won't get through the pipeline. That's why we're so slow in developing the HIV vaccines, that's why we don't have a malaria vaccine...*
> *-- Dr. Phillip K. Russell, Johns Hopkins University, School of Hygiene and Health*

Vaccines are among the most powerful and cost effective disease prevention tools available, and new vaccines are needed to fight existing and emerging disease threats. Governments play a crucial role in funding the basic science of vaccine research, but it is private biotech and pharmaceutical companies that have much of the expertise to take the findings of basic research and develop them into commercially viable vaccines.

Private sector pharmaceutical manufacturers have recently begun to dedicate increased attention to vaccine research, but investment in vaccines for specific diseases is often not proportional to the death and suffering caused by these maladies. AIDS, malaria and tuberculosis together account for over 7 million deaths annually worldwide. But there are market disincentives for investment in vaccines against these major killers, and relatively few vaccines against these diseases are now in development at pharmaceuticals and biotech companies.

Government has an important role to play in providing incentives to help the market work more effectively to address the biggest public health opportunities. A targeted research and development tax credit for vaccines against AIDS, malaria and TB could speed development of preventive weapons against these diseases, saving millions of lives and billions of dollars in treatment costs and productivity losses. This credit could also provide a stimulus for private sector research in areas most scientifically challenging and important to global public health.

Provisions of The Lifesaving Vaccine Technology Act, H.R. 1274

I. Tax Credit
Provides a tax credit for qualified research and development costs associated with research on vaccines for malaria, tuberculosis, or HIV. Investments in vaccines for other infectious diseases (of a single etiology) that cause over 1 million deaths per year would also qualify. The credit would also apply to R&D costs for microbicides to prevent these diseases.

The tax credit equals 30% of total annual qualified R&D investments. This is a "flat" credit on all qualifying expenditures in a given year. Like the Research and Experimentation Tax Credit (R&E Credit), this tax credit could be carried forward 15 years and backward three years. The credit would be "transferable" so that a company could use the unclaimed tax credits of a company it acquires. Smaller companies could choose to waive the credit and pass it on to their equity investors who finance R&D on one of the priority vaccines.

"Qualified research" is the same as in the R&E Credit and includes wages, salaries, supplies, certain time-sharing costs for use of computers, and 75% of contract research performed by research organizations. Buildings, overhead, and fringe benefits are not qualified expenses. To be claimed under the credit, R&D costs must be incurred in the United States, except for human clinical trials since trials of these vaccines will be required in many countries.

Developing a Plan for Access
Companies that use the credit and develop a licensed product would be obligated to establish a good faith plan for the widest possible global access to the vaccine. Companies would *not* waive any rights to pricing, patent ownership, or proprietary information.

II. Vaccine Purchase Fund - Sense of Congress
Expresses the Sense of Congress that the President and federal agencies, including the Department of State, the Department of Health and Human Services and the Department of Treasury, should work together in support of the creation and funding of multi-lateral international efforts, such as a vaccine purchase fund, to accelerate the introduction of priority vaccines into the poorest countries in the world. Further, the bill expresses the Sense of Congress that tiered or differential pricing for vaccines, providing lowered tiered prices for the poorest countries, is one of several valid strategies to accelerate the introduction of vaccines in developing countries.

Why provide a special credit to prevent these particular diseases?

Malaria, TB, and HIV together kill over 7 million people annually and undermine social and economic development in poorer countries. Each of these diseases is potentially vaccine preventable.

Tuberculosis causes more deaths than any other infectious disease, killing 3 million people annually. One hundred thousand children die from TB each year. According to the World Health Organization (WHO), "It is estimated that between now and 2020, nearly one billion more people will be newly infected, 200 million people will get sick, and 70 million will die from TB - if control is not strengthened." In the United States, over 19,000 cases of TB are reported annually. Multi drug-resistant TB exists in the US and internationally. Current TB prevention measures, including therapy for the disease and a vaccine developed early in the century, provide incomplete control.

According to WHO, **malaria** kills 2.2 million people a year, and the disease is an important public health problem in 90 countries inhabited by 2.4 billion people -- 40% of the world's population. Each year, approximately one million deaths among children under five years of age are attributed to malaria alone or in combination with other diseases. In the United States, there are over 1000 cases of malaria annually. According one malaria expert, "Conventional control measures...appear increasingly inadequate to the task: As a result of the spread of drug-resistant parasites and insecticide-resistant mosquitoes, fewer tools to control malaria exist today than did 25 years ago."[1]

UNAIDS reports that **HIV/AIDS** was responsible for 2.5 million deaths in 1998, of which over half a million were children under 15. In the United States, as many as 900,000 are living with HIV disease, and 40,000 people are newly infected every year. Each day in the world, 16,000 people are newly infected with HIV. In Zimbabwe and Botswana, as many as 25% of the adult population is HIV-infected. Behavioral prevention interventions for HIV have proven effective at reducing infection rates in the US and internationally. But many factors, including political obstacles, insufficient prevention funding, forced sexual encounters, and the difficultly of maintaining safe behavior over a lifetime, mean that a vaccine will be required for control of this worldwide epidemic.

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[1]Hall, B. Fenton, et al, "Malaria Vaccine Development," in The Jordon Report: Accelerated Development of Vaccines, Division of Microbiology and Infectious Disease, National Institute of Allergy and Infectious Diseases, National Institutes of Health, 1998, p.71

What is the US interest in international health?

A 1997 *Institute of Medicine* report states that, "Due to the ease of rapid international travel, emerging and drug-resistant infectious diseases in one country represent a threat to the health and economies of all countries...The United States should ...broaden the scope of its research and development activities to include health problems that impose the greatest burden of disease around the world, toward whose alleviation we can make important contributions."[2]

What are the disincentives for private sector investment in vaccines for these diseases?

Daunting scientific challenges and uncertainties about return on financial investment make research on vaccines for the top infectious diseases comparatively unattractive. Malaria, TB, and HIV each present unique scientific difficulties. For example, in the case of HIV, scientists agree that a vaccine is possible, but no perfect animal model exists; recovery from infection has not been documented, the "correlates of protection" (immune responses which would protect from infection) are not known, and the virus is highly variable. The economic picture is no better. For each of these major killers, the vast majority of cases of disease -- and greatest need for a vaccine -- is in poorer countries that have scarce resources to purchase vaccines, even highly cost effective ones.

Faced with these realities, the CEOs of biotech and pharmaceutical companies have a difficult time justifying to their Boards of Directors a significant investment in long term developmental research toward these vaccines. Other pharmaceutical research and development opportunities, such as anti-depressants or vaccines for diseases more common in the US and Europe, present surer investments.

It is therefore no surprise that private sector investment in vaccines for these three disease has been limited. Although it is difficult to measure the exact level of private sector investment, several authoritative sources have reported a serious lack of private interest.

For example, in *The State of the World's Vaccines and Immunization*, the World Health Organization reports of HIV vaccine research, "...vaccine manufacturers are no longer falling over each other in the rush to develop an HIV vaccine. Some of the smaller biotechnology companies have already fallen by the

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[2]Institute of Medicine, America's Vital Interest in Global Health: Protecting Our People, Enhancing Our Economy, and Advancing Our International Interests, National Academy Press, Washington, D.C., 1997, pgs. 1 and 5

wayside, unable to sustain the long term investment needed to tackle the scientific obstacles involved. And of the few major vaccine manufacturers that remain, most are struggling to maintain their research programmes."[3]

Of malaria vaccine research, WHO notes that, "most research is still being carried out within the public sector and not by vaccine manufacturers."[4] The National Institutes of Health (NIH) *Blueprint for Tuberculosis Vaccine Development* finds that, "Uncertainties exist within the vaccine industry as to the markets for tuberculosis vaccines, and the willingness of public and private sectors to pay for such vaccines, and possibilities for economic returns."[5]

Of the 43 vaccines listed in the Pharmaceutical Research and Manufacturers of America (PhRMA) 1998 survey of pharmaceutical company R&D, *none* were for vaccines against malaria, HIV, or TB.[6]

Doesn't it make more sense to target research funding to the National Institutes of Health?

The US National Institutes of Health is a pre-eminent world resource for scientific discovery and innovation because of its size, its peer review system, and the breadth and quality of its work, both through grants to external investigators and through its intramural labs. It also has a widely respected clinical center.

Congress has acknowledged this valuable asset to our society and economy with bi-partisan support for significant increases in NIH appropriations. The Lifesaving Vaccine Technology Act acknowledges the equally powerful asset of the American pharmaceutical and biotechnology industry. Though NIH has and does develop drugs and vaccines, it is the start-ups, the specialized companies, and the industrial giants

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[3]Davey, Sheila, The State of the World's Vaccines and Immunization, World Health Organization, Global Programme for Vaccines and Immunization," Geneva, Switzerland, 1996, p. 132

[4]Davey, Sheila, The State of the World's Vaccines and Immunization, World Health Organization, Global Programme for Vaccines and Immunization," Geneva, Switzerland, 1996, p. 135

[5]"Blueprint for Tuberculosis Vaccine Development," Report of a Workshop held March 5-6, 1998, Rockville, MD, sponsored by the National Institute of Allergy and Infectious Disease and the National Vaccine Program Office, p. 14

[6]PhRMA, "1998 Survey: New Medicines in Development for Infectious Diseases," Pharmaceutical Research and Manufacturers of America, Washington, D.C., 1998

that control a large part of the nation's expertise and experience in developing vaccines.

Some private companies may be less inclined to work with government on a grant or contract basis than academics who depend solely on public support. Companies are justifiably protective, to maintain control of their own programs. Such autonomy stimulates diverse approaches, while the need for products that are ultimately profit-making stimulates a sense of urgency.

Competition among companies and between public and privately developed approaches is healthy at this stage of exploration and development for these vaccines. We will need to develop and test many approaches to find the ones that work best.

What are the precedents for the tax credit?

Congress has created several tax credits to spur research and development of pharmaceuticals and other products. *The Research & Experimentation Tax Credit*, enacted in 1981, offers an incentive for annual increases in R&D. The law provides a 20% tax credit on research and development expenditures over a base amount. *The Orphan Drug Act*, enacted in 1983, offers incentives for development of drugs that would not be commercially viable because they are needed by relatively few individuals. The Act provides a 50% tax credit on costs of human clinical trials and seven year marketing exclusivity period.

Even with these credits, there remain major disincentives for investment in vaccines against malaria, TB, and HIV. Existing credits are available for use on a variety of products that offer comparatively more likely and rapid returns on investment. The Lifesaving Vaccine Technology Act provides an additional credit in acknowledgment of the special need and particular disincentives for these vaccines.

Would a tax credit actually boost investment?

The Congressional Research Service (CRS) has reviewed a number of studies of the effectiveness of the R&E Credit. In a 1998 issue brief, CRS reported that studies of the credit before changes were made in 1989 "generally...agreed that it had a positive effect on private research funding." One 1992 study found that the credit stimulated about $2 billion (1982 dollars) per year in added R&D spending at a revenue cost of about $1 billion.[7] A 1997 survey by the Tufts Center for the Study of Drug Development reports that the Orphan Drug Act has been widely applauded domestically and internationally, and has served as a prototype for a similar program in Japan. The Food

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[7]Guenther, Gary, "The Research and Experimentation Tax Credit," Congressional Research Service, Library of Congress, Washington, D.C., July 14, 1998, p. 8

and Drug Administration has approved 121 orphan drugs for marketing since 1983.[8]

The existing R&E credit provides an incentive for increases in investment with an "incremental" credit on annual investments over a changing base amount. The Lifesaving Vaccine Technology Act would create a "flat" 30% credit on annual qualified R&D investments in particular vaccines. H.R 1274 offers a credit on all investment (rather than just *increased* investment) in targeted areas in an effort to encourage companies to initiate, maintain and expand programs in these crucial research areas. The credit stimulates private sector investment, by generating $7 of private investment for every $3 of credit. And by linking acceptance of the credit to a good faith plan for widespread access, the public gains increased leverage to maximize distribution of vaccines developed through the credit.

Smaller biotechs that do not yet have tax liabilities do much of the ground breaking work in vaccine development. In order to provide an incentive for investment in priority vaccines at smaller biotechs, these smaller companies (capitalized at $50 million or below) could waive the tax credit and pass it on to their investors. This "pass through" credit would be equal to 20% of the amount of equity investment used for R&D on priority vaccines.

The 30% flat credit and the 20% investor credit will be attractive to many biotechs and pharmaceuticals that have the most expertise, experience and willingness to take calculated risks that are needed to successfully research these vaccines.

The legislation also **directs the Institute of Medicine to conduct a study** on the effectiveness of the credit in stimulating vaccine research, and to issue the study and any recommendations on improving the effectiveness of the credit within five years of passage of the bill.

What will the tax credit cost?

It is difficult to estimate the cost of the tax credit because pharmaceutical companies do not usually publish their investments in various products. As a gross estimate, if we assume there will be $100 million in research on these priority vaccines annually, the cost to the Treasury would be $20 million to $30 million each year. In fact, the larger the cost, the greater the likelihood of rapid success.

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[8]"US Orphan Drug Program: Global Reference Point," Marketletter Publications Ltd., UK, December 22, 1997

How would the credit expand access to vaccines in developing countries?

