

When preparing transcripts for outside parties, not including judges, reporters have been considered independent contractors, not court employees. This makes sense because the court receives no benefit from the preparation of the transcript. The work is performed after normal working hours, on weekends, or when all their other court duties have been completed. Quite often, court reporters produce these transcripts at home using computer-aided transcription equipment, which they have personally purchased, without any supervision by the court.

For taxation purposes, the fee income received for the work is treated as separate and apart from reporters' court wages. In fact, court reporters in my home State of South Dakota are required to collect and pay sales tax on this income. They also file self-employment income forms with the U.S. Internal Revenue Service.

Mr. President, the situation I have described, typical of almost all State and local court reporters in the country, was thrown into turmoil last year by the Wage and Hour Division of the Labor Department. In a series of letters, the Division took the position that official court reporters in Oregon, Indiana, and North Carolina were still acting as court employees, for purposes of the FLSA, when they prepare transcripts of their stenographic records for private litigants, regardless of when or where the work is completed. Court reporters in most other States operate in circumstances similar to these three States.

None of the groups affected are pleased by the Labor Department's position. Many view the Labor Department as unnecessarily intruding into a situation with which everyone concerned was happy.

If allowed to stand, court employers would be forced to pay overtime for transcription work that is not supervised by the court and from which the court does not receive a benefit. As a result, many more hours of overtime would be accumulated by reporters. At one and one-half times the regular rate of pay, these additional overtime hours would severely strain the limited salary budgets of the courts. In response, courts would be forced to drastically cut back the number of hours allowed for transcription work, or cut back the number of court reporter positions.

State and local court reporters also are not happy with the Labor Department's interpretation. Though they purportedly would be the beneficiaries of the "protections" of the FLSA, reporters are worried their ability to earn outside income would be drastically reduced, that they would be subjected to court supervision when preparing transcripts, and that many reporter positions could be eliminated.

Finally, attorneys and others who request transcripts do not wish to see the current system changed. Under the traditional situation, they receive tran-

scripts quickly and accurately at a reasonable price.

Mr. President, this legislation fixes the problem. It would allow State and local court reporters to continue to prepare transcripts for attorneys and others in their off hours for a per-page fee. During these hours, court reporters would be considered independent contractors, not employees of the court. These hours would not count toward the overtime provisions of the FLSA. Courts would not be required to pay reporters for these hours. The effect of the bill would be to preserve the system as it has existed for years. It is strongly supported by the National Court Reporters Association. I also have heard strong support from many judges and attorneys in South Dakota for preserving the present system.

Mr. President, this is not a partisan issue. As it progressed through the House, this legislation enjoyed broad support on both sides of the aisle. During a hearing held several weeks ago in the House Worker Protections Subcommittee of the Economic and Educational Opportunities Committee, no witness testified in opposition. After consultations with members of both parties and the Labor Department, the House bill was modified to clarify its intent. The modified version was then offered as an amendment in the nature of a substitute by Representative OWENS, the ranking member of the subcommittee, with the approval of the sponsor, Mr. FAWELL.

Essentially, two conditions must be met for the exemption to apply. First, when performing transcript preparation duties, reporters must be paid at a per-page rate that is fair. To ensure reporters are not exploited, the rate must not be less than the maximum rate set by State law or local ordinance or otherwise established by a judicial or administrative officer, or a fair market rate as negotiated by the reporter and the party requesting the transcript.

Second, transcription work must be performed during hours when reporters are not otherwise required by their court employer to be at work. Reporters are clearly acting as employees subject to compensation when they are required by the court to be working, or to be on call during a period of down time in a trial, for instance. However, when court reporters no longer are required to be at work, when they are free to go home or spend their time as they wish, and they choose to prepare transcripts for a private fee, then court employers are under no obligation to compensate them or count those hours toward the overtime provisions of the FLSA. This is common sense.

