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House of Representatives

The House was not in session today. Its next meeting will be held on Tuesday, September 12, 1995, at 10:30 a.m.

Senate

MONDAY, SEPTEMBER 11, 1995

(Legislative day of Tuesday, September 5, 1995)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

The Word of the Lord is: ''Be still and know that I am God; I will be exalted among the nations, I will be exalted in the earth!''—Psalm 46:11.

Let us pray:

Holy God, Your call to prayer startles us. Be still? We are wordsmiths and find it difficult to be still. Our craft is to talk and we are proud of our polished sentences and carefully worded paragraphs. Sometimes we forget to listen to Your voice before we speak. Now in the quiet of this time of prayer we realize how much we want You to be exalted among the nations, particularly this Nation You have called us to lead. Our deepest desire is to know what You desire; our lasting pleasure is to please You. Be exalted in our hearts: our goal is to glorify You. Be exalted in our minds: our purpose is to be bold and creative thinkers. Be exalted in this Senate as each Senator humbles himself and herself to speak the truth as You reveal it and listen to each other with patience and openness. Remind us again that the meaning of the Hebrew words ''Be still'' imply ''let go, leave off, let up.'' We want to do that consistently today as we open the floodgates of our minds and hearts to receive the inflow of Your power and peace. In our Lord's name. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able Senator from Iowa is recognized.

SCHEDULE

Mr. GRASSLEY. Mr. President, for the information of all Senators, the Senate will be immediately resuming the consideration of the welfare reform bill.

Under the consent agreement, which was reached on Friday, there will be three consecutive rollcall votes beginning at 5 p.m. today. A large number of amendments, as we know, are pending to H.R. 4. Therefore, additional rollcall votes are expected this evening on amendments to this welfare reform bill.

As a reminder to all Members, the voting sequence at 5 o'clock will be, first, the Dodd amendment regarding child care to be followed by the Kassebaum amendment regarding block grants, that to be followed by the Helms amendment on work requirements for food stamps.

The first vote will be 15 minutes in length with the remaining votes in sequence limited to 10 minutes each.

Mr. MOYNIHAN addressed the Chair.

The PRESIDENT pro tempore. The able Senator from New York is recognized.

Mr. MOYNIHAN. Mr. President, may I simply thank my distinguished friend and colleague for setting out the day's procedure, and call to the attention of those who might be listening that we have some 200 more amendments that were filed on Friday, and that if we are to dispose of them by Wednesday, as the majority leader has indicated would have to be done if we are going to get through with the year that ends in 3 weeks' time, we will have to hear from Senators about which amendments they wish to have called up and get time agreements for them as we have done today.

I see the distinguished Senator from Kansas has risen, and I look forward to her remarks.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. KYL). Under the previous order, leadership time is reserved.

FAMILY SELF-SUFFICIENCY ACT

The PRESIDING OFFICER. The Senate will now resume consideration of H.R. 4, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

The Senate resumed consideration of the bill.

Pending:

Dole Modified Amendment No. 2280, of a perfecting nature.

Subsequently, the amendment was further modified.

Feinstein Modified Amendment No. 2469 (to Amendment No. 2280), to provide additional funding to States to accommodate any growth in the number of people in poverty.

● This ''bullet'' symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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Feinstein Amendment No. 2470 (to Amendment No. 2280), to impose a child support obligation on paternal grandparents in cases in which both parents are minors.

Moseley-Braun Amendment No. 2471 (to Amendment No. 2280), to require States to establish a voucher program for providing assistance to minor children in families that are eligible for but do not receive assistance.

Moseley-Braun Amendment No. 2472 (to Amendment No. 2280), to prohibit a State from imposing a time limit for assistance if the State has failed to provide work activity-related services to an adult individual in a family receiving assistance under the State program.

Moseley-Braun Amendment No. 2473 (to Amendment No. 2280), to modify the job opportunities to certain low-income individuals program.

Moseley-Braun Amendment No. 2474 (to Amendment No. 2280), to prohibit a State from reserving grant funds for use in subsequent fiscal years if the State has reduced the amount of assistance provided to families under the State program in the preceding fiscal year.

Feinstein Amendment No. 2478 (to Amendment No. 2280), to provide equal treatment for naturalized and native-born citizens.

Feinstein Amendment No. 2479 (to Amendment No. 2280), to provide for State and county demonstration programs.

Feingold Amendment No. 2480 (to Amendment No. 2280), to study the impact of amendments to the child and adult care food program on program participation and family day care licensing.

Feingold Amendment No. 2481 (to Amendment No. 2280), to provide for a demonstration project for the elimination of take-one-take-all requirement.

Bingaman Amendment No. 2483 (to Amendment No. 2280), to require the development of a strategic plan for a State family assistance program.

Bingaman Amendment No. 2484 (to Amendment No. 2280), to provide funding for State programs for the treatment of drug addiction and alcoholism and for the National Institute on Drug Abuse Research.

Bingaman Amendment No. 2485 (to Amendment No. 2280), to provide Indian vocational education grants.

Simon Amendment No. 2468 (to Amendment No. 2280), to provide grants for the establishment of community works progress programs.

Levin Amendment No. 2486 (to Amendment No. 2280). to require recipients of assistance under a State program funded under part A of title IV of the Social Security Act to participate in State mandated community service activities if they are not engaged in work after 6 months receiving benefits.

Breaux Amendment No. 2487 (to Amendment No. 2280), to maintain the welfare partnership between the States and the Federal Government.

Breaux Amendment No. 2488 (to Amendment No. 2280), to maintain the welfare partnership between the States and the Federal Government.

Breaux Amendment No. 2489 (to Amendment No. 2280), to improve services provided as workforce employment activities.

Breaux Amendment No. 2490 (to Amendment No. 2280), to strike provisions relating to workforce development and workforce preparation.

Rockefeller Modified Amendment No. 2491 (to Amendment No. 2280), to provide States with the option to exempt families residing in areas of high unemployment from the time limit.

Rockefeller Modified Amendment No. 2492 (to Amendment No. 2280), to provide for a State option to exempt certain individuals from the participation rate calculation and the time limit.

Snowe/Bradley Amendment No. 2493 (to Amendment No. 2280), to clarify provisions relating to the distribution to families of collected child support payments.

Snowe Amendment No. 2494 (to Amendment No. 2280), to clarify that the penalty provisions do not apply to certain single custodial parents in need of child care and to exempt certain single custodial parents in need of child care from the work requirements.

Pryor Amendment No. 2495 (to Amendment No. 2280), to modify the penalty provisions.

Bradley Amendment No. 2496 (to Amendment No. 2280), to modify the provisions regarding the State plan requirements.

Bradley Amendment No. 2497 (to Amendment No. 2280), to prohibit a State from shifting the costs of aid or assistance provided under the aid to families with dependent children or the JOBS programs to local governments.

Bradley Amendment No. 2498 (to Amendment No. 2280), to provide that existing civil rights laws shall not be preempted by this Act.

Bond Amendment No. 2499 (to Amendment No. 2280), to establish that States shall not be prohibited by the Federal Government from sanctioning welfare recipients who test positive for use of controlled substances.

Glenn Amendment No. 2500 (to Amendment No. 2280), to ensure that training for displace homemakers is included among workforce employment activities and workforce education activities for which funds may be used under this Act.

Grassley (for Pressler) Amendment No. 2501 (to Amendment No. 2280), to provide a State option to use an income tax intercept to collect overpayments in assistance under the State program funded under part A of title IV of the Social Security Act.

Grassley (for Cohen) Modified Amendment No. 2502 (to Amendment No. 2280), to ensure that programs are implemented consistent with the First Amendment.

Wellstone Amendment No. 2503 (to Amendment No. 2280), to prevent an increase in the number of hungry children in states that elect to participate in a food assistance block grant program.

Wellstone Amendment No. 2504 (to Amendment No. 2280), to prevent an increase in the number of hungry and homeless children in states that receive block grants for temporary assistance for needy families.

Wellstone Amendment No. 2505 (to Amendment No. 2280), to express the sense of the Senate regarding continuing medicaid coverage for individuals who lose eligibility for welfare benefits because of more earnings or hours of employment.

Wellstone Amendment No. 2506 (to Amendment No. 2280), to provide for an extension of transitional medicaid benefits.

Wellstone Amendment No. 2507 (to Amendment No. 2280), to exclude energy assistance payments for one-time costs of weatherization or repair or replacement of unsafe or inoperative heating devices from income under the food stamp program.

Simon Amendment No. 2509 (to Amendment No. 2280), to eliminate retroactive deeming requirements for those legal immigrants already in the United States.

Simon Amendment No. 2510 (to Amendment No. 2280), to maintain a national Job Corps program, carried out in partnership with States and communities.

Abraham/Lieberman Amendment No. 2511 (to Amendment No. 2280), to express the sense of the Senate that the Congress should adopt enterprise zone legislation in the 104th Congress.

Abraham Amendment No. 2512 (to Amendment No. 2280), to increase the block grant amount to States that reduce out-of-wedlock births.

Feinstein Amendment No. 2513 (to Amendment No. 2280), to limit deeming of income to cash and cash-like programs, and to retain SSI eligibility and exempt deeming of income requirements for victims of domestic violence.

Moynihan (for Lieberman) Amendment No. 2514 (to Amendment No. 2280), to establish a job placement performance bonus that provides an incentive for States to successfully place individuals in unsubsidized jobs.

Moynihan (for Lieberman) Amendment No. 2515 (to Amendment No. 2280), to establish a national clearinghouse on teenage pregnancy, set national goals for the reduction of out-of-wedlock and teenage pregnancies, and require States to establish a set-aside for teenage pregnancy prevention activities.

Hatch Amendment No. 2516 (to Amendment No. 2280), to establish a block grant program for the provision of child care services.

Hatch (for DeWine) Amendment No. 2517 (to Amendment No. 2280), to provide for quarterly reporting by banks with respect to common trust funds.

Hatch (for DeWine) Amendment No. 2518 (to Amendment No. 2280), to modify the method for calculating participation rates to more accurately reflect the total case load of families receiving assistance in the State.

Hatch (for DeWine) Amendment No. 2519 (to Amendment No. 2280), to provide for a rainy day contingency fund.

Hatch (for Burns) Amendment No. 2520 (to Amendment No. 2280), to establish procedures for the reduction of certain personnel in the Department of Health and Human Services.

Hatch (for Simpson) Amendment No. 2521 (to Amendment No. 2280), to ensure State eligibility and benefit restrictions for immigrants are no more restrictive than those of the Federal government.

Hatch (for Kassebaum) Amendment No. 2522 (to Amendment No. 2280), to modify provisions relating to funds for other child care programs.

Helms Amendment No. 2523 (to Amendment No. 2280), to require single, able-bodied individuals receiving food stamps to work at least 40 hours every 4 weeks.

Exon Amendment No. 2525 (to Amendment No. 2280), to prohibit the payment of certain Federal benefits to any person not lawfully present within the United States.

Shelby Amendment No. 2526 (to Amendment No. 2280), to amend the Internal Revenue Code of 1986 to provide a refundable credit for adoption expenses and to exclude from gross income employee and military adoption assistance benefits and withdrawals from IRAs for certain adoption expenses.

Shelby Amendment No. 2527 (to Amendment No. 2280), to improve provisions relating to the optional State food assistance block grant.

Moynihan (for Conrad/Lieberman) Amendment No. 2528 (to Amendment No. 2280), to provide that a State that provides assistance to unmarried teenage parents under the State program require such parents as a condition of receiving such assistance to live in an adult-supervised setting and attend high school or other equivalent training program.

Moynihan (for Conrad/Bradley) Amendment No. 2529 (to Amendment No. 2280), to provide States with the maximum flexibility by allowing States to elect to participate in the TAP and WAGE programs.

Moynihan (for Conrad) Amendment No. 2530 (to Amendment No. 2280), to provide that a State that provides assistance to unmarried teenage parents under the State program require such parents as a condition of receiving such assistance to live in an adult-supervised setting and attend high school or other equivalent training program.

Moynihan (for Conrad) Amendment No. 2531 (to Amendment No. 2280), to prevent States from receiving credit toward work participation rates for individual who leave the roles due to a time limit.

Moynihan (for Conrad) Amendment No. 2532 (to Amendment No. 2280), in the nature of a substitute.

Moynihan (for Levin) Amendment No. 2533 (to Amendment No. 2280), to improve the provisions relating to incentive grants.

Moynihan (for Pell) Amendment No. 2475 (to Amendment No. 2280), to clarify that each State must carry out activities through at least 1 Job Corps center.

Moynihan (for Dodd) Amendment No. 2534 (to Amendment No. 2280), to award national rapid response grants to address major economic dislocations.

Moynihan (for Dorgan) Amendment No. 2535 (to Amendment No. 2280), to express the sense of the Senate on legislative accountability for the unfunded mandates imposed by welfare reform legislative.

Moynihan (for Lieberman) Amendment No. 2536 (to Amendment No. 2280), to establish bonus payments for States that achieve reductions in out-of-wedlock pregnancies, establish a national clearinghouse on teenage pregnancy, set national goals for the reduction of out-of-wedlock and teenage pregnancies, and require States to establish a set-aside for teenage pregnancy prevention activities.

Moynihan (for Lieberman) Amendment No. 2537 (to Amendment No. 2280), to establish a national clearinghouse on teenage pregnancy, set national goals for the reduction of out-of-wedlock and teenage pregnancies, and require States to establish a set-aside for teenage pregnancy prevention activities.

Moynihan Amendment No. 2538 (to Amendment No. 2280), to strike the provisions repealing trade adjustment assistance.

Hatch (for Coats/Ashcroft) Amendment No. 2539 (to Amendment No. 2280), to provide a tax credit for charitable contributions to organizations providing poverty assistance.

Hatch (for McCain) Amendment No. 2540 (to Amendment No. 2280), to remove barriers to interracial and interethnic adoptions.

Hatch (for McCain) Amendment No. 2541 (to Amendment No. 2280), to provide that States are not required to comply with excessive data collection and reporting requirements unless the Federal Government provides sufficient funding to allow States to meet such excessive requirements.

Hatch (for McCain) Amendment No. 2542 (to Amendment No. 2280), to remove the maximum length of participation in the work supplementation or support program.

Hatch (for McCain) Amendment No. 2543 (to Amendment No. 2280), to make job readiness workshops a work activity.

Hatch (for McCain) Amendment No. 2544 (to Amendment No. 2280), to permit States to enter into a corrective action plan prior to the deduction of penalties from the block grant.

Harkin Amendment No. 2545 (to Amendment No. 2280), to require each family receiving assistance under the State program funded under part A of title IV of the Social Security Act to enter into a personal responsibility contract or a limited benefit plan.

Chafee Amendment No. 2546 (to Amendment No. 2280), to maintain the welfare partnership between the States and the Federal Government.

Chafee (for Cohen) Amendment No. 2547 (to Amendment No. 2280), to deny supplemental security income cash benefits by reason of disability to drug addicts and alcoholics, and to require beneficiaries with accompanying addiction to comply with appropriate treatment requirements as determined by the Commissioner.

Moynihan (for Kerrey) Amendment No. 2549 (to Amendment No. 2280), to allow a State to revoke an election to participate in the optional State food assistance block grant.

Moynihan (for Kohl) Amendment No. 2550 (to Amendment No. 2280), to exempt the elderly, disabled, and children from an optional State food assistance block grant.

Moynihan (for Kohl) Amendment No. 2551 (to Amendment No. 2280), to expand the food stamp employment and training program.

Moynihan (for Bryan) Amendment No. 2552 (to Amendment No. 2280), to provide that a recipient of welfare benefits under a means-tested program for which Federal funds are appropriated is not unjustly enriched as a result of defrauding another means-tested welfare or public assistance program.

Moynihan (for Bryan) Amendment No. 2553 (to Amendment No. 2280), to require a recipient of assistance based on need, funded in whole or in part by Federal funds, and the noncustodial parent to cooperate with paternity establishment and child support enforcement in order to maintain eligibility for such assistance.

Moynihan (for Bryan) Amendment No. 2554 (to Amendment No. 2280), to provide that State welfare and public assistance agencies can notify the Internal Revenue Service to intercept Federal income tax refunds to recapture over-payments of welfare or public assistance benefits.

Moynihan (for Bryan) Amendment No. 2555 (to Amendment No. 2280), to provide State welfare or public assistance agencies an option to determine eligibility of a household containing an ineligible individual under the Food Stamp program.

Hatfield Amendment No. 2467 (to Amendment No. 2280), to increase the participation of teacher, parents, and students in developing and improving workforce education activities.

Hatch (for Nickles) Amendment No. 2556 (to Amendment No. 2280), to require the transmission of quarterly wage reports in order to relay information to the State Director of New Hires to assist in locating absent parents.

Hatch (for Jeffords) Amendment No. 2557 (to Amendment No. 2280), to amend the definition of work activities to include vocational education training that does not exceed 24 months.

Hatch (for Jeffords) Amendment No. 2558 (to Amendment No 2280), to provide for the State distribution of funds for secondary school vocational education, postsecondary and adult vocational education, and adult education.

Hatch (for Kyl) Amendment No. 2559 (to Amendment No. 2280), to require the establishment of local workforce development boards.

Dodd Amendment No. 2560 (to Amendment No. 2280), to provide for the establishment of a supplemental child care grant program.

Ashcroft Amendment No. 2561 (to Amendment No. 2280), to replace the supplemental security income program for the disabled and blind with a block grant to the States.

Ashcroft Amendment No. 2562 (to Amendment No. 2280), to convert the food stamp program into a block grant program.

Graham (for Kennedy) Amendment No. 2563 (to Amendment No. 2280), to terminate sponsor responsibilities upon the date of naturalization of the immigrant.

Graham (for Kennedy) Amendment No. 2564 (to Amendment No. 2280), to grant the Attorney General flexibility in certain public assistance determinations for immigrants.

Graham Amendment No. 2565 (to Amendment No. 2280), to provide a formula for allocating funds that more accurately reflects the needs of States with children below the poverty line.

Graham Amendment No. 2566 (to Amendment No. 2280), to require each responsible Federal agency to determine whether there are sufficient appropriations to carry out the Federal intergovernmental mandates required by this Act, and to provide that the mandates will not be effective under certain conditions.

Graham Amendment No. 2567 (to Amendment No. 2280), to provide that the Secretary, in ranking States with respect to the success of their work programs, shall take into account the average number of minor children in families in the State that have incomes below the poverty line and the amount of funding provided each State for such families.

Graham Amendment No. 2568 (to Amendment No. 2280), to set national work participation rate goals and to provide that the Secretary shall adjust the goals for individual States based on the amount of Federal funding the State receives for minor children in families in the State that have incomes below the poverty line.

Graham Amendment No. 2569 (to Amendment No. 2280), to provide for the prospective application of the provisions of title V.

Dodd (for Leahy) Amendment No. 2570 (to Amendment No. 2280), to reduce fraud and trafficking in the Food Stamp program by providing incentives to States to implement Electronic Benefit Transfer systems.

Jeffords Amendment No. 2571 (to Amendment No. 2280), to modify the maintenance of effort provision.

Santorum (for Domenici) Amendment No. 2572 (to Amendment No. 2280), to improve the child support enforcement system by giving States better incentives to improve collections.

Santorum (for Domenici) Amendment No. 2573 (to Amendment No. 2280), to maintain the welfare partnership between the States and the Federal Government.

Santorum (for Domenici) Amendment No. 2574 (to Amendment No. 2280), to express the sense of the Senate regarding the inability of the noncustodial parent to pay child support.

Santorum (for Domenici) Amendment No. 2575 (to Amendment No. 2280), to allow States maximum flexibility in designing their Temporary Assistance programs.

Santorum (for Domenici) Amendment No. 2576 (to Amendment No. 2280), to create a national child custody database, and to clarify exclusive continuing jurisdiction provisions of the Parental Kidnapping Prevention Act.

Santorum (for D'Amato) Amendment No. 2577 (to Amendment No. 2280), to change the date for the determination of fiscal year 1994 expenditures.

Santorum (for D'Amato) Amendment No. 2578 (to Amendment No. 2280), relating to claims arising before effective dates.

Santorum (for D'Amato) Amendment No. 2579 (to Amendment No. 2280), terminating efforts to recover funds for prior fiscal years.

Santorum (for Grams) Amendment No. 2580 (to Amendment No. 2280), to limit vocational education activities counted as work.

Jeffords Amendment No. 2581 (to Amendment No. 2280), to strike the increase to the grant to reward States that reduce out-of-wedlock births.

Dodd (for Wellstone) Amendment No. 2582 (to Amendment No. 2280), to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate under such Act.

Dodd (for Wellstone) Amendment No. 2583 (to Amendment No. 2280), to exempt women and children who have been battered or subject to extreme cruelty from certain requirements of the bill.

Dodd (for Wellstone) Amendment No. 2584 (to Amendment No. 2280), to exempt women and children who have been battered or subjected to extreme cruelty from certain requirements of the bill.