Seventeen years after the development of a safe and effective vaccine for Hepatitis B, hundreds of thousands of children in the world still do not have access to the vaccine. The WHO's Global Programme on Immunization has greatly expanded access to vaccines throughout the world, but this delivery system has been delayed by the high costs of purchasing vaccine. All the infectious diseases covered in the Lifesaving Vaccine Technology Act inflict their greatest mortality in the developing world, and often among children.

As the World Health Organization has stated, "Allowing vaccines to slowly filter down to children in the poorer countries over 10 - 20 years is neither just nor equitable."[9] The increasing use of biotechnology in the design of vaccines means that costs for the vaccines of the future are expected to be higher during their initial patent protected period than today's more traditional products.

H.R. 1274 includes three provisions designed to maximize access to priority vaccines in developing countries.

1. *Requires companies to establish a plan for global access to the vaccine.* While this provision is non-binding, it will help governments and health authorities put public pressure on companies to work cooperatively to maximize access to vaccines.

2. Support for multi-lateral international efforts, such as a vaccine purchase fund. The World Bank and international public health organizations are moving towards creation of purchase funds and other approaches to expand access to vaccines. This provision directs US government agencies to play an active and supportive role in these efforts.

3. *Support for flexible or differential pricing as one of several valid strategies to accelerate the introduction of vaccines.* This provision gives Congressional support to companies that choose to expand access to vaccines by offering lower prices to poorer countries. In the past, US companies have been criticized for these pricing practices.

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[9]Davey, Sheila, The State of the World's Vaccines and Immunization, World Health Organization, Global Programme for Vaccines and Immunization," Geneva, Switzerland, 1996, p. 15

Who supports the Lifesaving Vaccine Technology Act?

- American Public Health Association
- Global Health Council
- AIDS Action
- San Francisco AIDS Foundation
- International AIDS Vaccine Initiative
- AIDS Vaccine Advocacy Coalition
- Reproductive Health Technologies Project
- Alliance for Microbicide Development
- Program for Appropriate Technology in Health (PATH)
- AIDS Policy Center for Children, Youth and Families

For more information contact

Chris Collins
Office of Representative Nancy Pelosi
202 225 4965
chris.collins@mail.house.gov

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106TH CONGRESS
1ST SESSION

H. R. 1274

To amend the Internal Revenue Code of 1986 to provide a credit for medical research related to developing vaccines against widespread diseases.

IN THE HOUSE OF REPRESENTATIVES

MARCH 24, 1999

Ms. PELOSI (for herself, Mr. RANGEL, Ms. ESHOO, Ms. KILPATRICK, Mr. LEWIS of Georgia, MCDERMOTT, Mr. MCNULTY, Mr. MATSUI, and Ms. WOOLSEY) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

---

A BILL

To amend the Internal Revenue Code of 1986 to provide a credit for medical research related to developing vaccines against widespread diseases.

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 "Lifesaving Vaccine Technology Act of 1999".

SEC. 2. CREDIT FOR MEDICAL RESEARCH RELATED TO DEVELOPING VACCINES AGAINST WIDESPREAD DISEASES.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to business related credits) is amended by adding at the end the following new section:

"SEC. 45D. CREDIT FOR MEDICAL RESEARCH RELATED TO DEVELOPING VACCINES AGAINST WIDESPREAD DISEASES.

"(a) GENERAL RULE.—For purposes of section 38, the vaccine research credit determined under this section for the taxable year is an amount equal to 30 percent of the qualified vaccine research expenses for the taxable year.

"(b) QUALIFIED VACCINE RESEARCH EXPENSES.—For purposes of this section—

"(1) QUALIFIED VACCINE RESEARCH EXPENSES.—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, the term 'qualified vaccine research expenses' means the amounts which are paid or incurred by the taxpayer during the taxable year which would be described in subsection (b) of section 41 if such sub-

section were applied with the modifications set forth in subparagraph (B).

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

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

"(ii) by substituting '75 percent' for '65 percent' in paragraph (3)(A) of such subsection.

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

"(2) VACCINE RESEARCH.—The term 'vaccine research' means research to develop vaccines and microbicides for—

"(A) malaria,

"(B) tuberculosis,

"(C) HIV, or

"(D) any infectious disease (of a single etiology) which, according to the World Health Organization, causes over 1,000,000 human deaths annually.

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

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

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

"(d) SPECIAL RULES.—

"(1) LIMITATIONS ON FOREIGN TESTING.—No credit shall be allowed under this section with respect to any vaccine research (other than human clinical testing) conducted outside the United States.

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

"(3) ELECTION.—This section (other than subsection (e)) shall apply to any taxpayer for any taxable year only if such taxpayer elects to have this section apply for such taxable year.

"(e) SHAREHOLDER EQUITY INVESTMENT CREDIT IN LIEU OF RESEARCH CREDIT.—

"(1) IN GENERAL.—For purposes of section 38, the vaccine research credit determined under this section for the taxable year shall include an amount equal to 20 percent of the amount paid by the taxpayer to acquire qualified research stock in a corporation if—

"(A) the amount received by the corporation for such stock is used within 18 months after the amount is received to pay qualified vaccine research expenses of the corporation for which a credit would (but for subparagraph (B) and subsection (d)(3)) be determined under this section, and

"(B) the corporation waives its right to the credit determined under this section for the

qualified vaccine research expenses which are paid with such amount.

"(2) QUALIFIED RESEARCH STOCK.—For purposes of paragraph (1), the term 'qualified research stock' means any stock in a C corporation—

"(A) which is originally issued after the date of the enactment of the Lifesaving Vaccine Technology Act of 1999,

"(B) which is acquired by the taxpayer at its original issue (directly or through an underwriter) in exchange for money or other property (not including stock), and

"(C) as of the date of issuance, such corporation meets the gross assets tests of subparagraphs (A) and (B) of section 1202(d)(1)."

(b) INCLUSION IN GENERAL BUSINESS CREDIT.—

(1) IN GENERAL.—Section 38(b) of such Code is amended by striking "plus" at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting ", plus", and by adding at the end the following new paragraph:

"(13) the vaccine research credit determined under section 45D.".

(2) TRANSITION RULE.—Section 39(d) of such Code is amended by adding at the end the following new paragraph:

"(9) NO CARRYBACK OF SECTION 45D CREDIT BEFORE ENACTMENT.—No portion of the unused business credit for any taxable year which is attributable to the vaccine research credit determined under section 45D may be carried back to a taxable year ending before the date of the enactment of section 45D.".

(c) DENIAL OF DOUBLE BENEFIT.—Section 280C of such Code is amended by adding at the end the following new subsection:

"(d) CREDIT FOR QUALIFIED VACCINE RESEARCH EXPENSES.—

"(1) IN GENERAL.—No deduction shall be allowed for that portion of the qualified vaccine research expenses (as defined in section 45D(b)) otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit determined for such taxable year under section 45D(a).

"(2) CERTAIN RULES TO APPLY.—Rules similar to the rules of paragraphs (2), (3), and (4) of subsection (c) shall apply for purposes of this subsection.".

(d) DEDUCTION FOR UNUSED PORTION OF CREDIT.—Section 196(c) of such Code (defining qualified business credits) is amended by striking "and" at the end of paragraph (7), by striking the period at the end of paragraph (8) and inserting ", and", and by adding at the end the following new paragraph:

"(9) the vaccine research credit determined under section 45D(a) (other than such credit determined under the rules of section 280C(d)(2)).".

(e) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 of such Code is amended by adding at the end the following new item:

"Sec. 45D. Credit for medical research related to developing vaccines against widespread diseases.".

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

(g) DISTRIBUTION OF VACCINES DEVELOPED USING CREDIT.—It is the sense of the Congress that if credit is allowed under section 45D of the Internal Revenue Code of 1986 to any corporation or shareholder of a corporation by reason of vaccine research expenses incurred by the corporation in the development of a vaccine, such corporation should certify to the Secretary of the Treasury that, within 1 year after that vaccine is first licensed, such cor-

poration will establish a good faith plan utilizing technology transfer, differential pricing, in-country production, or other mechanisms to maximize international access to high quality and affordable vaccines. The preceding sentence shall not be construed to waive rights to set prices, patent ownership, or confidentiality of privileged information.

(h) STUDY.—The Institute of Medicine shall conduct a study of the effectiveness of the credit under section 45D of the Internal Revenue Code of 1986 in stimulating vaccine research. Not later than the date which is 5 years after the date of the enactment of this Act, the Institute of Medicine shall submit to the Congress the results of such study together with any recommendations it may have to improve the effectiveness of such credit in stimulating vaccine research.

SEC. 3. SENSE OF CONGRESS.

(a) ACCELERATION OF INTRODUCTION OF PRIORITY VACCINES.—It is the sense of Congress that the President and Federal agencies (including the Department of State, the Department of Health and Human Services, and the Department of the Treasury) should work together in vigorous support of the creation and funding of a multi-lateral, international effort, such as a vaccine purchase fund, to accelerate the introduction of vaccines to which the

credit under section 45D of the Internal Revenue Code of 1986 applies and of other priority vaccines into the poorest countries in the world.

(b) FLEXIBLE PRICING.—It is the sense of Congress that flexible or differential pricing for vaccines, providing lowered prices for the poorest countries, is one of several valid strategies to accelerate the introduction of vaccines in developing countries.

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Bill Summary & Status for the 106th Congress

Item 1 of 1

PREVIOUS BILL:COSPONSORS | NEXT BILL:COSPONSORS
NEW SEARCH | HOME | HELP | ABOUT COSPONSORS

H.R.1274
SPONSOR: Rep Pelosi, Nancy (introduced 03/24/99)

COSPONSORS(34):

Rep Rangel, Charles B. - 03/24/99	Rep Eshoo, Anna G. - 03/24/99
Rep Kilpatrick, Carolyn C. - 03/24/99	Rep Lewis, John - 03/24/99
Rep McDermott, Jim - 03/24/99	Rep McNulty, Michael R. - 03/24/99
Rep Matsui, Robert T. - 03/24/99	Rep Woolsey, Lynn C. - 03/24/99
Rep Lantos, Tom - 05/13/99	Rep Christensen, Donna MC - 05/13/99
Rep Thurman, Karen L. - 05/13/99	Rep Dixon, Julian C. - 05/13/99
Rep Bonior, David E. - 05/13/99	Rep Frost, Martin - 05/13/99
Rep Weiner, Anthony D. - 05/13/99	Rep English, Phil - 05/13/99
Rep Wynn, Albert Russell - 05/13/99	Rep Jefferson, William J. - 05/13/99
Rep Inslee, Jay - 08/02/99	Rep Lofgren, Zoe - 08/02/99
Rep Tauscher, Ellen O. - 08/02/99	Rep Morella, Constance A. - 09/21/99
Rep Rahall, Nick J., II - 09/21/99	Rep Smith, Christopher H. - 09/21/99
Rep Lee, Barbara - 09/21/99	Rep Hinchey, Maurice D. - 09/28/99
Rep Doyle, Michael F. - 09/28/99	Rep Romero-Barcelo, Carlos A. - 09/28/99
Rep Clayton, Eva M. - 09/28/99	Rep Meeks, Gregory W. - 10/04/99
Rep Faleomavaega, Eni F. H. - 10/04/99	Rep Foley, Mark - 10/05/99
Rep McGovern, James P. - 10/07/99	Rep Jackson-Lee, Sheila - 10/07/99

Bill Summary & Status for the 106th Congress

Item 1 of 1

PREVIOUS BILL:STATUS | NEXT BILL:STATUS
NEW SEARCH | HOME | HELP | ABOUT STATUS

H.R.1274
SPONSOR: Rep Pelosi, Nancy (introduced 03/24/99)
STATUS: Detailed Legislative Status

House Actions

Mar 24, 99:
Referred to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.
Apr 6, 99:
Referred to the Subcommittee on Health and Environment, for a period to be subsequently determined by the Chairman.
Mar 24, 99:
Referred to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

0-congress

Congress of the United States

Washington, DC 20515

October 2, 2000

President William Jefferson Clinton
The White House
1600 Pennsylvania Avenue
Washington D.C. 20500

Dear Mr. President:

Thank you for demonstrating your commitment to fighting the global AIDS crisis. By enacting the Global AIDS and Tuberculosis Relief Act, H.R. 3519 (P.L. 106-264) into law, the United States has taken a monumental step in the right direction to combat the HIV/AIDS crisis globally. However, considering the scope of the AIDS crisis in Africa and other developing nations, this commitment will have limited impact if the World Bank AIDS Trust Fund, a multilateral strategy to address the AIDS crisis, is not also fully funded.

As the appropriators in both Houses of Congress resolve the differences between the House and Senate FY01 Foreign Operations Appropriations Bill, we write to seek your support for $150 million to fully fund the World Bank AIDS Trust Fund authorized under H.R. 3519. We would also like to meet with you to discuss this matter.

As you know, the World Bank AIDS Trust Fund would be a landmark public/private partnership that could leverage contributions from the international donor community and the private sector, thereby increasing the initial U.S. contribution to potentially over $1 billion a year. These funds would be made available through grants to support HIV/AIDS best practices in the countries hardest hit by HIV/AIDS, particularly in sub-Saharan Africa. The establishment of the trust fund must be among our top priorities. Additional funds from the donor community cannot be leveraged without an initial U.S. contribution.

The global epidemics of HIV/AIDS and tuberculosis are claiming millions of lives each year. As the death toll increases, these diseases are devastating whole countries, undermining education and health care infrastructures, and wiping out decades of economic progress. Therefore, it is imperative that you communicate your support for funding of the World Bank AIDS Trust Fund for FY01 to the House and Senate Appropriators as soon as possible.