Mr. President, as I mentioned, no opposition to this legislation appeared in the House. I do not expect any opposition in this chamber either. S. 190, the bill I introduced, has been cosponsored by Senator KASSEBAUM, chairman of the Labor and Human Resources Committee, as well as Senators EXON,

HELMS, JEFFORDS, COCHRAN, COATS and BROWN. I thank them for their support and am confident they also will find the House-passed legislation satisfactory.

H.R. 1225 is being held at the Senate desk pursuant to my request. It is my intention to seek unanimous consent to move this bill at the appropriate time. I understand from the staff of the ranking member of the Labor Committee, Senator KENNEDY, that he does not plan to object to moving this legislation. I also have checked with other members of the Labor Committee from the other party and have not heard of any opposition. Nor did I expect any.

To conclude, Mr. President, I thank all my colleagues for their support and look forward to moving this bill quickly.

Mr. DOLE. I ask unanimous consent that the bill be deemed to have been considered, read a third time, and passed, and the motion to reconsider be laid on the table, and any statement relating to the bill appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 1225) was deemed to have been read the third time and passed.

ORDERS FOR MONDAY, AUGUST 7, 1995

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 9 a.m. Monday, August 7, 1995; that following the prayer, the Journal be deemed approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate proceed to a period for routine morning business not to extend beyond the hour of 10:30 a.m. with Senators permitted to speak for up to 5 minutes each, with the following exceptions: Senator FRIST for up to 60 minutes, Senator DASCHLE or his designee for up to 30 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I further ask that the cloture vote scheduled to occur on Monday be postponed to occur at a time to be determined by the majority leader after consultation with the Democratic leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DOLE. For the information of all Senators, the Senate will resume consideration of the welfare reform bill at 10:30 a.m. Then the amendment I have offered is the Work Opportunity Act of 1995. Votes can be expected during Monday's session of the Senate, but will not occur prior to the hour of 4:30 p.m. on Monday. Also, votes could occur later that evening with respect to amendments to the DOD authorization bill during Monday's session. I

outlined before we hope to be able to go back to that late Monday and complete action on that bill.

I know the distinguished Democratic leader wishes to speak, and also the Senator from Nebraska—how much time?—2 minutes.

ORDER FOR RECESS

Mr. DOLE. Mr. President, so, if there is no further business to come before the Senate, I ask unanimous consent that the Senator from Nebraska be recognized for 2 minutes, and the distinguished Democratic leader be recognized for whatever time he may use, and that after his statement the Senate stand in recess under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from Nebraska.

Mr. EXON. I thank the Chair and my friend and colleague, the majority leader.

FAMILY SELF-SUFFICIENCY ACT

Mr. EXON. Mr. President, before the leader leaves the floor, I want to say I have listened with keen interest to the opening remark by the majority leader and the introduction of the welfare reform bill and the spirit of compromise that he expressed and exchanged with Senator MOYNIHAN, who has been a leader in this for a long time. I am looking forward to the remarks by the minority leader, which I think will follow, probably on this subject.

I just want to say that after being here 17-plus years, I do not believe there is anything that probably is more important or more necessary for reform. And I hope that the spirit of compromise which started out this debate will be part of the debate, because I believe that this is not something that we want to make a political issue out of it. This is a problem that we all know of that is very fundamental to the whole prospect that we have of getting our fiscal house in order and doing the right thing in a fair way.

I hope we will not have any filibuster. I hope that maybe we can be so bipartisan that maybe we will not even use tabling motions. Maybe we can just have up-or-down votes on all of the amendments. I am not trying to direct how this is moved forward, but I think if we are going to get something done, it is going to have to be a combination effort with the combination of the majority Members and minority Members having a say so and let the body work its will on the various amendments.

I will have more to say on this probably on Monday or later. I am very much concerned about it. I am very happy it has finally come to the fore. And I salute the majority leader and the minority leader, Senator MOYNIHAN, and others, who have had a key role to play. I do not think we are too

far apart. I hope we will not become too far apart during the debate which will ensue.