Stevens Amendment No. 2585 (to Amendment No. 2280), of a technical nature.

Santorum (for Cohen) Amendment No. 2586 (to Amendment No. 2280), to modify the religious provider provision.

Santorum (for Specter) Amendment No. 2587 (to Amendment No. 2280), to maintain a national Job Corps program, carried out in partnership with States and communities.

Santorum (for Chafee) Amendment No. 2588 (to Amendment No. 2280), to require States to provide voucher assistance for children born to families receiving assistance.

Santorum (for McCain) Amendment No. 2589 (to Amendment No. 2280), to provide for child support enforcement agreements between the States and Indian tribes or tribal organizations.

Moynihan Amendment No. 2590 (to Amendment No. 2280), to provide that case record data submitted by the States be desegregated, and to provide funding for certain research, demonstration, and evaluation projects.

Moynihan (for Boxer) Amendment No. 2591 (to Amendment No. 2280), to provide for a child care maintenance of effort.

Moynihan (for Boxer) Amendment No. 2592 (to Amendment No. 2280), to provide that State authority to restrict benefits to noncitizens does not apply to foster care or adoption assistance programs.

Moynihan (for Boxer) Amendment No. 2593 (to Amendment No. 2280), expressing the sense of the Senate on restrictions on providing medical information by recipients of Federal aid.

Santorum (for Faircloth) Amendment No. 2594 (to Amendment No. 2280), to prohibit direct cash benefits for out of wedlock births to minors except under certain conditions.

Santorum (for Faircloth) Amendment No. 2595 (to Amendment No. 2280), to require the Secretary of Housing and Urban Development to submit a report regarding disqualification of illegal aliens from housing assistance programs.

Santorum (for Faircloth) Amendment No. 2596 (to Amendment No. 2280), to express the sense of the Congress regarding a work requirement for public housing residents.

Santorum (for Faircloth) Amendment No. 2597 (to Amendment No. 2280), to require ongoing State evaluations of activities carried out through statewide workforce development systems.

Santorum (for Faircloth) Amendment No. 2598 (to Amendment No. 2280), to provide for transferability of funds.

Santorum (for Faircloth) Amendment No. 2599 (to Amendment No. 2280), to provide for transferability of funds allotted for workforce preparation activities for at-risk youth.

Santorum (for Faircloth) Amendment No. 2600 (to Amendment No. 2280), to allow a State agency to make cash payments to certain individuals in lieu of food stamp allotments.

Santorum (for Faircloth) Amendment No. 2601 (to Amendment No. 2280), to integrate the temporary assistance to needy families with food stamp work rules.

Santorum (for Faircloth) Amendment No. 2602 (to Amendment No. 2280), to limit vocational education activities counted as work.

Santorum (for Faircloth) Amendment No. 2603 (to Amendment No. 2280), to deny assistance for out-of-wedlock births to minors.

Santorum (for Faircloth) Amendment No. 2604 (to Amendment No. 2280), to provide for no additional cash assistance for children born to families receiving assistance.

Santorum (for Faircloth) Amendment No. 2605 (to Amendment No. 2280), to deny assistance for out-of-wedlock births to minors.

Santorum (for Faircloth) Amendment No. 2606 (to Amendment No. 2280), to provide for provisions relating to paternity establishment and fraud.

Santorum (for Faircloth) Amendment No. 2607 (to Amendment No. 2280), to require State goals and a State plan for reducing illegitimacy.

Santorum (for Faircloth) Amendment No. 2608 (to Amendment No. 2280), to provide for an abstinence education program.

Santorum (for Faircloth) Amendment No. 2609 (to Amendment No. 2280), to prohibit teenage parents from living in the home of an adult relative or guardian who has a history of receiving assistance.

Moynihan Amendment No. 2610 (to Amendment No. 2280), to amend title 13, United States Code, to require that any data relating to the incidence of poverty produced or published by the Secretary of Commerce for subnational areas is corrected for differences in the cost of living in those areas.

Moynihan Amendment No. 2611 (to Amendment No. 2280), to correct imbalances in certain States in the Federal tax to Federal benefit ratio by reallocating the distribution of Federal spending.

Abraham/Lieberman Amendment No. 2476 (to Amendment No. 2280), to express the sense of the Senate that the Congress should adopt enterprise zone legislation in the 104th Congress.

Santorum (for Gramm) Amendment No. 2612 (to Amendment No. 2280), to limit the State option for work participation requirement exemptions to the first 12 months to which the requirement applies.

Santorum (for Gramm) Amendment No. 2613 (to Amendment No. 2280), to require that certain individuals who are not required to work are included in the participation rate calculation.

Santorum (for Gramm) Amendment No. 2614 (to Amendment No. 2280), to provide for increased penalties for failure to meet work requirements.

Santorum (for Gramm) Amendment No. 2615 (to Amendment No. 2280), to reduce the Federal welfare bureaucracy.

Santorum (for Gramm) Amendment No. 2616 (to Amendment No. 2280), to require paternity establishment as a condition of benefit receipt.

Santorum (for Gramm) Amendment No. 2617 (to Amendment No. 2280), to prohibit the use of Federal funds for legal challenges to welfare reform.

Moynihan Amendment No. 2618 (to Amendment No. 2280), to eliminate the requirement that HHS reduce full-time equivalent positions by specific percentages and retain requirements to evaluate the number of FTE positions required to carry out the activities under the bill and to take action to reduce the appropriate number of positions.

Moynihan (for Kennedy) Amendment No. 2619 (to Amendment No. 2280), to terminate sponsor responsibilities upon the date of naturalization of the immigrant.

Moynihan (for Kennedy) Amendment No. 2620 (to Amendment No. 2280), to grant the Attorney General flexibility in certain public assistance determinations for immigrants.

Moynihan (for Kennedy) Amendment No. 2621 (to Amendment No. 2280), to ensure that programs are implemented consistent with the First Amendment to the U.S. Constitution.

Moynihan (for Kennedy) Amendment No. 2622 (to Amendment No. 2280), to repeal food stamp provisions relating to children living at home and to reduce tax benefits for foreign corporations.

Moynihan (for Kennedy) Amendment No. 2623 (to Amendment No. 2280), to permit States to apply for waivers with respect to the 15 percent cap on hardship exemptions from the 5-year time limitation.

Moynihan (for Kennedy) Amendment No. 2624 (to Amendment No. 2280), to permit States to provide non-cash assistance to children ineligible for aid because of the 5-year time limitation.

Moynihan (for Kennedy) Amendment No. 2625 (to Amendment No. 2280), to require States to have in effect laws regarding duration of child support.

Moynihan (for Kennedy) Amendment No. 2626 (to Amendment No. 2280), to eliminate a repeal relating to the Trade Act of 1974.

Moynihan (for Kennedy) Amendment No. 2627 (to Amendment No. 2280), to improve provisions relating to the Trade Act of 1974.

Moynihan (for Kennedy) Amendment No. 2628 (to Amendment No. 2280), to improve provisions relating to the Wagner-Peyser Act.

Moynihan (for Kennedy) Amendment No. 2629 (to Amendment No. 2280), to improve provisions relating to the unemployment trust fund.

Moynihan (for Kennedy) Amendment No. 2630 (to Amendment No. 2280), to clarify that the responsibilities of the National Board are advisory.

Moynihan (for Kennedy) Amendment No. 2631 (to Amendment No. 2280), to improve provisions relating to workforce development activities and funds made available through the unemployment trust fund.

Moynihan (for Kennedy) Amendment No. 2632 (to Amendment No. 2280), to exclude employment and training programs under the Food Stamp Act of 1977 from the list of activities that may be provided as workforce employment activities.

Moynihan (for Kennedy) Amendment No. 2633 (to Amendment No. 2280), to provide for the State distribution of funds for secondary school vocational education, postsecondary and adult vocational education, and adult education.

Moynihan (for Kennedy) Amendment No. 2634 (to Amendment No. 2280), to establish a job placement performance bonus that provides an incentive for States to successfully place individuals in unsubsidized jobs.

Moynihan (for Kennedy) Amendment No. 2635 (to Amendment No. 2280), to require that 25 percent of the funds for workforce employment activities be expended to carry out such activities for dislocated workers.

Moynihan (for Kennedy) Amendment No. 2636 (to Amendment No. 2280), to establish a definition of a local workforce development board.

Moynihan (for Kennedy) Amendment No. 2637 (to Amendment No. 2280), to provide a conforming amendment with respect to local workforce development boards.

Moynihan (for Kennedy) Amendment No. 2638 (to Amendment No. 2280), to require the establishment of local workforce development boards.

Moynihan (for Kennedy) Amendment No. 2639 (to Amendment No. 2280), to clarify the role of the summer jobs program.

Moynihan (for Kennedy) Amendment No. 2640 (to Amendment No. 2280), to expand the provisions relating to the limitation of the use of funds under title VII.

Moynihan (for Kennedy) Amendment No. 2641 (to Amendment No. 2280), to improve the State apportionment of funds by activity.

Moynihan (for Kennedy) Amendment No. 2642 (to Amendment No. 2280), to clarify the role of the summer jobs program.

Moynihan (for Kennedy) Amendment No. 2643 (to Amendment No. 2280), to increase the authorization of appropriations for workforce development activities.

Moynihan (for Kennedy) Amendment No. 2644 (to Amendment No. 2280), to limit the percentage of the flex account funds that may be used for economic development activities.

Moynihan (for Kennedy) Amendment No. 2645 (to Amendment No. 2280), to make a conforming amendment regarding limiting the percentage of the flex account funds that may be used for economic development activities.

Moynihan (for Kennedy) Amendment No. 2646 (to Amendment No. 2280), to provide for national activities.

Moynihan (for Kennedy) Amendment No. 2647 (to Amendment No. 2280), to ensure that students have broad exposure to a wide range of knowledge on occupations and choices for skill training.

Moynihan (for Kennedy) Amendment No. 2648 (to Amendment No. 2280), to clarify the advisory nature of the responsibilities of the National Board.

Moynihan (for Kennedy) Amendment No. 2649 (to Amendment No. 2280), to provide both women and men with access to training in occupations or fields of work in which women or men comprise less than 25 percent of the individuals employed in such occupations or fields of work, with respect to workforce development activities.

Moynihan (for Kennedy) Amendment No. 2650 (to Amendment No. 2280), to provide both women and men with access to training in occupations or fields of work in which women or men comprise less than 25 percent of the individuals employed in such occupations or fields of work, with respect to workforce preparation activities for at-risk youth.

Moynihan (for Kennedy) Amendment No. 2651 (to Amendment No. 2280), to ensure that States reference existing academic and occupational standards in their State plans.

Moynihan (for Kennedy) Amendment No. 2652 (to Amendment No. 2280), to ensure that State plans describe activities that will enable States to meet their benchmarks.

Moynihan (for Kennedy) Amendment No. 2653 (to Amendment No. 2280), to clarify that the term ''labor market information'' refers to labor market and occupational information.

Moynihan (for Kennedy) Amendment No. 2654 (to Amendment No. 2280), to explicitly include occupational information in labor market information system provided under workforce employment activities.

Moynihan (for Kennedy) Amendment No. 2655 (to Amendment No. 2280), to provide a conforming amendment relating to labor market and occupational information.

Moynihan (for Kennedy) Amendment No. 2656 (to Amendment No. 2280), to maintain the administration of the school-to-work programs in the School-to-Work office.

Moynihan (for Kennedy) Amendment No. 2657 (to Amendment No. 2280), to make the list of workforce education activities for which funds may be used more consistent with the provisions of the amendments made by the Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990, and the provisions of the School-to-Work Opportunities Act of 1994.

Moynihan (for Kennedy) Amendment No. 2658 (to Amendment No. 2280), to clarify the role of the State educational agency with respect to workforce education activities and at-risk youth.

Moynihan (for Kennedy) Amendment No. 2659 (to Amendment No. 2280), to include the participation and resources of the education community with that of business, industry, and labor in the development of statewide workforce development systems, local partnerships, and local workforce development boards.

Moynihan (for Kennedy) Amendment No. 2660 (to Amendment No. 2280), to include volunteers among those for whom the National Center for Research in Education and Workforce Development conducts research and development, and provide technical assistance.

Moynihan (for Kerry) Amendment No. 2661 (to Amendment No. 2280), to provide supplemental security income benefits to persons who are disabled by reason of drug or alcohol abuse.

Moynihan (for Kerry) Amendment No. 2662 (to Amendment No. 2280), to provide demonstration projects for using neighborhood schools as centers for beneficial activities for children and their parents in order to break the welfare cycle.

Moynihan (for Kerry) Amendment No. 2663 (to Amendment No. 2280), to provide demonstration projects for using neighborhood schools as centers for beneficial activities for children and their parents in order to break the welfare cycle.

Moynihan (for Kerry) Amendment No. 2664 (to Amendment No. 2280), to require applicants for assistance who are parents to enter into a Parental Responsibility Contract and perform satisfactorily under its terms as a condition of receipt of that assistance.

Moynihan (for Harkin) Amendment No. 2665 (to Amendment No. 2280), to reduce the income tax rate for individuals to equal the estimated cost of certain repealed programs.

Moynihan (for Kerry) Amendment No. 2666 (to Amendment No. 2280), to make the workforce development system more responsive to changing local labor markets.

Moynihan (for Breaux) Amendment No. 2667 (to Amendment No. 2280), to improve the services provided as workforce employment activities.

Moynihan (for Mikulski) Amendment No. 2668 (to Amendment No. 2280), to eliminate a repeal of title V of the Older American Act of 1965.

Moynihan (for Mikulski) Amendment No. 2669 (to Amendment No. 2280), to encourage 2-parent families.

Moynihan (for Kerrey) Amendment No. 2670 (to Amendment No. 2280), to allow a State to revoke an election to participate in optional State food assistance block grant.

Moynihan (for Daschle) Amendment No. 2671 (to Amendment No. 2280), to provide a 3 percent set aside for the funding of family assistance grants for Indians.

Moynihan (for Daschle) Amendment No. 2672 (to Amendment No. 2280), to provide for a contingency grant fund.

Santorum Amendment No. 2673 (to Amendment No. 2280), regarding implementation of electronic benefit transfer system.

Santorum (for McConnell) Amendment No. 2674 (to Amendment No. 2280), to timely rapid implementation of provisions relating to the child and adult care food program.

Santorum (for McConnell) Amendment No. 2675, to clarify the school data provision of the child and adult care food program.

Santorum (for Packwood) Amendment No. 2676, to strike the increase to the grant to reward States that reduce out-of-wedlock births.

Moynihan (for Kennedy) Amendment No. 2677 (to Amendment No. 2280), to provide for an extension of transitional medicaid benefits.

Santorum (for D'Amato) Amendment No. 2678 (to Amendment No. 2280), relating to the eligibility of States to receive funds.

Moynihan (for Kerry) Amendment No. 2679 (to Amendment No. 2280), to provide supplemental security income benefits to persons who are disabled by reason of drug or alcohol abuse.

Moynihan (for Harkin) Amendment No. 2680 (to Amendment No. 2280), to assure continued taxpayer savings through competitive bidding in WIC.

The PRESIDING OFFICER. Under the previous order, the Senator from Kansas, Mrs. KASSEBAUM, is recognized to offer an amendment.

AMENDMENT NO. 2522 TO AMENDMENT NO. 2280

Mrs. KASSEBAUM. Mr. President, I am happy to be able to start off by offering one of the 200 amendments that will be considered today. As we know, all these amendments were laid down before the close of business on Friday.

The amendment that I am offering and that I would like to discuss briefly this morning would restore provisions contained in the Child Care and Development Block Grant Amendments Act of 1995. This is the reauthorization of legislation that has been in law for 5 years. It was approved by the Committee on Labor and Human Resources by a unanimous vote on May 25.

While I am committed to ending the concept of welfare as an entitlement, I have some concerns about the legislation before us, the Work Opportunity Act, regarding changes that have been made to child care.

It seems to me that one of the most important considerations we have to undertake when we are considering welfare reform is how we handle child care. I think that all of us here in the Senate on both sides of the aisle regard our ability to structure welfare reform in an effective manner a top priority for the 104th Congress. We can talk about ending support for mothers who should be working, for families who should be working, but it is the children who become a crucial element. It is with the children that we have to be careful and must begin breaking the cycle of dependence that has occurred through years of being on welfare. It is the protection of the children that is the most important responsibility that we have.

Title VI of the welfare reform bill includes the reauthorization of the Child Care and Development Block Grant. It is called the CCDBG and it was enacted in 1990 with bipartisan support because Congress recognized there was a lack of adequate child care for many low-income working families. These just are not families on welfare. These are families that are in the work force, frequently with low-paying jobs, but who do not have the access to affordable, quality child care.

It was in that light that we felt it was very important to address this, with a sliding fee scale determined by the states, so that low-income families could be participants with some subsidies as they worked their way into better paying jobs.

I think this continues to be a nationwide problem. One of the primary goals of the CCDBG as it came out of committee is to ensure that there is a seamless system of child care where it counts the most at the point where the parent, child, and provider meet.

The provision that was in S. 850 that would have consolidated child care funds into one unified system is not included in the leadership welfare reform bill. The amendment I offer today restores that provision so that we will

have one unified system of child care, one State plan, and one set of eligibility requirements.

I believe this only makes sense, Mr. President, as we are trying to consolidate and trying to work together to form a better system. Why continue to have two different child care systems—one under the child care and development block grant, and one under the welfare child care system? I think it makes sense to bring the two systems together in a unified approach.

My amendment does make one change to the original consolidation provision that was included in S. 850, the legislation that we approved out of committee, and that relates to the 15-percent set-aside for quality improvement activities. The set-aside will apply to the discretionary funds appropriated for the CCDBG, but will not apply to other child care services provided through the unified system.

We have tried to take into account some of the concerns of Governors who obviously would like to have a system that does not have too many requirements from Congress, and we have tried to do that. On the other hand, we believe that through the CCDGB there are some important requirements that have proven to be of benefit and to have created a successful child care approach in the States.

My amendment also strikes the provision in the welfare bill that would allow up to 30 percent of the funds to be transferred between the CCDBG and the cash assistance block grant. I oppose the transferability provision for two major reasons.

First, I am concerned that there is too little child care money available now. Funds transferred out of the CCDBG would not necessarily be used for child care, which would create an even bigger problem; the Governors could use it for other assistance such as cash benefits, which they might choose and which they may feel is important. But I feel strongly that these funds need to be targeted toward child care. If we fail in this, we are going to fail to reform welfare in ways that will be beneficial for years to come.

Second, the primary purpose of the CCDBG is to assist the working poor who contribute something toward child care through the sliding fee scale. Having this type of assistance available will become even more important as individuals make the transition from welfare to work. I think we all know that finding the right child care can be one of the most costly and stressful aspects for parents as they enter the work force. Not everyone is fortunate enough to have a grandparent or an extended family member who can help with child care. In fact, many today do not have relatives that can or will care for their children. And that becomes one of the most stressful problems that a mother faces when she goes to work in the morning, if she cannot be certain of some quality child care, or cannot count on child care that she feels comfortable with for her children.

Having this type of assistance available to those who are trying to work their way off welfare will become even more important as we stress the transition from welfare to work. Diverting CCDBG funds for other purposes diminishes a program which is badly needed by the working poor, and I believe it is unfair to penalize those who are struggling to provide for themselves and their families.

I hope that all of my colleagues can support the amendment I offer today, Mr. President, to consolidate child care into one unified system and to preserve the limited funds allocated to child care.

I yield the floor.

Mr. GRASSLEY. Mr. President, on a Monday morning, to focus on a very important amendment that the Senator from Kansas has offered, when we are going to have a very long week on this bill, is a sharp contrast from sometimes the easy subjects we are discussing on Friday afternoon when we adjourn for a weekend. To start out with the very basic issue of child care that Senator KASSEBAUM has brought up is really starting out with a heavy burden. The Senator from Kansas is always well prepared, and so we cannot find any fault with the preparation for her amendment, but we do take exception to the rationale behind the amendment and consequently cannot support it.

Behind the amendment I believe is an assumption that somehow if you are on welfare, or are low income, and it comes to the subject of getting up in the morning and going to work—and obviously if you are on welfare, there is a family involved, so there is a child that must be taken some place when you are on welfare—it assumes somehow that low-income people are different than other people; that when it comes to child care, they cannot do it; they cannot seek good child care, go through the business arrangements required, and on their own, without the help of the Federal Government or without the help of the State government, be able to provide for the care of a child while the mother and/or father are at work. It assumes that low-income people are not capable of this or assumes that they do not want to do it.

One of the things our reform proposal intends to do is to assume that whether people are low income or not, they are, first of all, concerned about their family; and, second, that they have the capacity to do what must be done for their family; that you just cannot assume because people are low income, somehow they do not have that ability.

Part of the basis for welfare reform is to enhance individual responsibility, detract from the dependency of the State that has been paramount to the system we have had historically and to start out with the assumption that low income people have the basic innate capabilities that other people have if given the opportunity.

