H.R. 2020. An act making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1996, and for other purposes; to the Committee on Appropriations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mrs. KASSEBAUM, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute:

S. 919. A bill to modify and reauthorize the Child Abuse Prevention and Treatment Act, and for other purposes (Rept. No. 104–117).

By Mr. HATCH, from the Committee on the Judiciary, without amendment and with a preamble:

S. Res. 103. A resolution to proclaim the week of October 15 through October 21, 1995, as National Character Counts Week, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HATCH, from the Committee on the Judiciary:

James L. Dennis, of Louisiana, to be U.S. circuit judge for the Fifth Circuit.

(The above nomination was reported with the recommendation that he be confirmed.)

By Mr. PRESSLER, from the Committee on Commerce, Science, and Transportation:

Roberta L. Gross, of the District of Columbia, to be Inspector General, National Aeronautics and Space administration.

Vera Alexander, of Alaska, to be a member of the Marine Mammal Commission for a term expiring May 13, 1997.

Robert Clarke Brown, of New York, to be a member of the Board of Directors of the Metropolitan Washington Airports Authority for a term of 6 years.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. HATCH (for himself and Mr. BAUCUS):

S. 1052. A bill to amend the Internal Revenue Code of 1986 to make permanent the credit for clinical testing expenses for certain drugs for rare diseases or conditions and to provide for carryovers and carrybacks of unused credits; to the Committee on Finance.

By Mr. LIEBERMAN (for himself and Mr. D'AMATO):

S. 1053. A bill to amend the Internal Revenue Code of 1986 to promote capital formation for the development of new businesses; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. PRESSLER (for himself, Mr. STEVENS, Mr. BAUCUS, Mr. BOND, Mrs. BOXER, Mr. BROWN, Mr. BUMPERS, Mr. COCHRAN, Mrs. FEINSTEIN, Mr. GORTON, Mr. HOLLINGS, Mr. KERRY, Mr. LAUTENBERG, Mr. LOTT, Ms. MOSELEY-BRAUN, Mr. MURKOWSKI, Mr. PACKWOOD, Mr. PELL, Mr. PRYOR, Mr. ROTH, and Mr. SIMON:

S. Res. 155. A resolution expressing the sense of the Senate that the action taken by the Government of Japan against United States air cargo and passenger carriers represents a clear violation of the United States/Japan bilateral aviation agreement that is having severe repercussions on United States air carriers and, in general, customers of these United States carriers; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HATCH (for himself and Mr. BAUCUS): S. 1052. A bill to amend the Internal Revenue Code of 1986 to make permanent the credit for clinical testing expenses for certain drugs for rare diseases or conditions and to provide for carryovers and carrybacks of unused credits; to the Committee on Finance.

THE ORPHAN DRUG ACT OF 1995

Mr. HATCH. Mr. President, today I am introducing the Orphan Drug Act of 1995, legislation to modify and extend permanently the orphan drug tax credit. Identical legislation has been introduced in the House by Representatives by NANCY JOHNSON and ROBERT MATSUI. This credit encourages private firms to develop treatments for rare diseases. As many of my colleagues know, this medical research tax credit expired at the end of 1994. I am pleased that my good friend and colleague from Montana, Senator BAUCUS, is joining me.

Since the 1983 enactment of the orphan drug tax credit, we have seen very encouraging progress in developing new drugs to alleviate suffering from a number of so-called orphan diseases. The name ''orphan'' was coined to reflect a perceived lack of concern about diseases that affect relatively small numbers of people.

Mr. President, the incentive provided by this credit gives hope to individuals who suffer from such rare but devastating conditions as Tourette's syndrome, Huntington's disease, and neurofibromatosis. Many drugs designated as orphan drugs have a much smaller potential market than even the 200,000 patients referred to in the definition in this bill—sometimes they are for conditions that affect as few as 1,000 persons in the United States. This means that without some incentive there is simply no possibility for a firm to profit from its decision to develop drugs that treat these diseases.

Fortunately, the ''orphan'' perception has been changing over the 12 years that this research credit has been in effect. In fact, Mr. President, pharmaceutical companies have made great strides in discovering treatments for these orphan diseases. While only seven orphan drugs were approved by the FDA in the decade before the credit's initial passage, over 100 have been approved since and approximately 600 are now in development.

For example, the FDA recently approved the first-ever treatment for Gaucher disease, a debilitating and sometimes fatal genetic disorder. This disease afflicts fewer than 5,000 people worldwide, yet Genzyme Corp. expended its time and money to search for a treatment precisely because of the orphan drug credit's incentives.

Mr. President, this credit's effectiveness has been tested for the past 12 years, and it has passed with flying colors. Few provisions of the tax code can claim to have clearly reduced human suffering and to have expanded our store of medical knowledge. This credit has done both.

By helping small, entrepreneurial firms to take advantage of the orphan drug credit, we can make it even more effective. Currently, Mr. President, the tax credit only serves as an incentive for companies that earn a current-year profit. Under the previous law, if the credit could not be used immediately, it was lost forever. For large, profitable drug companies, this was rarely a problem.

However, for many small, start-up pharmaceutical companies, this current-year restriction makes the credit of little or no use. These firms typically lose money in the early years since they put all available funding into research. They only expect to see profits many years into the future. While many of the Nation's drug breakthroughs have come from these small firms, Mr. President, the credit's current structure has left them out in the cold.

In order to improve the credit's usefulness, this bill will allow firms to carry the credit back 3 years and carry it forward 15 years. This will give small, growing companies an incentive to find ways to treat these rare diseases that cause so many to suffer.

In my home State of Utah, a healthy biomedical industry is emerging. In the course of research, scientists often stumble upon treatments that could, if developed, improve the lives of victims of rare diseases. However, because of the high cost of drug experiments and the enormous expense involved in gaining FDA approval, many researchers reluctantly set these promising drug innovations aside. Mr. President, this should not happen, not when so many are suffering from these rare diseases, and we have an effective credit available that has proven its benefits.

I urge my Senate colleagues to join me in sponsoring this legislation. Mr. President, I ask unanimous consent