I thank the majority leader and the minority leader, and I yield the floor.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Mr. President, let me concur first with the comments made by the distinguished Senator from Nebraska. I hope that this can be a very meaningful and productive debate. I have every expectation that that is indeed what will occur. This is a very important issue, and we will all have much more to say about it next week.

Mr. President, we begin the debate today, and I must say I am encouraged by the remarks of the majority leader and certainly by the ranking member of the Finance Committee, because I think it is indicative of the hope expressed oftentimes on the floor that we can deal in a meaningful way on an issue as important as welfare reform this year.

I believe that in many respects there are similarities between the Republican and the Democratic approaches to welfare reform, but there are some fundamental differences as well. And those differences, of course, have to be worked out over the course of the next several days.

I believe that it is very important, as we look to how to achieve meaningful welfare reform, that several principles guide our way, that several principles determine the degree to which we come together and create the scope within which welfare reform can be accomplished.

I believe that it is important to end welfare as we know it, as the President has challenged us to do. I believe that most people recognize, that with all of its good intentions, we have not been able to cope with the myriad problems that we continue to witness and experience simply because the infrastructure we have created is unable to accommodate the solutions that are necessary under the current set of circumstances.

The Family Support Act, a major piece of legislation offered at that time by the senior Democratic member of the Finance Committee, later to be chairman of the Finance Committee, Senator MOYNIHAN, was really a landmark piece of legislation in 1988. Now, 7 years later, we realize we have to go even beyond what we did in 1988 with the broad agreement that we had in 1988 that it was a very significant step ahead, a step forward in the progress that we knew we had to make in achieving much of what we had set out to do 30 years ago.

Mr. President, I believe that the principles of welfare reform that must be incorporated as we begin to address this issue next week, first and foremost, recognize that we change the infrastructure of the welfare system as we have known it for so long. It is important that we abolish the AFDC system and create in its place an ability

for us to put the emphasis where it ought to belong, put the emphasis on work, to make the welfare office of today the employment office of tomorrow, to give people an opportunity, a confidence that they do not have today that they will have the jobs skills, they will have the ability, they will have the resources to get jobs and to keep them.

Work First—an emphasis on work ought to be the emphasis of welfare reform. We feel so strongly about the need to make work that priority that we call our bill the Work First welfare reform plan, because that is where the emphasis must be put, on work with skills, with education, with placement, with whatever resources may be required to ensure that people work.

Second, we think it is very important that if, indeed, we are going to acknowledge the importance of work, we also acknowledge that it is impossible to ask a mother or a father, but in particular a mother, to go out, to take perhaps a minimum-wage job if there is nothing that we can tell them will happen to their children. If we tell them we are going to force you to take that job out on some hamburger line but we know you have kids 2- and 4-years-old and you are just going to have to leave them at home or you are just going to have to figure out a way to deal with them, my guess is there is not going to be much incentive to go do that.

So what we say is somehow we have to come up with innovative ways to ensure that parents will know that their kids are going to be cared for, that somehow those children are going to have to have the ability to be cared for, to be protected, to be nourished, to be trained to do all the things that the mother would do if she was at home with those children and not at work.

There is an inextricable link between child care and welfare reform, between expecting a young mother to go out and work and recognizing how important it is that those kids get care.

It does not take a rocket scientist to find out that one of the big problems we have in society today is that there are too many kids that do not have any guidance, do not have any affection, do not have any relationship with their mother or their father. Whatever relationship they get, they get out on the street.

Look what happened in that brutal circumstance just the night before last at the McDonald's 15 blocks from here. I do not know what happened to that kid. I do not know what caused him to go in at 2 o'clock in the morning and blow away three of his fellow employees. But I would be willing to bet he did not have a father. I would be willing to bet he probably had nothing at home. I would be willing to bet he received no guidance in those developmental ages. I would be willing to bet we lost that kid a long time ago.

I hope we do not have to experience that over and over and over and over again. Whether or not that happens, it