In a time of growing federal budget surpluses there is every reason to act decisively to protect global and domestic health by fully funding the Global AIDS and Tuberculosis Relief Act. Additionally, these new investments must be made without eliminating or scaling back funds for ongoing health or development programs. Funds to existing and effective programs that are already helping millions of individuals should not be reduced; we must therefore increase appropriations levels to fund these new initiatives.

O - Congress

United States Senate

WASHINGTON, DC 20510

September 28, 2000

The Honorable Ted Stevens
Chairman, Appropriations Committee
522 Hart Office Building
Washington, DC 20510

The Honorable Arlen Specter
Chairman, Labor- HHS Subcommittee
711 Hart Office Building
Washington, DC 20510

The Honorable Robert Byrd
Ranking Member, Appropriations Committee
311 Hart Office Building
Washington, DC 20510

The Honorable Tom Harkin
Ranking Member, Labor-HHS Subcommittee
731 Hart Office Building
Washington, DC 20510

Dear Colleagues:

We are writing to urge you to provide the full $50 million that has been authorized for treating post traumatic stress disorder (PTSD) in children and youth who survive or witness domestic violence, school violence, or community violence. In the wake of recurring tragedies in schools, churches, homes and communities across the country, the need to develop specialized PTSD expertise and to make it available nationwide could not be clearer.

The Children's Health Act of 2000 (H.R. 4365) recently passed Congress with strong bipartisan support. Part G, Section 582 of this legislation authorizes a sensible treatment program that merits inclusion in this year's Labor-HHS Appropriation bill.

Each year, more than a million children are abused or neglected in their homes, and three million children witness domestic violence. Each year 600,000 children are victims of violent crime, 20,000 are wounded by gunfire, and 23 are shot to death at school. Yet these children are not the only ones who suffer.

It is now well-documented that children who witness serious violence experience psychological trauma that has serious consequences for them, their families, and their communities. Symptoms related to this trauma may surface soon after the event, or may take months or longer to appear. Leaving these problems untreated can cause delayed brain development, anxiety, depression, concentration and learning difficulties, and violent behavior passed on to yet another generation

Fortunately, a growing body of knowledge attests to the effectiveness of treating this type of psychological trauma. While the course of treatment may vary, depending on the type of trauma, the length of exposure, and the age of the child, it requires staff who have the specialized training needed to identify the signs and symptoms of the trauma, and who are able to provide appropriate therapeutic interventions.

It is time to act on this knowledge by providing the full $50 million authorized for treating post traumatic stress disorder in children and youth who survive or witness domestic, school, or community violence. We urge you to include the funding needed to begin this essential work for children caught in this senseless violence.

Thank you very much for your support.

Sincerely,

United States Senate

WASHINGTON, DC 20510

September 28, 2000

The Honorable Ted Stevens
Chairman, Appropriations Committee
522 Hart Office Building
Washington, DC 20510

The Honorable Arlen Specter
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Thank you very much for your support.

Sincerely,

Dear Senator (Stevens, Specter, Harkin):

We are writing to strongly urge you to provide the full $50 million authorized for treating post traumatic stress disorder (PTSD) in children and youth who survive or witness domestic, school, or community violence.

As you may know, each year, more than one million children are abused or neglected in their home, and three million children witness domestic violence. In addition, each year 600,000 children are victims of violent crime, 20,000 are wounded by gunfire, and 23 are shot to death at school. And these children are not the only ones who pay the price. There are also countless thousands of children and youth who witness these horrible tragedies and who all too often suffer in silence.

It is now well documented that children who survive or witness violence experience psychological trauma that has real and serious consequences for them, their families, and their communities. This is also believed to be true for children caught in natural disasters, and for those who experience terrorist attacks. Symptoms related to this trauma may surface soon after the event, or could take months or even longer to manifest. Leaving this problem untreated can cause delayed brain development, anxiety, depression, concentration and learning difficulties, and violent behavior often passed on to yet another generation.

Fortunately, there is a growing body of knowledge to attest to the effectiveness of treating this type of psychological trauma. While the course of treatment may vary depending on the type of trauma, the length of exposure, and the age of the child, it requires staff with the specialized training needed to identify the signs and symptoms of the trauma, and who are able to provide the appropriate therapeutic interventions.

In the wake of the growing number of tragedies in schools. churches, homes and communities across this country, the desperate need to develop this specialized expertise and to make it available throughout the country could not be clearer. That is why we were extremely pleased that the Children's Health Act of 2000 (HR4365), which carried the SAMSHA reauthorization, included a vitally important program designed to do just that.

Congress has made a commitment to help these children by showing broad bipartisan support for passing Part G, Section 582 as part of the Children's Health Act of 2000. It is now time too make this promise real by providing the the full $50 million authorized for treating post traumatic stress disorder (PTSD) in children and youth who survive or witness domestic, school, or community violence.

We urge you to ensure that the final Labor-HHS Appropriations includes the funding needed to begin to bring this essential treatment to our children caught in the crossfire of this senseless violence.

Thank you very much for your support.

Kennedy, Jeffords, Frist, Daschle.....

Dear

We are writing to strongly urge you to provide the full $50 million authorized for treating post traumatic stress disorder (PTSD) in children and youth who survive or witness domestic, school, or community violence.

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It is now well documented that children who survive or witness violence experience psychological trauma that has real and serious consequences for them, their families, and their communities. This is also believed to be true for children caught in natural disasters, and for those who experience terrorist attacks. Symptoms related to this trauma may surface soon after the event, or could take months or even longer to manifest. Leaving this problem untreated can cause delayed brain development, anxiety, depression, concentration and learning difficulties, and violent behavior often passed on to yet another generation.

Fortunately, there is a growing body of knowledge to attest to the effectiveness of treating this type of psychological trauma. While the course of treatment may vary depending on the type of trauma, the length of exposure, and the age of the child, it requires staff with the specialized training needed to identify the signs and symptoms of the trauma, and who are able to provide the appropriate therapeutic interventions.

In the wake of the growing number of tragedies in schools. churches, homes and communities across this country, the desperate need to develop this specialized expertise and to make it available throughout the country could not be clearer. That is why we were extremely pleased that the Children's Health Act of 2000 (HR4365) included a vitally important program designed to do just that.

Congress made a commitment to help these children by showing broad bipartisan support for the passage of Part G, Section 582 as part of the Children's Health Act of 2000. It is now time too make that promise a reality by providing the the full $50 million authorized for treating post traumatic stress disorder (PTSD) in children and youth who survive or witness domestic, school, or community violence.

We urge you to ensure that the final Labor-HHS Appropriations includes the funding needed to begin to bring this essential treatment to our children caught in the crossfire of this senseless violence.

Thank you very much for your support.

Funding Urgently Needed to Provide Mental Health Services to Children and Youth who Survive or Witness Violence

• **The recently enacted Children's Health Act of 2000 (HR4365) included a critically important provision authorizing a grant program for treating post traumatic stress disorder (PTSD) in children and youth who survive or witness domestic, school, or community violence. This legislation was supported unanimously in both the Senate and the House of Representatives.**

• It is now well documented that violence survived or witnessed by children and youth causes substantial psychological trauma with serious consequences for these young people, their families, and their communities. This is also believed to be true for children caught in natural disasters, and who experience terrorist attacks.

• Symptoms related to this trauma may surface soon after the event, or could take months or even longer to manifest. The consequences of leaving this problem untreated are physical (changes in the brain, delayed development), psychological (anxiety, depression, concentration and learning difficulties), and interpersonal (aggressive and violent behavior, affected individuals passing on the problem to their children).

• There is a growing body of knowledge to attest to the effectiveness of treating this psychological trauma. While the course of treatment may vary depending on the type of trauma, the length of exposure, and the age of the child, it undoubtedly requires staff with the specialized training needed to identify the signs and symptoms of the trauma, and to provide the appropriate therapeutic interventions.

• In the wake of the tragedies in schools. churches, homes and communities across this country, the desperate need to develop this specialized expertise and to make it available throughout the country could not be clearer.

The Labor-HHS Appropriations bill should include the full $50 million authorized in FY2001 in the recently enacted Children's Health Act of 2000 (HR4365) for treating post traumatic stress disorder (PTSD) in children and youth who witness or experience domestic, school, or community violence.

• The authorization can be found in Part G, Section 582 and would be administered through the Substance Abuse and Mental Health Services Administration (SAMHSA).

FACTS ON TRAUMA-RELATED MENTAL DISORDERS IN CHILDREN

The most recent annual data show that EACH YEAR—

- Over 3 million children witness domestic violence
- One million cases of child abuse and neglect are confirmed
- Over 600,000 children are victims of violent crime
- 274,000 children were injured in motor vehicle crashes
- 100,000 children suffer sexual abuse
- 47,000 children are injured in home fires
- 20,000 children are wounded by gunfire
- 23 children are shot to death before their peers in school

25% to 33% of Children Who Witness Serious Violence Develop Disorders

- consistent with comprehensive studies of 3 million Vietnam combat veterans (one million were diagnosed with post-traumatic stress disorder)
- a study of children in serious motor vehicle crashes showed that 25% developed PTSD

The More Serious the Trauma, The More Likely a Disorder Will Develop

- 100% of children who witness the killing or serious assault of a parent
- 90% of sexually abused children
- 77% of children who witness a school shooting
- 35% of urban youth exposed to serious community violence

Most Common Symptoms

- intense fear, horror, and helplessness
- reliving the traumatic event
- active avoidance of things and people that remind the child of the event
- constant hyper-arousal and defensiveness
- depression and anxiety disorders
- physical manifestations—chronic pain, fatigue, and respiratory difficulties

Treatment Methods

- involve parents and caregivers in responding to symptoms and causes
- educate children on natural causes of symptoms and healthy responses
- explore appropriate outlets for expression of trauma-related memories
- build stress reduction and problem solving skills
- medication only where proven effective

Treatment Results

- improved mental health for each child
- reduced trauma-related violence—children who witness serious domestic abuse are five times more likely to engage in domestic violence themselves

OPINION

Published Wednesday, September 27, 2000, in the Miami Herald

William W. Harris

Invest in children

While presidential candidates Al Gore and George W. Bush have addressed the No. 1 issue for America, education, neither specifically has called for investing significant public resources in our youngest children.

Nor has either made the connection between a good, healthy and productive early-childhood experience with school readiness and success.

Much has been written about the importance of early stimulation for a child's brain development and about quality care for infants and toddlers. Yet government and private investment in programs that address these crucial years is inadequate. While Congress has doubled the investment in Early Head Start, a popular birth-to-3-years program, fewer than 4 percent of the children eligible will be served in 2002.

Why should we care?

A decade ago, a number of governors, led by then-Gov. Bill Clinton, went to then-President George H. Bush and put forth a bipartisan set of education goals for 2000. The first goal was that all children would arrive in school ready to learn. All agreed that meeting this goal would be critical to averting school failure. Research suggests that we have a long way to go to reach this goal.

The U.S. Department of Education study on America's kindergartens reports that: 18 percent of children enter kindergarten without print-familiarity skills; 34 percent don't recognize letters; 26 percent have difficulty accepting peer ideas; 23 percent have trouble forming friendships; and 11 percent exhibit ``potentially disruptive behavior'' such as arguing and 10 percent such as fighting.

How can we expect teachers to succeed when they have a large percentage of their classes not ready for school and lack appropriate resources? All children's learning opportunities are compromised when so many children arrive at school not ready to learn.

We frequently hear calls for universal preschool, increased funding for Head Start, leaving no child behind, more quality child-care and the hiring and training of new teachers to ensure smaller classes.

However, the plans and resources required to implement these goals have neither been identified nor committed.

We must act now to develop a fully integrated plan for all children to arrive at school ready to learn and commit the major re- sources needed to carry out the plan. If we don't act now, we might have to say to parents and teachers: ``Sorry, you can't have the full resources and support you need to deal with all the unprepared children. Do your best -- but, continuing school failure is un- acceptable.''

Wouldn't it be more humane and cost effective to invest real money in coordinated-prevention, early-intervention and school-readiness programs today, while our economy is high and there are real surpluses?

Now is the time for each presidential candidate to be clear about how his administration would address school readiness. Each must provide specific plans and commitments for implementing and paying for a school-readiness program so that the public will support this priority. Without a public mandate, we cannot expect the new president to succeed in a call for real action.

Most observers predict that the control margin in the 107th Congress in 2001 will be slim -- no matter which party wins the majority.

With redistricting coming for the 2002 elections, we'll be in full campaign mode for an additional two years. It is unlikely that a divided Congress will marshal the political will and bipartisan support to undertake this significant new investment for young children.

With no presidential or congressional mandate, the country will continue to wage only skirmishes for young children even as most of us know that to address the school-readiness issue successfully, we must declare and wage a protracted war. Will the candidates of compassionate conservatism and practical idealism lead America in this battle?

William W. Harris is founder and treasurer of KidsPac and senior fellow at Tufts University's College of Citizenship and Public Service.

Kids Project

September 26, 2000

The Honorable Edward M. Kennedy
315 Russell Senate Office Building
United States Senate
Washington, DC 20510-2101

Dear Senator:

Thank you for all of your work to include a grant program in SAMHSA for treating post-traumatic stress disorder (PTSD) in children and youth who witness or experience domestic, school or community violence or who are caught in natural disasters or acts of terrorism.

You and your staff are amazing!

Now we have to get the $50 million appropriated to put this important legislation to work for the children and youth who so desperately need these specialized mental health services.

Gerry Kavanaugh called yesterday about doing some events in Massachusetts. I would love to work with him and the people at Boston Medical Center and other interested people in Massachusetts to celebrate your victory on this legislation.

Thanks again for your wonderful work for all of America's children and youth and your help in getting the funds to implement this legislation.

Warm regards,

William W. Harris

WWH/ds

80 Trowbridge Street, Cambridge, MA 02138/617-492-2229

Kids Project

September 26, 2000

Via Fax: 202-462-5890

Dear Vicki:

I thought you would be interested and proud of the enclosed. Now all we have to do is get the $50 million! Thanks for your continued help and support.

Warmest regards,

Thanks, Bill

William W. Harris

WWH/ds

Kids Project

September 26, 2000

Dear Gerry:

I would appreciate it if you could get this to the Senator. It's crunch time now for the money. We'll need all of your help.

I look forward to talking to you soon.

Best regards,

Thanks,

William W. Harris

WWH/ds

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H.R.4365

Children's Health Act of 2000 (Engrossed Senate Amendment)

`Part G--Projects for Children and Violence

`SEC. 581. CHILDREN AND VIOLENCE.

`(a) IN GENERAL- The Secretary, in consultation with the Secretary of Education and the Attorney General, shall carry out directly or through grants, contracts or cooperative agreements with public entities a program to assist local communities in developing ways to assist children in dealing with violence.

`(b) ACTIVITIES- Under the program under subsection (a), the Secretary may--

`(1) provide financial support to enable local communities to implement programs to foster the health and development of children;

`(2) provide technical assistance to local communities with respect to the development of programs described in paragraph (1);

`(3) provide assistance to local communities in the development of policies to address violence when and if it occurs;

`(4) assist in the creation of community partnerships among law enforcement, education systems and mental health and substance abuse service systems; and

`(5) establish mechanisms for children and adolescents to report incidents of violence or plans by other children or adolescents to commit violence.

`(c) REQUIREMENTS- An application for a grant, contract or cooperative agreement under subsection (a) shall demonstrate that--

`(1) the applicant will use amounts received to create a partnership described in subsection (b)(4) to address issues of violence in schools;

`(2) the activities carried out by the applicant will provide a comprehensive method for addressing violence, that will include--

`(A) security;

`(B) educational reform;

`(C) the review and updating of school policies;

`(D) alcohol and drug abuse prevention and early intervention services;

`(E) mental health prevention and treatment services; and

`(F) early childhood development and psychosocial services; and

`(3) the applicant will use amounts received only for the services described in subparagraphs (D), (E), and (F) of paragraph (2).

`(d) GEOGRAPHICAL DISTRIBUTION- The Secretary shall ensure that grants, contracts or cooperative agreements under subsection (a) will be distributed equitably among the regions of the country and among urban and rural areas.

`(e) DURATION OF AWARDS- With respect to a grant, contract or cooperative agreement under subsection (a), the period during which payments under such an award will be made to the recipient may not exceed 5 years.

`(f) EVALUATION- The Secretary shall conduct an evaluation of each project carried out under this section and shall disseminate the results of such evaluations to appropriate public and private entities.

`(g) INFORMATION AND EDUCATION- The Secretary shall establish comprehensive information and education programs to disseminate the findings of the knowledge development and application under this section to the general public and to health care professionals.

`(h) AUTHORIZATION OF APPROPRIATIONS- There is authorized to be appropriated to carry out this section, $100,000,000 for fiscal year 2001, and such sums as may be necessary for each of fiscal years 2002 and 2003.

`SEC. 582. GRANTS TO ADDRESS THE PROBLEMS OF PERSONS WHO EXPERIENCE VIOLENCE RELATED STRESS.

`(a) IN GENERAL- The Secretary shall award grants, contracts or cooperative agreements to public and nonprofit private entities, as well as to Indian tribes and tribal organizations, for the purpose of developing programs focusing on the behavioral and biological aspects of psychological trauma response and for developing knowledge with regard to evidence-based practices for treating psychiatric disorders of children and youth resulting from witnessing or experiencing a traumatic event.

`(b) PRIORITIES- In awarding grants, contracts or cooperative agreements under subsection (a) related to the development of knowledge on evidence-based practices for treating disorders associated with psychological trauma, the Secretary shall give priority to mental health agencies and programs that have established clinical and basic research experience in the field of trauma-related mental disorders.

`(c) GEOGRAPHICAL DISTRIBUTION- The Secretary shall ensure that grants, contracts or cooperative agreements under subsection (a) with respect to centers of excellence are distributed equitably among the regions of the country and among urban and rural areas.

`(d) EVALUATION- The Secretary, as part of the application process, shall require that each applicant for a grant, contract or cooperative agreement under subsection (a) submit a plan for the rigorous evaluation of the activities funded under the grant, contract or agreement, including both process and outcomes evaluation, and the submission of an evaluation at the end of the project period.

`(e) DURATION OF AWARDS- With respect to a grant, contract or cooperative agreement under subsection (a), the period during which payments under such an award will be made to the

recipient may not exceed 5 years. Such grants, contracts or agreements may be renewed.

`(f) AUTHORIZATION OF APPROPRIATIONS- There is authorized to be appropriated to carry out this section, $50,000,000 for fiscal year 2001, and such sums as may be necessary for each of fiscal years 2002 and 2003.'.

SEC. 3102. EMERGENCY RESPONSE.

Section 501 of the Public Health Service Act (42 U.S.C. 290aa) is amended--

(1) by redesignating subsection (m) as subsection (o);

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

`(m) EMERGENCY RESPONSE-

`(1) IN GENERAL- Notwithstanding section 504 and except as provided in paragraph (2), the Secretary may use not to exceed 2.5 percent of all amounts appropriated under this title for a fiscal year to make noncompetitive grants, contracts or cooperative agreements to public entities to enable such entities to address emergency substance abuse or mental health needs in local communities.

`(2) EXCEPTIONS- Amounts appropriated under part C shall not be subject to paragraph (1).

`(3) EMERGENCIES- The Secretary shall establish criteria for determining that a substance abuse or mental health emergency exists and publish such criteria in the Federal Register prior to providing funds under this subsection.

`(n) LIMITATION ON THE USE OF CERTAIN INFORMATION- No information, if an establishment or person supplying the information or described in it is identifiable, obtained in the course of activities undertaken or supported under section 505 may be used for any purpose other than the purpose for which it was supplied unless such establishment or person has consented (as determined under regulations of the Secretary) to its use for such other purpose. Such information may not be published or released in other form if the person who supplied the information or who is described in it is identifiable unless such person has consented (as determined under regulations of the Secretary) to its publication or release in other form.'; and

(3) in subsection (o) (as so redesignated), by striking `1993' and all that follows through the period and inserting `2001, and such sums as may be necessary for each of the fiscal years 2002 and 2003.'.

SEC. 3103. HIGH RISK YOUTH REAUTHORIZATION.

Section 517(h) of the Public Health Service Act (42 U.S.C. 290bb-23(h)) is amended by striking `$70,000,000' and all that follows through `1994' and inserting `such sums as may be necessary for each of the fiscal years 2001 through 2003'.

SEC. 3104. SUBSTANCE ABUSE TREATMENT SERVICES FOR CHILDREN AND ADOLESCENTS.

(a) SUBSTANCE ABUSE TREATMENT SERVICES- Subpart 1 of part B of title V of the Public Health Service Act (42 U.S.C. 290bb et seq.) is amended by adding at the end the following:

`SEC. 514. SUBSTANCE ABUSE TREATMENT SERVICES FOR CHILDREN AND ADOLESCENTS.

`(a) IN GENERAL- The Secretary shall award grants, contracts, or cooperative agreements to public and private nonprofit entities, including Native Alaskan entities and Indian tribes and tribal organizations, for the purpose of providing substance abuse treatment services for children and adolescents.

`(b) PRIORITY- In awarding grants, contracts, or cooperative agreements under subsection (a), the Secretary shall give priority to applicants who propose to--

`(1) apply evidenced-based and cost effective methods for the treatment of substance abuse among children and adolescents;

`(2) coordinate the provision of treatment services with other social service agencies in the community, including educational, juvenile justice, child welfare, and mental health agencies;

`(3) provide a continuum of integrated treatment services, including case management, for children and adolescents with substance abuse disorders and their families;

`(4) provide treatment that is gender-specific and culturally appropriate;

`(5) involve and work with families of children and adolescents receiving treatment;

`(6) provide aftercare services for children and adolescents and their families after completion of substance abuse treatment; and

`(7) address the relationship between substance abuse and violence.

`(c) DURATION OF GRANTS- The Secretary shall award grants, contracts, or cooperative agreements under subsection (a) for periods not to exceed 5 fiscal years.

`(d) APPLICATION- An entity desiring a grant, contract, or cooperative agreement under subsection (a) shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

`(e) EVALUATION- An entity that receives a grant, contract, or cooperative agreement under subsection (a) shall submit, in the application for such grant, contract, or cooperative agreement, a plan for the evaluation of any project undertaken with funds provided under this section. Such entity shall provide the Secretary with periodic evaluations of the progress of such project and such evaluation at the completion of such project as the Secretary determines to be appropriate.

`(f) AUTHORIZATION OF APPROPRIATIONS- There are authorized to be appropriated to carry out this section, $40,000,000 for fiscal year 2001, and such sums as may be necessary for fiscal years 2002 and 2003.

`SEC. 514A. EARLY INTERVENTION SERVICES FOR CHILDREN AND ADOLESCENTS.

`(a) IN GENERAL- The Secretary shall award grants, contracts, or cooperative agreements to public and private nonprofit entities, including local educational agencies (as defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801)), for the purpose of providing early intervention substance abuse services for children and adolescents.

`(b) PRIORITY- In awarding grants, contracts, or cooperative agreements under subsection (a), the Secretary shall give priority to applicants who demonstrate an ability to--

`(1) screen for and assess substance use and abuse by children and adolescents;

`(2) make appropriate referrals for children and adolescents who are in need of treatment for substance abuse;

`(3) provide early intervention services, including counseling and ancillary services, that are designed to meet the developmental needs of children and adolescents who are at risk for substance abuse; and

`(4) develop networks with the educational, juvenile justice, social services, and other agencies and organizations in the State or local community involved that will work to identify children and adolescents who are in need of substance abuse treatment services.

`(c) CONDITION- In awarding grants, contracts, or cooperative agreements under subsection (a), the Secretary shall ensure that such grants, contracts, or cooperative agreements are allocated, subject to the availability of qualified applicants, among the principal geographic regions of the United States, to Indian tribes and tribal organizations, and to urban and rural areas.

`(d) DURATION OF GRANTS- The Secretary shall award grants, contracts, or cooperative agreements under subsection (a) for periods not to exceed 5 fiscal years.

`(e) APPLICATION- An entity desiring a grant, contract, or cooperative agreement under subsection (a) shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

`(f) EVALUATION- An entity that receives a grant, contract, or cooperative agreement under subsection (a) shall submit, in the application for such grant, contract, or cooperative agreement, a plan for the evaluation of any project undertaken with funds provided under this section. Such entity shall provide the Secretary with periodic evaluations of the progress of such project and such evaluation at the completion of such project as the Secretary determines to be appropriate.

`(g) AUTHORIZATION OF APPROPRIATIONS- There are authorized to be appropriated to carry out this section, $20,000,000 for fiscal year 2001, and such sums as may be necessary for fiscal years 2002 and 2003.'.

(b) YOUTH INTERAGENCY CENTERS- Subpart 3 of part B of title V of the Public Health Service Act (42 U.S.C. 290bb-31 et seq.) is amended by adding the following:

`SEC. 520C. YOUTH INTERAGENCY RESEARCH, TRAINING, AND TECHNICAL ASSISTANCE CENTERS.

`(a) PROGRAM AUTHORIZED- The Secretary, acting through the Administrator of the Substance Abuse and Mental Health Services Administration, and in consultation with the Administrator of the Office of Juvenile Justice and Delinquency Prevention, the Director of the Bureau of Justice Assistance and the Director of the National Institutes of Health, shall award grants or contracts to public or nonprofit private entities to establish not more than 4 research, training, and technical assistance centers to carry out the activities described in subsection (c).

`(b) APPLICATION- A public or private nonprofit entity desiring a grant or contract under subsection (a) shall prepare and submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

`(c) AUTHORIZED ACTIVITIES- A center established under a grant or contract under subsection (a) shall--

`(1) provide training with respect to state-of-the-art mental health and justice-related services and successful mental health and substance abuse-justice collaborations that focus

on children and adolescents, to public policymakers, law enforcement administrators, public defenders, police, probation officers, judges, parole officials, jail administrators and mental health and substance abuse providers and administrators;

`(2) engage in research and evaluations concerning State and local justice and mental health systems, including system redesign initiatives, and disseminate information concerning the results of such evaluations;

`(3) provide direct technical assistance, including assistance provided through toll-free telephone numbers, concerning issues such as how to accommodate individuals who are being processed through the courts under the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.), what types of mental health or substance abuse service approaches are effective within the judicial system, and how community-based mental health or substance abuse services can be more effective, including relevant regional, ethnic, and gender-related considerations; and

`(4) provide information, training, and technical assistance to State and local governmental officials to enhance the capacity of such officials to provide appropriate services relating to mental health or substance abuse.

`(d) AUTHORIZATION OF APPROPRIATIONS- For the purpose of carrying out this section, there is authorized to be appropriated $4,000,000 for fiscal year 2001, and such sums as may be necessary for fiscal years 2002 and 2003.'.

(c) PREVENTION OF ABUSE AND ADDICTION- Subpart 2 of part B of title V of the Public Health Service Act (42 U.S.C. 290bb-21 et seq.) is amended by adding the following:

`SEC. 519E. PREVENTION OF METHAMPHETAMINE AND INHALANT ABUSE AND ADDICTION.

`(a) GRANTS- The Director of the Center for Substance Abuse Prevention (referred to in this section as the `Director') may make grants to and enter into contracts and cooperative agreements with public and nonprofit private entities to enable such entities--

`(1) to carry out school-based programs concerning the dangers of methamphetamine or inhalant abuse and addiction, using methods that are effective and evidence-based, including initiatives that give students the responsibility to create their own anti-drug abuse education programs for their schools; and

`(2) to carry out community-based methamphetamine or inhalant abuse and addiction prevention programs that are effective and evidence-based.

`(b) USE OF FUNDS- Amounts made available under a grant, contract or cooperative agreement under subsection (a) shall be used for planning, establishing, or administering methamphetamine or inhalant prevention programs in accordance with subsection (c).

`(c) PREVENTION PROGRAMS AND ACTIVITIES-

`(1) IN GENERAL- Amounts provided under this section may be used--

`(A) to carry out school-based programs that are focused on those districts with high or increasing rates of methamphetamine or inhalant abuse and addiction and targeted at populations which are most at risk to start methamphetamine or inhalant abuse;

`(B) to carry out community-based prevention programs that are focused on those populations within the community that are most at-risk for methamphetamine or

inhalant abuse and addiction;

`(C) to assist local government entities to conduct appropriate methamphetamine or inhalant prevention activities;

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Ethel McCoy

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International Relations

B360 Rayburn

Author: [redacted]
Date: [redacted]
Normal
Subject: ---------- Message Contents

SEC. 582. GRANTS TO ADDRESS THE PROBLEMS OF PERSONS WHO EXPERIENCE VIOLENCE RELATED STRESS.

`(a) IN GENERAL- The Secretary shall award grants, contracts or cooperative agreements to public and nonprofit private entities, as well as to Indian tribes and tribal organizations, for the purpose of developing programs focusing on the behavioral and biological aspects of psychological trauma response and for developing knowledge with regard to evidence-based practices for treating psychiatric disorders of children and youth resulting from witnessing or experiencing a traumatic event.

`(b) PRIORITIES- In awarding grants, contracts or cooperative agreements under subsection (a) related to the development of knowledge on evidence-based practices for treating disorders associated with psychological trauma, the Secretary shall give priority to mental health agencies and programs that have established clinical and basic research experience in the field of trauma-related mental disorders.

`(c) GEOGRAPHICAL DISTRIBUTION- The Secretary shall ensure that grants, contracts or cooperative agreements under subsection (a) with respect to centers of excellence are distributed equitably among the regions of the country and among urban and rural areas.

`(d) EVALUATION- The Secretary, as part of the application process, shall require that each applicant for a grant, contract or cooperative agreement under subsection (a) submit a plan for the rigorous evaluation of the activities funded under the grant, contract or agreement, including both process and outcomes evaluation, and the submission of an evaluation at the end of the project period.

`(e) DURATION OF AWARDS- With respect to a grant, contract or cooperative agreement under subsection (a), the period during which payments under such an award will be made to the recipient may not exceed 5 years. Such grants, contracts or agreements may be renewed.

`(f) AUTHORIZATION OF APPROPRIATIONS- There is authorized to be appropriated to carry out this section, $50,000,000 for fiscal year 2001, and such sums as may be necessary for each of fiscal years 2002 and 2003.'.

S9100
HR4365

AMENDMENT NO. ____ Calendar No. ____

Purpose: To establish programs for post traumatic stress and related disorders in children and youth.

IN THE SENATE OF THE UNITED STATES—106th Cong., 2d Sess.

H.R. 4577

Making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2001, and for other purposes.

Referred to the Committee on _____
and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by _____

Viz:

On page 92, between lines 4 and 5, insert the following:

SEC. ___. TREATMENT OF POST TRAUMATIC STRESS AND RELATED DISORDERS IN CHILDREN AND YOUTH.

(a) IN GENERAL.—The Secretary shall award grants, contracts, or cooperative agreements to public and nonprofit private entities for the purpose of establishing a program focusing on the psychological trauma response in

children and youth and for developing knowledge with regard to evidence-based practices for treating psychiatric disorders resulting from witnessing or experiencing a traumatic event.

(b) PRIORITIES.—In awarding grants, contracts, or cooperative agreements under subsection (a) related to the development of knowledge on evidence-based practices for treating disorders associated with psychological trauma, the Secretary shall give priority to child and adult mental health agencies that have established clinical and research experience in the field of trauma.

(c) GEOGRAPHICAL DISTRIBUTION.—The Secretary shall ensure that grants, contracts, or cooperative agreements under subsection (a) are distributed equitably among the regions of the country and among urban and rural areas.

(d) APPLICATION.—A public or nonprofit private entity desiring a grant, contract, or cooperative agreement under subsection (a) shall prepare and submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

(e) EVALUATION.—The Secretary, as part of the application process, shall require that each applicant for a grant, contract, or cooperative agreement under sub-

section (a) submit a plan for the rigorous evaluation of the activities funded under the grant, contract, or agreement, including both process and outcomes evaluation, and the submission of an evaluation at the end of the project period.

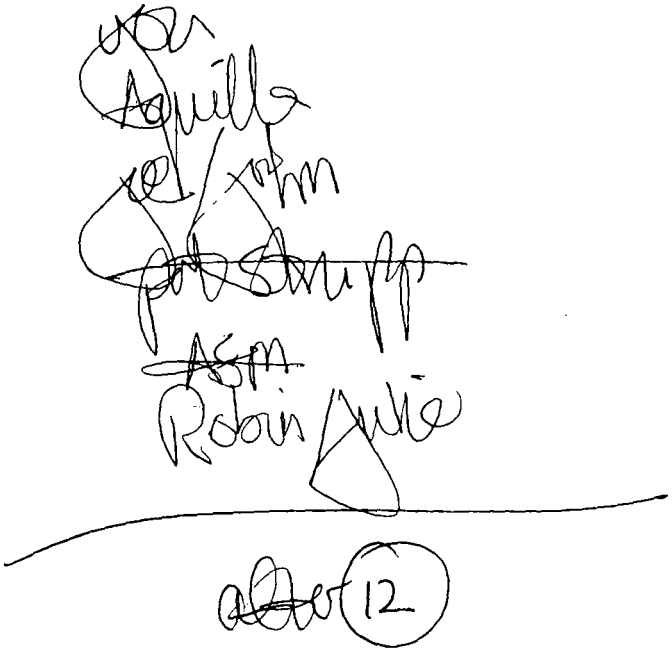
(f) DURATION OF AWARDS.—With respect to a grant, contract or cooperative agreement awarded under subsection (a), the period during which payments under such an award will be made to the recipient may not be less than 3 years and may not exceed 5 years. Such grants, contracts, or agreements may be renewed.

(g) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

(h) APPROPRIATIONS.—

(1) IN GENERAL.—There is appropriated to carry out this section, $10,000,000 for fiscal year 2001.

(2) OFFSET.—Amounts made available under this Act for the administrative and related expenses for departmental management for the Department of Labor, the Department of Health and Human Services, and the Department of Education shall be reduced on a pro rata basis by $10,000,000.


Robin/Julie
12

Kennedy Child Trauma Amendment

Summary

Your amendment authorizes treatment of trauma-related mental disorders that children often suffer after they witness serious violence. To begin this work, $10 million is offset from administrative costs.

Tallking Points

In the Juvenile Justice bill and in the SAMHSA reauthorization bill, the Senate has voted twice in favor of helping children exposed to serious violence to obtain the treatment services they need. Both bills are delayed in the House or in conference for reasons unrelated to the child trauma provisions, but there is no reason to delay beginning this important work.

The amendment I am offering today provides $10 million for projects to assess and treat violence-related psychological trauma in children. This modest funding is offset by reductions in the administrative budgets of the major departments in the bill. Other possible offsets may well be available during final negotiations on the bill.

More funding is clearly justified. Our goal now is to begin the model programs and model training for health care providers, law enforcement officials and other professionals on how to help children most effectively who have suffered serious violence themselves, or witnessed serious violence against others.

Post-traumatic stress disorder is a familiar name to all of us from the Vietnam War. But it is also the name for this very real illness in children who are victims of abuse or who witness violence. This chart shows some of the events which might cause the disorder. Note that medical trauma, such as the intensive pain and isolation which accompany a procedure such as bone marrow transplant, can also cause the disorder.

As we see in this chart, about a third of Vietnam veterans–one million

people–developed some form of PTSD at some point during or after their war experience. A study of Children over a 10 year period after the war showed that a third of those exposed to trauma –16 million children–also developed PTSD.

Children who experience significant trauma are likely to show physical symptoms which accompany their emotional difficulties. They act as if they are in constant fear, with their hearts beating faster and their blood pressure higher. In addition, they often show decreased IQ. Most shocking, in a recent study of about 60 children, the average brain size of the children suffering from the disorder was actually smaller. Look at the size of the ventricles-- holes– these two brains (CHART). The boy with post-traumatic stress disorder has larger spaces. This problem is real and it is serious. With treatment, it can be helped.

A national center on post-traumatic stress disorder is located in Vermont, and it's effective in helping veterans across the country deal with this serious problem. Research shows that children who suffer or witness serious violence can develop similar symptoms, and can benefit from treatment methods that are designed to meet their needs.

Physicians and psychologists have developed methods to treat children who suffer trauma after witnessing violence. The methods are based on the extensive research on trauma disorders suffered by veterans, since there are clear similarities in these childhood and adult disorders. Children also have unique characteristics and needs, and more attention to the science and treatment of children's mental health is needed. This amendment encourages these steps.

Greater support can be provided for children who witness school shootings, natural disasters, or serious violence in their homes. The treatment has two primary objectives -- to improve the children's mental health, and to prevent children who witness violence from becoming caught up in a cycle of violence themselves.

We know that children are usually vulnerable to these emotional disturbances. Not every child will need treatment, but a significant number do, and it ought to be available. The individual child benefits, and so does the

whole community, since we have a greater chance to break the cycle of victims.

While we have developed methods to treat children who suffer trauma after witnessing violence, the methodology for this treatment is derived from that used for adults. While there are clear similarities in the childhood and adult form of this malady, children have unique characteristics and unique needs. More research into the science and treatment of children's mental health is needed and this amendment will establish and develop centers for such research. I urge my colleagues to support this amendment.

Talking Points
Priority Differences Between the Parties
Labor-HHS-Education Appropriations for FY 2001

- Debate on this bill has fallen into a regrettable pattern. Democrats come to the floor with proposals to improve schools, improve health care, or improve conditions in the workplace. Republicans reject the amendments because the amendments don't allow room for the massive tax breaks they want, and the amendments are defeated.

- Republicans think they've already done enough for the health and education of the American people. Democrats insist more can be done and should be done. That is a fundamental difference between the two parties.

- The amendments that Democrats have proposed to this bill highlight the obvious needs that the nation should be meeting:

    - The health of senior citizens needlessly deteriorates, because they don't have affordable and dependable prescription drug coverage under Medicare.

    - Public schools across the country are literally falling apart. They need help in repairing their crumbling facilities and modernizing their classrooms.

    - One of every five children in the nation still lives in poverty. They lack educational opportunities at every step of the way from birth through college. They deserve a fair chance to do well in school -- to go to college -- to have a productive life and career.

    - The high-technology training needed to prepare the nation's workforce for the future economy is out of reach for millions

of Americans.

- Republicans blocked the long-needed ergonomics regulation to protect workers on the job.

- Democrats want to do more to solve these problems. But again and again, our Republican colleagues refuse to act. Their refusal raises a fundamental question of priorities that the American people will decide in November if this impasse continues.

- We have a budget surplus of $1.9 trillion over the next ten years. We can afford more than token efforts to improve education, health care, and working conditions for the nation's families. We need major improvements in current law and we can afford them. They should be a high priority.

- How long will we ignore the 20% of the nation's children who live in poverty? How long will we ignore the third of senior citizens who have no prescription drug coverage? How long will we send children to crumbling schools? How long will we condemn hundreds of thousands of workers to ergonomic injuries every year? Now is the time to deal with these festering problems.

- In fiscal year 2001 alone, a $49 billion surplus is now projected. All of the priorities I have described can be accommodated for a small fraction of this amount.

- The record prosperity we are now enjoying gives us an opportunity to save many more lives through better access to health care. It gives us an opportunity to modernize Medicare by adding a life-saving prescription drug benefit. It gives us an opportunity to provide many more children with a decent education and enable them to become full participants in the new economy. It gives us an opportunity to make every workplace safer, and to provide millions

of workers with the skills they need in this rapidly growing and prospering economy.

- We can do all this and provide responsible tax relief too. Democrats support targeted tax relief for the nation's families, not the irresponsible tax breaks for the wealthy that our Republican colleagues insist on.

- The Republican estate tax relief bill alone would cost $105 billion in the first ten years, and $50 billion a year after that. It's the ultimate tax break for the wealthy. Its relief goes to the wealthiest 2% of Americans -- those who have prospered most in our economy -- those who have no trouble affording education for their children, health care for their families, and the prescription drugs they need.