Just recently, as I have said so many times on the floor of this body, our State of Iowa passed a welfare reform proposal that is going to enhance this individual responsibility. In fact, under our system, welfare recipients sign a contract with the State establishing certain points in the near future when they will take certain actions regarding the family, regarding seeking a job, regarding education, if that is necessary before a job, and eventually to getting a job so they work their way off welfare. Individual responsibility is the essence of that contract which the recipient signs with the State of Iowa.

There is a welfare recipient in my State who recently told a State legislator that the problem with the Iowa welfare reform was that we had gone from a system of no choices, where the State told her what to do, when to do it, and where to do it, to a system of choices in which she had to plan for her future, decide what opportunities to take and, in her words, ''to be responsible.''

For her being faced with choices was the hardest part of the reform, but I hope she recognizes, and us as well, that the hardest part of the reform is basic to whether or not things are going to be different under a new system. The issue comes down to whether we are going to assume the capabilities that all Americans have of making decisions and wanting to make decisions and set up an environment for those decisions to be made.

I think the amendment that has just been presented by the Senator from Kansas assumes that the welfare recipient might not be totally capable, or ought not to have the responsibility even, of making that decision.

The story I mentioned about the Iowa welfare recipient is true. I think it epitomizes what is wrong with the current system. And when we give States an opportunity to do better than what the Federal Government wants to do, we can move in the direction of changing our paternalistic system. It is promoting and even rewarding dependency.

There are many low-income American families who are struggling to make ends meet and be responsible without any public assistance. They take pride in their successes. And they have dignity for their efforts to be self-sufficient through employment. They get up every morning and they take their children to child care. They go to a job where they work all day. They pick up their children in the afternoon and go home.

That is what most American families do. That is what even most American families who are low income or ''working poor'' do without any concern by any bureaucracy. They just do it. When you lump in some of the other benefits that go with AFDC that may not have an immediate cash value, there are some people on welfare who are not too

far below what low-income working people make over the course of a year.

And yet somehow with this amendment the assumption is that if you are on welfare and make *X* number of dollars, the State has all this responsibility to see that you have food on the table, child care, job training before you go to a job, and assistance in finding a job.

In contrast, if you have never been part of the welfare system and you have a job that does not pay very well, you get up in the morning, find your own job, take your kids to child care, pick them up at night. Additionally, you had to worry about your own training if there was training for that job, without any concern of a bureaucrat looking out for you.

Why the difference? One system breeds dependence. The other independence. We want to change that. We want people who are on welfare to assume responsibility and to move forward with life.

They should not somehow be segregated as different from other people without the capability of exercising a normal life.

Well, those families who work are faced with decisions on how to deal with their daily challenges, how to budget for their family's needs, what to do if their child care falls through for the day and how to plan for their future. In contrast, today's welfare system does not allow, expect, or encourage welfare recipients to make these normal, everyday decisions.

I think this legislation is about changing all that, ending business as usual for families, requiring recipients to take responsibility and learn to make decisions that most American families are faced with every day.

And, of course, one of those decisions is child care.

It is conceivable that a State may want to take a new approach of combining cash assistance and child care funding into a single grant to a family. The family then would make the decision on who to provide care for their children and the fair rate that they need to pay in a negotiated agreement with the providers.

That is what most American families do. The amendment before us by the Senator from Kansas would apply all of the child care development block grant standards to all child care funding, no matter what the source of the Federal dollars might be.

For instance, the amendment assumes payment to the provider would be guaranteed directly from the State. This would take away the premise of family responsibility and independence. This is what we need to change. We need a system where a State would be allowed to challenge public assistance recipients to be responsible and to make the child care decisions themselves as well as making the payments themselves.

We should not assume the worst about public assistance recipients, that they are incapable of making these decisions in the best interest of their children and family. If we really want an environment of State flexibility, we should be minimizing standards, not maximizing them. As we all know, the best welfare reform proposals have come from the State level, not from the Federal Government. So, if we maximize State flexibility to be creative with reforms, including child care, we do that by leaving these decisions to the States. So if we want to give States block grants and the flexibility that goes with it, rather than continue the rigid existing programs and regulations, then it seems to me that we have to limit prescriptive operating guidelines in our legislation.

As well intended as the Senator's amendment is, it is tied to the old way of doing business. It is tied to the philosophy that, first of all, when it comes to the families of AFDC recipients, everyone needs a bureaucrat looking out for them. It assumes that government knows better. It assumes that when government knows better, that of all governments, the Federal Government knows better. It assumes that parents, if low income and on a government program, know less about meeting the needs of their families than low-income families who are not on public assistance.

It assumes because you are low income that you have capabilities less than people who are middle income or higher income, and that is not true.

It segregates too many Americans into certain categories. We ought to be eliminating the categorization of Americans, the balkanization of our society. We ought to be working in this body to bring our country together, not to separate it.

We should be working in this body for eliminating any differences we can, particularly those differences that come because of Government involvement.

So, I hope that the amendment of the Senator from Kansas can be defeated. I yield the floor

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I wish to respond for a moment to the Senator from Iowa. I know that Senator GRASSLEY cares as much as I do about making sure that we can enact a welfare reform initiative and the importance of doing that. But I think I need to reiterate that the amendment I am offering deals with child care for low-income working families.

The child care and development Block Grant, which has been in law for 5 years, and is being reauthorized, has been included in this overall welfare reform package. It was designed to provide, as I said earlier, a sliding fee scale of support for low-income working families. It is not addressing the child care provisions for AFDC recipients. It does bring them together into a single system rather than a two-track system, but it is not Government bureaucracy so much as I would argue the need to continue that support for families that are moving off welfare.

Child care is very expensive. As I say, if you are not lucky enough to have some member of the family or a good neighbor or friend who is assisting with child care—sometimes those provisions and tradeoffs can be made; having a daughter and daughters-in-law who work, I know that sometimes it is possible, but many times it is not—child care can range as low as $60 to $80 per week to as high as $150 to $200 a week. That is a lot of money for families who are trying to enter the work force at very low-income levels, and that is why I feel strongly about not permitting transferability of funds out of the CCDBG account so that we can help those families in transition.

It seems to me that this is a very important part of this provision. I think we should be concerned about low-income families who do not have any support for child care versus the welfare family who would have total support for child care. For those just right over the line, it is difficult and it does not make a lot of sense. That is why I feel strongly about a sliding fee scale where recipients make a contribution to their child care and are given some Federal assistance based on their income as they are trying to break away from welfare assistance.

I think every State, including Iowa, has some concerns about how to help a population that has been very dependent on benefits over the years and how to make this transition without harming children. This is what I am trying to address by keeping intact the provisions of the child care and development block grant.

I yield the floor, Mr. President.

Mr. President, I call up my amendment, which is No. 2522.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Kansas [Mrs. KASSEBAUM] proposes an amendment numbered 2522.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

(The text of the amendment is printed in the Friday, September 8, 1995, edition of the RECORD.)

Mrs. KASSEBAUM. Mr. President, as has been indicated, this will be one of the amendments that will be voted on after 5 o'clock this afternoon.

Mr. President, I yield the floor.

Mr. GRASSLEY. Mr. President, I announce to Members of this body who have amendments that are pending—and I think under the rules all amendments must have been filed by last week—that several of those amendments have been reviewed and agreed to. If those amendments can be offered

today, we would like to have the Members come and bring those amendments up, and those amendments will be accepted.

I and other managers of this legislation, throughout the course of the day, will be happy to handle those amendments if the Members are not able to do so or do not want to do so this morning, so that we can use this time before the votes at 5 o'clock this afternoon to expedite as many amendments as we can from our list of over 200.

Mr. President, I am going to take this opportunity to speak as in morning business. When somebody comes and wants the floor for work on welfare reform, I will yield it.

I ask unanimous consent to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Iowa is recognized.

DECLINES IN FUNDING FOR INTERNATIONAL NARCOTICS PROGRAMS

Mr. GRASSLEY. Mr. President, in the past several months, the international drug program has not fared very well in Congress. Funding for interdiction, law enforcement, and international efforts have declined steadily. In part this is the result of a failure by the administration to either present a serious strategy or to fight for it in any meaningful way. The President has been all but invisible and his drug czar, left without support, has been ineffective. The obvious consequence of this dereliction in tough budget times is an erosion of funding and support to other projects that have more defenders.

Unfortunately, the administration's indifference has reinforced the attitudes of some in Congress that the program is not worth fighting for, that nothing we do to combat drug use works, and so we should surrender. The result has been devastating for our international effort and for the morale and capabilities of our frontline forces.

It is a myth to believe that nothing we do to combat illegal drugs works. In fact, whenever we have consistently and seriously attacked the problem—and we have a history going back to the beginnings of this century—we have had considerable success in reducing drug use and reversing epidemics. The trouble comes in believing that we should only have to combat illegal drug use once.

The belief in some quarters seems to be that, unlike any other major social problem, we should have some magic formula that banishes the issue forever. This attitude seems peculiarly endemic to our counter drug efforts. Despite a long history, we have yet to solve the problem of murder, spouse abuse, incest, rape, or theft. One rarely hears the call, however, that because these problems persist we should give up trying to stop them or legalize them as a way out of solving our problem. Everyone recognizes that to seek such a solution would be irresponsible. Yet, when it comes to drugs, we seem to take a vacation from common sense.

We must also remind ourselves that our measure for success cannot be some simplistic formula. Too often, the standard that critics apply to the counter drug effort, to prove that nothing works, is to create an impossible standard of perfection by which to judge it. For some, if there is one gram of cocaine on the streets of America somewhere, or one trafficker left in Colombia, then our efforts are a bust. Such counsels of perfection are enemies of realistic approaches. It is a lot like arguing that because we beat the other team 28 to 17 we really lost because they managed to score. Like a football team, our effort must be continually renewed. You do not win the championship once and for all, you have to train for the next season. The struggle to control illegal drug production and trafficking does not simply end when the whistle blows. Nor can our efforts simply stop.

But let us look more closely at whether all our drug efforts are failures. In the mid-1980s, The American public made it quite clear to this body that stopping the flow of illegal drugs to the United States and ending the poisoning of millions of America's young people was a top priority. We got the message. In a series of legislative initiatives, we forced the administration to take the drug issue seriously. We created a drug czar to coordinate efforts. And we voted to increase funding across the board for counterdrug programs, from law enforcement to education and treatment.

Remember that those efforts came after almost two decades of tolerance of drug use and a major cocaine and crack epidemic. When we decided to act, we faced a massive addiction problem and a widespread acceptance of drugs as an alternate life style. Yet, look at what happened. In the space of a few years, less than a third of the time it took us to get into the mess we created, we reversed attitudes toward drug use, and cut causal use of drugs by 50 percent and cocaine use by over 70 percent. Working with our Latin America allies, we wrapped up the Medellin cartel—which critics said would never happen—and made significant inroads in stopping the flow of drugs to this country.

Now, we clearly did not eliminate either drug use or trafficking, but elimination was hardly the criteria for our programs nor the measure of success for evaluating them. It is also clear that we have more to do. But serious reflection on the issue shows that this is one of those problems for which continual effort is our only possible response. And our efforts pay dividends. While there is no ultimate victory parade, surrender is not an option—unless we are prepared to live with the consequences. Our past responses to public concern indicates that we are not.

But can we afford the price? The notion that we are spending an inordinate amount of money on fighting drug use is one of the arguments used to justify cuts in the program. Such criticism, however, only works in isolation. Looking at the context shows a different picture.

The total Federal budget is $1.5 trillion. Of that, the entire drug budget of the United States—for all drug-related law enforcement, treatment, education, and international programs—is less than 1 percent of the total. Of the money we allocate to the drug program—before present proposed cuts—we spend less than 4 percent of the total on international efforts. Even adding in all DOD detection, monitoring, and law enforcement support the total is only 8 percent of the Federal drug budget. Hardly significant sums.

Compared to what Americans spend on other activities, these sums are insignificant. We spend annually five times as much on beauty parlors and personal-care products than we spend on the total drug budget. At current wholesale prices, a mere 8 percent of the cocaine imported into the United States would more than cover the costs of our entire international counterdrug effort; and 20 percent would cover the costs of adding in DOD efforts.

Moreover, we cannot afford the annual the costs of not acting. At present levels, the annual costs of drug use—some $60 billion to industry, some $50 billion spent on drugs, and untold billions in the costs of crime, violence, and medical costs—dwarf our expenditures on counterdrug programs and create major social problems. Yet, critics argue than we spend too much. We could double our drug budget and still be spending only half of what we spend on legal services. It is simply not the case that we are spending too much.

The issue, however, is not just a question of throwing money, however small, at a problem, but of what we are getting for our investment. As I indicated, the returns are significant and if they had been achieved in other areas of public problems we would regard them as successes. Yet, we act as if a 50-percent overall reduction in drug use is a failure. We become frustrated because this is one of those problems that requires ongoing efforts not one-time quick fixes. If we forget this simple fact, we will find ourselves repeating history—of once again having to dig ourselves out of a major addiction problem. The signs that we are drifting in that direction are already there, we ignore them at the peril of our young people. We need to sustain the efforts that have proven themselves in the past. Success, however, is not a one-time thing. It requires both the moral leadership and the consistent message to our young people that illegal drug use is risky business.

In this regard, I intend to work with my Senate and House colleagues to restore realistic funding to our counterdrug efforts and to raise the priority. We cannot afford to return to disastrous policies of the 1970's that did so much harm. We cannot afford to ignore the continuing public concern over this issue. We cannot afford to spend less on our counterdrug programs, or expect less for our investment.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that I might proceed as in morning business to comment on the very able remarks of my friend and collaborator at this point from Iowa.

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

Mr. MOYNIHAN. I Would like to share his concern about the state of the White House operation in this matter—the matter of drug interdiction and drug abuse—which was established by legislation in 1988. The then majority leader, ROBERT C. BYRD, created a task force which consisted of the Senator from Georgia, Mr. NUNN, and myself, and I think we had more than a little influence in the legislation that finally passed. I will take a moment of the Senate's time to speak about that legislation. We saw the problem as being twofold.

One was the reduction in the supply of drugs—most of which began as legal pharmaceutical products. They arrived from the onset of organic chemistry in German universities in the early 19th century.

You take this gradual escalation from opium to morphine to heroin. Heroin, Mr. President, is a trade name. You can find advertisements in the Yale Alumni News, if you wish, for heroin in 1910 or thereabouts. It was developed by the Bayer Co., that produced Bayer aspirin. Aspirin is a trade name. Heroin was tried out and tested on its employees and it made them feel heroisch in German, heroic.

Cocaine emerged from the same process, from the coca leaf to the synthesized product. Sigmund Freud's first publication ''Uber Coca'' described his use of cocaine as a means of treating morphine addiction, which did not succeed, and he became very much opposed to it.

These drugs were outlawed in 1915, if memory serves, by the Federal Government, and remain so. It is the last of the prohibition decrees of that era.

We thought in terms of supply and demand. If I can tell my friend a little story, I think it may be said that in the late 1960's we had a heroin epidemic in this country, very much so in this city. You could tell it by the incidence of robbery of small grocery stores and food outlets—small amounts of money needed by persons who are getting withdrawal symptoms from the lack of heroin.

It was so serious that—at this point I was Assistant to President Nixon for Urban Affairs—I was called to a meeting across the street, cater-cornered from the White House, by some of the most respected and responsible citizens in the city of Washington, who asked me if I would ask the President to garrison the Capitol. Such was the problem.

This particular flow of heroin originated in the opium fields in Turkey, made its way to Marseilles, where, in small simple laboratories, it was converted into heroin, thence smuggled into New York, more or less directly, and then around the country.

It seemed to me a curious thing. In 1969, as Assistant to the President for Urban Affairs, I thought the most important thing we had to deal with was welfare, which we are doing today, and next the heroin epidemic.

President Nixon, in August of that year, sent to the Congress a very wide-ranging proposal, the Family Assistance Plan, which would establish a guaranteed income and replace the welfare program altogether. It passed the House twice and never get out of the Finance Committee in the Senate.

That done, I left immediately for Turkey by way of India, which is still the largest source of illicit opium. I would not want to live in a world without morphine, not with my teeth. But it is still widely used properly as a medicine for medicinal purposes.

I went to Turkey, to Istanbul, and met with the Foreign Minister, representing the President of the United States. I said, we have an epidemic in our country and we have to stop it. That means we have to stop the production of opium in the province of Afyon. Opium is made from poppy seeds. Poppy seeds are part of the Turkish cuisine. They put poppy seeds on their bread.

This was not an easy thing to do. It is like someone arriving in Washington and telling our Secretary of State they had to stop growing corn in Iowa—sorry about that, you just have to stop. The Secretary of State will say, I see, of course.

Actually, they did not close them down; they just harvested them in a different way, called straw poppy. You could still extract the ingredients needed for pharmaceutical purposes, but without the paste which is derived by simply putting an incision on the stamen of the poppy plant, collecting the moisture which oozes out by fingers and wrapping it up in a leaf until it gradually became raw opium.

I then went to Paris where I found the American Embassy was not aware that anything was going on in Marseilles, much less going on in Washington. But they took my word for it and I met with the director of the Surete, their internal police, which has been there since the Napoleonic age.

These conversations went back and forth a number of times. Finally the French agreed, all right, they would close down the Marseilles operations, and the Turks agreed they would move to this new mode of harvest.

I was in a helicopter—I wonder if my friend from Iowa might hear this because it would help him—I was in a helicopter on my way up to Camp David and just back from Paris. The only other person present was the then Director of the Office of Management and Budget, George P. Shultz. I said to him, ''George, I have good news, I think we are going to close down the French connection.'' This is what it became known as. He looked up from his papers and said, ''Good,'' and then I said, a little deflated, ''No, no, really. This is important. They are going to close it down. I have it from the head of the Surete in Paris.'' And he looked up and said ''Good.'' Then, quite crestfallen, I said ''I suppose''—he being an economist—''I suppose you think that so long as there is a demand there will be a supply?'' He looked up at me and said, ''You know, there is hope for you yet.''

Of course in 3 to 4 years' time the Mexicans were providing heroin. Now it comes in from anywhere in the world, and will continue to do so.

That is why in our 1988 legislation, we said there will be two deputies in the newly created White House office—the Office of National Drug Control Policy. One would be the Deputy Director for Demand Reduction, who would seek a clinical device, a pharmaceutical block, an equivalent in one way or another in that general field of methadone treatment for heroin, who would learn the chemistry of this subject enough to have some treatment beyond the sort of psychiatric, psychological treatment available. The numbers would overwhelm us. We cannot cope.

President Bush made extraordinary, fine appointments. He appointed Dr. William Bennett as the head of the office. As the Deputy Director for Demand Reduction he appointed Dr. Herbert Kleber, a physician at the Yale Medical School, a research scientist, and exactly the man you would want for this.

Then after a while Bennett left, and Kleber also left. Kleber has gone to Columbia College of Physicians and Surgeons and is working at the New York Psychiatric Institute in this field.

Nobody succeeded him in a scientific role. There have been a number of persons in the job. I am sure they are good persons, but they are nothing like what we had in mind in the legislation.

Just 2 weeks ago, I tried to learn what had been the professional qualifications of the persons who had succeeded Dr. Kleber, and I found that in this office in the White House, they could not tell me. They did not know. This was not a long time back. It was 1988—well, 1990. They did not know their history 5 years back. They had no idea what the statute intended. They were not doing anything the statute contemplated.

So I actually thought I would put in legislation abolishing the position, on the grounds that if it was not going to do what it was intended to do by statute, why not just eliminate it?

I would like to think someone there is listening to what the Senator from Iowa said, and what I said. I doubt it very much. I will introduce that measure, or insist on it. But I may try to offer it as an amendment somewhere along the line.

The main point is, we enacted a good statute which has been trivialized, a fact which I regret, but about which I can do very little.

Mr. President, I see no other Senators seeking recognition. The chairman of the Committee on Foreign Relations is on the floor. He may be seeking the floor.

Mr. President, I yield the floor.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER (Mr. CRAIG). The Senator from North Carolina.

THE FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

Mr. HELMS. Mr. President, the last thing I want to do is shorten any remarks that the distinguished Senator from New York wished to make. He is a fine orator and a good Senator and a good friend.

Let me ask a parliamentary inquiry, if I may. Is there a time limitation on each amendment this day?

The PRESIDING OFFICER. There is no time limitation on each amendment, but the Dodd amendment does have a 4-hour time limitation with a vote scheduled for 5 this evening, so debate on that particular amendment could begin no later than 1 o'clock.

Mr. HELMS. I see. So I will not be burdening the Senate if I take a few minutes longer than 5 or 10 minutes with my remarks, if no Senator is here to offer an amendment.

The PRESIDING OFFICER. I think the Senator may proceed.

Mr. HELMS. I thank the Chair.

AMENDMENT NO. 2523

Mr. HELMS. Mr. President, I call up amendment, No. 2523, and ask it be stated.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 2523.

Mr. HELMS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

[The text of the amendment is printed in the Friday, September 8, 1995 edition of the RECORD.]

Mr. HELMS. Mr. President, I had the clerk read what I considered to be the most relevant part of the amendment. It has to do with people sitting around on their posteriors and doing no work at all—not wanting to do any work at all—yet drawing food stamps regularly and purchasing anything they want to purchase with them, regardless of the statute. I say this as a Senator who has been here for almost 23 years, as a Senator who has served as chairman of the Senate Agriculture Committee, during which time I did my best to crack down on the abuse of the Food Stamp Program.

I recall getting the inspectors general to conduct a pilot program in a number of States, and I specified that my State be first, the State of North Carolina. The inspectors went to cities like Fayetteville and Wilmington, Laurel Hill and Durham, Charlotte and High Point, Winston-Salem, Greensboro and Asheville. Everywhere they went, they found terrific fraud in the Food Stamp Program. That is the reason I am offering this amendment today.

Now, there are going to be Senators who will speak in opposition to it—including at least one who is a very close personal friend of mine, Mr. COCHRAN—as I understand it.

I intend to hold the floor until Senator COCHRAN can get here so that he can speak against my amendment, which I wish he would not do. But he does what he does in good conscience and I respect him for it.

Mr. President, I have seen the good intentions of Members of the Senate and the House of Representatives and others who have sponsored and advocated the Food Stamp Program. Instead, this program has moved rapidly into a multibillion dollar boondoggle with the American taxpayers footing the bill. I doubt there are very many citizens who, themselves, have not seen examples of exactly what I am talking about.

The Federal Food Stamp Program, over the past 3 decades, has clearly been a major contributor to the Federal debt which, I might add, Mr. President, will surpass the $5 trillion mark before the end of this year.

Mr. President, as an aside, I went into the Cloakroom not long ago and posed a little question to several Senators. I asked, ''How many million in a trillion?'' I received five different answers from Senators who participate in the fiscal policy of this country. If the Chair wants to know how many million in a trillion, I will tell him. There are a million million in a trillion. That gives you a perspective of what we are doing to the young people in allowing this debt to increase and increase and increase while efforts to enact a balanced budget amendment to the Constitution are filibustered.

I say that as a preface to my having offered an amendment to the Dole substitute amendment to H.R. 4, the Work Opportunities Act. If Congress truly expects to achieve meaningful welfare reform, Congress absolutely, in my judgment, must insist upon responsibility and common sense in the operation of the Federal Food Stamp Program. On many, many occasions, I urged the Agriculture Committee and the various witnesses and nominees who have come before the committee to reexamine their spending priorities when it comes to Federal nutrition programs.

I have pleaded, time and time again, that the Agriculture Committee decide, and decide now, whether the U.S. Department of Agriculture will be restored, as an entity, to its original purpose—that is to say, a department dedicated to America's farmers and agriculture—instead of the social services instrumentality that it has become during the past 30 years.

For the record, the USDA's 1995 feeding assistance and nutrition programs cost the American taxpayers an estimated $39 billion with more than 40 million Americans participating in the free food and free services program. That is for 1 year. The Food Stamp Program alone costs $27 billion of which $3 billion is squandered due to waste, abuse, and fraud—as I described earlier when inspectors went into my own State of North Carolina. And what is true in North Carolina is true in every State in the Union.

Mr. President, to put these figures into perspective, 62 percent of the entire USDA budget goes for food and consumer services with the Food Stamp Program comprising 42 percent of the entire budget. I wonder how many Americans realize that. It is easy to understand why the farmers I hear from are sick and tired of being shoved around by the Federal agency created to serve them.

I recall my years as chairman of the Ag Committee in the 1980's. I focused attention time and time again, on specific, precise identification of the waste and fraud found in the Food Stamp Program. I found a program in desperate need of repair—that was 10 years ago—because of the countless numbers of people willing to take advantage of a Federal Government handout—and they still are. The only difference is there are more of them today than there were then. I discovered then what Reader's Digest reported in its February, 1994 issue:

> . . . food stamps have become a second currency used to pay for drugs, prostitution, weapons, cars—even a house.''

People have even bought homes. They have gone to houses of assignation, and the proprietors of such enterprises accept food stamps.

Unfortunately, the political climate today is the same as it has always been. Attempts to restructure Federal programs to meet the needs of the poor while trying to use wisely the money of the American taxpayers brings the same old cadre of people saying this is heartless and this is cruel. It is not. It is an attempt to straighten this Government out—one small facet of it, but one expensive facet nonetheless.

Those who support the status quo of maintaining unlimited resources for social programs without regard to the cost of these programs to the taxpayers of today, and tomorrow, have simply ignored two significant facts crucial to

the welfare debate—and I would be derelict in my duty if I did not bring that up.

First, Congress—not some bureaucracy downtown—the U.S. House of Representatives and the U.S. Senate, is responsible for the expensive and costly social service programs and the resulting runaway debt. These programs may have been recommended from downtown, or by some politician who was thinking of the next election instead of the next generation, but the final, ultimate responsibility for the debt, for the creation of these foolish programs, lies right here where we work. We cannot put it on any President or any department or any bureaucrat. It was done right here.

Every day that the Senate has been in session, for more than 3 years, I have reported—maybe some Senators have noticed it—the most recently available exact total of the Federal debt down to the penny. For example, as of the close of business on Thursday, September 7, the exact total stood at $4,968,651,845,437.79. (On a per capita basis every man, woman and child owes $18,861.09.)

The second point, which naturally follows the first, is that Congress must restore fiscal responsibility and integrity to federal social service and welfare programs. Nobody else is going to do it. Nobody else can do it. If we do not do it, it will not be done, which brings me to the current discussion on precisely how the Federal Government is going to remedy the broken and irreparably destructive welfare system. I intentionally used the word ''irreparably'' because the current system built on a foundation of a government handout with nothing in return is beyond restoration. The concept is bad. It is bad for the taxpayer. It is bad for the personal morality of the lawmakers who permit it to happen, and in fact, encourage it to happen. And, it is bad for the recipient of welfare who is able to work but just will not work.

So that is why I am here this morning. We must instill into the welfare instrumentality and infrastructure the components of the underpinnings of what I like to call the Miracle of America. Can you imagine what laughter would have ensued if a little over 200 years ago at Philadelphia the Founding Fathers had been confronted with the suggestion that they pay people not to work—if somebody had suggested a Food Stamp Program? I think Thomas Jefferson would have rolled on the floor in protest.

We absolutely owe it to the people of America to do what we can—and do it now—to build an accountable work ethic, personal responsibility and common sense in public policy. If we do not do this, we fail in our duty.

So the pending amendment, which I have offered to the Dole substitute amendment, will require able-bodied individuals who receive food stamp benefits to work at least 40 hours every month—not every week, 40 hours every month—before they receive food stamp benefits. This amendment will save the American taxpayers $5.6 billion.

My amendment focuses on people who are able to work. I do not want anybody coming to the Senate floor moaning and groaning, ''How about the sick and the infirm?'' And do not try to tell me that there are not some kind of jobs available. It may not be the kind of jobs or the kind of work that these people want to do. The problem is they do not want to work.

The underlying substitute amendment simply does not go far enough in work requirements, as far as I am concerned. It allows recipients to receive benefits for an entire year while requiring that they work only 6 months.

This loophole—and I admire the author of the substitute—allows recipients to sit on their rear ends and do nothing and yet continue to receive those benefits that cost the taxpayers billions of dollars.

My pending amendment sets the parameters so that able-bodied citizens receiving food stamp benefits—and this includes approximately 2.5 million people—must work before he or she receives their monthly allotment of food stamp benefits. In the meantime, while earning their food assistance, recipients will have ample time to look for further permanent employment so that they can move altogether off of the welfare rolls.

One additional important fact: the pending amendment exempts children; it exempts their parents; it exempts the disabled; it exempts the elderly. The pending amendment focuses—as I stated before—on the 2.5 million able-bodied food stamp recipients.

In my judgment, Congress simply can no longer look the other way when it comes to restoring responsibility to the Federal nutrition and welfare programs. Congress can no longer allow unlimited tax dollars to be used on misguided, although well-intentioned, social programs. It is time to stop throwing taxpayers' money at pie-in-the-sky Federal programs instead of working to get to the root of the problem. This is one step toward reaching the root of the problem.

It goes without saying that I hope Senators will help accomplish this goal with their support of this amendment.

Mr. President, I understood the distinguished Senator, my friend from Mississippi, Mr. COCHRAN, was to be here about 11 or 11:15 so that he could speak in opposition to my amendment. I hope the Chair will recognize the Senator from Mississippi at such time as he may appear in the Chamber for that purpose.

I yield the floor.

Mr. THOMAS. Mr. President, I would like to speak in general terms about the bill that is before us, not particularly on the amendment offered by the Senator from South Carolina, but I will be brief and be happy to yield if Senator COCHRAN comes to the floor.

Mr. President, I, of course, have watched with great interest over the last week as we have talked about welfare, and much of it has been in great detail, as it should be. But I rise basically to support the Dole amendment. I rise to urge that we pass this bill. There will be changes. There should be changes. There should be great debates. There are differences of view. But those things can, indeed, be resolved.

The point is we have come to the time, the monumental time in which we can reform welfare—almost everyone says welfare needs to be reformed—and yet we go on and on in great detail and, indeed, risk the opportunity of passage of this bill.

So I rise to suggest to my colleagues that we need to move forward. We need to consider the amendments. We need to consider the ideas. Mostly, however, we need to be committed to taking this opportunity to passing welfare reform. It is a historic time. It is the first time in most of our memories when we have had an opportunity to really look at what are basically Great Society programs that have not been reviewed, have not been changed in a very long time, have not been questioned as to whether or not they are fulfilling the purpose for which they were devised, have not been measured in terms of their effectiveness, in terms of accomplishing that goal.

No one would oppose the idea that we need to help people who need help, but the purpose is to help them back into the workplace, back into the private sector so that they can help themselves.

Nobody would argue that making a career of welfare is a great thing to do. No one wants to do that. So we have for the first time an opportunity to make these measurements, and I certainly am encouraged that we are doing it.

I have to admit that we are somewhat discouraged in that this is not the first time this year we have entered into one of great debates when we have had people stand up on both sides of the aisle and say we certainly want a welfare bill, we want a nonpartisan bill, we want to move it, and then go into a very partisan posture of seeing that it does not move, of having 150 amendments that have to be treated.

So I hope, Mr. President, that we are prepared to complete this task and complete it in a responsible time, to complete welfare reform for the first time in many years.

We have to deal, of course, with the perverse incentives that are there, the incentives that encourage people to be locked into welfare, that encourage the idea of additional children while on welfare, that encourage the idea of one-parent families. These are things that no one agrees with, but these are in fact at least partially the results of things that we have been doing. In short, the system conflicts with the basic principles of this country in terms of equality and opportunity, and that is what we are seeking to do.

There is a need for a new approach. I have dealt with this, as most of us

have, for a good long time, starting in the Wyoming Legislature when we had the same kinds of debates. But I am persuaded that this is one of those things—and there are many of them—in which the needs in Wyoming are quite different than the needs in New York or New Jersey or indeed in California, so that we do need to allow the States to be the laboratories in which we devise the best delivery plans we can.

That is partly what this is all about. The States know the kinds of programs. We have developed programs in Wyoming, nonpartisan programs, by the way, that are designed to bring people back into the workplace, and to a large extent they are working.

Workfare programs in Wyoming, known as Wyoming opportunity acts, were started by a Democratic Governor several years ago. They are very limited. They are only in two or three counties out of 23, and we have had difficulty getting waivers from the Federal Government to do those things. But they are a move in the right direction, and that is the kind of flexibility we do need.

Obviously, the Federal Government will have a role, setting a framework for the States, requiring work, encouraging child care, stressing personal responsibility, cracking down on fraud, but we need to give the States the flexibility to devise the plan that works there.

I urge that we move forward. Many of the things that are talked about as being partisan are really the great debates. There are differences of view. There is a substantial difference between the general philosophy of our friends on the other side of the aisle and this side of the aisle.

We have to resolve those. That is what it is all about. That is why we take votes. And that is why we have a process. I guess I am urging more than anything, however, that we collectively commit ourselves to completing this task, to accomplishing the reform of welfare.

The President in his initial entry into national public life said we are going to change welfare as we know it. Unfortunately, there has not been much activity from the White House—very little activity from the White House. This week's radio program however says let us keep politics out of the welfare bill. I am for that. Let us identify those issues that we need to talk about. There are differences. We can resolve them. We need to do that.

Unfortunately, the White House says, let us keep politics out of it; and then turns loose the Press Secretary and many others in the administration to come in in various areas.

So, Mr. President, I just believe strongly that the 1994 election and the continuing polling indicates a particular message; that is, Americans want action and they want something changed. They want reform. The American people do not want us to debate this in great detail and then leave it, walk away from it without some resolution. I think they indicated we are sincere and serious about breaking the cycle of welfare and giving the States flexibility.

Those are issues that almost no one can argue with. We certainly need to be concerned about the distribution formula, about the maintenance of effort in the States, about training. We had to do some of these things in our Senate legislature. We had perverse incentives. We found it was more attractive for a single mother to stay on welfare than to go off to a minimum-wage job and lose health benefits and lose child care. We had to change that.

So, Mr. President, I am very optimistic about our chances to do something that has not been done for a very long time. And I urge my fellow Members of the Senate to move forward, resolve these questions—they can be resolved; that is what the system is for—and produce a result this week.

Mr. President, I yield the floor.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. We have the Helms amendment currently pending.

Mr. LEAHY. Is there a time limit on that?

The PRESIDING OFFICER. There is no limit on the amendment per se. We have the Dodd amendment that does have a time limit of 4 hours, which would speak to commencing debate at around 1.

Mr. LEAHY. I thank the Chair. And I thank Senator MOYNIHAN and Senator HELMS. I had wondered about a time limit. I did not know whether one had been entered into. I wanted to make sure.

Mr. President, I would like to speak to a number of amendments to be offered: the one by the distinguished Senator from North Carolina, Senator HELMS, No. 2523; but also ones to be offered by Senator ASHCROFT, No. 2562; Senator SHELBY 2527; Senator MCCAIN, No. 2542.

I realize we will be voting on all of these, but I will oppose them, and I know of others who may. I want to lay out my reasoning. I would start with the amendment of the distinguished Senator from North Carolina, No. 2523.

I oppose it because I believe that instead of encouraging people to work, it actually punishes hard-working Americans and it also punishes pregnant women. I know that the distinguished Senator from Indiana, Senator LUGAR, chairman of the Agriculture Committee, which, of course, is the committee of jurisdiction over the food stamp program, strongly opposes the amendment of Senator HELMS. In this case both the chairman and I, as ranking Member, join in opposing it.

In doing that, I want to lay out some basic facts. I want to remind everybody here that over 80 percent of food stamp benefits go to families with children. Over 90 percent go to families with children, the elderly or disabled.

Keep in mind where this is going. The average food stamp benefit is around 76 cents per meal, per person. And if you read this amendment, and follow it to its logical conclusion, it says if you work hard for 15 years, pay your taxes for 15 years, abide by the law for 15 years, but your factory closes, and you are taking more than a month to find another job—maybe the main employer in the whole area closes—you cannot get food stamp assistance after that time.

And even though you put all this money into your taxes, though you paid for the program for 15 years, you are out. The amendment looks back 30 days. If a person has not worked in the last 30 days they are denied food stamps.

Well, we all remember the earthquake in California, and hurricanes in Florida—these disasters caused major disruptions to employment. Or think of an area where you have one primary employer, say a large factory, that closes—you are going to take a lot more than 30 days to find a job. But if you have not worked in those last 30 days, even though you are out actively trying to find a job, you are denied food stamps.

Incidentally, the amendment makes no exception for women who are pregnant with their first child. If their employer goes out of business, these pregnant women must find another job or work for free for the county or the State before they get any food assistance. I do not think it is fair for pregnant women, and it certainly is not going to help their unborn child.

Now, my understanding is that Senators LUGAR and COCHRAN agree with me that this amendment is not one to be supported, and it is not fair to hard-working Americans who play by the rules, the factory workers who are laid off and need some temporary food assistance. One of the reasons we have the food stamp program and why it is part of the safety net is because we cannot say, ''Too bad, go get a job. Then we will give you food stamps.'' It is a time when they are out looking for a job and cannot get a job that they need the food stamps. Usually if you are able to get a decent job, you are not eligible for food stamps anyway and you do not need them.

I think hard-working Americans deserve a better break than that. They should, of course, try to find work. Everybody should. But they should not be punished because their factory moved or they went out of business or they had to lay off employees.

There are an awful lot of people who have paid the cost of the food stamp program, and of every other program the Federal Government has been involved in from the Department of Defense to agriculture. Those people are going to be affected by this.

Now, the amendment by Senator ASHCROFT, I oppose because of its affect on the elderly and disabled. Under the Ashcroft amendment, once anyone has received 24 months of assistance in their lifetime, they can no longer receive food stamps unless they are working. Elderly and disabled Americans may work very hard for decades and then become cut off from benefits by that amendment.

The amendment also denies States the right to make a decision, a decision that is offered in the bill by the distinguished majority leader, to choose whether to take a block grant or to participate in the food stamp program. Under Senator ASHCROFT's amendment States no longer have that option. It is a mandatory block grant. Senator DOLE's bill contains that option. And I agree with the handling of this by Senator DOLE—States should not be forced to take block grants.

The amendment also imposes on States, whether they want it or not, an unfair formula for providing funds.

The formula penalizes those States that are growth States, especially those in the Sun Belt. It penalizes those States that face recessions. And I think every one of us knows that recessions often hit individual States harder than the country as a whole, and that each one of us have seen times when our State may be hit by a recession when other States are not.

During the last recession, my home State of Vermont was one of the first States affected by the recession.

Vermont suffered significant job losses throughout the recession. Just when Vermont would most need its food assistance, the amendment would say, ''Too bad. Have a hungry day.''

I think States should at least have the ability to decide whether to take that block grant, and this Congress should not impose it.

So I urge my colleagues to vote against the Ashcroft amendment, since it takes away the State's right to decide, it hurts the elderly and disabled, and it hurts some States at the expense of others.

Now let me speak to the third amendment offered by the distinguished Senator from Alabama, Senator SHELBY. I strongly oppose this amendment. I believe it would lead to a huge increase in childhood hunger among low-income Americans. More and more children live in poverty in this country. But Senator SHELBY's amendment takes food assistance away from low-income families and provides it to higher-income families who may not need the assistance.

The bill of the distinguished majority leader, the Senator from Kansas, already makes huge cuts in food stamp funding, but under the Shelby amendment to the Dole bill, a lot of the funds that are left would be diverted to higher income families. That means low-income children go hungry.

Again, remember what I said earlier, 80 percent of food stamp benefits go to families with children; 90 percent go to families with children, the elderly or the disabled. But in this case, the money is actually diverted to higher-income families.

Under the current law, just to explain this, food stamp benefits are carefully targeted to the most needy Americans. Almost all the benefits go to those who live in poverty. But under the Shelby amendment, much of the food stamp money can be diverted to benefit higher-income families.

It also allows States to divert substantial portions of the block grant away from food assistance.

That, in my mind, is enough reason to defeat the amendment, but there is something even worse. The funds are diverted in a manner that reduces work programs. The one thing I think we all agree on is to try to get people back to work. I know I want—and this has been my position for years—to get participants off food stamps and into the work force. But this amendment allows diversion of funds away from work-related activities that help create jobs and help get people back to work. It is counterproductive.

The best way to get families back on their feet is to help them find a job. We should not reduce job-search efforts or job training.

Lastly, Mr. President, I oppose the amendment of the distinguished Senator from Arizona, Senator MCCAIN. The amendment would have some unusual, and I have to believe, unintended effects. Let us go back first to the bill of the majority leader. Under Senator DOLE's bill, food stamp assistance could be used to provide subsidies to private employers to hire food stamp recipients. It is called wage supplementation. It has to be done carefully, but if it is done carefully, it can be a very good idea. Under Senator DOLE's bill, corporations can use this Federal money to subsidize wages for up to 6 months. Then the employer has to decide, do you hire the person or let them go?

Senator MCCAIN's amendment allows for a permanent subsidy for jobs for private employers. It takes money away from others who need help getting off food stamps and into the work force. We have already cut back the amount of money substantially in food stamps. So I oppose that amendment also.

Mr. President, none of these issues are easy when it comes to food stamps. There are improvements that can be made to the program. We have made some substantial ones over the years. One improvement that I strongly support—in fact, I have written an amendment to do this—is to get us as quickly as possible on to an EBT Program, an electronic benefits transfer program. It would save tens of millions of dollars in just the cost of printing and handling food stamps. We tend to forget that there are millions and millions and millions of dollars that are spent just in printing these coupons, in collecting them and storing them, and even millions in carefully destroying them.

Electronic benefits transfer would use a credit-card type of system, with the computer ability to say, if you have 46 dollars' worth of benefits, you know exactly where the $46 was spent, whether it was spent at a legitimate grocery store or fraudulently spent elsewhere.

Electronic benefits transfer would help us catch those who defraud the program. There are people in all parts of this country who are using this program, which was designed to help hungry children, the poor, the elderly, and the disabled, to rip off the taxpayers. We have had instances of stores, tiny little stores, that are doing hundreds of thousands of dollars of business a month on food stamps. It is obvious they are not selling that. They are a front to cash in these food stamps.

Under my plan, with electronic benefits transfer, we could find those stores more easily. We could identify them much more quickly. We could give the U.S. attorney far more evidence for prosecution. And, frankly, Mr. President, those who are defrauding the program in this way should go to jail. They should be taken off the program, the store should be taken off the program, the person using the food stamps should be barred from the program, and the person should be prosecuted and sent to jail.

I hear a lot of talk about what might prove to be a deterrent and what might not. I found during my years as a prosecutor nothing proved a better deterrent than the knowledge if you committed a crime you are going to do the time. I found the best deterrent was not to say, ''Oh, we have all these laws on the books, you potentially could get nailed for this.'' If people know they are not going to get caught, that does not make any difference.

I will give one example. I used to give to police officers at the police academy, when I was a prosecutor, a lecture. I said: You have two warehouses side by side, both filled with television sets. One is well lit and has an alarm system. It is going to notify the police immediately if there is a breakin. The other is down the street around the corner off the view of the main thoroughfare, has no lights around it, has an old lock and has no alarm system. Now, the penalty for breaking into those warehouses and stealing the television sets is exactly the same, whether you break into the one with the alarm system and well lit, or the one around the corner where nobody is going to see you and you get away with it. The law is exactly the same. The penalty is exactly the same. The answer, of course, is simple. You are going to break into the one where you think you will not get caught. The penalty was not the deterrent. The deterrent was that you might get caught, you might get prosecuted, you might

go to jail. The same thing should be done with food stamp fraud.

If you are running a small store, some of which are about the size of our offices, and doing more food stamp business a month than a supermarket, and if you know you are going to go to jail, not just that you will be taken off the program and not allowed to sell, but you are going to go to jail if you do it, you are going to think twice about defrauding the program, especially if the Federal authorities have a new tool that gives the prosecution an ironclad ability to nail you. We must provide that tool.

We have to do that because there is one thing we have to remember: Those who commit fraud in the food stamp program are taking money from every American taxpayer, people who work very hard. Sometimes a husband and wife are holding down three jobs or four jobs between them just to pay the bills. They should not have to pay for those who are defrauding the system. For those of us who feel we should do something to help hungry children, it is also taking money away from them.

There are studies that show if we go to this, we could save $400 million over 10 years. Frankly, I would like to see us save even more, and I suspect we will.

It will not be just the paperwork where we will save money or the printing and collecting and distribution of paper coupons. We will save money by reducing fraud. I think the benefits will be enormous.

My amendment allows States the option to convert statewide to EBT. I sent a ''Dear Colleague'' letter Friday, before we went out, to all of the offices. I know each one of us eagerly awaits ''Dear Colleague'' letters so that we can read them before we do everything else. If there are any other Senators who just came back and have not had a chance, as I eagerly read all of yours, hopefully, they will read mine. This is a way to save money. I see the Senator from Mississippi.

I yield the floor.

Mr. COCHRAN. Mr. President, I regret that I must oppose the amendment of my good friend, the distinguished Senator from North Carolina. I agree with him that our public assistance programs ought to encourage work and not dependency. But it seems to me that this amendment affects the wrong people.

For example, individuals who have a long job history, but who are laid off when a factory closes, would be denied benefits under the amendment. This result concerns me. Individuals who have never been on the Food Stamp Program and who have always worked seem to me to be those whom this program ought to help—people who face a temporary setback.

In the case I have described, individuals who have been laid off when a factory closes may face high local unemployment conditions and may find it difficult to get a job.

A major goal of the Agriculture Committee was to preserve a safety net for people who have played by the rules and need a helping hand through hard times, while ending the free ride for those who have taken advantage of the system.

As a matter of fact, there are numerous provisions in the bill to promote work and to deny benefits to those who will not work even though they are able-bodied and could be working. For example, States will—for the first time—be able to permanently disqualify repeat violators of work rules under this bill.

Mr. President, we have worked to analyze a number of suggestions for reducing the costs of this program, for tightening the rules, and making true reform come to pass. We think this is a balanced and thoughtful approach that we are recommending to the Senate for its action. I hope the Senate will support the committee's effort.

Mr. LUGAR. Mr. President, our public assistance programs should encourage work, not dependency. The Senator from North Carolina and I agree on this. However, this amendment affects the wrong people.

It would deny food stamps to able-bodied 18- to 55-year-old persons without dependents unless they work at least part time. Many people who fit that description are not long-term food stamp recipients.

Individuals who have long job histories but who are laid off when a factory closes would be denied benefits under this amendment. This result should concern all of us. Individuals who have never been on the Food Stamp Program and who have always worked are exactly the kinds of people that the Food Stamp Program should help—people who face a temporary setback.

Individuals who have been laid off when a factory closes may face high local unemployment and may find it difficult to get a job. The case of the people I have described is not unusual. Over half of all food stamp recipients will only stay on for a matter of months, and they will most likely leave because their earnings increase.

A major goal of the Agriculture Committee was to preserve a safety net for people who have played by the rules and need a helping hand through hard times, while ending the free ride for those categories of recipients who have most taken advantage of the system. Under the leadership bill, able bodied, nonelderly adults without dependent children will have their benefits time limited if they are not in a job or employment program at least halftime. The time limit in the leadership bill prohibits the receipt of food stamps for those who were not working for 6 months out of a year. According to the Congressional Budget Office, approximately 700,000 people would be subject to this requirement in an average month. USDA's estimate is higher. However, under the leadership bill, the Secretary of Agriculture may waive this provision in areas with over 8-percent unemployment or if there are insufficient local jobs.

The amendment by the Senator from North Carolina does not contain any waiver language. In addition, AFDC block grant recipients who violate an AFDC work program requirement will be sanctioned under the Food Stamp Program. For an AFDC recipient who has been disqualified from food stamps due to an AFDC work violation, the food stamp disqualification continues until compliance even if the recipient loses AFDC eligibility.

Numerous other provisions in the bill promote work. For example, States will—for the first time—be able to permanently disqualify repeat violators of work rules.

Mr. President, I urge Senators to vote against this amendment.

Mr. HELMS. Mr. President, I will not consume very much more time. THAD COCHRAN knows of my respect for him. There is no Senator in this body for whom I have greater respect. But I have to say to him, as I say to the distinguished Senator from Vermont, I do not know which amendment they are talking about, but they are certainly not talking about the pending amendment by JESSE HELMS.

For example, both Senators have said and have voiced a lamentation that people who are temporarily out of work would be cut off of food stamps. Clearly, on page 2 of the amendment, it says, ''For the purposes of paragraph (1), an individual may perform community service or work for a State or political subdivision of a State through a program established by a State or political subdivision.''

Then, Mr. President, the distinguished Senator from Vermont mentioned people needing food stamps in earthquake situations—workers are needed for community service then more than ever. They should not be desirous of just sitting around while somebody cleans up the mess.

I, then, heard that we ought not to deny pregnant women food stamps. Mr. President, there are pregnant women all over this country working today. As long as they are able to work, they do. Some of them—who have worked in my office and at my television station before I lost my mind and ran for the Senate—worked until a few days before they went to the hospital. I am not saying that they ought to do that. But, to say that a pregnant woman should automatically get food stamps does not make sense. It is not fair to all the pregnant women who get up and go to work every day by the millions in this country.

Excluded from this amendment—let me repeat—excluded are children under 18, parents with dependents under 18, mentally or physically disabled, members of a household caring for incapacitated people, and people over 55 years of age.

Although many families with children receive some food stamp assistance, the overwhelming majority of them also receive aid from another Federal program, another costly Federal program—the AFDC. Welfare benefits are already given to these families.

Mr. President, we are supposed to be dedicated to working toward a balanced budget. The Heritage Foundation has estimated that 9 out of every 10 recipients will automatically drop off the roll if you require them to work under the pending amendment.

Also, according to the Congressional Budget Office, the pending Helms amendment will save $5.6 billion of the taxpayers' money over the next 7 years.

As for the role of the States, the Republican welfare bill removes a mountain of redtape and administrative costs are cut tenfold. In addition, the U.S. Department of Agriculture, in a report from 1986, states that enforcing strong work requirements will save $3 on welfare costs for every dollar the State invests in a work program.

Currently, there are 15 million State and local employees within 23,000 county and municipal governments. If absolutely nobody were to drop off the welfare rolls because of the Helms amendment—and this is next to impossible because of the Heritage Foundation estimate which I just stated—this amendment would increase the State and local employment rolls by only 3 percent, and then only for workers working one-fourth of the time.

Finally, it is easier for States to keep track of recipients when they sign up for work and benefits at the same time and place. Trying to keep track of recipients in private sector jobs while making sure that they are in fact working could be an administrative nightmare.

Therefore, I must respectfully decline to accept the criticism of the Helms amendment by my friend from Vermont and my friend from Mississippi.

Finally, Mr. President, I ask unanimous consent that the article of February 1994, from the Readers Digest to which I referred earlier, entitled ''The Food Stamp Racket,'' be printed in the RECORD.

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

THE FOOD-STAMP RACKET

(By Daniel R. Levine)

Spyros Stanley was one of the wealthiest people in Charleston, W.Va. He owned a bar and practically every parking lot in the city. But, according to investigators, he had also purchased $23,000 worth of food stamps—for a fraction of their value—from welfare recipients and crack-cocaine dealers. Stanley was buying the stamps to purchase food for himself and his bar.

In Brooklyn, N.Y., J & D Meats, Inc., looked like a typical big-city wholesaler, bustling with delivery trucks, vans and forklifts. Its finances, however, were anything but typical. J & D's owners were illegally trading meat for food stamps. The wholesaler was converting the stamps to cash by depositing them into the bank account of a retail meat market it had once owned, but which was then out of business. In nine years, J & D Meats redeemed $82-million worth of food stamps at its bank.

In Hampton, Va., food stamps became Lazaro Sotolongo's road to riches. Penniless when he arrived from Cuba in 1980, Sotolongo set up a drug ring that sold crack for food stamps at 50 cents on the dollar. He converted the food stamps to cash by selling them to unscrupulous authorized retailers. Over three years he took in more than $8 million.

Says Constant Chevalier, Midwest regional inspector general of the U.S. Department of Agriculture (USDA):

''We've seen just about every type of fraud and abuse of the food-stamp program you could think of.''

In 1968, 2.2 million Americans received food stamps at a cost of $173 million. Today, 27 million Americans are enrolled in a food-stamp program that costs taxpayers $24 billion a year.

Food stamps are available to anyone meeting certain eligibility requirements, including individuals whose monthly income is 30 percent above the poverty line. The eligibility requirements are so generous that a family of four earning $18,660 a year (and an individual earning $9,072) can qualify for limited benefits. Maximum benefits for a family of four with no income are $375 a month, while a family of eight can receive up to $676 a month. The value of the stamps is inflated to 103 percent of the cost of the government's basic nutrition plan. This three-percent boost costs $850 million each year.

Even when required by law, getting Congress to cut food-stamp benefits is nearly impossible. Benefits are indexed for food-price inflation once a year. But when food prices dropped 1.3 percent between 1991 and 1992, Congress blocked the law's automatic reduction in food-stamp benefits, throwing a potential savings of $330 million out the window.

At the same time President Clinton and Congress talk of reducing the federal deficit, food-stamp spending will increase by $3 billion over the next five years. Now is a good time to take a look at what years of skyrocketing spending have already produced.

Second Currency. Once a month, a large percentage of food-stamp recipients receive ''authorization to participate'' (ATP) cards in the mail that show their monthly allotment based on household size and income. They take these to a post office, bank or check-cashing store and exchange them for food stamps, which are used to buy food in authorized retail stores.

But it's when recipients trade the stamps for cash or drugs that the system breaks down. A typical fraud works this way: A drug dealer approaches a food-stamp recipient outside an issuance center and trades $50 worth of crack for $100 in food stamps. The dealer then sells the stamps to a dishonest authorized retailer for $75 in cash. The store then redeems the stamps at a bank for their full value. As a result food stamps have become a second currency used to pay for drugs, prostitution, weapons, cars—even a house. Says Cathy E. Krinick, a Virginia deputy commonwealth attorney, ''Food stamps are more profitable than money.''

In Camden, N.J., a USDA agent making an undercover investigation into food-stamp fraud received a startling offer in January 1991. Jack Ayboub, owner of a grocery store authorized to accept food stamps, had already received $6700 in coupons from the agent for $3300 in cash. Now Ayoub offered to trade a three-bedroom house for $30,000 in food stamps and another house every two months using the same scheme. After completing the first part of the deal, Ayoub was arrested by federal agents.

An art aficoinado in Albuquerque, N.M., used food stamps to fund his collection. He also owned a general store authorized by the USDA to accept food stamps. But instead of milk or eggs, he gave customers cash at 30 to 50 cents on the dollar for their stamps. Then he redeemed them at the bank for their face value. With his profits, he bought $35,000 worth of stolen art.

Food stamps are also easily counterfeited. Dennie Lyons of New Orleans printed more than $127,000 worth of bogus stamps and tried to sell them around the country. When caught, he was sentenced to four years in prison, and his wife, Johnette, got five years' probation for aiding him. But it wasn't long before her phony food stamps were replaced by real ones—soon after her indictment, she was admitted to the food-stamp program.

Retailer Rip-Offs. Only stores authorized by the USDA's Food and Nutrition Service (FNS) can accept and redeem food stamps. But the procedures for receiving authorization are woefully inadequate. A retailer can receive certification merely by filing out an application and stating that staple foods account for over 50 percent of his sales. At the same time, however, there are some 175 FNS people assigned to monitor and investigate the activities of 213,000 authorized retailers, of which 3200 are estimated to be illegally exchanging stamps for crash.

The FNS is so outmatched that even official sanctions don't work. A USDA audit in 1992 found that there were ''no effective procedures'' to prevent disqualified retailers from continuing to accept and cash in food stamps. ''The disqualification process is sorely lacking,'' says one regional inspector general.

Adds Craig L. Beauchamp, the USDA's assistant inspector general for investigations, ''We are seeing more million-dollar-and-up frauds committed by retailers than we have ever seen before.''

In Toledo, Ohio, grocer Michael Hebeka was convicted of fraud and permanently banned from the food-stamp program in 1984. Using falsified papers, he tricked officials into believing he had sold his Ashland Market to an employee. Soon the government reauthorized the store to accept food stamps, and Hebeka was back in business. When he was caught a second time in May 1991, he had already redeemed another $7.2 million in stamps.

In Los Angeles, two small grocery stores bought food stamps for half their face value in cash and redeemed them for their full value. Between 1989 and 1992, they cashed in stamps worth more than $20 million. For 16 months, one of the markets averaged $19,000 a day in food-stamp redemptions—even though it had only $10,000 in inventory.

In East St. Louis, Ill., Kenneth Coates, owner of Coates Market, paid as little as 65 cents on the dollar for foods stamps, which he cashed in for full value. Over a year and a half, he redeemed $1.3 million, enabling him to pay for his children's private schooling and have enough left over for $150,000 worth of stocks, at least five rental houses and a Mercedes-Benz. This wasn't the first time Coates Market had defrauded the food-stamp program. Ten years earlier, it had been disqualified for fraud—only to be readmitted after six months.

Bureautatic Nightmare. After Medicaid, the food-stamp program is the most expensive in the federal welfare system, and one of the most poorly run. Even when the number of recipients has dropped, operating cost have gone up. In 1990 there were 600,000 fewer people on the rolls compared with 1981. But administrative costs soared from $1.1 billion

to $2.5 billion. The bureaucracy has grown so unwieldy that mismanagement and inefficiency permeate the program.

Most welfare programs are jointly funded by state and federal governments. But food stamps are entirely funded and regulated by Washington, while state and local agencies are responsible for administering and distributing the coupons. Essentially, states run the day-to-day operation of a program in which they have little incentive to manage costs efficiently.

Mistakes are rife. In 1992, $1.7-billion worth of food stamps were overpaid or sent to ineligible people. The government has fined states that have high error totals, but the penalties are rarely taken seriously. During the past 11 years, $869 million in fines have been levied, and only $5 million collected.

With over $20 billion in federal food stamps circulating every year and little reason for the states to manage them effectively, it's no surprise that the program is easy pickings for crooks—even those ''inside'' the system.

In Detroit, the department of social services sent $26,000 in food stamps to Mae Duncan. But she didn't exist. The name was one of 26 invented by Patricia Allen, a 39-year-old social worker. Over a nine-year period, she collected more than $221,000 worth of food stamps. In Baton Rouge, La., two sisters who were social-service caseworkers issued $50,000 in food stamps to nonexistent recipients. And in St. Paul, Minn., nobody noticed when a state clerk pocketed $180,000 worth of returned food stamps in nine months.

Of the $24 billion taxpayers fork over for food stamps, nearly $2 billion is lost to fraud, waste and abuse. Says welfare and social-policy expert Charles Murray of the American Enterprise Institute, a Washington, D.C., think tank, ''This is a program that for three decades has grown year after year, without any evidence that it should grow.''

Clearly, radical reform is needed. Here's what can be done:

1. Tighten eligibility. Food stamps should be focused on helping the neediest Americans—those living at or below the poverty line. Lowering the income eligibility ceiling to that level (except for families with elderly and disabled members) would guarantee that taxpayer dollars are going to those who truly need assistance.

2. Cut excesses. Reducing benefits so that they reflect 100 percent, rather than 103 percent, of the government's basic food plan would save $850 million annually. And states with excessive error rates in administering food stamps should be forced to reimburse the federal government for the lost money. If incentives are put into place, taxpayers could be saved hundreds of millions of dollars each year, and recipients would be served more efficiently.

3. Crack down on criminals. Last August, Congress passed legislation introduced by Sen. Mitch McConnell (R., Ky.) toughening penalties against recipients and retailers convicted of food-stamp trafficking. This is a good start, but much more can be done. Recipients should be permanently barred from the program the first time they are caught trading food stamps for drugs, just as they are when they trade for weapons, ammunition or explosives. Now they are given two chances.

As for retailers, information they provide the FNS, such as sales-volume and coupon-redemption data, should be shared with federal law-enforcement officials. Currently, only other welfare agencies are allowed to see these numbers. Also, tougher standards should be imposed before retailers can be certified to redeem food stamps and after a store has been disqualified. Regular store visits and interviews with the owners should be the rule, not the exception. Some of the savings from the program should be used to hire much-needed additional FNS investigators.

Ultimately, however, it is up to Congress to control the rapid growth of food stamps. But over the program's 30-year history, Congress has rarely taken the bold steps necessary to rein in costs. Eliminating illicit trafficking and ensuring that food stamps reach only the neediest Americans in a cost-efficient manner should be a top national priority.

Mr. HELMS. I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. HELMS. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. I thank the Chair. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. JEFFORDS). Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I am taking a moment to expand on the remarks I made toward the end of our debate on Friday concerning the amendment I offered, the Family Support Act of 1995, a measure which simply brought up to a new set of standards the Family Support Act of 1988.

We began in 1988 saying all States would have to have 20 percent of their eligible adult welfare recipients in work, job training, or job search by 1995.

It was understood that as we got the hang of this, as States learned to handle what was a new idea, welfare should be an interim measure, as people moved to independence and became self-supporting. We agreed to change a program that began as a widows' pension and is no longer such.

It was contemplated we would work our way up to higher levels of participation, and indeed in the Family Support Act of 1995 we move to 50 percent by the year 2001, add money to the JOBS program, make improvements to the child support system, and build on a program which we have begun to feel is working.

Dramatic improvement does not happen instantly when one passes legislation, not in an area like this, not in a situation where we have so many communities that have been reduced to an extraordinary incidence of dependence.

I mentioned on Friday that, in the city of Chicago, 46 percent of children were on welfare at some time in the course of the year 1993; in Detroit, 67 percent; in New York, 39; in Philadelphia, 57; San Diego, 30. These are massive problems.

It is not surprising that the first real reactions to the Family Support Act, the ones that were most innovative and effective, came in areas not necessarily rural, but not with the masses of poor who inhabit the great cities. Iowa is one of these areas with great significance.

On the floor a month ago, Monday, August 7, my good friend and comanager here, the Senator from Iowa, [Mr. GRASSLEY], said something very important. He said, ''. . . my State of Iowa began the implementation of its program in October 1993. In the last 2 years, the number of AFDC employed recipients has increased from 18 percent of all welfare recipients to 34 percent—I believe now the highest of any of the States—as a percentage of welfare recipients who are working.'' If I may interpolate, I think that is correct. We had set 20 percent as the initial goal. Iowa went right by it to 38 percent, more than halfway to the goal of fifty percent we had contemplated in the Family Support Act of 1995 presented to the Finance Committee. That bill failed 12 to 8 in the Finance Committee and received 41 votes here on the Senate floor; 54 to 41, if I recall.

But that bill of 1988, which I say, once again, went out the Senate door 96 to 1, began to take hold. The program in Iowa that Senator GRASSLEY was talking about is the program created under the Family Support Act. Mr. President, the Federal government pays at more than 60 percent of the program costs in the JOBS program. The Family Support Act of 1995, which we voted on Friday, would take it from 60 percent to a minimum of 70 percent for all expenditures, including administrative costs. States have not in the past drawn down the full amount available to them to implement the JOBS program—by increasing the federal share, my bill would make possible the full implementation of the JOBS program.

I might just add as a preface to some of the other things I am going to say, Iowa passed a reform bill 2 years ago. Indeed, on that occasion, Mr. President, I put into the RECORD the Iowa Family Investment Program, for which basic approval under the JOBS program was requested in April 1993 and approved in August 1993. They received a waiver to raise the asset limit for applicants to $5,000 for recipients, exempt equity value of an automobile up to $3,000, adjust annual CPI by income deposited in an IDA account not to be counted as income, and so forth.

In Iowa, if you are out in the countryside and you do not have an automobile, you are not going to find a job. One of the debilitating things about welfare is that it has required its recipients not only to be paupers but to remain paupers. About 5 years ago a

mother was discovered in a Middle Western State who had been saving, had saved some $12,000 to put her daughter through college, and was, in consequence, a criminal.

It just emiserates the population involved, and not a small number of persons. To say again, in some cities it is the majority of all the children living in the city—67 percent of the children in Detroit, 57 percent of the children in Philadelphia.

On Friday, Senator HARKIN gave a very careful and thoughtful description of the program in Iowa, following on some of the remarks by his colleague. He said he wanted to bring to his colleagues' attention what has happened in Iowa ''since we changed our welfare system.'' He said:

> We enacted a welfare reform program in October 1993, and almost 2 years later you can see what happened. Our total spending on welfare has dropped, and dropped dramatically since we had our welfare reform program.

Mr. President, what Iowa has been doing is exactly what the Family Support Act hoped States would do. And Senator HARKIN very properly said the program was enacted in October—that was following the approval from the Department of Health and Human Services in August. In Iowa, sixty-three percent of the JOBS funds are federal moneys.

Iowa has every reason to be proud of its program. But is Iowa certain that the program will continue when the funds are discontinued? The JOBS program is abolished by both the Democratic bill, that we voted on earlier last week, and the Republican bill. We are taking something that has worked and decided, no, it has not worked fast enough. Or has not worked far enough? The proposal to undo this is the nearest thing to vandalism I can recall in 19 years in the Senate. We will regret it and we may return to it. Or we may, as in the case of the deinstitutionalization, forget what we did and wonder what this new, ominous, inexplicable problem of child poverty is?

I say again, a 5-year limit in a situation where 76 percent of the recipients are on AFDC for more than 5 years, will lead to a situation out of control, if it is not already. We will not begin to see the effects for about 5 years. Five years is a very long time in our memory. I have said over and over again, how quickly we forgot that we emptied out our mental institutions and did not build the community health centers that President Kennedy contemplated.

We will forget, perhaps, what we have done, what we did on the Senate floor in this September. And we are doing it in the face of the first really good evidence that the JOBS program is working. The Manpower Demonstration Research Corporation, last July, put out a report on the programs it had been following around the country, because we built evaluation into our studies. And the overwhelming evidence was that the Family Support Act was working. The most promising results involved a strategy that was tested in Atlanta, Riverside, and Grand Rapids, that emphasized rapid job entry. We learned something here.

Training? No, no. Get into a job situation, and you will learn the job. You will learn on the job if you can learn to get to the job.

The number of AFDC recipients dropped by 11 percentage points in those three. Employment rose by 8.1 percentage points. Expenditures dropped 22 percentage points, which was exactly what Senator HARKIN was describing. And the MDRC, which is a very careful organization, observed that the 22 percentage point drop in expenditures exceeds the savings achieved by experimentally evaluated programs in the last 15 years. We are finally beginning to understand this problem.

What we are dealing with here is the aftermath of an enormous increase in out-of-wedlock births. President George Bush was the first President to speak of this, and did so in a commencement note of 1992. President Clinton raised the issue in his State of the Union Address in 1994. Never before had Presidents touched on this subject. Never before have we debated it. We are doing so now, and as we must.

In the current issue of The Economist, Mr. President, a journal not necessarily read widely in the United States but certainly respected, this week's cover story, ''The Disappearing Family,'' talks about the American experience, the awful experience. It includes a chart of the experience of this country for which I find myself cited as the source. It is the first time The Economist looked to me for data. Indeed we find that in every country in northern Europe there has been extraordinary increase in the ratio of births to unmarried mothers in the last 30 years. A few Western industrialized countries have not seen an extraordinary increase. Italy's rise has not been as shocking as ours, and Switzerland has had a fairly modest increase. Japan's ratio was 1 percent in 1970, and is 1 percent today.

This is going to be a major subject of cross-cultural studies in the next century as we find ourselves asking what are the forces that make for the dissolution of the marriage unit in Western society that do not similarly affect Eastern societies?

Just last Friday, as I believe, the Christian Coalition had a large conference here in Washington, and a number of Senators spoke. Mr. Ralph Reed is their director. They heard a stirring comment from Mr. Alan Keyes who spoke to them. This was the Christian Coalition's annual conference here in Washington. He said:

> And we know the breakdown of the marriage-based, two-parent family is at the root of every problem, crime problem, poverty problem, deteriorating education, even the problem of entitlements, where we have backed away from the family system that ought to take care of the children and the elderly and try to turn that task over to a Government that cannot get it right.

You know, Mr. Keyes I believe is a candidate for the Republican Presidential nomination. He said:

> We are doing it wrong when we back away from the family system, and we have allowed the destruction of the family system because we are defining our freedom in a corrupt and a centrist way that destroys the loyalty and law and sense of obligation that is needed for family life. Now we know it is true, and I have a question for you then. If you know it is true, and you think it is right, then why on Earth would you sit back this time, when it matters more than anything else in this Nation that we put our No. 1 priority and put your seal of approval behind people who put it on the back burner and give it the backseat and only talk about it when they force them to? What is the matter with you?

He went on to say:

> The marriage-based family, the No. 1 priority of this Nation's life, nothing is more important, not the budget, not the deficit, not taxes, not the power of the Federal Government over the State government. We will rebuild our families or we will perish, and we know it.

Well, that is language that is perhaps more in the mode of bearing witness than of giving testimony. But it is a purposely legitimate setting and a purposely legitimate speaker saying something which I happen to think is entirely the case, and I think it is so important that we are talking about it. We used not to talk about it. We could not do it. We did not do it 30 years ago, or 20 years ago. We started to talk about it 10 years ago, and now we have reached it. We do not know what to do with very little evidence, no data. Only in the last Congress did I get a welfare indicators report established by statute, and in 2 years' time we get our first study. The idea is to match the economic report that was created by the Employment Act of 1946. We are getting there. Long before you get good answers, you have to ask good questions. I think we have begun to do that. I take heart from it.

I wish that my friend from Iowa would acknowledge that their success is success under a statute we passed in 1988, and it is well deserved. And we might do worse than to build on that success rather than dismantle the program. But there you are. That is a decision the Senate will make in good time.

I see my friend from North Dakota is on the floor. I understand he wishes to speak. In any event, Mr. President, I yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, just for a couple of minutes to respond to what the Senator from New York had to say, I would very readily admit that a certain amount of flexibility under the 1988 act gave States the opportunity to change their plan and come to Washington and request waivers. It gave us an opportunity for the political laboratories of our system of Government, our State legislatures, to try

something new and to experiment. Most of those States participating have been very successful. I think my State of Iowa has been the most successful.

But I think that what we have seen is two phenomenon which dictates to me that we ought to move more aggressively toward flexibility to the States. The No. 1 thing is a dramatic increase in the number of people on welfare, 3.1 million now since the 1988 act went into effect. There was some leeway to States in that act that gave them an opportunity to make it possible for more people to get on welfare. I do not know whether that was intended or not, but it was an end result. So we have 3.1 million more people on welfare. The second phenomenon is that it is costing more money, and I think at a time when we thought we were passing an act that was going to save some money, that tells me, as I look back to my involvement with the 1988 Act, that I failed in making that judgment.

In the meantime, we have seen several States move dramatically forward, move people from welfare to work, save their taxpayers' money, and save the Federal taxpayers some money as well. And in that 7-year period of time, it has given me, and others of my colleagues, encouragement to have more faith in the States to do things even more dramatic and dynamic than they have done thus far under waivers.

I would suggest that if there is one reason that I wish to be able to move forward based upon the success of the Iowa legislature and their plan, it is the fact that, in my judgment, that Iowa would have gone much, much further in reforming welfare if they did not have to tailor a program that would meet the requirements of some obscure bureaucrat in the Department of HHS in order to get approval. So that is why Republicans have a bill that gives so much more authority to the States than ever before.

I will admit, in conclusion, that the stage was set for it by the 1988 Family Support Act; but it set a stage that tells us now that we can do even more than what we could do under the 1988 act and we ought to do it.

I yield the floor.

AMENDMENT NO. 2529

Mr. CONRAD. Mr. President, I would like to call up my amendment No. 2529.

The PRESIDING OFFICER. If there is no objection, that will become the pending question.

The Chair hears no objection.

Mr. CONRAD. I thank the Chair. I thank my colleague from New York for the opportunity to discuss my amendment.

Mr. President, the amendment that I offer I call a State flexibility amendment because it allows States to choose between the Dole AFDC and job training block grant and titles I and II of my own welfare reform plan, the WAGE Act, the Work and Gainful Employment Act, that I offered in May of this year. Titles I and II of the WAGE Act are based on four principles: First, work; second, protecting children; third, providing States flexibility; and fourth, preserving the family structure.

I believe those are the fundamental principles of any serious welfare reform effort. My plan provides unprecedented flexibility to States while providing a safety net for children and an automatic economic stabilizer for States.

Mr. President, I agree strongly with my colleagues that States should be given great flexibility to design and deliver welfare programs. My amendment expands this principle by giving States a choice between block grants, the pure block grant approach as contained in the Dole proposal, and my totally new approach to welfare that has a combination of a block grant and a temporary assistance program that includes an automatic economic stabilizer so that States are not put in a circumstance in which they may not be able to meet the needs of children in their States due to economic conditions or a natural calamity.

Under my amendment, States are given a chance to choose the block grant approach in the Dole bill or the WAGE approach contained in my bill for 4 years, after which the State could choose to continue its program or switch to the other approach. In other words, the amendment that I am offering today expands the choice of individual States. They can choose the Conrad approach that contains a block grant as well as a temporary assistance program or they can choose the pure block grant approach of the Dole program.

For the past month, my Republican colleagues have engaged in extensive and arduous discussions to work out a formula for States with high rates of population growth. While we may differ with the merits of the formula, the negotiations dealt with the most important issue confronting the Senate as we debate welfare reform, and that is economic uncertainty.

None of us in this room can predict the economic future. History has taught us that the business cycle is not predictable, natural disasters are not predictable, State growth patterns are not predictable, and economic performance may differ dramatically between the States.

Economic uncertainty must be at the forefront of this debate. It is precisely the fact of economic uncertainty that leads millions of people to welfare during times of crisis. Welfare programs, with all their flaws, provide the safety net that helps families survive plant closings, droughts, floods, layoffs, and other crises.

When I set out to develop a welfare reform plan, I told my staff that the word ''entitlement'' was banned from their vocabulary. The word ''entitlement'' sends all the wrong messages and underscores the devastating problems of our current system.

Unfortunately, in the current system, there are no incentives to work. Welfare recipients learn quickly that work does not make them better off and that not working entitles them to a guaranteed monthly check. I think that is the reason the taxpayers have no respect for the welfare system as it currently exists. Our current welfare system violates American values of hard work and personal responsibility. We must reform the status quo and create a system that encourages work, self-sufficiency, and that strengthens family.

I believe my welfare reform plan meets those tests. It does not entitle people to a free ride. Instead, it demands responsibility and a personal commitment to become self-sufficient in return for a transitional welfare check.

Mr. President, when I go to my State and I talk to the people in every corner of North Dakota, they say to me, ''We're not unwilling to help somebody that has hit hard times or somebody that is permanently disabled or somebody that for some reason has fallen into a circumstance where they need some help for a time. And we're even willing to help people permanently who are disabled. But, you know, we are not willing to be shelling out to pay for somebody who could work who refuses to work. That's not fair.''

Mr. President, they are exactly right. Unfortunately, the debate between entitlements and block grants has missed the fundamental issue highlighted by these intense Republican negotiations over formula, and that is economic uncertainty. I agree that the notion of the no-responsibility entitlement philosophy of welfare needs fundamental change, but the automatic economic stabilization must be retained.

States will experience hard times and prosperous times in the coming years. We cannot predict the economic winners and losers. The only thing we can predict is that the future will look very different in 1996, 1997, and 1998 than it looks in 1995.

Under the amendment that I am offering today, if States choose my transitional aid and WAGE programs, States will have almost complete flexibility to design welfare programs. At the same time, the funding mechanism will provide an automatic stabilizer to assure that States and regions in economic downturns receive the necessary funds.

Under the State flexibility amendment that I am offering today, States would be allowed to choose, first, the Dole block grant, or second, the Conrad WAGE and transitional aid program. States would choose one approach for 4 years, after which the State could either keep the program they have chosen or switch to the other program.

Under either approach, States would receive their proportional share of funding, assuming all States were participating in the same program.

I would like to briefly describe the specifics of my WAGE and transitional aid program. There really are two elements here:

The WAGE program which is a block grant for job training. The WAGE block grant gives States flexibility to provide job placement and supportive services to move individuals into jobs as quickly as possible. The WAGE block grant consolidates funding from five different current welfare programs.

The JOBS Program, emergency assistance, AFDC child care, transitional child care, and the administrative costs of AFDC.

Welfare would become what the American people want it to be, a temporary, employment-based program to move people into the work force. The States are given enormous flexibility under the WAGE block grant that is part of my overall proposal. States have complete flexibility to design employment programs. States may provide monetary incentives to case managers for successful job placements and retention, as well as to outsource job services and to use performance-based contracts. States determine eligibility criteria and participant requirements for the specific work and training programs. States have the option to require noncustodial parents with child support arrears to participate in WAGE. States can establish time limits of any duration that require individuals to work as a condition for benefits.

However, a State may not terminate participants from WAGE if the participants have played by the rules and complied with the requirements set forth in the WAGE plan.

States have the ability under the WAGE approach that I have introduced today to make the decisions on what the welfare reform program will be. We have heard the outcry that States ought to make these decisions. My approach allows States to make them within a certain broad framework. Self-sufficiency is the goal of my welfare reform plan. I am not interested in kicking kids into the streets with no support. If a parent is making a good-faith effort to get off welfare, as required by the State—and the State determines what is a good-faith effort, not the Federal Government—this parent should be encouraged to continue to strive for self-sufficiency.

States are given complete flexibility to determine the sanctions imposed on individuals who fail to comply with the State's program requirements. Again, it is not the Federal Government deciding, it is the States deciding. If a sanction results in the complete elimination of aid to a family, States must take measures to ensure the well-being of the children.

Mr. President, obviously there are certain requirements that are expected of the States. At the very minimum, States are required to administer a WAGE Program that promotes moving parents into private-sector employment. States must develop a wage employability plan with the recipient that indicates the requirements necessary to move off of welfare.

There is a personal contract that is entered into between the person seeking temporary assistance and the State. They line out a contract of what the recipient is going to do in return for what they receive.

The States must ensure that children are protected by making certain that the child care is available for WAGE participants. The funding mechanism is very simple. The WAGE block grant is a cap entitlement to States based on historical funding for emergency assistance, AFDC child care, transitional child care, and the administrative costs of AFDC. The WAGE block grant includes additional funding each year to put people to work and to ensure that child care is available. The WAGE block grant grows 3 percent a year. States receive incentive payments for moving individuals off welfare and into employment, as well as for improvements in the number of individuals combining work and welfare.

Mr. President, my plan is serious about work. Work rates in the WAGE Program are phased in, reaching 55 percent in fiscal year 2000. That is the highest participation rate of any welfare reform program that is before this body. States focus specifically on getting people into work with work preparation activities with a minimum of 20 hours a week. If the State decides they want to require more than that, that is their decision. Half of the participation rate must be met by individuals who are working. After 2 years individuals must be working in order to meet State participation rate requirements.

In addition to the block grant approach that replaces current jobs programs, we also have eliminated AFDC and, in its place, created a transitional aid program. The transitional aid program maintains a basic safety net for America's children and provides an automatic stabilizer for States. This is where my plan differs fundamentally from the Dole plan that is before us, because the Dole plan contains only a block grant approach. My plan contains a block grant approach for the jobs programs, but has in the temporary assistance program, which replaces AFDC, a continuation of the automatic stabilizer. Because, again, Mr. President, none of us can predict what the future holds.

If there are floods in Mississippi or a drought in North Dakota, or some kind of economic calamity in the State of Vermont, we do not think it makes sense just to have a flat amount of money going out there to deal with any kind of emergency. It does not make sense.

We ought to continue the automatic stabilizer that allows this country to function as the United States of America, not just as 50 separate States. Let the 50 individual States experiment with any kind of welfare program they want to create, yes, absolutely. We ought to have 50 States operating in that way. But, Mr. President, if there is an economic calamity, then this country ought to stand as one, all of the States standing together to help a sister State that may have experienced some incredible economic calamity or natural disaster. That is the strength of America. That is not something that ought to be abandoned.

The transitional aid program, as I have indicated, maintains that basic safety net for America's children. And for the States as well.

My plan fundamentally reforms welfare. It eliminates the Federal bureaucracy and overregulation that hampers State efforts to develop their own innovative welfare programs. The transitional aid program reduces the State plan to 14 elements, compared to the 45 in the current AFDC State plan. Instead of Federally mandated policies, States have the option to determine eligibility criteria, support and benefit levels and the form of those benefits, the treatment of earned and unearned income, the extent to which child support is disregarded when determining eligibility and benefits, the treatment of children's earnings, resource limits, restrictions imposed on eligibility for assistance for two-parent families.

And States have the ability to determine the requirements on recipients whether it be work, school attendance, or whatever. States have the ability to determine sanctions for individuals who fail to comply with State requirements. States determine the payment or denial of benefits to children born to individuals receiving assistance. And States decide the timeframes for achieving self-sufficiency.

Mr. President, for those on the other side of the aisle who say, ''States ought to be the laboratory of experimentation in this country,'' I say, amen. Absolutely. Let us let the States experiment. Let us let all of the States have a chance to determine a welfare reform approach and see how it works. As the Senator from New York has said repeatedly, the only thing we can be certain about is that we do not know much about what works and what does not work. So let us give the States an opportunity to experiment. Let us let them have a chance to figure out what works and what does not work.

But, Mr. President, while we are doing that, while we are engaging in this great experiment, let us maintain the automatic stabilizer, let us maintain the underlying financing of a system that permits the United States to function as one country, that says if Iowa, for some reason, gets in special difficulty, that we are not going to just leave the children of Iowa out there on their own, that the other States of this Union will come together and help that State.

That makes sense, Mr. President.

My plan, with respect to temporary assistance, requires that a family meet the following criteria to be eligible for the transitional aid program: They must have a needy child that is defined

by the State; they must comply with the WAGE employability plan; and they must cooperate and comply with paternity and child support measures.

While I have indicated that States have substantial flexibility in the design of their transitional aid program, there are minimal Federal requirements: They must serve all families with needy children uniformly—uniformly—as defined by the State; they must operate a WAGE Program; they must operate a child support enforcement program; they must maintain categorical Medicaid eligibility for the transitional assistance program and provide transitional Medicaid for at least 1 year. It could be longer at State option. And they must maintain assistance in some form to needy children and families in which the parent is complying fully with all WAGE and other requirements.

The State designs the program. The State decides what it is, but if people are complying with that program, people cannot be kicked off for some other reason.

Mr. President, under my plan, welfare remains a Federal-State partnership. States draw down Federal funds for the transitional aid program using the Medicaid matched rate. My plan gives States extensive flexibility to design these programs and to invest State funds toward these efforts. The Federal Government continues to finance the majority of program costs.

In conclusion, my amendment allows States a choice. States can choose between the Dole approach and my approach, a new welfare program that combines the flexibility of block grants with an automatic stabilizer funding mechanism to respond to economic uncertainty.

Since day one, the welfare debate has focused on devolution, how much authority should be turned over to the States. Every plan of either party expands State authority and lessens Federal oversight, and that is appropriate.

There are many State officials, however, that have expressed grave concern about ending the current funding mechanism and completely block granting welfare. The Dole plan will create 50 different safety nets across the country, some of which will hold strong and some of which will tear and dissolve when the vagaries of the market create economic downturns or in the face of a natural disaster. If States do not want to take this chance, we should allow them to choose the alternative approach I have presented in my amendment.

Mr. President, Americans are rightfully demanding welfare reform that focuses on work, personal responsibility, and accountability. My amendment focuses on the public's demands. It emphasizes work, it protects kids, it gives the States enormous flexibility.

Mr. President, I believe it is the right mix of allowing States the right to determine what welfare reform ought to look like while at the same time continuing the automatic stabilizer that has proved such an important part of our ability to function as the United States of America.

I ask support for this amendment to expand States' abilities to develop welfare programs to move parents toward self-sufficiency while protecting children.

I thank the Chair and yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The majority manager is recognized.

Mr. GRASSLEY. Mr. President, I have had a chance to sit with my friend from North Dakota as a member of the Senate Finance Committee where all this legislation on welfare reform comes from. I sense in him a true desire to work out compromises and solve some problems that he believes will result if we give too much leeway to the States.

I presume his legislation, where he gives the States a choice of continuing with a Federal program or adopting their own, is the ultimate of discretion. I do not know who can find any fault with that discretion; however, there are goals that we have on this side of the aisle other than just choice and discretion to the States.

One of those is the fact that we have a terribly bad budget problem from 30 years of irresponsible spending. Some of that irresponsible spending—not all of it, but some of it—is directly related to the fact that we have programs that we call entitlements. That means basically that whatever is going to be spent, if you qualify, it will be spent and there is not much congressional control over the amount of money to be spent.

So his program would continue that entitlement. The Republican bill would end the entitlement aspect.

Also, we on this side of the aisle with our bill save $70 billion. The Congressional Budget Office has put a cost on the Conrad amendment of $6.99 billion over the next 7 years.

Mr. CONRAD. Will the Senator yield for a question or a point on that?

Mr. GRASSLEY. Yes, I will.

Mr. CONRAD. The amendment that I am offering as an amendment to the Dole welfare reform plan would reduce the savings by $7 billion. So is it not correct to say that the total package would still achieve $63 billion of savings over the next 7 years? In other words, I do not think it is correct to compare a $70 billion savings under the Dole bill to a $7 billion cost under my plan.

The correct comparison is a $70 billion savings over 7 years under the Dole plan, $63 billion of savings under the Conrad plan.

Mr. GRASSLEY. I am reading from the CBO estimate which says that your bill will cost $7 billion over 7 years.

Mr. CONRAD. The Senator is absolutely correct, if I might say, the document from CBO—which I ask unanimous consent to have printed in the RECORD.

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

PRELIMINARY ESTIMATE OF AMENDMENT PROVIDING STATE FLEXIBILITY TO PARTICIPATE IN THE TAP OR WAGE PROGRAMS (CONRAD), ESTIMATED RELATIVE TO S. 1120, THE WORK OPPORTUNITY ACT OF 1995

[By fiscal year, outlays in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002	1996–2002 Total
Option to Participate in WAGE Program								
Family Support Payments:								
Budget Authority	−874	−1,184	−1,106	−987	−688	−825	−742	6,607
Outlays	−838	−1,190	−1,107	−987	−689	−828	−743	−6,583
Food Stamps:								
Budget Authority	−26	−75	−121	−183	−250	−308	−376	−1,339
Outlays	−26	−75	−121	−183	−250	−308	−376	−1,339
Medicaid:								
Budget Authority	25	68	68	128	153	137	126	722
Outlays	25	68	68	128	153	137	126	722
Earned Income Tax Credit:								
Budget Authority	0	0	1	4	10	21	34	71
Outlays	0	0	1	4	10	21	34	71
Wage Block Grant:								
Budget Authority	1,123	1,695	1,914	2,176	2,414	2,478	2,530	14,329
Outlays	1,111	1,678	1,885	2,149	2,383	2,449	2,504	14,159
Foster Care:								
Budget Authority	0	0	0	−3	−9	−12	−15	−39
Outlays	0	0	0	−3	−9	−12	−15	−39
Total, All Accounts:								
Budget Authority	247	502	776	1,135	1,430	1,491	1,557	7,138
Outlays	272	476	746	1,108	1,399	1,459	1,530	6,992

Basis of Estimate:

The amendment would allow states to choose whether to participate in the Temporary Assistance for Needy Families (TAP) Block Grant as described in Title 1 of S. 1120 of the Work and Gainful Employment Act (WAGE) Program described in this amendment. The WAGE program would maintain AFDC benefits as an entitlement, but grant states new flexibility to design their programs. A new capped entitlement block grant would be created which would combine AFDC administrative costs, Emergency Assistance, AFDC Child Care and Transitional Child Care. The block grant would require no state match and would grow at 3% a year. Additional funds would be added to the block grant that are equal to 1995 federal JOBS spending and that would grow at a fixed amount equal to $200 million in 1996, rising to $2,200 million in 2002. CBO assumes that two thirds of sales would opt to participate in the block grant program established under S. 1120 and one-third would opt to participate in the Wage program established by this amendment.

This estimate does not include AFDC benefit savings associated with provisions limiting eligibility of non-citizens to benefits. If these savings were included, the cost of the amendment would be reduced.

The estimate assumes that technical changes would be made in the amendment to ensure cost neutrality with an effective date later than 10/1/96. If technical changes were made to include At-Risk Child Care spending in the base amount of the WAGE Block Grant, the cost of this amendment would increase by $300 million per year for each year 1996–2002.

(Mr. FRIST assumed the chair.)

Mr. CONRAD. Mr. President, that document makes clear that my amendment would reduce the $70 billion of savings by $7 billion over 7 years to still achieve $63 billion of savings, but to give the States this added flexibility, which I think is critical.

Mr. GRASSLEY. Mr. President, while we are waiting to get that deciphered, I want to go on to another point that I wanted to make about the bill that is before us.

The Senator from North Dakota speaks about 55 percent of the people who would have to be working. That 55 percent seems higher than the 50 percent in the Republican plan, but it depends upon what group you talk about.

On the Republican plan, our goal and requirement is that 50 percent of everybody on welfare, the category of everybody on welfare, would have to be working.

In the bill of the Senator from North Dakota, he would have these categories of people exempted from the 55 percent rule: Parents of children under 12 weeks of age or, at the State's option, up to 1 year; individuals who are ill or incapacitated, as defined by the States; individuals needed in the home on a full-time basis to care for a disabled child or other household members; individuals over 60 years of age; individuals under age 16, other than teenage parents. I am not going to argue about the Senator's rationale for exempting certain populations.

So his goal is 55 percent of a group that has several exemptions in it as required to work. Whereas, in our bill, we have 50 percent of a whole, without exemption.

So for those reasons—the fact that it does not save as much money as our proposal saves, and the fact that it does not have as high a goal of people to work by the year 2000—we feel that this bill, even though it does give an option to the States of whether to choose the Federal entitlement or a program defined by the individual State, does not go far enough in eliminating a major problem with the welfare system of the last 40 or 50 years. That problem is the Federal entitlement. It seems to me the maintenance of a Federal entitlement is a litmus test of whether or not we are going to have business in welfare reform or whether or not we are going to have a completely new approach.

The plan offered by Senator DOLE is a completely new approach—no longer a Federal entitlement, no longer an environment in which there will be an encouragement for dependency; but instead a requirement where we are going to move more people from welfare to work.

I yield the floor.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, let me just say, with respect to the Republican plan, it is true that they have 50 percent of the total, but that total is a different total than the total I am talking about, because they take 15 percent of the caseload right off the top. They have 15 percent that are exempted right off the top. It is impossible to know whether the categories that we have exempted—that is, a mother with a child under 12 weeks, we think it is appropriate that the mother stay home with the child. If somebody is sick and disabled and cannot work, it is appropriate that they not be expected to work. They come at it a little different way. They take 15 percent off the top and say the provisions do not apply to them. We come at it by specifically categorizing those people who should not be expected to be part of the work force.

Mr. President, there is a larger issue of work here, as well, and that is, what is the fundamental complaint about welfare? The fundamental complaint is that we are not moving people to work. The Republican plan is sadly deficient with respect to that issue. According to the testimony we had by the Congressional Budget Office, in 44 of the 50 States, there will not be a work requirement because there is not sufficient funding for child care to get the people to work, and that 44 of the 50 States would be better off taking a 5-percent penalty than to have a work requirement. So if we want to talk about a work requirement, let us be honest about it.

The work requirement in the Republican plan is a hoax. It says it is tough on work, but they do not provide the funds necessary for people to actually go to work, because they do not have the child care. So people are not going to be going to work. And States will not have the work requirement because they are better off; rather than providing the child care necessary to get people to work, they will take the 5-percent penalty. That is CBO's analysis, not mine. CBO said that 44 of the 50 States will not have a work requirement under the Republican plan.

Mr. President, the proposal I am offering says we want to devolve power to the States. We want to give States the ability to experiment. We want to have a chance to have 50 different States have 50 different programs, and let us see what works. Absolutely, I am all for it. Sign me up. That is what my amendment does.

But my amendment also says there ought to be the economic stabilizer. I do not know if it has become an ideological question that you eliminate the role for the Federal Government just because it feels good—because rhetorically it feels good. I do not get it. Are we saying that if California has massive earthquakes, tough luck? Are we saying if North Dakota has a devastating drought, tough luck? Are we saying if Mississippi has massive flooding, tough luck, the United States is not in on the deal? I thought this was the United States of America. I thought this was a Union. That is the America I know.

So there is this idea that we are going to cut States adrift and they can do whatever. Here is the money and good luck, I hope things work out. But if you have a disaster—a natural disaster or an economic calamity—and kids get put on the street, tough luck. I do not think much of that plan.

I was in California and I saw a young woman on the street with two little kids—a middle-class woman, begging. I went up to her and I said, ''How did you get on the streets of San Francisco begging with these two little kids?'' I tell you, if you would have seen that woman, you would have seen a person that looks like she just came from the shopping center, grocery shopping with her two little kids. She was an attractive woman, nicely dressed, and the kids were nicely dressed. They were out on the streets begging. Why? Because her husband had taken a hike and her house had gotten foreclosed, and she was homeless with two little kids. Well, some of us believe that is not a circumstance that should be tolerated in America. That woman and those little kids ought to have a place to go.

The Republican plan says we are so locked into ideology, the Federal Government should not have a role in anything, and we are willing to take that chance. Well, I am not willing to take that chance. I think if some State suffers a disaster, the United States of America ought to stand together and protect the kids—at least the kids. That is the difference.

Mr. President, this is dramatic welfare reform that is being proposed in my amendment—dramatic. It is not the Federal Government deciding these programs; it is the States deciding. But if we get to the circumstance where there is a disaster and the State cannot meet the needs of the kids, then I think we live in a United States of America.

I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

AMENDMENT NO. 2560

The PRESIDING OFFICER. Under the previous order, the pending question is amendment 2560, and the time until 5 o'clock will be equally divided.

Mr. KENNEDY. Mr. President, I yield such time as I might use.

The struggle for decent child care is a daily fact of life that all working families understand, regardless of their income.

Some in Congress may want to ignore these realities, but a mother with young children who wants to work or go to school does not have that luxury.

Today and every day, millions of American families face impossible and heart-wrenching choices—between the jobs they need and the children they love—between putting food on the table and finding safe and affordable care for their children.

We have heard a lot about turning welfare into work—but precious little about who will care for the nearly 10 million children on AFDC while their parents meet the mandate to pursue job training or go to work. If we are serious about promoting work and strengthening families instead of punishing them, we must deal responsibly with the issue of child care.

Today—at long last—is our chance to do this long overdue reality check on the pending Republican welfare reform proposal.

Quality child care creates opportunity and increases productivity—not just for one generation, but for two. Child care is not about giving parents a blank check. It is about giving them a fair chance. Failing to make child care a centerpiece of welfare reform makes a mockery of any such reform. It will only pass the real life tragedy of dependency from one generation to the next.

Today, 21 million low-income children are eligible for Federal child care programs. Yet less than 7 percent of these children currently receive this essential support. Clearly more—not less—needs to be done.

But too many of our Republican colleagues seem content with simply slashing benefits, and will do so at any cost. If that is the plan—the Dole program fits the bill. But those who seek truly to promote work and strengthen families understand the need to remove real world barriers to self-sufficiency.

For many, even most, the greatest barrier to self-sufficiency is lack of child care. The Census Bureau found that 1 of 3 poor women not in the labor force identified child care as their greatest barrier to participation. One in five part-time workers said that they would work longer hours—if child care was available and affordable.

A GAO study of participants in 61 welfare-to-work programs in 38 States found that more than 60 percent of respondents reported that a lack of child care was their number one barrier to participation in the work force.

The National Research Council recently documented that mothers with safe and adequate child care arrangements were more than twice as likely to successfully complete a job training program.

The link between child care and self-sufficiency is well documented in report after report after report. The real question is—will the Senate act based on this mounting evidence.

We know that 60 percent of AFDC families have at least one preschool child. It is simple common sense that they would need child care assistance to enroll in job search, community service, or workfare activities. But while there have been loud calls for cutting benefits and ending welfare, there has been a deafening silence on the need for child care. It is time to break the silence and put together a realistic program—a program not based on rhetoric but on reality and results.

But when it comes to child care, the ever-evolving Dole bill continues to be fatally flawed. While we have now seen three modifications—one essential fact remains the same. The Dole bill does not dedicate a single dime to providing child care services to families on welfare. Behind Dole No. 1, Dole No. 2, and Dole No. 3—one reality remains clear—the primary goal is to reduce spending and not increase opportunity.

The Republicans may choose to call their bill the Work Opportunity Act—but this noble claim is nothing more than a hollow promise when you look at the fine print. Simply put, their numbers just do not add up. They know it and CBO has confirmed it. This bill is not welfare reform—it is welfare fraud.

Let us consider the facts.

As we prepare to move millions of American families into job search and workfare programs—the Dole bill repeals the child care programs targeted to these families.

That is outrageous. That is irresponsible. That is not a joke—it is a fraud. I ask—who will care for these children?

In 1988, by a vote of 96 to 1, the Senate passed and President Reagan signed into law a guarantee that child care would be provided to each and every AFDC family pursuing job training or education or participating in workfare programs to enable them to develop the skills necessary to secure private sector jobs.

That was not a radical idea then, and it should not be now. This is sound and sensible policy—adopted with strong bipartisan support. This policy appropriately acknowledged the critical link between child care and work. But in the Republican plan, this guarantee and the resources to make it real are gone, wiped out, taking with them the hopes and dreams of poor children and families in every State.

Some may say that these funds are not eliminated—just given to the Governors with greater flexibility to spend them as they see fit. I only wish it was that simple.

The Dole bill takes the funds for safety net benefits, job training, and child care—folds them into a single block grant—and freezes spending at the 1994 level through the turn of the century. As States feel the crunch of this dwindling Federal support, who will care for the children?

If you want to imagine the predicament the Republicans are putting the Governors in, just think about a family budget. Take the average family's annual budget—include food, rent, child care, and work expenses. Cut it back to what they spent last year. Tell them they get no increases for the next 5 years—regardless of inflation, sickness, fire, or other unforeseen disasters. Undoubtedly they will run into serious financial trouble.

That is exactly what is going to happen in State after State after State. Children and families are going to pay the price—and in the long run, so will the Nation.

The Dole bill professes to increase work participation rates by 131 percent over the next 5 years. That is an admirable goal, but who will be taking care of the children?

The Department of Health and Human Services estimates that States will have to spend $11 billion more over the next 5 years on child care to make this happen. Senator DOLE's plan budgets $12 billion less in real dollars.

All of us are for work—but this will not work. That is why some have called this plan the ''mother of all unfunded mandates.''

In Massachusetts alone, to meet the work requirement in the Dole bill, the State must increase participation from 10,000 to nearly 30,000 in 5 years. This means funding tens of thousands of new child care slots at a cost to the State of nearly $89 million in the year 2000 alone. The State is already falling behind as 4,000 families wait for the child care they need—without help from the Federal Government. Who will care for these children?

Forty-four States are projected to simply throw up their hands and ignore the work requirements in the Dole bill, according to the nonpartisan Congressional Budget Office. CBO believes States would rather accept the sanctions for failing to comply, than try to reach the goals without the resources needed to make it possible.

States are far better able to afford the 5-percent grant reduction than a 165-percent increase in child care needed to make the program work. Only a handful of States may even bother to comply with the work requirement. That does not sound like progress to me. It sounds like tough talk and no action. It may provide the savings needed for a tax cut for wealthy individuals and corporations—but it certainly will not change the welfare system. It may reduce the welfare rolls, but it will not increase the future prospects of millions of American children and their families.

In fact, it is more likely to produce homelessness than opportunity. It is more likely to leave children home alone than in quality child care programs that can give them a decent head start in life. Is that the direction we want to go? I do not think so and I hope my colleagues do not think so.

Now let us review the ways that the various Dole plans have sought to fill this child care gap.

First, the Dole bill and each of its modifications includes the child care and development block grant unanimously reported by the Labor Committee. But this grant program was created to provide child care services to low-income working families to help make ends meet. Low-income families spend nearly one-third of their income on child care and they are too often only one pay check away from falling onto welfare.

Low-income working families need this help too—and we must do a better job of making work pay. The average cost of a child in child care is almost $5,000 a year—yet the take home pay from a minimum wage job is stuck at $8,500 a year. This is not manageable and it is not acceptable.

States already have long waiting list of working families who are desperate for this assistance. For example, California has 255,000 on its waiting list, Texas has 36,000, Illinois has 20,000, New Jersey has 25,000, and Minnesota has 7,000, just to name a few. In many States, young children will graduate high school before their names reach the top of the child care waiting list.

If the resources provided for this program are diverted to filling the child care void for welfare families created by the Dole bill, it will surely jeopardize the livelihoods of the 750,000 working families who currently depend on this assistance.

Such an approach is callous and counterproductive. In Massachusetts, of mothers who left welfare for work and then returned to welfare, 35 percent cited child care problems as the reason. Additional support at this critical time could have made all the difference. But the Dole bill will pull the rug out from under these families, just as they are getting on their feet.

And despite the clear reality that this program was created for low-income working families, and that it falls far short of being able to meet the rapidly growing need for child care services for welfare families, the Dole bill allows governors to transfer 30 percent of these essential resources to other purposes.

At every turn, the Dole bill chips away at child care for poor families struggling to make a better life for themselves and their children. This simply adds insult to injury and makes a bad situation worse. I ask again, who will care for the children?

For all of these reasons, the original Dole bill was rightly called Home Alone. It freed parents to work, but did nothing about child care. It left children home alone. In the end, it would wind up forcing more families onto welfare than we help get off welfare. That's certainly not reform.

And then came the sequels.

Home Alone II—or as I call it—Home Alone by 2—sought to address the need for child care by exempting mothers with babies under the age of one from the work requirement.

But once you reached the age of one they said, you're old enough to care for yourself. You do not need child care. You are on your own. This may have been welcome news to the 10 percent of families on welfare with a child under the age of one. But it was a continuing nightmare for the mothers of preschoolers and school-aged children who had to face the choice of leaving their children home alone or losing their benefits and livelihood.

Home alone is not a joke or a Hollywood film. It is a real life tragedy for American families pressed to the wall. Just listen to the horror stories from families who have been put in this awful position—and have paid an unbelievable price.

Think about 6-year-old Jermaine James of Fairfax County and his 6-year-old friend Amanda, who were being cared for by his 8-year-old sister Tina. When a fire broke out in their apartment, Tina ran for help, inadvertently locking the younger children in the burning apartment. They died before the fire department could get to them. Sandra James and her husband needed two jobs to support their family and still could not afford child care. They tied to stagger their schedules but did not always succeed.

Think about 7-month-old Craig Pinner of San Francisco who drowned in the bathtub while his 9-year-old brother was trying to bathe him. His mother was working part time and participating in job training. She usually left the child with her family, but her car had broken down and she was no longer able to get them there. She was trying to find affordable child care but was unsuccessful.

Think about 4-year-old Anthony and 5-year-old Maurice Grant of Dade County. While home alone they climbed into the clothes dryer to look at a magazine in a hiding place, pulled the door closed, and tumbled and burned to death. Their mother was waiting for child care assistance and generally left the children with neighbors. But sometimes these arrangements fell through and she had to leave them home alone for just a few hours.

This did not happen in Hollywood—but in Virginia and Florida and California and elsewhere. We must do everything in our power to avoid putting families in this kind of a situation in the name of reform.

The most recent Dole modification prevents families with children under 5 from being sanctioned for not participating in the work program if they can not find child care. But 66 percent of families on welfare have a preschool child.

I believe our top priority and our primary strategy should be to assist families in securing the child care they need to enable them to work and achieve self-sufficiency. Is that not what real reform is all about?

Exemptions and other protections should be our fall-back plan and not our national policy. If we are serious about promoting work and protecting children, we need to find the money to provide the child care that is needed. Home alone should not become stay at home under the present system.

As States face the difficult task of trying to move millions of people from welfare to work, we should not only give them additional flexibility but the tools they need to get the job done. We should help States push for real change—not just in the ledger books but in the real lives of their citizens who depend on them. If States are forced to do more with less, children will pay the price. That is not fair and it is not smart.

Investments in children pay off—not just in their lives—but for society as a whole. That is why the business community has been so outspoken about the importance of early childhood development programs. They know that the work force of tomorrow is being cared for—or not—today. Children deserve more than custodial care. They need structure and positive individual attention. Above all, they need a sale place to learn and grow.

I am pleased to join Senators DODD, MOSELEY-BRAUN, MIKULSKI, MURRAY, KOHL, KERREY, JEFFORDS, and others in offering this important child care amendment. Its purpose is simple and straightforward—it seeks to provide the child care assistance necessary to make the Dole bill work. It is not an attempt to change the intent of the bill, but to put resources behind the rhetoric to ensure real results.

The amendment is not about building bureaucracy or creating new entitlements. It is about providing States with the funding they need to meet, rather than ignore, the Dole bill's work requirements. It ensures children will be cared for in safe and appropriate child care settings. And it continues much-needed support for working families, rather than pitting them against families seeking self-sufficiency. It is a realistic pro-work and pro-family proposal.

We are in a budgetary era where we have to make some very difficult choices. But if we avoid these choices, we are not representing the real needs of the American people. We are taking care of the special interests of corporate America, and removing these special interests from the debate. Well, it is high time to make them a part of the debate, and take advantage of the billions of dollars in misguided tax expenditures that are provided to large corporations across the country.

We have spent enormous amounts of time debating the need for a balanced budget, and all of its ramifications on domestic spending—yet we have refused to take a long, hard look at tax expenditures and loopholes, which work against the goal of a balanced budget on a trillion dollar scale.

We at least owe it to the American people to close these loopholes that are truly egregious. Corporate America

and wealthy Americans with expensive tax lawyers have learned to navigate through them, but they do not represent good policy. They take away jobs for working families and those who want to work. And we can use those dollars to provide desperately needed child care.

At the present time, tax expenditures are not even reviewed on an annual basis.

When a tax loophole is approved, it is placed on the books and remains there unchallenged. It is no wonder that loopholes continue to grow and expand the budget deficit.

Over the next 7 years, these tax expenditures will eat up $4.5 trillion—$4.5 trillion. Many of these tax expenditures are necessary to spur investment in particular industries and goals, whether it is high technology, exporting, manufacturing, or achieving the American dream of buying a home.

The global economy within which we are now competing demands that we provide necessary tax incentives for investment in this country that will create new jobs for working families.

But it is time to take a closer look at corporate tax breaks. Often only the wealthiest can take advantage of them.

Primary examples of the tax expenditures that should be reviewed and thoroughly overhauled are the loopholes that United States and foreign-owned multinational corporations now use to minimize their U.S. taxes.

Companies are now taxed on their U.S.-generated income. They have a significant incentive to minimize the calculation of their U.S. income, and therefore their U.S. taxation—called transfer pricing. They shift income away from the United States and shift deductible expenses into the United States for tax purposes.

As this chart shows, the General Accounting Office has reported that, in 1991, 73 percent of foreign-based corporations doing business in the United States paid no Federal income taxes. And more than 60 percent of U.S.-based companies paid no U.S. income taxes. The number of large nontaxpaying firms has doubled in recent years.

IBM, for example, was fortunate enough to accumulate $25 billion in U.S. sales in 1987. That same year, its 1987 annual report stated that one-third of its worldwide profits were earned by its U.S. operations. Clearly, its U.S. operations were appeared profitable and successful. Yet, its tax return reported almost no U.S. earnings.

Multinational corporations should pay their fair share of taxes. They should be required to pay taxes on their U.S. share of worldwide sales, assets, and payroll.

This is not a new problem. To the contrary, we have been trying to close these types of loopholes for almost 20 years. We knew then, as we know now, that it was a loophole that necessitated action. The only difference now is that it is a much bigger problem, much more pervasive, and much more costly to the Federal Treasury.

Our current tax laws have the unacceptable consequence of allowing multinational corporations to lurk in foreign tax havens, hide behind foreign subsidiaries and corporate shells, suck income and profits out of the United States, and then thumbing their noses at Federal tax officials and State tax commissioners in every State.

Multinational corporations can also take advantage of the so-called title passage rule; $3.5 billion per year is lost because large multinational corporations sell U.S. goods abroad and avoid all U.S. taxes through some sleight of hand while the goods are on the high seas during the export process.

We have known about this serious loophole for some time. In fact, this loophole was closed by both the House and the Senate during deliberations on the Tax Reform Act of 1986. But for some reason it was dropped in conference.

As an example, a U.S. company makes a sale and ships the products from a U.S. port to a foreign country. Under normal circumstances, the shipment would generate the payment of taxes to the United States. But under a special rule, that company passes title to the products on the high seas, and avoids all Federal taxes. On top of that, the company pays taxes on the products in the country to which they are being exported, and uses those taxes to claim tax credits against other U.S. taxes it may owe. It is a lose-lose proposition all the way around for the United States.

This provision applies only to multinational companies. It is of no use to domestic, smaller companies.

Some will suggest that closing such loopholes will hurt exports and prevent the expansion of our markets to create new jobs for the economy. But these are unnecessary loopholes that were never meant to be used in these ways. When these provisions originally became law, Congress had no idea of the loopholes being created.

Additional tax breaks for multinational corporations are available by setting up corporations that exist only on paper. They are called foreign sales corporations, and provide exporters with the opportunity to exempt 30 percent of their export income from U.S. taxation.

Many other similar loopholes exist, such as tax credits provided to U.S. companies for payments made to foreign countries, or tax deferrals for U.S. companies on income of foreign operations that is not repatriated to this country.

These tax breaks cost the U.S. Treasury billions of dollars each year.

And, of course, there are other types of corporate welfare:

The peanut program and other agricultural subsidies provide billions of dollars to large corporations, although the family farmer was the intended recipient. Senator SANTORUM has filed legislation to phase out the peanut program.

The excessive mining subsidies provided through an 1872 law have never been changed. Senator BUMPERS was on the floor last week discussing the fact that the Secretary of the Interior was forced to sell 110 acres of Federal land to a large corporation for $275—$2.50 an acre. Yet the land has more than $1 billion in mineral value.

The House Republicans capital gains tax cut now will add $31 billion to the already existing $57 billion capital gains subsidy that now exists.

The repeal of the alternative minimum tax will cost the U.S. Treasury almost $17 billion, and enable many wealthy corporations to reduce their taxes to zero by playing the loophole game.

The accelerated depreciation loophole was partially closed in 1986 and 1993, but still generates more than $100 billion in tax subsidies.

The billionaires' tax loophole allows super-wealthy individuals to renounce their U.S. citizenship and avoid U.S. taxes.

The bill before us seeks to balance the budget on the backs of poor children. Over the next 5 years, the Dole bill cuts $50 billion for programs and services targeted to children and families in the toughest of circumstances. Current spending on AFDC benefits and job training and child care for families on welfare represents less than 1.5 percent of the Federal budget. It is true that we need to reduce the deficit—but the pain should be more evenly distributed.

We need to make difficult choices to balance the budget. But when we are choosing between children and the wealthy individuals and corporations that have shrewd tax attorneys, the choice is clear. Children should prevail. Welfare reform should include reform of corporate welfare too.

The futures of 10 million children are in our hands—and Congress should not leave them home alone under welfare reform, when reform of corporate welfare can provide the resources necessary to do the right thing on child care.

Mr. President, we have had a good opportunity, I think, in the past few days to address the issue on welfare reform. Quite obviously, there is a very strong commitment on both sides of the aisle to move legislation that is going on to enhance employment and employment possibility and diminish welfare dependency for the citizens. No one really wants that more than those that are participating in that process and system.

We have also begun, really, the debate on a key element about how effective we can be, and that is the debate that we talked about briefly during the time when this issue was called up last week; more precisely, on Friday last, when Senator DODD introduced the amendment, which I welcomed the opportunity to cosponsor, which is before the Senate at this time.

It is entirely appropriate as we start this week and the Nation gives focus

and attention to the U.S. Senate as to where we are going to end up on this debate, and where we are going to end up legislatively, to give full focus and thanks to a key element of this debate and of this legislation. That is, the availability in this legislation to provide for good, quality, decent child care for working families.

That is a key element. Republicans and Democrats alike understand that in the debate of last week, in the very brief exchange that I had with my colleague from Pennsylvania, Senator SANTORUM, who is a supporter of the legislation.

I went over after the discussion and reminded and talked with him about the legislation that he had introduced and worked for in the House of Representatives. A key element of that program was the child care program. I daresay, even as they went through the discussion earlier today with the Kassebaum amendment, talking about child care, it is something that reaches across both political spectrums, a recognition that if we are not going to have good quality child care we are not really going to have a meaningful welfare reform.

The idea of this legislation is to get people to work but not at the expense of the children in this country—not to be unduly harsh, punitive, to the children of this country.

I think we all understand the old adage that none of us had a chance to choose our parents. Children do not have a chance to make a judgment decision whether they will be born in poverty or to some degree of affluence. They have no control over it.

We want to make sure as we move ahead on this legislation that we are not going to get carried away with the punitive aspects of it and say that we are going to have a welfare reform, and as a result of it have a particularly harsh, devastating, unrealistic, and cruel impact on the children of this country.

One of the aspects that can be particularly cruel and harsh is separating children away from their parents in a way that denies those children, particularly at the early ages, from the kind of nurturing and care and affection and love as well as the food and resources and social services and health care, to ensure that they are going to have a good opportunity to be able to grow and to prosper.

We do not need much of a review and debate, Mr. President, on what is happening to children. The fact is an increasing number of children in our country are falling into poverty. We do not need to review again the importance of those early years, both the expectant mother, the various studies and reports and experiences which have taken place, the Beethoven project that was of such importance in terms of Chicago, that shows what happens when you provide expectant mothers with well-baby care, and also the newborn children with the kind of attention and support and nurturing as well as nutrition, and move them in helping them developing their various kinds of skills and talents, and what kind of results that they have in terms of their early years as compared to those that do not have those kinds of attention.

We do not need those additional kinds of studies. We have seen those studies. The evidence is out there both for the smallest of children, infants, as well as children in their earliest of years, moving on through their early teens.

We know what is really essential. We cannot guarantee if a child has healthy parents, if a child has good health care, if a child has given good nutrition, if the child is going to grow up without violence and surrounded by the other kinds of aspects which are so attendant to poverty, that that child is necessarily going to turn out to be an extraordinary success.

What we do know is that you deny that expectant mother the nutrition and the care. You deny those children the early kinds of intervention. You set those children, really, apart from the nurturing experience of their parents or loved ones. We know that the opportunities for those individuals to move ahead in the society in a constructive and positive way are significantly diminished.

I saw this morning a recognition by one of the Nation's publications where they were talking about the 100 companies that were family friendly. They were talking about again, the importance of one of the criteria being child care, and talking about the enormous changes that have taken place over the period of recent years, the economic realities where we went through in the 1980's and effectively required that they were going to have the mother enter the job market as well as the father, to make up for the needed resources to maintain a standard of living because of the freeze on wages and the freeze on employment opportunities.

We will have an opportunity to debate that at another time in terms of the increases in the minimum wage and what has happened in terms of the incomes of working families in this country and the earned-income tax credit.

All of this has demonstrated that with the restrictions on working families, with the limitations on income, the wives, the women in the families entered the job market in the period of the 1980's in order to try and maintain the joint income. We find now that opportunity does not exist in the 1990's with all kinds of attendant results which are putting additional kinds of pressures on the families.

One of the dramatic results from the mother entering the job market is that there has been an increasing number of children being left alone at home, the home alone concept, which I have referred to in the past, is something which is a reality in this country and in our society and in the workplace.

We have reviewed for the Senate earlier in this debate the number of children, the thousands, millions of children, who are left unattended during the course of the day, even at the time of the afternoon when they come back from school.

We have to ask ourselves, what are the results of these factors, and why we are all as a society surprised when we see this extraordinary behavior by children in our society, the youngest people, to think that this comes right out of the blue, it comes completely off the wall.

We have to ask ourselves what have been the circumstances and conditions that so many of these children grow up in, where basically they are left behind. The children are not the ones that have been left out. It has been too often, under too many circumstances, the parents that have left them behind. The children want to be included. It has been the actions of the parents that have left them behind.

That, Mr. President, is important to recognize as we begin the debate and have had the debate on the questions of welfare reform. We are trying to take people that are able bodied, that can work, and give them the opportunity to work and make sure they will be productive members of our society.

We have learned a very fundamental fact, Mr. President. It has been understood in city after city and community after community in State after State. That is, if you are expecting those individuals to take the jobs that they are going to need to have some kind of a training or some kind of skill, they are going to have to have day care. They will have to at least have the assurance that their children will have some degree of health care that is being provided for them in that employment. Those are things that are provided in the existing kind of program that we are altering and changing. Those were evidenced in the 1988 act. But what we are seeing now, rather than understanding that experience and rather than building on that experience, we are moving in an alternative and very different direction.

We have to ask ourselves whether this is serious, meaningful reform. Are we really going to be presenting to the American people a program that is going to move people off welfare if we are not going to provide child care for their children? Not only are we not going to provide the care, but are we also going to eliminate the existing care that is actually provided under the three different programs under the Finance Committee that provides $1 billion a year for some 700,000—some 643,000 children at the present time, that is being provided at the present time under the 1988 act? And also provided is 10 percent for 150,000 children at the present time.

Now, what has happened and where we are in this debate in the Senate as

we go through this, as the Dole amendment has effectively eliminated the $1.1 billion—that is out, that is gone—what we are saying to the 643,000 children is, ''That program will not be there. That program will not be there for those working mothers who today are able to benefit from that program.'' We are saying to them, ''Tough luck for you. Tough luck for you. Because the program that is out there today that is providing child care for your child is gone under this program, effectively gone.''

The $1 billion that was developed over here with the discretionary programs, with strong bipartisan support—Senator DODD, Senator HATCH, Senator KASSEBAUM, other members of our committee that had developed it some years ago—that provides $1 billion for 750,000 children, effectively one-third is being taken off that to be used for other purposes. That is a very, very dramatic emasculation of the existing child care programs.

Mr. President, if you look at what had been projected for child care over the period of time, over these future years, and look if we are going to conform with the recommendations that are included in the Dole proposal, we are basically saying half the people are going to have to work and of those able-bodied people who are going to have to work, half of those people are going to find child care on their own. How they are going to do it, we have not heard much of an explanation for it.

I wish they could come and talk to the parents in my own State of Massachusetts, who are on lists and have been on lists, and in scores of other States, where you have, 10,000, 20,000, 30,000 parents who are trying to get child care today. They say, ''Somehow that will be done.''

It is not being done in the cities. It is not being done in the States. But somehow Washington knows best. Remember that slogan? Washington knows best. Under the Dole proposal, Washington knows best. Half of the able-bodied people are going to be able to get it on their own. That is what Washington knows, in spite of the fact that you have scores of States that have tens of thousands not providing it at the local level, the local community. We ought to be able to learn something from what is happening at the local community.

We are constantly being told we ought to learn something from what is happening back home. I can tell you what is happening back home. Working mothers, particularly single heads of household—but not just single heads of households, working families that are making just above the minimum wage, making that $15,000, $20,000, $22,000, $24,000, $28,000 a year, are finding it extremely difficult to be able to get any kind of child care. Many of those families, depending on the size of the family, are living in poverty.

So, what are we finding out about what will be necessary? We are finding out what will be necessary from this chart here, over this period of time, under the projections of the Republican welfare program, under the total amounts of $16.8 billion that will be in this program, flat-funded over the period of time. Then we take the projections of what will be necessary, needed to provide child care for welfare recipients mandated under the Home Alone bill. HHS has estimated it will cost $11.2 billion of the 16.8. That leaves the other moneys available for all the other kinds of functions.

We may hear, during the course of the debate, ''Well, Senator, you just don't get it. You just don't get it. What we are doing over here is, sure, we are canceling out the $1 billion that we have under the welfare program and we are giving maximum flexibility to a third of that other billion dollars under the discretionary to let the Governors—and we all know the Governors will do it. Therefore, your argument really does not hold a lot of water.''

The answer to that is, 80 percent of the funding now that is provided here goes in the benefits of individuals. Let us have the testimony from those Governors who are going to do it, who say we are going to reduce the benefits, 80 percent of the benefits, not the child care, the benefits to individuals. When you look at what is happening in the States, you see that they are not doing it today. Why will we believe they will do it tomorrow when they are not doing it today? When you have all of these States that have these extraordinary lists for child care that are out there, they are not doing it today. They say, ''You give us all of this money, this $16.8 billion, and you just relax back there, because we are going to do it.''

When I hear from these Governors how we are going to take that $16 billion and we are going to spell that out, how we are going to really meet the child care needs, and what benefits they are going to cut for the people in their States—we have not heard it from one Governor, Democrat or Republican. Not one. But we are asked to take that on good faith. We are told that is what is going to happen. ''You just don't understand, Senator. You give the Governors this $16 billion. They will know how to deal with this correctly. They know how to balance. They know how to choose.'' Yet, when they are using 80 percent of the current funds for benefits and they refuse to tell us about how they are going to use these kind of funds to take care of those children, I think it is important for someone to speak for children, for someone to say they are not going to be the ones who will be left out and left behind.

Mr. President, 10 million or 11 million of the 14 or 15 million Americans on welfare are children. And the principal debate is how we are going to get busy, in terms of how we are going to get their parents busy. All of us want to make sure that able-bodied people who can work ought to work and go to work. That is included in the program.

But what we are going to do is at what price to the children? Someone has to speak for the children, and this amendment does it. That is what this amendment is about.

When this issue was brought up earlier in terms of the majority leader, and I inquired of him last week about the issue of child care, he indicated that there was support on both sides of the aisle to try to address this issue. Later in the week the new legislation was introduced, the modified—this legislation ''as further modified'' was introduced. This is 791 pages. This is always interesting to me, having gone through the health care debate. Remember the times that we had all of our Republican colleagues who said, ''Look at this bill. Look at this bill. How could we ever wind our way through this bill? Look, it is 1,300 pages.''

You had 1,400 last week, one with the Dole and one with the modified. No one is squawking about that. No one is complaining about that.

Mr. President, 777 pages—we got the modified and we took a look at what was in the modification and all that was in the modification, what I call the Home Alone bill, all that was in the modification was to permit States, regarding mothers who had children up to 1—permit States, not mandate, not say to the States, ''You cannot have the punitive aspects''—permit the States not to enforce the punitive aspects of this legislation and effectively cut off all the benefits if the child is under 1.

Then this issue was brought up again. It was said, look, we are still not adding child care. Effectively, what you are doing is taking about 10 percent of those we want to be able to work and effectively excluding them, if all the States are going to do it, and I expect we think they would, if we believed that mothers, primarily, with children under 1, should not be penalized for deciding to stay home and care for their child rather than to go to work.

So later in the week we have the other amendment, which is the third change that says we will permit them to exclude mothers who have children up to 5 years. That is 65 percent of the mothers on welfare. Do we understand? We are talking now about trying to reform the welfare program and we are saying effectively 65 percent of the people who are on welfare will not have to have the punitive provisions because they will not have to work because of the Snowe amendment. I mean, sometime people have to start to say what are we really debating here? What is this reform we are debating? All the measures that are being put in, I guess, are just being decided in some forum. We heard so much about the health care being decided behind closed doors. We have now three different positions

by the leadership on this issue that have moved from taking, I think emasculating, the child care programs to one position to saying we will permit the States to exclude at least 10 percent. Those are the mothers with small children up to 1. And then later in the week for children up to 5, which is 65 percent of this—all being done under a request to be able to modify the amendment as amended.

Now we have to ask ourselves where are we? I want to say to our Republican friends, I applaud their initiative and I applaud their actions because, if this measure is going to go into force, that is going to at least provide some protection for those children. But the fact of the matter remains that it does not add a single dime to saying to those mothers that may have the opportunity to work and they can work, we are saying to those mothers we are providing child care for you so that you can get your training, you can get your education, you can make the job search, you can go out and begin the process of working yourself up through the economic ladder. We are challenging you to go out and work.

How are you going to be able to do that? There is only one way to do it, and that is to provide child care. The real welfare bill will provide work and child care. That is why this amendment is so important. It is effectively providing the child care funding that is necessary and has been projected as necessary for those working mothers. It will provide restoring the existing program, or funding, that exists under the Finance Committee, and provide the additional $6 billion to $5 billion, which is the existing child care funding lumped into the general block grant, and $6 billion in new money needed to make work requirements real.

That will be taken, hopefully, from what we call the corporate welfare. We have reduced it in this amendment by the savings, by the $50-odd billion in savings. So that is specific. But our desire, