

Wednesday, February 22, 1995

Mr. ORTIZ. Mr. Speaker, today, I am joined by a bipartisan group of Members in introducing a bill whose objective is to reduce the rate of birth defects in this country. I am particularly pleased that my colleague from Texas, Congressman HENRY BONILLA, is the lead co-sponsor of this vital legislation. The legislation addresses a national health care issue that crosses all geographic areas and affects children of all races and economic classes and is imperative to the public health of all Americans.

Many people may not realize that birth defects are the leading cause of infant mortality in the United States as well as a leading cause of disability and shortened life expectancy. Currently, over 150,000 children are born with a serious birth defect every year. Nevertheless, the United States lacks a coherent, comprehensive national strategy to address the birth defects problem. As a result, there are inadequate State and local resources that work to combat the incidence of birth defects. Consequently, most Americans have insufficient knowledge about birth defects, and remain unaware of the high rate of birth defects in our country.

This legislation, in many ways, is a product of a tragedy in part of my district, Cameron County, TX. It is the result of great anguish and misery experienced by mothers, fathers, and all who sympathize with the loss of a child, or the sadness of a baby born with a deformity.

The discovery of this tragedy began to unfold in March 1991, when a nurse helped deliver two babies in a 36-hour period. Both babies had anencephaly, a lethal birth defect in which the baby either has only a partial brain or no brain at all. This pattern triggered this competent nurse to review recent hospital birth records where she found a pattern of six babies born with anencephaly in the previous month.

The Texas Department of Health and the Centers for Disease Control were notified of the extremely high rate, and a case study of the cluster was initiated. Further research by the Centers for Disease Control and the Texas Department of Health revealed even more anencephaly cases, the largest cluster of such cases ever recorded in such a short period of time in the United States.

The revelation of this cluster created an atmosphere of anxiety and fear in this close-knit community along the United States-Mexico border. Families expecting or planning to one day have a child were fearful of the possibility of anencephaly. Many have put family plans

with the unfolding of this intense investigation, which has included an examination of environmental, nutritional, and genetic factors.

First, we have learned that folic acid has proven to be effective in reducing the recurrence of neural tube defects and may possibly reduce the chance of initial occurrence. In fact, in September 1992, the U.S. Public Health Service issued a recommendation on folic acid stating that all women of childbearing age in the United States who are capable of becoming pregnant should consume 0.4 mg of folic acid per day for the purpose of reducing the risk of having a pregnancy affected with spina bifida or other neural tube defects. The discovery that folic acid can contribute to preventing neural tube birth defects could save many babies each year from disability and death. This news is greatly welcomed.

The events in Brownsville, TX, also called attention to the fact that the prevalence of neural tube defects in Hispanic children was twice the national average. Additional studies show that the Hispanic community, on a nationwide level as well as in some Latin American countries, seems to experience higher rates of anencephaly and other neural tube defects than other ethnic groups.

In order to address the issue of birth defects, this legislation seeks to establish a national, State-based, birth defects surveillance system with regional centers of excellence to determine the unknown causes of birth defects. The bill also enables States to begin or enhance their own birth defects registries. This will ensure that basic information on birth defects can be gathered and analyzed so clusters like that in Cameron County would not have to be discovered accidentally.

The bill also establishes regional birth defects centers of excellence whose purpose is to monitor the changes in the incidence of birth defects by studying surveillance information. This will create a mechanism so that we can act quickly when a cluster is identified, thereby alerting and directing all pertinent Federal, State, and local agencies so that all possible causes, whether environmental, nutritional, or genetic, will be explored. These centers will develop and evaluate preventive services so that we can work to prevent birth defects, and not act in instances after the fact.

The bill also establishes a clearinghouse at the Centers for Disease Control so that information is centralized. We must have the capability of collection, storage, and interpretation of data generated from State birth defects surveillance programs and regional birth defects centers, as well as the ability to disseminate that information in a timely and useful manner.

The Centers for Disease Control is the Federal agency charged with protecting the public

ease Control was obviously the best choice as the lead agency to coordinate the Federal, State, and local efforts for this national birth defects program.

In these times of budgetary constraints, many may have concerns about the cost of this bill. A close examination, however, will show that this bill will actually serve to reduce expenditures. It will help save money by reducing the incidence of birth defects, which cost the States and the Federal Government millions of dollars each year in treatment, special education, insurance, and loss of income.

This legislation has already gained bipartisan support, and I am thankful that it has the blessing of so many distinguished Members, particularly Congressman HENRY BONILLA. Additionally, I would like to thank Senator BOND for his lead on this legislation in the Senate. I would also like to thank the March of Dimes for their invaluable contributions and dedication to working toward the prevention of birth defects. The March of Dimes' commitment toward enacting the Birth Defects Prevention Act of 1995 only strengthens this legislation. Other major health organizations have also endorsed this legislation, and I am pleased to submit a list for the record.

The concept of this bill may have derived from a crisis in Brownsville, TX, however, its provisions are important to the Nation as a whole. Birth defects are not simply a regional problem, they are a health issue that should be addressed seriously by all Americans. The Birth Defects Prevention Act of 1995 will serve as an investment in the health of all people of the United States.

Mr. Speaker, I urge my colleagues to support the bipartisan Birth Defects Prevention Act of 1995 by cosponsoring this legislation.

NATIONAL ORGANIZATIONS ENDORSING THE BIRTH DEFECTS PREVENTION ACT OF 1995

American Academy of Pediatrics, American Association of Mental Retardation, American Association of University Affiliated Programs, American College of Medical Genetics, and American Counseling Association.

American Mental Health Counselors Association, American Occupational Therapy Association, American Public Health Association, American Speech-Language-Hearing Association, and The Arc.

Epilepsy Foundation of America, Learning Disabilities Association of America, March of Dimes Birth Defects Foundation, National Association of Children's Hospitals and Related Institutions, and National Center for Learning Disabilities.

National Easter Seal Society, National Society of Genetics Counselors, Society of Craniofacial Genetics, Spina Bifida Association of America, and Teratology Society.

February 17, 1995.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
 Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

orable Dante Fascell. For over 40 years, Dante Fascell represented the people of south Florida in both the State legislature and the U.S. Congress.

Very few Americans can claim to have had as distinguished a record of service to their country as Dante Fascell. Born in New York in 1917, his family relocated to Florida when he was 8 years old. He earned his law degree from the University of Miami in 1938, and then served his country with honor in WWII from 1941-46. After leaving the Army, he returned to the private practice of law until he was elected to the Florida State Legislature in 1951. Three years later, he was elected to the U.S. Congress in 1954, where he served with honor until his retirement in 1992.

Dante Fascell came to Congress when virtually all of south Florida was one congressional district. Perhaps no other man has had a greater impact on the face of today's south Florida. He authored the bill that made the Florida Keys a national marine sanctuary, as well as barring offshore drilling there. In 1990, Mr. Fascell enacted legislation that created the prestigious North-South Center at the University of Miami, to foster understanding and better relations within our hemisphere.

As chairman of the House Foreign Affairs Committee, he was a tireless advocate for Radio Marti and the National Endowment for Democracy, both of which promoted the ideas of democracy around the world. He also co-authored the War Powers Resolution of 1973 which required the President to consult with Congress before initiating any military action against a foreign power. Dante Fascell continues to be active in these issues today, currently serving on the board of trustees of the North-South Center and with a number of other activities and organizations in the Miami area.

HAPPY 32D ANNIVERSARY

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1995

Mr. YOUNG of Alaska. Mr. Speaker, under the new spirit of a family friendly Congress, I would like to wish my wife, Lu, a happy 32d anniversary this day, February 22, 1995.

EDI REFORM ACT OF 1995

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1995

Mr. TRAFICANT. Mr. Speaker, in 1994 the U.S. Department of Housing and Urban Development [HUD] awarded over \$319 million to depressed communities under the Economic

otherwise qualified, they will be selected as funding levels permit. Should, before passage of this legislation, the EDI program be consolidated into a program that awards grant money based on a formula, as has been proposed by the administration, extent of unemployment must be taken into consideration.

In either case, Mr. Speaker, severe unemployment—the root of hopelessness yet heretofore all but ignored—figures prominently in the process.

The EDI is a wonderful program. Enacted in early 1994 as a way to enhance and strengthen section 108 loan guarantees, it has served to not only stimulate the \$2 billion section 108 program, but to help secure repayment as well. A public entity, for example, may couple an EDI grant with a section 108 loan to create a large loan pool for businesses to tap into. Such an entity may also use the EDI grant to buy down its own interest rates—thus attracting businesses previously avoiding or fleeing depressed communities.

Last year, cities as diverse as Indianapolis, Atlantic City and Selma have received anywhere between \$300,000 and \$450,000 to further their efforts to rejuvenate their proud communities and revitalize needy sections of town. Businesses are attracted to places like these, Mr. Speaker. More importantly, businesses choose to stay—thus creating jobs and restoring hope.

The EDI Reform Act of 1995, therefore, will ensure that these jobs are created where they are most needed—in high unemployment areas. Now, cities such as Youngstown, OH, or Yuma, AZ, which suffer from unemployment rates double and triple that of the national average, will have a better chance at improving their communities.

Despite the merits of the EDI Program, it now glosses over the extent of unemployment and, in pending proposals, all but ignores the problem. My bill will make this good program better.

I urge my colleagues to support the EDI Reform Act of 1995.

THE LINE-ITEM VETO

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1995

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, February 22, 1995 into the CONGRESSIONAL RECORD.

THE LINE-ITEM VETO

Hoosiers often express their frustration with unnecessary federal spending—especially for the “pork-barrel” projects that seem to be funded year after year. I share this frustration, and have worked for years to curtail the practice of omnibus spending bills that include thousands of individual

VARIOUS VERSIONS

Under current law, the President has authority to submit a request to Congress to defer or rescind specific, line-item appropriations. These requests are known as “rescissions”. Yet the law is not very tough. Congress needs to approve the rescissions for them to take effect, but there is no requirement that Congress ever consider the President's request.

In recent years, many have argued for a system that requires Congress to take an immediate vote on the President's line-item rescissions package. No longer able to ignore the President's requests, Members would be forced to take a stand on individual spending items. This enhanced rescission proposal is one form of a line-item veto. With my support, the House has passed such legislation several times. However, the measure has never come to a vote in the Senate.

The House has considered many different versions of the line-item veto over the years. I have supported some and opposed others. The key points for me are that they be tough on exposing unnecessary spending and preserve the constitutional balance of powers.

HOUSE BILL

In early February, the House passed a version of a line-item veto. It would give the President 10 days after signing a spending or revenue bill to submit a package of spending cuts or targeted tax benefits to be eliminated. These recommendations would go into effect unless Congress rejected the package by a two-thirds vote in both the House and the Senate.

This version went too far in some ways and not far enough in others. I continue to support a line-item veto. But the final version that passed the House shifts far too much power to the President, threatens the constitutional separation of powers, and is not tough enough on tax loopholes and deficit spending. There is a better alternative.

The version I favored would allow the President to use the line-item veto at any time—not just within 10 days—and would permit the President to force Congress to use the savings for deficit reduction instead of for other programs. It would require Congress to take an immediate vote on the President's package, which could be enacted with majority approval. Under this system, the President could turn the national spotlight on an item of unnecessary spending and force Congress to cast an explicit and immediate vote on it. The President would win most of these votes. The approach achieves the purpose of a line-item veto without a dangerous shift of power to the President. The House did not approve this version, but passed another version.

My key concern with the version that passed the House is that it would shift enormous power to the President. It would allow him and 146 Members of the House or 34 Senators—representing as little as 7% of the population—to control the fiscal policy of the entire federal government. In addition, this version would allow the President to cut all or part of any program—a power few governors have. It would permit a President basically to rewrite an entire spending bill. Congress should not surrender the budget-

much power. In recent years, presidential power has grown at the expense of congressional authority.

The version that passed the House is also weak on controlling wasteful tax loopholes. It defines "targeted tax benefits" as tax loopholes that benefit 100 or fewer taxpayers. Tax benefits cost us as much as \$400 billion per year, but this definition of tax benefits does not even begin to scratch the surface of the problem. I voted for a broader definition which would have allowed targeting any tax provision giving "different treatment to a particular taxpayer or limited class of taxpayers". This was the definition contained in the GOP's "Contract With America." Most tax benefits are worthy, but some can be wasteful and costly.

This bill now goes to the Senate for consideration, where Senators of both parties have expressed reservations about its constitutionality, as well as its limited effect on tax loopholes and deficit reduction. These concerns may be addressed in the Senate. I want to vote for a tough line-item veto that will stand the test of time.

LIMITATIONS

A line-item veto can help eliminate government waste, but it is easy to overestimate its effectiveness. The only kind of spending a line-item veto applies to is discretionary spending, not those parts of the budget that have increased most dramatically—entitlements and interest on the debt. Discretionary spending is the area of the budget that has been held most in check. As a share of total federal spending it has fallen from 44% in 1985 to 36% this year. The line-item veto is less about deficit reduction than responsible spending policy.

CONCLUSION

Despite its drawbacks, a line-item veto can be a useful tool in eliminating wasteful spending and tax loopholes. The tough version I have supported would achieve this without resulting in a dangerous shift of power to the President.

TRIBUTE TO DR. JOEL FRANKEL

HON. PETER DEUTSCH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1995

Mr. DEUTSCH. Mr. Speaker, I rise today to honor Dr. Joel Frankel for his outstanding contributions to his community and his profession.

The Concordia Chapter of the City of Hope, National Medical Center, and the Beckman Research Institute have chosen to present their annual Spirit of Life Humanitarian Award to Dr. Frankel for his over 25 years of outstanding commitment to the people of Broward County, and to the science of medicine.

Dr. Frankel was born and raised in Israel. Following service in the Israeli Army, he moved to New York City to pursue higher education. He graduated magna cum laude from Adelphi University, and went on to study medicine at the State University of New York.

Following his graduation from medical school, he spent 5 years at Mount Sinai Medi-

Frankel is a founder and chairman of the board of the Florida Institute of Health. FIH is a rapidly growing multispecialty group practice that began in 1993 and currently is composed of 50 physicians and serves approximately 70,000 patients.

Dr. Frankel and his wife Ellen have been married for 27 years, and they have 2 children, Michael, 21; and Stacy, 17.

Dr. Frankel's contributions to his community make him eminently worthy of the award being bestowed upon him. City of Hope, one of America's foremost medical and research centers, is dedicated to patient care, education, and research in leukemia and other cancers, diseases of the heart, lung, blood, and basic studies in genetics, the neuroscience, diabetes, and AIDS.

I salute Dr. Frankel and the City of Hope for their exemplary public service.

THE "ERISA TARGETED HEALTH INSURANCE REFORM ACT OF 1995"

HON. HARRIS W. FAWELL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1995

Mr. FAWELL. Mr. Speaker, last year reform of health care focused on what was wrong with the system. This year reform should be driven by what is working in the system and how we can expand on what is being done. Yesterday, I introduced the ERISA Targeted Health Insurance Reform Act. I also introduced a related bill, the Targeted Individual Health Insurance Reform Market Act which I will explain separately.

Joining as original cosponsors of the ERISA targeted bill are: My colleagues Representatives BILL GOODLING, DICK ARMEY, TIM PETRI, MARGE ROUKEMA, CASS BALLENGER, PETE HOEKSTRA, BUCK MCKEON, JAN MEYERS, JIM TALENT, JAMES GREENWOOD, TIM HUTCHINSON, JOE KNOLLENBERG, LINDSEY GRAHAM, DAVE WELDON, and DAVID MCINTOSH.

Our approach to fixing the problems—primarily lack of access to affordable coverage—is fundamentally different than that taken by the Clinton administration and Congress last year. In developing this legislation, we took the hippocratic oath: First, do no harm. We carefully target reforms to fix the problems without doing harm to the choice and quality of care enjoyed by most Americans. Moreover, we will not disturb the revolution in innovation and competition going on in the private sector—instead, we will build on it.

The legislation we are introducing addresses the problem areas in health care insurance: portability, preexisting conditions, and affordable coverage for small employers.

Most importantly, the framework builds on the successful and time-tested cornerstone of employee benefits law, the Employee Retirement Income Security Act [ERISA]. Under

ability and limits on preexisting conditions under health plans will help eliminate job lock. It gives increased purchasing power for employers and employees. Increased health plan competition will mean more affordable choice of coverage for many Americans.

Our legislation makes these targeted reforms without forcing Americans to give up their current coverage or restrict their choice of coverage—it should actually expand choice. Nor do we impose employer mandates, price controls, or a one-size-fits-all benefit package. Moreover, the legislation does not require any Government subsidies, expenditures, or taxes.

We have worked with many organizations in developing this legislation and have received a number of letters supportive of our effort to begin the debate on health insurance reform. So far, we have supportive letters from: the National Federation of Independent Business, the U.S. Chamber of Commerce, the ERISA Industry Committee, the National Association of Wholesalers, the National Association of Manufacturers, the Self-Insurance Institute of America, Associated Builders and Contractors, the Association of Private Pension and Welfare Plans, the National Business Coalition on Health, the National Retail Federation, the National Restaurant Association, Mutual of Omaha, and New York Life.

I've attached a section by section analysis of the first bill, the ERISA Targeted Health Insurance Reform Act, that has five subtitles (A through E). I will now explain what is contained in subtitles A and B. Subtitle A, entitled "Increased Availability and Continuity of Health Coverage for Employees and Their Families" deals with the subject matter of portability, limitations on preexisting condition exclusions, and private standard setting organizations. Subtitle B, entitled "Requirements for Insurers Providing Health Insurance Coverage to Group Health Plans of Small Employers" contains fair rating standards and rules relating to insurance availability in the small group market. After I've explained this, I will, at another time, explain subtitles C, D, and E.

THE ERISA TARGETED HEALTH INSURANCE REFORM ACT OF 1995

SUMMARY

The ERISA Targeted Health Insurance Reform Act of 1995 presents a well-targeted and workable framework within which incremental health insurance reform can be enacted this year.

The framework builds on the successful and time-tested cornerstone of employee benefits law set in 1974 under ERISA. Under the umbrella of ERISA, near "universal health coverage" has been afforded the employees of larger companies. It is long-overdue that cost-conscious small employers be given the opportunity to achieve the economies of scale and freedom from excessive government regulation and taxation that have been ERISA's hallmark. The problems of uninsured families can be strongly attacked by removing barriers and releasing the purchasing power of employers acting

saving innovations into the marketplace and into the 21st century.

In addition to addressing the problems of the uninsured and cost-control, the legislation contains important new protections and freedoms for workers who must compete in a more mobile workforce. No longer would covered workers face job-lock because they fear the lack of access to health insurance or denial of coverage because of a preexisting health condition.

The bill contains targeted but important elements of health insurance reform including participation, portability, renewability, utilization review, solvency, claims processing and fair rating standards.

The foundation of this bill, built upon ERISA, is to create an unfettered 21st century framework in which employers, employees, and their representatives are free to set the level of their health benefit promises and in which those promises will be better kept.

WHAT THE ERISA TARGETED HEALTH INSURANCE REFORM BILL DOES

New protections and freedoms for workers in a mobile workforce

Portability and limits on preexisting conditions under health plans helps eliminate job-lock (e.g. if an employee once chooses insurance coverage they do not have to again satisfy a preexisting condition as long as some form of coverage is continued).

Participation standards require annual open enrollment and limits exclusions based on certain age, service, and income criteria.

Insurers and multiple employer plans must guarantee the renewal of health coverage.

Increased purchasing power for employers and employees

Barriers are removed for employers to voluntarily form multiple employer health plans of the fully-insured and self-insured variety.

Barriers are removed to the formation of employer health coalitions enabling single and multiemployer plans to negotiate agreements with providers.

Let the market roar: Increased health plan competition means more affordable choice of coverage

State benefit mandates are limited.

State anti-managed-care laws are restructured and, instead, uniform standards are encouraged.

Restrictive state laws relating to Provider Health Networks, Employer Health Coalitions, insured plans, and self-insured plans are preempted.

Buyer cost awareness is encouraged through Medisave plans.

Access to fully-insured coverage expanded for employees of small employers

Insurers must open their small group (under 51 employees) markets to all eligible buyers.

Fair rating standards limit premium variations among similarly situated groups which balances the need to make insurance more affordable, but avoids "sticker shock" for the currently insured.

Increased consumer protections under ERISA plans

Claims processing and determinations must be timely and participant remedies are improved.

It does not impose employer mandates that result in lost wages and lost jobs.

It does not require any new federal spending or new taxes.

It does not have unfunded state or local mandates.

It does not have price controls or impose government-prescribed health care budgets that would lead to rationing or lower quality of care.

It does not establish a government-run health care system, nor does it create a massive bureaucracy.

It does not deny employers the right to self-insure, but does allow more employers to do so.

It does not impose a single, one-size-fits-all, national benefits package determined by the government.

Title I

Subtitle A—Increased availability and continuity of health coverage for employees and their families

The purpose of this subtitle is to expand access to affordable group health coverage for employers, employees, and their families and to help eliminate job-lock and the exclusion of such individuals from coverage due to preexisting condition restrictions.

Sec. 1001.—Access to affordable health plan coverage.

This section adds a new ERISA Part 8 providing for nondiscrimination, portability, renewability, and participation standards under Subpart A; encouragement of private standards—setting organizations for utilization review and provider networks under Subpart B; and standards and enforcement mechanisms applicable to insurers under Subpart C.

ERISA Part 8—Access and continuity of, Health Plan Coverage

“Sec. 800. Definitions and special rules.

Erisa Subpart A—Nondiscrimination, Portability, Renewability, and Plan Participation Standards

“Sec. 801. Nondiscrimination and limitations on preexisting condition exclusions.

“Sec. 802. Portability.

These sections of Part 8 of ERISA limit preexisting condition restrictions under all employer group health benefit plans, including self-funded plans. The same provisions also apply to health insurance coverage sold in the small group market. Section 8 provides that a child who is covered at birth or adoption and remains covered shall not be considered to have a preexisting condition at the time of birth or adoption.

The provisions will help end job-lock and assure continuous availability of health coverage by prohibiting preexisting condition restrictions for those who are continuously covered and elect coverage when first eligible. Coverage is considered “continuous” as long as any lapse in coverage is not longer than 3 months (6 months for employees who terminate employment). Generally, plans may not have more than a 3/6 preexisting exclusion (i.e. treatments or diagnoses in the 3 months prior to coverage could be excluded from coverage for up to 6 months). Insurers in the small group market can also offer 6/12 coverage.

“Sec. 803.—Requirements for renewability of coverage.

tion: (1) a waiting period beyond 90 days, (2) attainment of a specified age, (3) that an employee be highly compensated, or (4) that an employee perform more than a “year of service” as currently defined under ERISA. Employer contributions to a group health plan are not required.

An annual enrollment period of 30 days must be provided to enable employees to enroll in such coverage as provided under the terms of each group health plan. Employees and dependents may also enroll for coverage at the time of the loss of other coverage (if such coverage was the reason for declining enrollment when first eligible).

Subpart B—Encouragement of Private Standards Setting Organizations for Provider Networks and Utilization Review Under Group Health Plans

“Sec. 811.—Encouragement of private standards setting organizations for provider networks under group health plans.

“Sec. 812.—Encouragement of private standards setting organizations for utilization review under group health plans.

This Subpart B of ERISA encourages the establishment of private standards setting organizations to provide certain guidelines which would be applicable to provider networks under provider networks and toutilization review procedures under group health plans.

The standards which group health plans would look to from any such private entity would be related to (1) reasonably prompt access of individuals to covered services, (2) the extent to which emergency services are provided to individuals outside the provider network, (3) notification and review regarding the termination of providers from a network, and (4) conditions relating to utilization review, including timely review and provider participation in such decisions.

ERISA Subpart C—Establishment of Standards; Enforcement

“Sec. 821.—Establishment of standards applicable to insurers offering health insurance coverage to group health plans.

“Sec. 822.—Enforcement with respect to insurers offering health insurance coverage to group health plans.

“Sec. 823.—Preemption.

The standards applicable to group health plans under ERISA Subparts A and B are generally enforced under ERISA Part 5.

With respect to the standards applicable to insurers only, and not to group health plans, states may (in accordance with Sections 821 and 822) implement and enforce the nationally uniform standards under Subparts A and B, including the uniform regulations which may be recommended by the NAIC. States that voluntarily elect to implement such standards have the exclusive authority to enforce such standards as they apply to insurers and not to the group health plans which purchase health insurance coverage. In this fashion the traditional regulation of insurers by the states is preserved while the uniform regulation of group health plans under ERISA is not disturbed.

Pursuant to the preemption provisions under Section 823, a state may not establish or enforce standards applicable to insurers

to expand access to health insurance by making private health insurance coverage marketed to small employers more affordable and available regardless of an employee's health status and previous claims experience.

ERISA Subpart D—Requirements for Insurers Providing Health Insurance Coverage to Group Health Plans of Small Employers

“Sec. 831.—Definitions.

“Sec. 832.—Requirements for insurers to offer general, catastrophic, and Medisave coverage to small employers.

“Sec. 833.—General, catastrophic, and Medisave coverage defined.

These sections provide for the availability of health insurance coverage to all small employers from those insurers who sell health insurance in the small group market. Insurers would be required to open their general coverage market to small employers and to offer a catastrophic plan with higher cost-sharing provisions (unless the insurer is an HMO or does not otherwise offer fee-for-service coverage). Insurers may also offer a Medisave plan that includes catastrophic coverage with an integrated family medical savings account. Among the general policies offered must be a fee-for-service option, a managed care option, and point-of-service option, but only if these are made available by the insurer under other policies of insurance. Insurers must accept every small employer and every eligible employee of a small employer who applies for coverage under a plan as long as the plan meets the minimum participation requirements. The initial and annual enrollment periods of 30 days applicable to small group plans are identical to those applicable to all group health plans under section 804.

“Sec. 834.—Use of fair rating, uniform marketing materials, and miscellaneous consumer protections.

“Sec. 835.—Establishment of standards.

“Sec. 836.—Enforcement.

“Sec. 837.—Preemption.

Under these sections, insurers must use fair rating standards in setting initial and renewal premiums in the small group market. In general, premiums may vary for age, geographic area, family class, and administrative category for a particular benefit design. Discounts for employer wellness programs may also be given.

When the fair rating standards are first effective, the premiums of two employers having workforces with similar demographic characteristics cannot vary by more than 50% based on initial underwriting factors or in subsequent years, based on claims experience. This rule and the permitted one year surcharge for coverage containing the less restrictive 3/6 preexisting condition clause will help insulate currently insured employers for the premium “sticker shock” which could otherwise result from more restrictive rules. Suggestions as to the extent to which this 50% variation may be reduced over time without reducing coverage are solicited from the NAIC and other interested parties.

Such premium variations for individual employers participating in a qualified association which is experience-rated is not permitted.

Under sections 835 and 836 states may, but are not required, to implement and enforce

standards with the uniform standards. After such period standards differing from the uniform standards are preempted under section 837.

Sec. 1102. Effective date.

In general the requirements of ERISA Subpart D apply on January 1, 1998 with regard to insurers offering health insurance coverage to small employers.

Subtitle C—Encouragement of multiple employer health plans and preemption

The purpose of this subtitle is to improve access to health coverage and lower insurance costs for both small and larger employers by encouraging the establishment of multiple employer purchasing arrangements, by eliminating costly state regulations, and by freeing market forces and creating a more competitive environment in which health care is delivered.

Sec. 1201—Scope of State Regulation

ERISA Subpart E—Scope of State Regulation

“Sec. 841—Prohibition of State benefit mandates for group health plans.

“Sec. 842—Prohibition of provisions prohibiting employer groups from purchasing health insurance.

“Sec. 843—Preemption of State anti-managed care laws.

These sections facilitate the ability of employers to form groups for the purpose of purchasing fully-insured health insurance coverage. The provisions will help reduce costly regulation and allow any group of employers to form any arrangement to purchase insurance. The preemption of anti-managed care laws is intended to allow market forces to operate to help contain health care costs.

Section 841 will also help lower costs, eliminate inter-state barriers, and provide a level playing field between insured and self-funded plans by eliminating burdensome and expensive state mandates. Although states could continue to mandate a comprehensive and basic benefit package, insurers would be free to design and offer employers and employees the type of coverage they want and can afford.

Sec. 1202—Preemption of state laws for Multiple Employer Benefits Plans meeting Federal Standards.

Part 7—Multiple Employer Health Plans

Sec. 701. Definitions.

Sec. 702. Exempted multiple employer health plans relieved of certain restrictions on preemption of State law and treated as employee welfare benefit plans.

Sec. 703. Exemption procedure.

Sec. 704. Eligibility Requirements.

Sec. 705. Additional requirements applicable to exempted multiple employer health plans.

Sec. 706. Disclosure to participating employers by arrangements providing medical care.

Sec. 707. Maintenance of reserves.

Sec. 708. Notice requirements for voluntary termination.

Sec. 709. Corrective actions and mandatory termination.

Sec. 710. Expiration, suspension, or revocation of exemption.

Sec. 711. Review of actions of the secretary.

exemption include certain collectively-bargained and “single-employer” plans that otherwise fail to meet criteria exempting them from the MEWA definition. Also certain employer associations, employee leasing arrangements, and provider health networks may also qualify. Arrangements receiving an exemption would be subject to uniform standards under ERISA regarding reporting, disclosure, fiduciary requirements, and new funding/reserve requirements. Regulations would be promulgated by the Department of Labor in connection with the standards. Arrangements operating multiple employer health plans would be required to notify the states in which they operate. In addition, new arrangements could not commence operations unless an exemption is obtained. Failure to follow this procedure would result in criminal penalties. States could enter into agreements with the Department regarding the enforcement of the federal statutory and exemption standards for exempted arrangements.

Sec. 1203—Clarification of scope of preemption rules.

Sec. 1204—Clarification of treatment of single employer arrangement.

Sec. 1205—Clarification of treatment of certain collectively bargained arrangements.

Sec. 1206—Employee leasing health care arrangement.

Sec. 1207—Enforcement provisions relating to multiple employer welfare arrangements and employee leasing health care arrangement.

Sec. 1208—Fling requirements for multiple employer welfare arrangements providing health benefits.

Sec. 1209—Cooperation between Federal and State authorities Sec.

Sec. 1210—Clarification of treatment of employer health coalitions.

Sec. 1211—Single annual filing for all participating employers.

Sec. 1212—Effective date; transitional rules.

Subtitle D—Remedies and enforcement with respect to group health plans

This subtitle includes provisions for expediting the claim process and clarifying the remedies available in the case of claims disputes under ERISA group health plans.

Sec. 1301.—Claims procedures for group health plans.

This section expedites the claims process under ERISA health plans by requiring that claims for medical benefits be approved within 45 days of the filing completion date. A full and fair review must also be provided within 45 days of the review filing date. Requests for emergency preauthorization must be provided within 10 days (or 48 hours in the case of extreme emergencies), with the opportunity for a full and fair review of each within the same time period for approval. The same time frames for approval and review would apply to requests for utilization review determinations and emergency utilization review determinations.

Sec. 1302.—Available court remedies.

This section amends Section 502 of the Employee Retirement Income Security Act of 1974 (ERISA) to provide for the following court remedies in the case of a plaintiff prevails in a claim for benefits: (1) a cease and

The amendments to ERISA in this Subtitle take effect January 1, 1998.

Subtitle E—Funding and plan termination requirements for self-insured group health plans

Sec. 1401.—Special rules Self-Insured Group Health Plans.

This section adds a new section 610 to ERISA Part 6 providing for plan termination and funding requirements for certain plans. Under subsection 610(b) the single-employer self-insured group health plans maintained by small employers are required to establish reserves in an amount equal to 25% of expected annual incurred claims and expenses or the estimated amount of incurred, but unpaid, claims, if greater. Alternative means of meeting such requirements would take into account factors such as the size of the plan, the benefit design, the presence of stop-loss coverage, and either security, guarantee, or financial arrangements. The self-insured plans maintained by large plan sponsors who meet certain distress criteria would also have to file notice and a financial plan demonstrating the basis for the continued timely payment of benefits. A safe-harbor for large plans meeting the above described reserve requirements for small plans would be provided, thus obviating the need to file such a notice in the event of the distress of the plan sponsor. Multiemployer plans would have to maintain contributions and assets at a level so as to avoid becoming financially overburdened.

New ERISA section 611 spells out the requirements for notice and procedures related to the voluntary termination of self-insured plans and to the mandatory termination by the Secretary of Labor of such plans in the event of their failure to meet reserve or other requirements.

Sec. 1402.—Effective Date.

Section 610 applies to plan years beginning on or after January 1, 1998.

WITH NEW NAACP LEADER WE
CAN HAVE HOPE

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1995

Mrs. COLLINS of Illinois. Mr. Speaker, the selection this past weekend by the National Association for the Advancement of Colored People [NAACP] of Myrlie Evers-Williams as its new chairwoman, comes at a crucial time for new and aggressive leadership of our Nation's oldest civil rights organization.

I congratulate Mrs. Evers-Williams, and I salute the NAACP for its courage in making tough choices. Tough choices are never easy to make, and I doubt if this will be a choice made in vain.

Mrs. Evers-Williams now has before her the immediate task of protesting G.O.P. roll-backs of civil rights gains spearheaded by her organization over the past three decades. These are civil rights policies—labeled affirmative action programs—that have been set in place in

males.

On the west coast—in California—voters who last year denied services to illegal immigrants, were gearing up to decide whether to end State programs that broaden opportunities for those most in need—women and racial/ethnic minorities.

How symbolic that such battles are taking place during Black History Month. How frightening that these battles must take place again—or even at all.

I stand with our freedom fighters willing to continue the struggle for civil rights for all Americans. Indeed, anyone who has benefited from these rights is obligated to rise today to ward off this vicious, mean-spirited attack against our hard fought gains.

Mr. Speaker, listen to the message being delivered to America today. The people want opportunity. The people want freedom of choice. Don't allow roll backs of the struggles for civil rights. Let this great Nation of ours continue becoming even greater. In other words, leave our civil rights gains alone.

FCC TAX CERTIFICATE PROGRAM

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1995

Mr. RICHARDSON. Mr. Speaker, yesterday the House unwisely voted to eliminate the Federal Communications Commission's tax certificate program to encourage minority ownership of telecommunications entities. This program has successfully allowed minorities to add their voice to society through our Nation's vast array of communications media. All Americans must have access to the means of communication and FCC's tax certificate program ensures diversity of content. My friends at the Minority Media and Telecommunications Council have put together a list of 14 points on the importance of this program. I urge my colleagues on the House and Senate side to consider the following points.

WHY THE FCC'S TAX CERTIFICATE POLICY SHOULD BE RETAINED

1. The policy benefits taxpayers. By involving otherwise excluded minorities in media ownership, more broadcast and cable properties reach their highest valued use, thereby creating jobs and generating investment and tax revenues. The policy's reinvestment feature retains capital in the media industries, where it helps build the communications infrastructure. Furthermore, the policy helps minority business succeed and ultimately become taxpayers.

2. The FCC was justified in adopting the policy in 1978. It had before it an extensive staff report documenting the need for minorities to participate in the broadcasting industry as owners, and the need for marketplace intervention to help achieve that objective. The Reagan FCC supplemented that record in 1982. Even when the Commission

4. The policy has delivered important benefits to the public. Extensive research cited in *Metro Broadcasting, Inc. v. FCC*, 497 U.S. 547, 579-84 (1990) demonstrates that the minority ownership promotes diversity in service to the public. Minority owners are industry leaders in hiring and training minorities, and in providing information which is unavailable from other outlets. The policy has delivered value far beyond the public's investment.

5. The policy evolved as a highly desirable substitute for intrusive content-based regulation. Any weakening of the policy will severely undermine—and could prompt reexamination—of the FCC's reliance on its minority ownership policies as a substitute for content-based regulation in promoting First Amendment values.

6. The policy is fair. It has never been seriously accused of disadvantaging whites, since it is neither a quota nor a set aside.

7. The policy is very cost effective. It goes to the heart of the problem—access to capital. Moreover, it is very inexpensive to administer.

8. The policy is especially valuable to the cable industry. Cable operators possess unique power to select the range of programming available to viewers and to stimulate diversity in the national programming marketplace. Thus, diversity in cable ownership is especially critical to cable viewers.

9. Weakening the policy would make it commercially irrelevant. The policy's incentive to sell properties to minorities is only moderate, having been primarily responsible for increasing minority broadcast ownership from almost zero to 2.7% in 15 years. That is very significant but hardly indicative of a massive rush by sellers to trade with minority buyers.

10. The policy should be applied to transactions regardless of size. The policy was designed to help minorities enter the mainstream of American commerce. While tax certificates have been primarily used for small transactions, one might occasionally be used for a larger transaction, given the growth in the communications industry. Because other companies had such a long head-start in spectrum access and media ownership, no minority broadcaster or cable system owner has yet attained sufficient size and influence to justify "graduation" out of the program.

11. Third parties have a fair chance to challenge applicant bonafides. In questions from the bench in *Adarand Constructors v. Peña*, No. 93-1841 (argued January 17, 1995), Justice O'Connor expressed concern that third parties should have a meaningful opportunity to challenge specific transactions. The FCC's well established petition to deny process affords challengers that right. Indeed, abuses

under the policy, and procedures for additional scrutiny of the *bonafides* of tax certificate applicants. Congress should receive the FCC's report before considering statutory modifications to the policy.

14. If policy changes are considered, they absolutely should not be made retroactively. Strong businesses develop operating plans based on the reasonable assumption that government regulations will be changed only prospectively and with reasonable notice. Retroactive decision making is anti-business, and is virtually unknown in business regulation.

CONGRESSMAN KILDEE HONORS
VOLUNTEERS

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1995

Mr. KILDEE. Mr. Speaker, I rise today to honor the volunteers of Genesee County for their commitment to our community. National Volunteer Week, scheduled for April 23 to 29, is a fitting time to honor the men and women who give so generously of their time and talents.

Every day, countless volunteers throughout our community work to address the fundamental necessities of our people, educating our youth, protecting our environment, caring for those in need. From children who help older Americans after school to volunteer firefighters who guard our neighborhoods while we sleep, these dedicated individuals bring a sense of hope and security to everyone whose lives they touch. Their service makes us stronger as a nation, setting a powerful example of leadership and compassion to which we all can aspire.

Since the founding of our democracy, the ideal of community service has been an integral part of our national character. We all owe a deep debt of gratitude to our fellow citizens who take the time to volunteer to serve the needy of our community. Their efforts make our community a better place in which to live, work, and raise families. They have our sincerest thanks.

PERMANENT EXTENSION OF THE
HEALTH INSURANCE DEDUCTION
FOR THE SELF-EMPLOYED

SPEECH OF

HON. C.W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 21, 1995

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 831) to amend the Internal Revenue Code of 1986 to permanently extend the deduction for the health

As one who has previously cosponsored legislation that would extend the 25-percent personal income tax deduction for health insurance cost for individuals who are self-employed, I am pleased that the Ways and Means Committee and the House leadership have brought this bill forward in such an expedient manner. It is important that we move quickly in approving this legislation, which lapsed on December 31, 1993, because the American taxpayers deserve to know that they can count on this deduction as they prepare their taxes before the April 15 filing deadline.

Fairness dictates that we restore this deduction. We should not punish individuals based solely on the fact that they are self-employed. Fairness also dictates that this deduction be made permanent so that the taxpayers know year to year that they can count on this deduction. This Congress should be encouraging individuals to purchase health care insurance, and H.R. 831 will play a significant role in reaching this goal.

It is my hope that our colleagues in the other body will move expeditiously in approving this legislation, so that self-employed individuals in our Nation are able to prepare their tax returns before the April 15 filing deadline and know that they will not have to file amended returns, and also secure in the knowledge that this important deduction will not lapse again. I urge my colleagues to join with me in strong support of this legislation.

UP AND COMING KANSAS CITY
LEADERS

HON. KAREN MCCARTHY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1995

Ms. MCCARTHY. Mr. Speaker, today I rise to honor 25 up and coming business and civic leaders of the Kansas City area. They have given of themselves not to receive praise for their accomplishments, but to advance causes they strongly believe in. These distinguished leaders of Kansas City will be recognized at the Up and Coming Awards ceremony on February 23. This prestigious event is sponsored by Junior Achievement of Middle America, The Kansas City Business Journal, and local business leaders.

A panel of six judges, community leaders in their own right, selected this year's leaders. The selection criteria are demanding. These up and coming leaders must adhere to the highest moral and ethical principles, must be recognized by their peers and professional associates as making significant contributions to the success of their business or organizations, and have exhibited vision for their community. Each of them must have demonstrated courage, creativity, and energy in the promotion of Kansas City as a place to live and work, and serve as a role model for others in their field and community.

ates.

Thomas J. Davies, president of the Olathe Bank.

Rafael I. Garcia, president of Rafael Architects Inc.

Martha Gershum, national marketing manager, Keller Graduate School.

Linda Hanson, president, Mark Twain Kansas City Bank.

Dalton Hermes, president, Hermes-Landscaping Inc.

Sarah Beeks Higdon, senior trust officer, Commerce Bank.

John M. Holland, executive vice president, B.C. Christopher.

Dennis G. Kasselmann, senior vice president, Marketing and Development.

Gail Lozoff, president, CEO, Bagel and Bagel.

Aaron G. March, partner, Polsinelli, White, Vardeman, & Shalton.

Ross P. Marine, administrator, Truman Medical Center East.

Cris Medina, executive director, Guadalupe Center Inc.

Roshann Parris, president, Parris Communications Inc.

B. John Ready III, Trust Administration Department head, Smith, Gill, Fisher, & Butts.

Dr. Carol V. Spring, executive director, The National Conference of Christians and Jews.

Bailus M. Tate, vice president, Human Resources, Kansas City Power and Light Co.

William D. Wagner, president and owner, Columbian Steel Tank Co.

Kevin F. Warren, owner-chief executive officer, Kevin F. Warren & Associates Inc.

Maurice A. Watso, Blackwell, Sanders, Matheny, Weary & Lombardi, LC.

Dr. Michael L. Weaver, director of emergency services, St. Luke's Hospital.

David P. White, executive director, Youth Opportunities Unlimited Inc.

David Wroe, music director-conductor, Kansas City Camerata.

DESIGNATING OBSTETRICIAN-GYN-
ECOLOGISTS AS PRIMARY CARE
PHYSICIANS

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1995

Mrs. KENNELLY. Mr. Speaker, I rise today to urge my colleagues to support legislation that would designate ob-gyns as primary care physicians in future Federal legislation. I introduced legislation, House Resolution 30, with Representative LARRY COMBEST that would express the sense of Congress that we provide this basic assurance to America's mothers, daughters, and sisters.

In 1990, almost 60 percent of women's visits for general medical examinations were to

cians, although the legislation it amended was never considered on the House floor. House Resolution 30, which has the same goal, now has the bipartisan support of 115 Members of Congress. I urge my colleagues to join with us in expressing our support for designating ob-gyns as primary care physicians.

TARGETED INDIVIDUAL HEALTH INSURANCE REFORM ACT

HON. HARRIS W. FAWELL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1995

Mr. FAWELL. Mr. Speaker, yesterday, I introduced H.R. 996, the Targeted Individual Health Insurance Reform Act of 1995, under which access to coverage will be expanded for individuals. Joining me as original cosponsors were Representatives BILL GOODLING, TOM PETRI, MARGE ROUKEMA, CASS BALLENGER, PETE HOEKSTRA, BUCK MCKEON, JAN MEYERS, JIM TALENT, JAMES GREENWOOD, TIM HUTCHINSON, JOE KNOLLENBERG, LINDSEY GRAHAM, DAVE WELDON, and DAVID MCINTOSH.

A section-by-section analysis of H.R. 996 follows:

TARGETED HEALTH INSURANCE REFORM IN THE INDIVIDUAL MARKET SUMMARY

This legislation providing individual market reforms presents a well-targeted and workable framework within which incremental health insurance reform can be enacted this year.

The bill contains targeted but important elements of health insurance reform in the individual market including non-discrimination, portability, renewability, utilization review, and fair rating standards.

WHAT THE TARGETED HEALTH INSURANCE REFORM BILL DOES

New protections and freedoms for workers in a mobile workforce

Portability and limits on preexisting conditions under health plans helps eliminate job-lock (e.g. if an employee once chooses insurance coverage they do not have to again satisfy a preexisting condition as long as some form of coverage is continued, whether obtained in the individual market or otherwise).

Insurers and multiple employer plans must guarantee the renewal of health coverage.

Let the market roar: Increased health plan competition means more affordable choice of coverage

State benefit mandates are limited.

State anti-managed-care laws are restructured and, instead, uniform standards are encouraged.

Buyer cost awareness is encouraged through Medisave plans.

Access to fully-insured coverage expanded for individuals

Insurers must open their individual markets to all eligible buyers.

then restrict their choice of coverage, nor does it restrict their choice of coverage (in fact, it will help expand their choice).

It does not impose mandates that result in lost wages and lost jobs.

It does not require any new federal spending or new taxes.

It does not have unfunded state or local mandates.

It does not have price controls or impose government-prescribed health care budgets that would lead to rationing or lower quality of care.

It does not establish a government-run health care system, nor does it create a massive bureaucracy.

It does not impose a single, one-size-fits-all, national benefits package determined by the government.

Title II

Subtitle A—Increased availability and continuity of health coverage for individuals

The purpose of this subtitle is to expand access to affordable health coverage for individuals and their families and to help eliminate job-lock and the exclusion of such individuals from coverage due to preexisting condition restrictions.

Part I—Nondiscrimination, Portability, Renewability, and Plan Participation Standards

Sec. 2001.—Nondiscrimination and limitations on preexisting condition exclusions.

Sec. 2002.—Portability.

These sections limit preexisting condition restrictions under all general health insurance coverage offered in the individual market. This section provides that a child who is covered at birth or adoption and remains covered shall not be considered to have a preexisting condition at the time of birth or adoption.

The provisions will help end job-lock and help assure continuous availability of health coverage for both the employed who lack access to employer coverage as well as non-employed individuals by prohibiting preexisting condition restrictions for those who are continuously covered. Coverage is considered "continuous" as long as any lapse in coverage is not longer than 3 months. Generally, plans may not have more than a 6/12 preexisting exclusion (i.e. treatments or diagnoses in the 6 months prior to coverage could be excluded from coverage for up to 12 months). Insurers in the small group market can also offer 12/12 coverage.

Sec. 2003.—Requirements for renewability of coverage.

This section prohibits health insurance coverage offered by insurers from being canceled or denied renewability except for reasons of: (a) nonpayment of premiums, (b) fraud or misrepresentation, (c) noncompliance with plan provisions, and (d) certain other conditions.

Part 2—Encouragement of Private Standards Setting Organizations for Provider Networks and Utilization Review

Sec. 2011.—Encouragement of private standards setting organizations for provider networks.

Sec. 2011.—Encouragement of private standards setting organizations for utilization review.

notification and review regarding the termination of providers from a network, and (4) conditions relating to utilization review, including timely review and provider participation in such decisions.

Part 3—Requirements for Insurers Providing Health Insurance Coverage in the Individual Market

In general, the purpose of this Part is to expand access to health insurance by making private health insurance coverage marketed to individuals more affordable and available.

Sec. 2021.—Requirements for insurers to offer general, catastrophic, and Medisave coverage in the individual market.

This section provides for the availability of health insurance coverage to eligible individuals from those insurers who sell health insurance in the individual health insurance market. Insurers would be required to open their general coverage market to individuals and to offer a catastrophic plan with higher cost-sharing provisions (unless the insurer is an HMO or does not otherwise offer fee-for-service coverage). Insurers may also offer a Medisave plan that includes catastrophic coverage with an integrated family medical savings account. Among the general policies offered must be a fee-for-service option, a managed care option, and point-of-service option, but only if these are made available by the insurer under other policies of insurance.

The extent to which an insurer may offer or deny coverage with respect to an individual who would be expected to incur disproportionately high health care costs is contingent on the establishment of risk adjustment mechanisms, high-risk pools, or other mechanisms. The suggestions of the NAIC, actuaries, insurers, and other experts are solicited so that a workable framework can be developed in this complex area.

Sec. 2022.—Use of fair rating, uniform marketing materials, and miscellaneous consumer protections.

Under this section, insurers must use fair rating standards in setting initial and renewal premiums in the individual market. In general, premiums may vary for age, geographic area, family class, and administrative category for a particular benefit design.

When the fair rating standards are first effective, the premiums of two individuals having similar demographic characteristics cannot vary by more than 100% based on initial underwriting factors. Other rules apply in subsequent years. This rule and the permitted one year surcharge for coverage containing the less restrictive 6/12 preexisting condition clause will help insulate the currently insured from the premium "sticker shock" which could otherwise result from more restrictive rules. Suggestions as to the extent to which this 100% variation may be reduced over time without reducing coverage are solicited from the NAIC and other interested parties.

Subtitle B—Establishment of standards; enforcement

Sec. 2101.—Establishment of standards applicable to insurers offering health insurance coverage in the individual market.

NAIC. States that voluntarily elect to implement such standards have the exclusive authority to enforce such standards as they apply to insurers.

Pursuant to the preemption provisions under Section 2103, a state may not establish or enforce standards applicable to insurers which are different than the nationally uniform standards under this subpart. Certain state benefit mandates and anti-managed care laws are also preempted under the bill.

Sec. 2104. Effective date.

In general the requirements of the bill apply on January 1, 1998 with regard to insurers offering health insurance coverage in the individual market.

UNITED NEGRO COLLEGE FUND
[UNCF]

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1995

Mrs. COLLINS of Illinois. Mr. Speaker, a week ago I delivered the keynote speech at the Second Annual United Negro College Fund Banquet Fundraiser given by the Alliance of Telecommunication Employees' metro area chapter, where this year's theme was "The Future Is Yours * * * Black History Evolves Through Education and Diversity."

This theme underscores what I believe to be the mission for all colleges and universities, not just our heritage-rich historically Black colleges and universities, and that is providing deserving, qualified students an opportunity for a quality education at a reasonable price.

However, during the month of February, Black History Month, this occasion allowed me a moment to highlight just some of the many accomplishments—or miracles, if you will—of the United Negro College Fund.

For example, in just 50 short years, the United Negro College Fund [UNCF] is responsible for: Graduating 33 percent of the African-American students who attend college; helping to fund 41 historically Black colleges and universities; graduating in real numbers over 250,000 predominantly African-American students; and raising over \$1 billion to help deserving students further their education.

UNCF distinguishes itself from all others because UNCF provides a hand and not a hand-out.

UNCF plays a critical role for persons with low income and socioeconomic level and those otherwise financially disadvantaged.

We are battling a noncaring, do-it-yourself, and an I-don't-care Government. This is exemplified by passage of the so-called Contract With America legislation by House Republicans and conservative Democrats bent on killing such things as education grants and loans at decent interest rates, and eliminating funding for Medicare, Medicaid, and so on.

There are efforts under way designed to have a negative effect on the quality of life

TON: RETURN CRIME FIGHTING
TO CRIME FIGHTERS

HON. DONALD A. MANZULLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1995

Mr. MANZULLO. Mr. Speaker, this week, the House restored maximum crime fighting power to the people who best know how to use it—the men and women who make up the ranks of our local law enforcement. Broken down into six parts, the cornerstone of the GOP crime bill is the Local Law Enforcement Block Grants Act of 1995. This measure directly grants money to local communities based upon a formula which takes into consideration population and violent crime rate. Once the community receives the grant, it can decide how it wants to allocate the funds; for more cops, court personnel, prevention programs, etc. If it chooses to do so, it can spend all the money on cops or on prevention. The point being that the needs of the communities in McHenry County are different than the needs of New York, Los Angeles, or Detroit.

The second major provision of the Republican crime bill is the Violent Criminal Incarceration Act. This legislation allocates \$10.5 billion in prison construction funds to States that enact or make significant progress toward truth in sentencing in their corrections programs. Truth in sentencing will require violent criminals to serve 85 percent of their sentences. This measure is about protecting the American people. In Illinois, 46 percent of inmates released from prison are back in prison within 3 years.

In 1980, Illinois released 21,000 prisoners 3 months before the completion of their sentences, solely for the purpose of saving money. The State saved \$60 million; however, those prisoners committed 23 murders, 32 rapes, 262 acts of arson, 681 robberies, 2,472 burglaries, 2,571 assaults, and 8,000 other crimes in 3 months following their release. By requiring inmates to serve more of their sentence, fewer will be able to revictimize society.

When a judge sentences a criminal to 20, 30, or 40 years, that sentence should be carried out. What will it cost to keep criminals locked up? In 1992, the U.S. Department of Justice reported that the average criminal, if not detained, costs society \$171,566 per year in direct injuries to victims and direct costs such as lost jobs, sales taxes, and educational opportunities. Some of the costs associated with reincarcerating criminals include \$26,000 for treatment of a gunshot wound, \$2,711 to cover the cost of each criminal investigation, \$700 for pretrial detention, and \$1,205 for prosecution, defense, and court cost for each felony case.

The annual cost of keeping a criminal in prison is \$16,000.

The GOP crime bills also included the Effective Death Penalty Act which will dramatically

used to reimburse the victim for necessary child care, transportation, and other expenses incurred while participating in the investigation or court proceedings. This law will also allow, but not require, the courts to order restitution of any person who was harmed physically, emotionally, or financially by the unlawful conduct of the defendant.

Last year, the Democratic-controlled 103d Congress passed a crime bill that told local law enforcement agencies that Washington knows best when it comes to their needs in fighting crime. The House of Representatives in the 104th Congress has reversed this arrogance. These amendments to last year's crime bill put crime fighting power back in the local agencies and tells Washington to get out of the way. It is time that victims of crimes are served. It is time criminals are punished swiftly and serve out their sentences.

Mr. Speaker, it is time that bureaucrats in Washington realize that they are not crime fighters.

TRIBUTE TO DR. HERBERT L.
CARTER

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1995

Mr. DIXON. Mr. Speaker, I am privileged to have this opportunity to salute my good friend Dr. Herbert L. Carter on the occasion of his retirement as president and chief executive officer of the United Way of Greater Los Angeles. Herb's retirement, effective February 27, 1995, will be short-lived. In fact, he is only reshifting his energies and focus. He will return to the California State University system as a trustee professor on the campus of Los Angeles State University at Dominguez Hills.

As head of the United Way of Greater Los Angeles, Dr. Carter provided leadership and management direction at a time when philanthropy to the organization was sorely tested. He directed a staff of approximately 200 individuals and managed a budget in excess of \$60 million.

Dr. Carter guided the organization through two especially difficult periods. First to occur were the civil disturbances of 1992 and second, the Northridge/Los Angeles earthquake of 1994. Both of these catastrophes placed severe strains on the many organizations that depend on the United Way for funding. Through his tenacity and fund-raising acumen, however, the United Way of Greater Los Angeles not only confronted the disasters, but prospered in its efforts to continue providing funding for its member organizations.

Five years ago, I had the pleasure of introducing my colleagues to Dr. Herbert L. Carter. The occasion was a history-making one as Herb stood poised to become the first African-American chairman of the board of directors of

University System and with the United Way of Greater Los Angeles, Herb serves on the board of directors of Pacific Enterprises, Golden State Mutual Life Insurance Co., the National Advisory Council of the Hughes Aircraft Co. public education project, the board of regents for Loyola Marymount University, and the University of Southern California's School of Public Administration board of counselors. And that is only a partial listing of his affiliations.

Mr. Speaker, most individuals view retirement as a well-earned reward, an occasion to rest and enjoy the fruits of his/her labors, and the culmination of a lifetime of contributions made to a noble purpose. Herb Carter, however, is several cuts above most individuals. He is a man of vision and of enormous energy and focus, a man who possesses a passionate commitment to helping society become more Utopian. Those of us privileged to know him have long since dispensed with the notion that he has any intention of retiring and enjoying the fruits of his labors, and we are all the better for that decision.

Mr. Speaker, the late, celebrated, and distinguished Supreme Court Chief Justice John Marshall once noted that, "A great man represents a great ganglion in the nerves of society, or to, vary the figure, a strategic point in the campaign of history, and part of his greatness consists in his being there."

Dr. Herbert L. Carter is such a man and I am proud to recognize him and commend him on his outstanding contributions to the citizens of Los Angeles. Well done, my friend.

DALE A. DUNCAN HONORED

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1995

Mr. KANJORSKI. Mr. Speaker, I rise today to recognize the accomplishments of Mr. Dale A. Duncan, the Boy Scout's 1995 Distinguished Citizen. A dinner in Mr. Duncan's honor is being held on February 23 in Wilkes-Barre.

Mr. Duncan has served as the president and publisher of the Times Leader, one of Wilkes-Barre's daily papers. He began with the Times Leader in 1980 as the city editor, worked as executive editor in 1984, until his ascension to publisher in 1986.

Through his work at the paper, Dale has been active in the community, including organizing the annual Times Leader/Boy Scout gold tournament and the paper's "Book of Dreams" community service drive. He also serves on the boards of the F.M. Kirby Center for Performing Arts, the Salvation Army, the United Ways of Wyoming Valley, the Greater Wilkes-Barre Partnership, and he serves as the chairman of the Diversity Committee for the Pennsylvania Newspaper Publishers' Association.

hard to keep me on my toes in the United tradition of a free press, and I will miss his thought-provoking critiques. Dale and I have not always agreed politically and philosophically, but I have always enjoyed having the opportunity to discuss our views with one another openly and with mutual respect.

Mr. Speaker, the Boy Scouts honor someone each year who has exemplified the scouting ideal of participating citizenship. As one can see from his long list of accomplishments and various memberships, Dale Duncan is certainly an appropriate honoree for the 1995 award. I am pleased to join the Boy Scouts in recognizing him for his community and civic work.

CORSICANA DAILY SUN, 100 YEARS OF PUBLISHING

HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1995

Mr. FROST. Mr. Speaker, I would like to take this opportunity to acknowledge the 100 years that the Corsicana Daily Sun in Corsicana, TX has been publishing.

The first edition of the Corsicana Daily Sun was published on March 2, 1985 as a morning edition. The Daily Sun was prosperous, and in 1906 the owners purchased the Semi-Weekly Light and continued to publish both newspapers.

In 1984 the semiweekly publication was converted into a weekly called the Navarro County Sun Extra. And in 1986, the Daily Sun began publishing a Saturday edition for the first time, making it a 7 day a week publication.

Mr. Speaker, the Corsicana Daily Sun has been an invaluable addition to life and the arts in Corsicana. Although a fire displaced operations for 5 months in 1992, the Daily Sun continued to publish without missing one edition.

Mr. Speaker, the Corsicana Daily Sun has documented local events and happenings for the past 100 years, and will continue to do so, we hope, for 100 more.

AGENDA FOR CHANGE

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1995

Mr. PACKARD. Mr. Speaker, today marks day 50 of our Republican Contract With America. The Republican-controlled House has accomplished more in 50 days than any Democrat-controlled Congress ever did. Republicans continue to prove that hard work produces real results.

fense measures to guarantee security at home and to protect our national interests abroad.

In the next 50 days, House Republicans will continue to work hard, make change, and keep their promises. Although the House has already passed a full political agenda, there is still more to consider. We will work to roll back overzealous Government regulation, reform a backlogged legal system, to promote personal responsibility, and to restore fairness in our Tax Code.

Mr. Speaker, America voted for change last November. This Republican-controlled Congress is committed to working for the results the people want. The Republican agenda for change moves forward.

UPDATE ON THE PERSONAL RESPONSIBILITY ACT

SPEECH OF

HON. GENE GREEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 21, 1995

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GREEN] is recognized for 5 minutes.

Mr. GENE GREEN of Texas. Madam Speaker, I take the floor to continue the discussion about the Personal Responsibility Act. The Goodling substitute of the Personal Responsibility Act which will be taken up in the Economic and Educational Opportunities Committee tomorrow will cut funding for child care in the State of Texas from fiscal year 1996 through 2000 over \$485 million.

The Personal Responsibility Act will repeal all Federal programs that deal with nutrition, including the school breakfast and lunch programs, and restrict nutrition programs under the Older Americans Act.

I am happy that the Republicans realized that being "penny wise and pound foolish" with the cuts in senior nutrition programs was not good policy and were simply unworkable. However, senior nutrition programs are not the only programs which should be taken out of the Personal Responsibility Act.

I suggest that all nutrition programs be withdrawn from the Personal Responsibility Act and discussed in the context of the people participating in the programs. For example, school breakfast and lunch programs should be discussed in education or health reform along with nutrition programs for women, infants, and children. Not simply in terms of reforming welfare.

School nutrition programs provide food assistance in a school setting, such as the Port Houston Elementary School with Principal Maria Sierra,

grams to encourage children to learn.

Again, I suggest to my colleagues on the other side that all nutrition programs which do not go directly to individuals should be taken out of this act.

Finally, under summaries provided by the Republicans of the Goodling substitute, several references are made to the funds being increased. However, estimates provided to my office by the State of Texas show the states' school nutrition programs taking a 6.5 percent cut in funding. This is when we have more children every year needing food.

I leave on this last note. Do we wish to be the Congress which cuts funds to feed even one hungry child? This may be reform but at what cost. Are we hard hearted enough to deny food to children?

FEDERAL HOUSING TRUST FUND
ACT OF 1995

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1995

Mr. OWENS. Mr. Speaker, I rise to introduce the Federal Housing Trust Fund Act of 1995, a significant piece of legislation which would offer every family in this country the opportunity to live in decent, safe, and affordable housing.

In 1949, Congress enacted a comprehensive housing bill setting the national goal of a decent home and a suitable living environment for every American family. Today, we are further from that goal than ever before. The VA-HUD-Independent Agencies appropriations bill which finally passed the Senate last week does not even keep pace with the problem of low-income housing. Recently, the Department of Housing and Urban Development [HUD] released its worst case housing needs report, based on 1991 American Housing Survey data. It shows that the number of very low-income renter households with worst case housing needs is increasing at the rate of 100,000 per year. But the 1995 HUD appropriation provides money for only 88,000 additional households.

Low-income people have faced a housing crisis for many years, and each year it gets worse. The 1990 Census, which does not even count deteriorated or dilapidated housing, found that over 30 percent of American households have significant problems with housing costs, overcrowding, or lack of kitchens or complete plumbing facilities. These problems affect an estimated 70 million people.

Although this Nation has had federally subsidized housing programs for low-income people since the mid-1930's, the scope of the programs has been limited. In recent years, HUD has consistently found that there are over 5

ance. Moreover, for each more household—a worst case need, there are four more households—27 million in all—which are overcrowded, lack kitchens or bathrooms, or must pay more than they can afford for housing.

While low-income housing programs have failed to meet the needs of their target population, special tax benefits have provided significant assistance for millions of higher-income Americans who already can afford a home. Official estimates of the Office of Management and Budget [OMB] indicate that the cost of these special benefits to the Federal Treasury has risen from \$10 billion in 1976 to \$84 billion in 1994.

A large majority of this cost to the Government is due to the deduction of home mortgage interest and real property taxes. While these tax deductions have helped millions of higher-income Americans achieve financial stability, they represent too high a proportion of Federal housing expenditures. For every dollar the Federal Government spends to provide housing assistance to a low-income family, a family in the top fifth of the income distribution receives \$3 in benefits from homeowner deductions, primarily for mortgage interest and property taxes.

The sad fact is that this Nation's housing subsidy system is upside down. While Congress restricts budget authority and outlays for low-income housing to help reduce the Federal budget deficit, higher-income people continue to receive their entitlement to benefits through homeowner deductions. Administration projections show that the cost of the mortgage interest deduction alone will amount to almost one-third of the deficit in fiscal year 1995.

One result of the gross imbalance in Federal housing benefits has been the growing segregation of different aspects of American society: rich and poor, white and people of color, urban and suburban. This trend poses a threat to the Nation's general welfare, family and community life, and economic stability. It has even led to increased drug use and crime. It therefore is in the interest of all Americans to address the housing problem effectively.

To reset the balance of Federal housing expenditures, I am introducing the Federal Housing Trust Fund Act of 1995. This bill would take only a fraction of mortgage interest and property tax deductions enjoyed by taxpayers in the top eighth of the income distribution¹ and place it in a Federal Housing Trust Fund for low-income families who lack decent, safe, and affordable housing. To raise additional revenue for the trust fund, the bill also would eliminate a huge tax loophole—the favorable tax treatment of inherited property. This loophole permits wealthy American families to pass their property to their children and grandchildren and completely escape any income

¹The Joint Tax Committee estimates for 1994 are that 10.6% of all "returns" have incomes above \$75,000. "Returns" includes filers with and without taxes due, and estimated numbers of non-filers. About 80-90% of filers in the above-\$75,000 income bracket claim homeowner deductions.

their incomes, would keep at least half of their current mortgage interest and property tax benefits, and only 1 household in 10 would pay higher taxes as a result of this bill. Moreover, these changes would be phased in over 5 years to reduce their immediate impact.

Thus, the bill would drastically reduce the cost to the Treasury for homeowner tax benefits for taxpayers with incomes above \$75,000, generating tens of billions of dollars for the trust fund. The Government then would be able to provide the money needed for a comprehensive and flexible program of housing grants to eligible State and local entities. In turn, such entities would provide housing costs assistance for owners and renters, increase and improve the supply of affordable housing, increase the capacity of the nonprofit sector, and improve fair housing efforts.

Specifically, two-thirds of the money in the trust fund would be designated for a housing costs assistance program, which would pay the difference between 30 percent of adjusted income and the fair market rent for a unit of the size needed in the area where the family resides or wishes to reside. Although the subsidy amount would be based on rental housing costs, the assistance could be used either to rent or purchase. The funds would be distributed by formula to cities, States, and Indian tribes, based on the number of households with severe affordability problems and the cost of housing.

The remaining one-third of the funds would be used to expand the housing supply and provide related services, including fair housing and capacity-building. All housing and related services provided through this program, except for emergency repairs and hazard abatement, would be subject to permanent restrictions on housing affordability. Like the housing costs program, these trust fund dollars would be distributed by formula, but the formula would be developed by HUD based on the relative need for improving and expanding the housing stock.

By limiting tax benefits for individuals who do not need them to be able to live in decent, affordable housing, the bill would provide the funding needed to attack the critical housing problems facing low- and moderate-income people, and contribute to family security, cohesiveness, and economic self-sufficiency.

This bill is the kind of bold measure we need to solve the low-income housing crisis. It provides the resources to address the full range of problems—not only worst case needs, but also the needs of young families without enough income to have realistic prospects of moving into decent neighborhoods or owning their own homes.

Within 10 years of passage of this bill, we could expect the same enhanced opportunities for low-income people to obtain housing as young families had after the end of World War II when, thanks to low-housing costs, an expanding economy, and Veterans Administration [VA] and Federal Housing Administration [FHA] mortgages, millions of Americans were

TRIBUTE TO THE NAVY DEPOT IN JACKSONVILLE

HON. CORRINE BROWN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1995

Ms. BROWN of Florida. Mr. Speaker, I am happy to join here with the mayor of Jacksonville and other distinguished guests to proclaim the accomplishments of our navy depot in Jacksonville. When it comes to value, NADEP is tops. Yesterday, the State of Florida selected the depot as a finalist for the 1995 Florida Sterling Quality Award. NADEP has a record of quality products, good labor/management relations, excellence in work, and cost containment. I am proud that NADEP has turned a profit of over \$100 million the past 4 years.

BIRTH DEFECTS PREVENTION ACT

HON. HENRY BONILLA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 22, 1995

Mr. BONILLA. Mr. Speaker, I rise today to join my good friend from Texas [Mr. ORTIZ] as an original cosponsor of the Birth Defects Prevention Act of 1995. Similar legislation was introduced by my colleague from Texas last year.

This legislation sets up a national tracking system which is based on a tried and true model in the area of cancer, where the Centers for Disease Control has worked in partnership with States, funding programs to monitor the incidence and research the environmental cases.

The surveillance program would identify and address the causes of birth defects, including risks from environmental chemicals, diet, occupational hazards, personal habits and infections; evaluate and put in place the most effective prevention strategies for such birth defects as spina bifida and fetal alcohol syndrome, and design targeted intervention strategies responsive to community concerns for special problems in minority, rural, and other underserved populations.

Mr. Speaker, more children die from birth defects in the first year of life in the United States than from any other cause, including prematurity and low birth weight. Birth defects are also a leading cause of childhood disability.

A significant proportion of common birth defects are preventable. This bill would provide important information to future parents and grandparents to educate them on how to implement prevention strategies that are responsive to community concerns.

Preventive education has already been a positive factor in Texas. For example, studies

folic acid is a major means of preventing birth defects. Folic acid is needed before a woman becomes pregnant. A woman can find the nutrient in green leafy vegetables, beans, orange juice, and a variety of other foods.

Every couple wants to have a healthy baby; however, birth defects cut across all geographic areas, classes, and races. Until we can discover a cure for birth defects, it is essential that mothers and fathers-to-be plan ahead and give their child the prenatal care that every child deserves. It's a wise investment in our children.

This bill is the important first step in helping our next generation be healthy and active members in our communities.

LOCAL GOVERNMENT LAW ENFORCEMENT BLOCK GRANTS ACT OF 1995

SPEECH OF

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 13, 1995

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 728) to control crime by providing law enforcement block grants.

Mr. LEVIN. Mr. Chairman, last year I made a commitment to the people of my district to put more cops in our local communities, and add 100,000 more cops across this country. That is a commitment I intend to keep.

The bill before us does not ensure a single new officer will be added to our communities so I must oppose it. In fact, it ensures nothing. The bill permits the \$10 billion block grant to be used for anything that generally reduces crime or improves public safety.

Proponents of the bill argue this is just the sort of flexibility we need: no limits, no guidelines. But just how flexible is this bill? Could it be used to construct highways or roads? Absolutely. In fact, an amendment I supported that would have prevented the \$10 billion from being used for these very purposes was defeated.

Taxpayers deserve more accountability than this. They deserve to know how their money is used. And when they ask for a crime bill they deserve to see more police in their neighborhoods.

The current law meets these goals with responsible flexibility for local government, and accountability for the taxpayers. The funding can be used to hire cops, purchase police technology and equipment, and bring on civilian clerks to free up officers from desk duty. Under an amendment I wrote, it can also be used to fund multijurisdictional task forces that allow local communities to pool their resources to focus on specific crime problems that don't respect suburban municipal boundaries.

The law we passed last year with bipartisan support ensures the purpose of the people,

REINVENTING GOVERNMENT

SPEECH OF

HON. BILL ORTON

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 21, 1995

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah [Mr. ORTON] is recognized for 5 minutes.

Mr. ORTON. Madam Speaker, tonight I will talk about efforts taken by the Department of Housing and Urban Development to revitalize and reinvent the FHA single family housing program.

Created in 1934, the Federal Housing Administration—also known as FHA—has played a critical role in making homeownership a reality for more than 21 million Americans. Last year alone, FHA insured over 1.3 million single family loans, including 450,000 for first-time homebuyers. FHA carries out its mission of expanding homeownership through private sector lenders who have direct contact with borrowers. And, it does so without costing the taxpayer a single dollar, since homeowner premiums fully fund a reserve against future losses and pay all related administrative costs.

Commendably, however, FHA has not been content to rest on its record of accomplishments. It has aggressively developed and implemented changes in line with the overall reinventing government program. Let me tell you what has been done, and what is yet to be done.

Several years ago, largely as a result of regional recessions in some parts of the country, some concern developed over the long-term health of the FHA single family mortgage fund. This problem was promptly resolved through a change in the premium structure—the source of revenues for the program. As a result, the FHA reserve account easily exceeds required capital ratios, and Price Waterhouse has attested to the financial health of the fund.

As part of the reinventing government program, FHA has moved recently to cut costs, streamline operations, and improve customer service through consolidation of loan processing offices. Last year, FHA announced the opening of a regional loan processing center in Denver, CO. This center will perform loan processing that had been carried out by 17 HUD field offices in the Rocky Mountain and Southwest portions of the country. This consolidation should save approximately \$4 million a year. It is also expected to reduce loan processing time—from an average of about 5 weeks down to an average of about 5 days.

Just recently, FHA also announced changes in underwriting guidelines, to keep pace with procedures in the private sector. These changes more fully recognize second job and overtime income—a reflection of the increased

...legislation. The committee also made recommendations which included a proposal to allow private mortgage lenders who underwrite FHA loans to issue their own mortgage certificates. I have heard from many FHA lenders who have complained bitterly about long bureaucratic delays in the actual paper issuance of these certificates—a delay that would be eliminated by this HUD proposal. Last year, the House responded by including this proposal in the housing bill. How-

ever, the committee also recommended the current prohibition against parental loans to help their children buy a home; a simplification of the down payment formula, permitting two-step mortgages; and others. I believe we should pass these provisions, to continue the effort to keep FHA an aggressive, innovative provider of homeownership opportunities.

Finally, the future of FHA itself appears to be in question. We are beginning to hear calls for the end of HUD and the privatization of

FHA. I believe we should support the President. This would maintain FHA's mission of increasing homeownership. It would accelerate the efforts I have discussed here tonight to modernize FHA, to make it more responsive to market demands and innovative products, and less like a bureaucracy. And, it would reaffirm the principle that creating opportunities for all Americans is what government should really be about.

Mr. Speaker, I thank you for my time.

to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, February 23, 1995, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

FEBRUARY 24

9:30 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the American Battle Monuments Commission, Cemeterial Expenses, Army, Consumer Information Center, Consumer Product Safety Commission, Office of Consumer Affairs, and Court of Veterans Appeals. SD-138
Judiciary
Administrative Oversight and the Courts Subcommittee
To resume hearings on S. 343, to reform the regulatory process. SD-226

FEBRUARY 28

9:30 a.m.
Appropriations
Energy and Water Development Subcommittee
To hold joint hearings with the Committee on Energy and Natural Resources' Subcommittee on Energy Research and Development to review the findings of the Task Force on Alternative Futures for Department of Energy National Laboratories. SD-366
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold joint hearings with the Committee on Appropriations' Subcommittee on Energy and Water Development to review the findings of the Task Force on Alternative Futures for Department of Energy National Laboratories. SD-366
Labor and Human Resources
To hold hearings to examine the impact of welfare reform, focusing on children and their families. SD-430
10:00 a.m.
Armed Services
To hold hearings on the nomination of Shelia Cheston, of the District of Co-

Governmental Affairs
Business meeting, to mark up S. 219, to ensure economy and efficiency of Federal Government operations by establishing a moratorium on regulatory rulemaking actions. SD-342
2:00 p.m.
Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the United States Postal Service. SD-116
Judiciary
To hold hearings on pending nominations. SD-226

MARCH 1

9:00 a.m.
Environment and Public Works
Superfund, Waste Control, and Risk Assessment Subcommittee
To hold hearings to examine proposals to authorize State and local governments to enact flow control laws and to regulate the interstate transportation of solid waste. SD-406
9:30 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the National Endowment for the Arts. SD-192
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings on the United States civilian space program. SR-253
Energy and Natural Resources
To hold hearings on S. 395, to authorize and direct the Secretary of Energy to sell the Alaska Power Marketing Administration, including title II, proposed Trans-Alaska Pipeline Amendment Act. SD-366
Governmental Affairs
To resume hearings on proposed legislation to reform the Federal regulatory process, to make government more efficient and effective. SD-342
Labor and Human Resources
To continue hearings to examine the impact of welfare reform, focusing on the child care system. SD-430
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the Disabled American Veterans. 345 Cannon Building
10:00 a.m.
Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the

part of State. S-146, Capitol
11:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the National Endowment for the Humanities. SD-192
2:00 p.m.
Energy and Natural Resources
Forests and Public Land Management Subcommittee
To hold hearings on S. 391, to authorize and direct the Secretaries of the Interior and Agriculture to undertake activities to halt and reverse the decline in forest health on Federal lands. SD-366
Select on Intelligence
To hold closed hearings on intelligence matters. SH-219

MARCH 2

9:30 a.m.
Energy and Natural Resources
To hold hearings on S. 167, to revise certain provisions of the Nuclear Waste Policy Act of 1982, and S. 443, to reaffirm the Federal Government's commitment to electric consumers and environmental protection by reaffirming the requirement of the Nuclear Waste Policy Act of 1982 that the Secretary of Energy provide for the safe disposal of spent nuclear fuel beginning not later than January 31, 1998. SD-366
10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Department of Transportation. SD-192

Governmental Affairs
Business meeting, to mark up S. 4, to grant the power to the President to reduce budget authority, and S. 14, to amend the Congressional Budget and Impoundment Control Act of 1974 to provide for the expedited consideration of certain proposed cancellations of budget items. SD-342

MARCH 3

9:30 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the National Credit Union Administration, the Neighborhood Reinvestment Corporation, the Federal Deposit Insurance Corporation, and the Resolution Trust Corporation—Inspector General. SD-138

Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Office of National Drug Control Policy.
SD-192

MARCH 7

9:30 a.m.
Energy and Natural Resources
Parks, Historic Preservation and Recreation Subcommittee
To hold joint hearings with the House Committee on Resources' Subcommittee on National Parks, Forests, and Lands to review the health of the National Park System.
SD-366

Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the Veterans of Foreign Wars.
345 Cannon Building

10:00 a.m.
Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Department of Commerce.
S-146, Capitol

Indian Affairs
To hold oversight hearings to review Federal programs which address the challenges facing Indian youth.
SR-485

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Department of Labor.
SD-192

MARCH 8

9:30 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the United States Geological Survey, Department of the Interior.
SD-116

Governmental Affairs
To resume hearings on proposed legislation to reform the Federal regulatory process, to make government more efficient and effective.
SD-342

Small Business
To hold hearings on the proposed "Regulatory Flexibility Amendments Act".
SR-428A

10:00 a.m.
Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for rural economic and community development services of the Department of Agriculture.
SD-138

To hold hearings on proposed budget estimates for fiscal year 1996 for the National Transportation Safety Board.
SD-192

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Department of Health and Human Services.
SD-138

Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the United States Secret Service, Federal Law Enforcement Training Center, and the Financial Crimes Enforcement Network, Department of the Treasury.
SD-192

MARCH 10

9:30 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the National Science Foundation, and the Office of Science and Technology Policy.
SD-138

MARCH 14

9:30 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Department of Defense.
SD-138

MARCH 15

9:30 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Smithsonian Institution.
SD-116

10:00 a.m.
Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for farm and foreign agriculture services of the Department of Agriculture.
SD-138

Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Department of Justice.
Room to be announced

MARCH 16

10:00 a.m.
Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Fed-

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Department of Education.
SD-192

MARCH 22

9:30 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the United States Fish and Wildlife Service, Department of the Interior.
SD-192

10:00 a.m.
Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Natural Resources Conservation Service, Department of Agriculture.
SD-138

MARCH 23

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Federal Railroad Administration, Department of Transportation, and the National Passenger Railroad Corporation (Amtrak).
SD-192

2:00 p.m.
Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Bureau of Alcohol, Tobacco and Firearms and the United States Customs Service, Department of the Treasury.
SD-192

3:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the National Institutes of Health, Department of Health and Human Services.
SD-138

MARCH 24

9:30 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Department of Housing and Urban Development.
SD-138

<p>MARCH 28 9:30 a.m. Appropriations Interior Subcommittee To hold hearings on proposed budget estimates for fiscal year 1996 for the Bureau of Land Management, Department of the Interior. SD-116</p>	<p>estimates for fiscal year 1996 for the National Park Service, Department of the Interior. SD-138</p>	<p>Appropriations Interior Subcommittee To hold hearings on proposed budget estimates for fiscal year 1996 for fossil energy, clean coal technology, Strategic Petroleum Reserve, and the Naval Petroleum Reserve. SD-116</p>
<p>MARCH 29</p>	<p>APRIL 5</p>	<p>APRIL 27</p>
<p>10:00 a.m. Appropriations Agriculture, Rural Development, and Related Agencies Subcommittee To hold hearings on proposed budget estimates for fiscal year 1996 for the Food Safety and Inspection Service, Animal and Plant Health Inspection Service, Agricultural Marketing Service, and the Grain Inspection, Packers and Stockyards Administration, all of the Department of Agriculture. SD-138</p>	<p>9:30 a.m. Appropriations VA, HUD, and Independent Agencies Subcommittee To hold hearings on proposed budget estimates for fiscal year 1996 for the National Aeronautics and Space Administration. SD-192</p>	<p>10:00 a.m. Appropriations Transportation Subcommittee To hold hearings on proposed budget estimates for fiscal year 1996 for the Federal Transit Administration, Department of Transportation. SD-192</p>
<p>Appropriations Commerce, Justice, State, and Judiciary Subcommittee To hold hearings on proposed budget estimates for fiscal year 1996 for the Judiciary, Administrative Office of the Courts, and the Judicial Conference. S-146, Capitol</p>	<p>10:00 a.m. Appropriations Agriculture, Rural Development, and Related Agencies Subcommittee To hold hearings on proposed budget estimates for fiscal year 1996 for the Agricultural Research Service, Cooperative State Research, Education, and Extension Service, Economic Research Service, and the National Agricultural Statistics Service, all of the Department of Agriculture. SD-138</p>	<p>MAY 2</p>
<p>MARCH 30</p>	<p>Appropriations Commerce, Justice, State, and Judiciary Subcommittee To hold hearings on proposed budget estimates for fiscal year 1996 for the Immigration and Naturalization Service, and the Bureau of Prisons, both of the Department of Justice. S-146, Capitol</p>	<p>9:30 a.m. Appropriations Interior Subcommittee To hold hearings on proposed budget estimates for fiscal year 1996 for the Forest Service of the Department of Agriculture. SD-138</p>
<p>9:30 a.m. Veterans' Affairs To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of AMVETS, American Ex-Prisoners of War, Vietnam Veterans of America, Blinded Veterans Association, and the Military Order of the Purple Heart. 345 Cannon Building</p>	<p>APRIL 6</p>	<p>MAY 3</p>
<p>10:00 a.m. Appropriations Transportation Subcommittee To hold hearings on proposed budget estimates for fiscal year 1996 for the Federal Aviation Administration, Department of Transportation. SD-192</p>	<p>9:30 a.m. Appropriations VA, HUD, and Independent Agencies Subcommittee To hold hearings on proposed budget estimates for fiscal year 1996 for the Federal Emergency Management Agency. SD-138</p>	<p>9:30 a.m. Appropriations VA, HUD, and Independent Agencies Subcommittee To hold hearings on proposed budget estimates for fiscal year 1996 for the Environmental Protection Agency, the Council on Environmental Quality, and the Agency for Toxic Substances and Disease Registry. SD-192</p>
<p>MARCH 31</p>	<p>2:00 p.m. Appropriations Treasury, Postal Service, General Government Subcommittee To hold hearings on proposed budget estimates for fiscal year 1996 for the Department of the Treasury and the Office of Management and Budget. SD-116</p>	<p>10:00 a.m. Appropriations Agriculture, Rural Development, and Related Agencies Subcommittee To hold hearings on proposed budget estimates for fiscal year 1996 for the Department of Agriculture. SD-138</p>
<p>9:30 a.m. Appropriations VA, HUD, and Independent Agencies Subcommittee To hold hearings on proposed budget estimates for fiscal year 1996 for the Department of Veterans Affairs, the Court of Veteran's Appeals, and Veterans Affairs Service Organizations. SD-138</p>	<p>APRIL 26</p>	<p>MAY 4</p>
<p>APRIL 3</p>	<p>9:30 a.m. Appropriations Interior Subcommittee To hold hearings on proposed budget estimates for fiscal year 1996 for energy conservation. SD-116</p>	<p>10:00 a.m. Appropriations Transportation Subcommittee To hold hearings on proposed budget estimates for fiscal year 1996 for the United States Coast Guard, Department of Transportation. SD-192</p>
<p>2:00 p.m. Appropriations Treasury, Postal Service, General Government Subcommittee To hold hearings on proposed budget estimates for fiscal year 1996 for the In-</p>	<p>10:00 a.m. Appropriations Agriculture, Rural Development, and Related Agencies Subcommittee To hold hearings on proposed budget estimates for fiscal year 1996 for the Food</p>	<p>MAY 5 9:30 a.m. Appropriations VA, HUD, and Independent Agencies Subcommittee To hold hearings on proposed budget estimates for fiscal year 1996 for Environmental Protection Agency science programs. SD-138</p>

To hold hearings on proposed budget estimates for fiscal year 1996 for the In-