- Other Republican tax breaks now pending in the Senate would cost a total of $711 billion over the next ten years, exploding to even higher costs in the following years. George W. Bush has proposed tax cuts that would consume the entire $1.9 trillion budget surplus projected over the next ten years.

- If Republicans are willing to give even slightly less to those who already have the most, we will have more than enough resources to dramatically improve education and health care for all Americans.

- The American people should be very clear on this issue. The Republican tax breaks are too extreme. They are keeping America from meeting its high priority needs in education, heath care, the workplace and other vital areas. These needs can be met, if Congress has the will to meet them. As we head into the final weeks of this year's session, I urge my colleagues to do a better job of meeting these all-important priorities.

AMENDMENT NO. ____ Calendar No. ____

Purpose: To establish programs for post traumatic stress and related disorders in children and youth.

IN THE SENATE OF THE UNITED STATES—106th Cong., 2d Sess.

H.R. 4577

Making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2001, and for other purposes.

Referred to the Committee on _____
and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by _____

Viz:

On page 54, between lines 10 and 11, insert the following:

SEC. ___. TREATMENT OF CHILD TRAUMA-RELATED DISORDERS.

(a) IN GENERAL.—In addition to amounts otherwise appropriated under this title for the Substance Abuse and Mental Health Services Administration, $10,000,000 shall be made available through such Administration to make grants to, or enter into contracts with, public or nonprofit

Congress

U.S. HOUSE OF REPRESENTATIVES

COMMITTEE ON BANKING AND FINANCIAL SERVICES

ONE HUNDRED SIXTH CONGRESS

2129 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515–6050

(202) 225–7502

September 12, 2000

The Honorable Lawrence H. Summers
Secretary
U. S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Dear Secretary Summers:

In the wake of enactment of H.R. 3519, the "Global AIDS and Tuberculosis Relief Act" (P.L. 106-264), I write to urge the Administration to pledge the strongest possible support for full funding for the World Bank AIDS Trust Fund and to expedite the negotiations for the Fund.

As the President put it, in signing the bill last month, "There must be a sense of urgency to work together with our partners in Africa and around the world....Millions of lives-- perhaps hundreds of millions-- hang in the balance." I concur wholeheartedly and believe it is imperative that we capitalize on the extraordinary bipartisan and bicameral momentum generated by this legislation by fully funding in FY 2001 the $150 million authorized for the World Bank AIDS Trust Fund. In this context, I would urge the Administration to convey, in as strong terms as possible, its support for this initiative in the year end budget negotiations with Congress.

My concern is underscored by the fact that while the Administration has been fully supportive of the World Bank AIDS Trust Fund initiative, it was not a part of the Administration's original FY 2001 appropriations request. Therefore, if Treasury and OMB take the position that the Administration's request is the bottom line in budget negotiations, the trust fund could be overlooked. I would note that the President has emphasized this bill with a sense of urgency and I hope that Treasury and OMB would take the same position.

In this regard, I am concerned with the priority Treasury and State will give to the international negotiations related to the World Bank AIDS Trust Fund. Accordingly, I would like to request from the Department the name of the official charged with this responsibility, as well as strategies and timetables for conducting the negotiations. It is my understanding, from the communiqué issued at the close of the G-8 summit in Okinawa, that the G-8 will convene a conference this fall to discuss strategy for addressing the global HIV/AIDS pandemic. I would hope such a forum would be considered an opportunity for negotiating the early creation of the AIDS trust fund.

I am convinced that the trust fund is the most opportune vehicle for leveraging greater resources to address HIV/AIDS and also key to mobilizing more aggressive action by the governments of nations most affected by this disease.

Thank you for your consideration.

Sincerely,

James A. Leach
Chairman

cc: The Honorable Madeleine K. Albright
Secretary
Department of State

The Honorable Richard C. Holbrooke
United States Ambassador to the United Nations

The Honorable Sandra L. Thurman
Presidential Envoy for AIDS Cooperation

The Honorable J. Brady Anderson
Administrator, USAID

Congresswoman Barbara Lee
9th District of California

414 Cannon House Office Building
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Phone (202)225-2661 * Facsimile (202)225-9817

U.S. HOUSE OF REPRESENTATIVES
FAX COVER SHEET

Date: Oct 2, 2000 Pages to Follow: 3 11

To: Sandy Thurman

From: Michael Riggs

Fax Number: 456-2439

Message:

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Congress of the United States
House of Representatives
Washington, D.C. 20515-0509

September 27, 2000

The Honorable Sonny Callahan
Chairman
Appropriations Subcommittee on Foreign Operations
H150 Capitol
Washington, D.C. 20515

Dear Chairman Callahan:

As you and your colleagues resolve the differences between the House and Senate FY01 Foreign Operations Appropriations Bill, we write to seek your support for $150 million to fully fund the World Bank AIDS Trust Fund authorized under H.R. 3519. As you are aware, the House and Senate fully supported H.R. 3519, the Global AIDS and Tuberculosis Relief Act and it was signed into law on August 19, 2000 (P.L. 106-264).

The Congress has demonstrated strong leadership to combat this global health crisis by passing this critical legislation; however, funding is needed to demonstrate our full commitment.

The World Bank AIDS Trust Fund would be a landmark public/private partnership that could leverage contributions from the international donor community and the private sector, thereby increasing the initial U.S. contribution to potentially, over $1 billion a year. These funds would be made available through grants to support HIV/AIDS best practices in the countries hardest hit by HIV/AIDS, particularly in sub-Saharan Africa. Thus, establishment of the trust fund must be a priority.

As you know, the global epidemics of HIV/AIDS and tuberculosis are claiming millions of lives each year. As the death toll increases, these diseases are devastating whole countries, undermining education and health care infrastructures, and wiping out decades of progress on economic development.

We know that infectious diseases like AIDS and tuberculosis do not respect national borders. In order to protect the public health in our own country, we must do more to combat the major diseases confronting developing countries in Africa, Asia, and around the world.

In addition to our request for funding for the World Bank AIDS Trust Fund, we would also like to express our support for the following key areas which are authorized by the legislation:

- $300 million for the President's international HIV/AIDS initiatives under the LIFE Initiative to support ongoing HIV/AIDS programs in developing countries, including primary HIV prevention and education, HIV care and treatment services, voluntary testing and counseling, and medications to help prevent perinatal transmissions;
- $60 million for tuberculosis prevention and treatment programs;

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Maxine Waters

- $10 million for the International AIDS Vaccine Initiative (IAVI), which encourages public-private partnerships to ensure the development of safe, effective and accessible preventive HIV vaccines for use throughout the world.

In a time of growing federal budget surpluses there is every reason to act decisively to protect global and domestic health by fully funding the Global AIDS and Tuberculosis Relief Act. Additionally, these new investments must be made without eliminating or scaling back funds for ongoing health or development programs. Funds to existing and effective programs that are already helping millions of individuals should not be reduced; we must therefore increase appropriations levels to fund these new initiatives.

Time is running out, of course, and we recognize the difficult challenge the conferees face in completing the work on the FY 2001 Foreign Operations Appropriations bill. It is our hope that with your leadership the World Bank AIDS Trust Fund, along with other important programs are funded.

Sincerely,

Barbara Lee

James E. Clyburn

Donald M. Payne

Lonnie Morella

Gregory W. Meeks

Lynn Woolsey

Patrick J. Kennedy

Elijah Cummings

Congresswoman Barbara Lee
9th District of California

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Congress of the United States

Washington, DC 20515

October 2, 2000

The Honorable William Jefferson Clinton
The White House
1600 Pennsylvania Avenue, NW
Washington D.C. 20500

Dear Mr. President:

Thank you for demonstrating your commitment to fighting the global AIDS crisis. By enacting the Global AIDS and Tuberculosis Relief Act, H.R. 3519 (P.L. 106-264) into law, the United States has taken a monumental step in the right direction to combat the HIV/AIDS crisis globally. However, considering the scope of the AIDS crisis in Africa and other developing nations, this commitment will have limited impact if the World Bank AIDS Trust Fund, a multilateral strategy to address the AIDS crisis, is not also fully funded.

As the appropriators in both Houses of Congress resolve the differences between the House and Senate FY01 Foreign Operations Appropriations Bill, we write to seek your support for $150 million to fully fund the World Bank AIDS Trust Fund authorized under H.R. 3519. We would also like to meet with you to discuss this matter.

As you know, the World Bank AIDS Trust Fund would be a landmark public/private partnership that could leverage contributions from the international donor community and the private sector, thereby increasing the initial U.S. contribution to potentially over $1 billion a year. These funds would be made available through grants to support HIV/AIDS best practices in the countries hardest hit by HIV/AIDS, particularly in sub-Saharan Africa. The establishment of the trust fund must be among our top priorities. Additional funds from the donor community cannot be leveraged without an initial U.S. contribution.

The global epidemics of HIV/AIDS and tuberculosis are claiming millions of lives each year. As the death toll increases, these diseases are devastating whole countries, undermining education and health care infrastructures, and wiping out decades of economic progress. Therefore, it is imperative that you communicate your support for funding of the World Bank AIDS Trust Fund for FY01 to the House and Senate Appropriators as soon as possible.

In a time of growing federal budget surpluses there is every reason to act decisively to protect global and domestic health by fully funding the Global AIDS and Tuberculosis Relief Act. Additionally, these new investments must be made without eliminating or scaling back funds for ongoing health or development programs. Funds to existing and effective programs that are already helping millions of individuals should not be reduced; we must therefore increase appropriations levels to fund these new initiatives.

President William Jefferson Clinton
Page Two of Three
October 2, 2000

Time is running out, of course, and we recognize the difficult challenge the Administration and conferees face in completing the work on the FY 2001 Foreign Operations Appropriations bill. It is our hope that with your leadership the World Bank AIDS Trust Fund, along with other important programs will be funded.

Thank you for your giving this request your full consideration.

Sincerely,

Barbara Lee

Donald M. Payne

Mike Thompson

Sheila Jackson Lee

Albert R. Wynn

Eliot L. Engel

Joseph Crowley

Stephanie Tubbs Jones

Joseph Hoeffel

President William Jefferson Clinton
Page Three of Three
October 2, 2000

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BARBARA LEE
9TH DISTRICT, CALIFORNIA

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Congress of the United States
House of Representatives
Washington, D.C. 20515-0509

September 27, 2000

The Honorable Nancy Pelosi
Ranking Member
Appropriations Subcommittee on Foreign Operations
1016 Longworth House Office Building
Washington D.C. 20515

Dear Ranking Member Pelosi:

As you and your colleagues resolve the differences between the House and Senate FY01 Foreign Operations Appropriations Bill, we write to seek your support for $150 million to fully fund the World Bank AIDS Trust Fund authorized under H.R. 3519. As you are aware, the House and Senate fully supported H.R. 3519, the Global AIDS and Tuberculosis Relief Act and it was signed into law on August 19, 2000 (P.L. 106-264).

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As you know, the global epidemics of HIV/AIDS and tuberculosis are claiming millions of lives each year. As the death toll increases, these diseases are devastating whole countries, undermining education and health care infrastructures, and wiping out decades of progress on economic development.

We know that infectious diseases like AIDS and tuberculosis do not respect national borders. In order to protect the public health in our own country, we must do more to combat the major diseases confronting developing countries in Africa, Asia, and around the world.

In addition to our request for funding for the World Bank AIDS Trust Fund, we would also like to express our support for the following key areas which are authorized by the legislation:

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- $60 million for tuberculosis prevention and treatment programs;
- $50 million for the Global Alliance for Vaccines and Immunizations (GAVI) to coordinate a worldwide effort to protect the three million children who die every year from vaccine-preventable diseases; and

- $10 million for the International AIDS Vaccine Initiative (IAVI), which encourages public-private partnerships to ensure the development of safe, effective and accessible preventive HIV vaccines for use throughout the world.

In a time of growing federal budget surpluses there is every reason to act decisively to protect global and domestic health by fully funding the Global AIDS and Tuberculosis Relief Act. Additionally, these new investments must be made without eliminating or scaling back funds for ongoing health or development programs. Funds to existing and effective programs that are already helping millions of individuals should not be reduced; we must therefore increase appropriations levels to fund these new initiatives.

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Congress of the United States
House of Representatives
Washington, D.C. 20515-0509

September 27, 2000

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Chairman
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Eliot L. Engel

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Edward Brown

Jesse L. Jackson

Mark Foley

Jim McDermott

Nick Lampson

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0 - congress

Testimony of Vivian Lowery-Derryck
Assistant Administrator
Bureau for Africa
U.S. Agency for International Development

Before the

Committee on International Relations
Subcommittee on Africa
United Stated House of Representatives

September 27, 2000

Introduction

Mr. Chairman, I would like to thank the Committee for giving me this opportunity to testify on HIV/AIDS in Africa: Steps to Prevention. Mr. Chairman, we are all too familiar with the grim reality of over 23 million persons already infected and almost 16,000 persons becoming infected every day. At least 10 persons get infected every minute. Preventing these infections or protecting 70-80% of the population not yet infected even in high prevalence countries should be the highest priority for the countries and the international community. The proportion of population not yet infected is as high as 95-99% in a number of West African countries and in Madagascar. However, the time is running out and stronger actions are needed NOW.

Apart from the devastating impact of the epidemic on economic development it has played havoc with the lives of the families and has become one of the greatest human tragedies in recent history. Over 40 million children are estimated to become orphans from all causes but 80% of them would have lost one or both parents due to HIV/AIDS. Mr. Chairman, this number amounts to 40 times the population of a country like Botswana. Reducing the vulnerability of these orphans to the disease to which their parents succumbed and to the stigma and social and economic problems is a challenge not only for Africa but also for the entire world.

On the positive side, I would like to make two points with regard to orphans and the prevention of HIV/AIDS. Namely, that orphans present both an opportunity and a challenge. The opportunity arises from the fact that these children, with proper care and training, can become responsible citizens and

strong proponents of the prevention messages. The challenge is to apply the numerous prevention interventions that are currently available and that have proven their effectiveness. Mr. Chairman, we have the tools or packages of prevention interventions that have helped successful countries, such as Uganda, reduce the prevalence rates. These tools include: availability of information, condoms and social marketing, access to support services for persons infected, broad multisectoral approaches to the epidemic, and voluntary counseling and testing.

These interventions can be expanded or scaled up immediately. USAID is the largest bilateral donor for HIV/AIDS with a large presence of technical expertise in the field. Thanks to the commitment of the Administration and the Congress, USAID's response to the epidemic is constantly being enhanced. However, I must stress that there is one significant constraint to stepping up our attack on HIV/AIDS. Without a strong commitment on the part of countries to effectively use the resources being pledged by the international community, our efforts may fail. Accordingly, we will work to strengthen countries' commitments to fight HIV/AIDS at all levels and work most closely with the private sector and NGOs already doing their utmost to prevent the spread of the epidemic.

These interventions can be expanded or scaled up immediately. USAID is the largest bilateral donor for HIV/AIDS with a large presence of technical expertise in the field. Thanks to the commitment of Administration and Congress, USAID's response to the epidemic is constantly being enhanced. However, I must stress that there is one significant constraint to stepping up our attack on HIV/AIDS. Without a strong commitment on the part of countries to effectively use the resources being pledged by the international community, our efforts may fail. On the other hand, we cannot categorically refuse to undertake programs in countries where leaders do not demonstrate the desired level of commitment. The suffering of the affected populations, not to mention the threat posed to neighboring countries, would simply be too great. In those instances where the necessary commitment is lacking, we must still persist in establishing anti-AIDS programs by working with willing NGOs and communities. At the same time, we are acutely aware of the fact that the outcomes will not be as successful as in places where we have good public sector partners.

With your permission, Mr. Chairman, in my testimony today I will focus on voluntary counseling and testing and the issue of orphans. I will talk about the reasons why VCT has to be an essential part of the prevention intervention package, the progress made in providing VCT service thus far, mainly

with USAID's assistance, and the future prospect of expanding this intervention. In addition, I will touch upon the problem of orphans and the strategies for reducing their vulnerability and thus making them a positive force for HIV/AIDS prevention.

Voluntary Counseling and Testing (VCT)

VCT: An Essential Part of Prevention

VCT is the process by which an individual undergoes counseling enabling him or her to make an informed choice about being tested for HIV. If he or she chooses to be tested, there are provisions for post-test counseling and follow-up.

There are compelling reasons for provision of VCT facilities in sub-Saharan Africa. As a basic human right, individuals should have the access to information and services that will inform them of their status, whether they are sero-positive or sero-negative, if they wish to be so informed. Second, as a public health measure it is important that people should know the risk of their behavior to themselves and to others. Third, VCT enables people to plan their lives and is most effective for those who are about to make critical life planning decisions. Pregnant women who are aware of their sero-positive status can prevent transmission to their children, and parents can plan for the care of their children after they die. Therefore VCT is an important component of preventing mother to child transmission and caring for orphans. Fourth, VCT has been shown to cause sexual behavior changes, at least in the short run. Fifth, it provides the necessary psychological support to those found to be sero positives, even in the absence of availability of antiretroviral drugs. One of the most important contributions of VCT programs is the normalization and destigmatisation of HIV/AIDS. VCT contributes a collective sense that HIV infection is something that can happen to anyone; it gives the 'monster' a human face, making it easier to engage in public discourse on prevention of HIV. This also creates the opportunity for people living with HIV-AIDS to organize into groups. These groups can be pivotal in carrying forward messages about prevention and in the provision of care and support to others with HIV-AIDS. Finally, VCT provides an entry point to care.

Impact and Effectiveness of Voluntary Counseling and Testing

USAID is proud to be associated with the development of the earliest efforts in providing VCT services. The intervention was introduced in Uganda

where the environment for new and innovative activities had been most conducive due to the strong interest of the top leadership as well as of people in curtailing the epidemic. The demographic and health survey of 1995 indicated that over 67% of the Ugandans were eager to know their HIV status. The AIDS Information Center, supported by USAID, became the major non-medical site to provide voluntary counseling and testing. By the end of July 1996, over 300,000 clients had received voluntary counseling and testing. The number of clients and the demand grew rapidly, and the facilities are being expanded nationally. After the initial testing and counseling, the clients are sent for long-term social support to post-test clubs where both HIV-positive and negative persons meet and reinforce behavior change efforts. HIV positive clients with symptoms are referred to a non-governmental organization called The AIDS Support Organization or TASO for care and support. TASO activities have also become a model and are being replicated in different parts of the country and outside the country. HIV prevalence among those seeking VCT declined from 23% to 15% among males and from 35% to 28% among females during 1993-97. Following Uganda's success, USAID helped introduce VCT in Kenya, Malawi, Zimbabwe, South Africa, Zambia and Tanzania. VCT has become one of the major responses to the epidemic.

USAID has helped scale up VCT in Zimbabwe in a highly systematic manner ensuring quality of services. It selected 125 sites initially and then, on the basis of criteria such as availability of trained counselors, expected demand, and consultations with the stakeholders and communities, six final sites were selected. These sites are the location of clinics that are run by governmental and non-governmental organizations. One site is operated by the private sector. The clients are increasing at all the sites, particularly in the urban areas.

Similar successes with VCT have been reported in recent studies of cost-effectiveness of VCT in Kenya and Tanzania published in the July issue of Lancet. The study involved over 3,000 individuals and close to 600 couples randomized to receive either education and VCT or only education. The proportion of individuals reporting unprotected intercourse with non-primary partners declined significantly for those receiving VCT compared to those receiving simply health information. The reduction among men with VCT was 35% as compared to 13% with health information only. The corresponding figures for women were 39% and 17% respectively. Condom use among all participants increased.

The per capita cost of VCT has been reported at about $26-29 in the study. This translates to about $250-350 per infection averted. These costs are likely to go down with a new and less expensive test kit. (See next paragraph).

Future Prospects for VCT

The demand for VCT is likely to grow in sub-Saharan Africa for several reasons. First, as the awareness of HIV/AIDS increases, due to better availability of information, a larger number of people will want to learn their sero status. Second, because of efforts to make nevirapine available for reducing mother to child transmission, VCT services will be required as a necessary part of this effort. Third, a new rapid test allows same-day results, thereby reducing the burden of having to travel back to a clinic to receive results. VCT currently costs between $12 to $24 per person. However, personnel costs are the largest component of the total cost, since the test kits themselves cost $1-2.

Given the high value of VCT programs, countries and donors need to:

Expand the Services: VCT services should be offered as part of essential health care linked to other health service such as tuberculosis. The structure of VCT services should be flexible to reflect an understanding of the needs of the communities they serve. Services should be linked with community organizations that can provide care and support resources.

Give special attention to Vulnerable and high risk Groups: VCT services should be developed to cater to the need of vulnerable groups such as women and orphan. Involvement of people living with HIV/AIDS is essential. Targeting high-risk populations such as truckers and sex workers can increase the cost effectiveness of VCT.

Reduce the barriers to utilizing VCT and other services: Stigma remains one of the most significant barriers to providing HIV/AIDS services. Policy dialogue and an enabling environment that allows frank discussion of the disease and its impact on individuals and society are a prerequisite for the success of any intervention.

Recognize the limits of a single intervention: Despite the demonstrated efficacy of VCT there are concerns. The long-term impact of VCT is uncertain. The first question is whether the safe sexual behavior will continue in the long run. The second is the negative social and psychological consequences of poor counseling. The third issue relates to the difficulty of disclosure, particularly by women.

Orphans

As I mentioned earlier the HIV/AIDS epidemic is producing orphans on a scale unrivaled in world history. It is difficult to overstate the trauma and hardship that the increase in AIDS-related morbidity and mortality has brought upon children. Denied the basic closeness of family life, children lack love, attention and affection, similar to children living in war-affected areas. They are pressed into service to care for ill and dying parents, removed from school to help with family or household work, or pressured into sex to help pay for necessities their families can no longer afford, thereby escalating their own risk of infection. Often it is girls who suffer the most. Finally, these children frequently receive less health care attention.

Unfortunately the traditional responses to orphans -- developing institutions and orphanages -- is not appropriate for this crisis. Though in AIDS-affected areas there are increasing stresses to the capacity of extended families and communities to provide care, in most cases institutions are not an appropriate alternative. Institutions generally do not adequately meet key developmental needs such as consistency of care, especially for younger children. In addition, when children grow up without family and community connections, they are cut off from the support networks they will need as adults, as well as the opportunities to learn the skills and culture that children learn in families and in their communities. Economically, institutional care is also not financially feasible for large numbers of children. The resources needed to support institutional care for a single child can assist scores and even hundreds of children if used effectively to support a community-based initiative. In communities under economic stress, increasing the number of places available in institutions has often led to more children being pushed from family care to fill those places, where the material standards are seen as being higher than families can provide. This increases the scale of the problem and consumes resources that could do more if directed towards strengthening family and community capacities to care for vulnerable children. Institutional care can be helpful in those cases where there is no other immediate option, and it can serve as an interim solution while a fostering situation is arranged. However, children

in this situation should be reintegrated into the community, as soon as a reliable caregiver is identified.

Strategy for Intervention

When HIV/AIDS strikes, the first line of response comes from the children's families and communities. The extent to which the work of others – governments, NGOs, religious institutions and donors – is effective is a function of how well they support the efforts of children, families and communities. *Children at the Brink*- the seminal work supported by USAID, identifies five basic strategies of intervention that can help such efforts:

1. Strengthen the capacity of families to cope with their problems
2. Mobilize and strengthen community-based responses
3. Increase the capacity of children and young people to meet their own needs
4. Ensure that governments protect the most vulnerable children and provide essential services
5. Create an enabling environment for affected children and families.

Strengthen the capacity of families to cope with their problems

It is a tribute to the strength of families in Africa that the extended family has not collapsed in the face of the pandemic. Although AIDS puts families under incredible stress, the majority of families are still providing some level of care for affected children. Research has shown that it is critically important to help household's shore up their economic capacity. In Uganda, for example, three out of four members of a successful village-banking program, supported by USAID, are caring for orphans. Programs that support home care of HIV/AIDS parents further strengthen the ability of families to cope. USAID has been supporting home care programs as well as prevention efforts through these programs in severely affected countries.

Mobilize and strengthen community-based responses.

Community mobilization can encourage local leaders to protect the property and inheritance rights of widows and orphans, organize cooperative child care, organize orphan visitation programs and provide financial support. In Malawi, for example, through USAID support, district AIDS committees have been set up. These AIDS committees in communities have, in turn,

helped villages to raise funds and channel resources to affected children and adults. The villages have developed community gardens, grown and distributed sweet potato and cassava to needy households, and organized youth groups to educate others about HIV prevention.

Strengthen the capacity of children and young people to meet their own needs

The illness or death of a parent often catapults a child into a harsh world. The first line of defense is to enable children to stay in schools so they may acquire the skills to care for themselves. Interventions to help them remain in school must address the institutional, financial and other factors that cause them to fall out of the educational system. Examples of effective interventions include: changing policies regarding fees or uniform requirements, providing at least one meal a day at school, providing schools with equipment, or renovation, in exchange for admitting vulnerable children and arranging apprenticeships with local artisans.

Conclusion

Mr. Chairman, I would conclude that one of the main lessons of Uganda is that a successful national effort involves utilizing all available tools and resources to achieve our goal. We cannot rely on one or two interventions to turn around the kind of epidemics we see raging in Africa. Thus, put in the context of a comprehensive strategy, VCT is one of several powerful tools. USAID is committed to expanding and strengthening it. However, as I stated earlier, national commitment is essential for making donor efforts more effective.

As for the challenge of orphans, all parties -- donors, governmental and non-governmental organizations and communities -- must work together toward the overarching goal of creating an enabling environment for the affected families. Stigma should be reduced. Laws should be changed to reduce the vulnerabilities of children and families. This means changing public recognition of HIV/AIDS from "their problem" to our problem in this interdependent world.

8 - Congress

8th Congressional District

San Francisco, California

Fax Transmission from the Washington Office of Congresswoman Nancy Pelosi

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ATTENTION: Michael Iskowitz

FROM: Scott Boule

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DATE: October 4, 2000

Message/Instructions:

Congress of the United States
Washington, DC 20510

October 2, 2000

President William J. Clinton
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

We are writing to urge you to support inclusion of the Early Treatment for HIV Act (ETHA) in the context of Balanced Budget Act Medicare refinements currently being developed. ETHA, which we introduced earlier in the session, will help thousands of low-income people with HIV live longer, more fulfilling lives.

In recent years, exciting scientific breakthroughs have led to an improved understanding of AIDS and powerful new treatments for Americans living with HIV disease. Thousands of HIV positive individuals have remained healthy and active as the protease cocktail and other treatment advances have successfully prevented or delayed progression from HIV to AIDS. To be most effective, the medical community and the U.S. Department of Health and Human Services (HHS) recommends the use of these treatments early in the course HIV infection, before the onset of symptoms.

Considering these recommendations, it is logical that we change current law whereby vulnerable low-income HIV-positive Americans cannot receive AIDS-preventing drugs under the Medicaid program until they develop full blown AIDS. By that time, their preventive value has greatly diminished. ETHA will ensure that HIV positive, low-income patients will be eligible for medical services immediately. Recent studies have shown that expanding Medicaid to provide wider access to HIV therapies would prevent thousands of deaths and AIDS diagnoses, leading to 14,500 more years of life for persons living with HIV disease over five years.

We are encouraged that Congress passed legislation last year to create a new Medicaid demonstration to assess the effectiveness of providing immediate care for HIV. However, only one state has sought and received approval for participation in this program. Even if a handful of additional states decide to participate, the program is so limited in its scope that thousands of HIV patients will still be unable to overcome the financial barriers to effective medical treatments.

Again, we urge you to support ETHA in the context of any final BBA Medicare refinement legislation. Thank you for your consideration of this important legislation. We look forward to working with you to increase access to quality health care for people living with HIV.

Sincerely,

Robert G. Torricelli	Richard A. Gephardt	Nancy Pelosi
U.S Senate	U.S. House of Representatives	U.S House ofRepresentatives

cc: Senator Daniel Patrick Moynihan
Senator William V. Roth, Jr.
Rep. John D. Dingell
Rep. Sherrod Brown
Rep. Charles B. Rangel

0- Congress

May 3, 2000

The Honorable Dennis Hastert
Speaker of the House

The Honorable Richard Gephardt
House Democratic Leader

The Honorable Trent Lott
Majority Leader
United States Senate

The Honorable Tom Daschle
Senate Democratic Leader

The Honorable William V. Roth
Chairman, Senate Committee on Finance

The Honorable Daniel Patrick Moynihan
Ranking Democrat, Senate Committee on Finance

The Honorable Bill Archer
Chairman, House Committee on Ways and Means

The Honorable Charles B. Rangel
Ranking Democrat, House Committee on Ways and Means

Dear :

We wish to thank you for your leadership in advancing the Africa-CBI trade bill through the legislative process. This historic legislation promises to deepen our partnership with these two important regions and yield mutual economic benefits for years to come.

However, we write to express concern and disappointment at reports that the conference is poised to miss an important opportunity to make progress on one of the most pressing humanitarian and economic issues facing Africa: the HIV/AIDS pandemic. In particular, we urge you to reconsider the apparent decision to omit from the conference report the Senate amendment on intellectual property rights and public health emergencies. And we strongly recommend that you consider including in the conference report the President's proposal to create a tax credit to encourage the development of vaccines for infectious diseases prevalent in the poorest countries.

First, the Feinstein-Feingold amendment on intellectual property rights and public health emergencies should be retained in the final bill. This amendment constitutes a narrow and sensible approach to addressing AIDS in Africa. AIDS claims more than 2.6 million lives in

Africa each year. This health care crisis deepens Africa's vicious cycle of disease and poverty, undermines Africa's security, and robs generations of hope for the future. Feinstein-Feingold provides African countries experiencing an HIV/AIDS crisis with the ability to institute measures, consistent with WTO intellectual property rules, that are designed to ensure swift and effective distribution of pharmaceuticals and medical technology to afflicted populations. The amendment properly provides flexibility for African countries battling HIV/AIDS to offer relief to their people while ensuring that fundamental intellectual property rights for U.S. businesses and inventors are respected. Its exclusion from the bill would send the wrong signal to African nations attempting to contain HIV/AIDS and would run counter to the vigorous efforts being made by the United States to fight this terrible illness – efforts that the Congress and the President have worked so hard to advance.

Second, we strongly recommend inclusion of the President's Millennium Vaccine Initiative tax credit proposal in the bill. Working in consultation with pharmaceutical companies and the health community, we have developed two tax credit proposals to encourage the development of vaccines for malaria, tuberculosis, HIV/AIDS, or any infectious disease that causes over one million deaths annually worldwide. Under the first credit, the seller of a qualified vaccine could claim a credit equal to 100 percent of the amount paid by a qualifying nonprofit organization (such as UNICEF) that received a credit allocation from the U.S. Agency for International Development (AID). The tax credit would match the purchaser's expenditures dollar-for dollar, thereby doubling its purchasing power. From 2002 through 2020, AID could designate up to $1 billion of vaccine sales as eligible for the credit. The credit would provide a specific and credible commitment to purchase vaccines for the targeted diseases once they become available. The President is calling on other governments to make similar commitments, so that we can ensure a future market for these critically needed vaccines.

Under the second credit, the Administration has expressed its willingness to support a tax credit for qualified clinical testing expenses for certain vaccines, similar to the existing orphan drug tax credit. The credit would be for 30 percent of the expenses for human clinical testing of vaccines for the diseases targeted by the President's initiative. This credit will provide an additional incentive for drug manufacturers to undertake research on new vaccines and accelerate their development. This credit, coupled with the other, would make an important contribution to the fight against infectious diseases in the developing world. While important progress is being made, it is widely recognized that the market does not provide sufficient support for pharmaceutical companies to develop vaccines and medicines for diseases that disproportionately affect developing nations. Indeed, the WHO estimates that only perhaps 10 percent of the $50-60 billion spent worldwide each year on health research is directed towards diseases that afflict 90 percent of the world's population.

As you know, the purpose of the African Growth and Opportunity Act is to stimulate market-led investment, economic growth, and rising living standards in some of the world's poorest countries. HIV/AIDS is not only the most pressing humanitarian issue in Sub-Saharan Africa; it is also the paramount economic and national security issue. For this reason, the absence of the Feinstein-Feingold amendment and the President's vaccine tax credit proposals from the final conference report on the African Growth and Opportunity Act would represent a

glaring omission from this bipartisan strategy to inaugurate a new era of partnership with the continent. We urge you to consider including these measures in the final legislation to be sent to the President.

Thank you.

Sincerely,

John Podesta	Charlene Barshefsky	Lawrence Summers
White House Chief of Staff	U.S. Trade Representative	Secretary of the Treasury

0- Congress

The Office of Congressman Jim Leach

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FAX TRANSMISSION COVER SHEET

Date: 10/5/00

To: Sandy Thurman

Fax: 456 - 2438

Phone:

Re: Debt Relief / AIDS

Sender: Chairman Leach

YOU SHOULD RECEIVE __ PAGE(S), INCLUDING THIS COVER SHEET.
IF YOU DO NOT RECEIVE ALL THE PAGES, PLEASE CALL .

U.S. HOUSE OF REPRESENTATIVES

COMMITTEE ON BANKING AND FINANCIAL SERVICES

ONE HUNDRED SIXTH CONGRESS

2129 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515–6050

(202) 225-7502

October 5, 2000

Mr. Gene Sperling
Director
National Economic Council
Old Executive Office Building
Washington D.C. 205 00

Dear Gene:

To follow up on the meeting that was held in the Cabinet Room on Monday, I would like to give a personal appraisal of the background of debt relief and AIDS issues in Congress and where these issues stand at this time.

Several years ago, when I first heard of the issue of debt relief, I responded with an element of support and an element of skepticism. The moral hazard issues and the naivete of faith-based advocates were apparent. But in thinking the issue through, I came to the conclusion that this was an issue where the supposedly naïve have a better grasp of realpolitik than the alleged pragmatists and that of all issues debt relief and AIDS prevention merited full rather than half-hearted support.

When I put together my original bill on debt relief, I sent it to the Executive Branch for comment. The response from all quarters was that the bill was in the right direction but had gone too far to be politically palatable.

Despite lack of Executive Branch enthusiasm I introduced the bill to provide the Administration with Republican cover in Congress and a comfort level that it could take a more forthcoming position in international.negotiations. With each passing month last year the Executive Branch became more supportive but seemed to remain skeptical it could take on the Congress or conservative elements in the public on the issue.

In any regard, I was confident I could steer a bill through the authorizing committee but understood that garnering sufficient appropriations support was a more difficult but not insurmountable challenge. Given the nature of year-end budgeting, it is self-evident that the Administration can get anything it designates as its top one or two priorities. Debt relief last year ended up falling in a category of worth advocating by the Administration but not to the point of falling on a sword over. The result was that Treasury worked with the Senate and with the appropriators and achieved support for partial funding, half rather than a full loaf, and that half was largely for bilateral rather than multilateral debt relief, even though the latter had the substantial advantage of leveraging resources from other countries. The Treasury also agreed to a complicated 9/14th's principle on IMF gold sales, which meant that the need for additional authorization would ensure that antagonistic elements in the Senate could continue to toy with U.S. international economic policy in a potentially objectionable way.

At this point, my strongest advice to the Executive Branch is to give precise legislative language to the Appropriators and declare that meeting this budget request is a bottom line priority for concluding the budget negotiations and allowing Members of Congress to get out of town.

In many respects, HIPC debt relief and funding for HIV/AIDS prevention and care are intertwined. By any historical measure HIV/AIDS is the greatest public health challenge as well as one of the gravest development challenges of modern times. As is well known, the disease has also had a disproportionately severe impact on many of these same heavily indebted poor countries in sub-Saharan Africa. And as has been the case with debt relief, a comprehensive and effective global effort to combat HIV/AIDS must by definition be multilateral. Yet until Congress authorized the creation of the World Bank AIDS Trust Fund, a bill I designed to leverage grant contributions from the private sector as well as other governments, the only multilateral mechanism for helping to combat the scourge of HIV/AIDS has been to provide yet more loans to the governments of these same highly indebted poor countries – an approach that may not be consistent with sound debt management policy and may also not be politically acceptable or sustainable.

Therefore, I would urge the Administration to also insist on full funding of the World Bank AIDS Trust Fund authorized in P.L. 106-264 which the President signed into law in August. Unfortunately the last report heard from the White House on this issue indicated that the Executive Branch was willing to settle for less than half of the authorized amount of $150 million for FY 2001. OMB and the Appropriators apparently argue that the World Bank Trust Fund will not be able to spend the money in the next fiscal year. While I am doubtful that it will take a great deal of time to get the trust fund up and running, I would point out that it will be difficult to get other donors to participate without a credible U.S. commitment in the first year.

Accordingly, at the risk of presumption, I would suggest that the Administration's formal budget language for the World Bank AIDS trust fund should include authority for the funds to be carried over to the following year, should this spending rate become a problem, which

I don't believe it will. But, here again, the Executive Branch should give the Appropriators the exact language it insists upon, not simply advocate in theory for the program.

Finally, several quick observations are in order:

- Fully funding debt relief and both bilateral and multilateral commitments to arrest the spread of HIV/AIDS are the most compassionate set of initiatives the United States has ever extended to the developing world.

- One of the reasons to put emphasis on this issue is to attempt to resolve outstanding issues so the budget can be finalized, with the Administration putting its stamp on international leadership initiatives.

- The challenge is to deal with debt relief and HIV/AIDS mitigation in the context of the regular budget process but in a sense also outside it. Arguably the funding levels for debt relief could be considered as one time only and should be considered without placing constraints on HIV/AIDS funding or other international affairs functions. The problem is that as the Executive Branch deals with the Appropriators, issues become subject to salami tactics. The Administration should have the resolve to insist on full funding for debt relief and HIV/AIDS initiatives. When Harry Truman developed the Marshall Plan, he didn't say, "I'd be satisfied if Congress half-funded it."

- Republicans like Senator Gramm and Representative Armey want to trade passage of debt relief for IMF reform. The case for reform, particularly because of the IMF's Russian policy, is real but Congress has enacted far more reform than critics understand. The key is that any new language be workable rather than internationally counterproductive. If I were the Executive Branch, I would simply insist that you can accept no phraseology that Secretary Summers doesn't personally approve. Here, you should also recognize that the conservative Meltzer Report, whose critique was 80 percent valid and prescriptions somewhat less so, advocated more IFI concern for AIDS and greater emphasis on grants. The initiative to create a World Bank AIDS Trust Fund is consistent with reform approaches as well as compassion. It also represents the best approach I know of to counter the anti-globalist critics of the IFIs.

- Finally, I know of no other issues that put the Administration on a higher moral policy ground as this Presidency comes to an end.

It is true in politics that foreign aid is always controversial and there will be political shots across the bow as reflected in the statement issued by a member of the House Republican Leadership this week. Yet, most of the criticism is going to a President who is not up for re-election. And, to the degree that opposition develops, it would be from those who would be hard pressed to support a democratic Presidential candidate under any circumstance. In short, I believe the Administration has been too concerned for too long with the political downsides to these developing country initiatives. You have the cover of a number of Republicans ranging from me to John Kasich, Spencer Bachus, and Senators Connie Mack

and Orrin Hatch. And on the religious side, you have the obvious cover of established churches as well as Pat Robertson.

Thank you for your consideration.

Sincerely,

James A. Leach
Chairman

cc: The Honorable Lawrence Summers
Secretary of the Treasury

The Honorable Jacob J. Lew
Director, Office of Management and Budget

The Honorable Harriet C. Babbitt
Deputy Administrator Agency for International Development

The Honorable Sandra L. Thurman
Presidential Envoy for AIDS Cooperation

JL:jwm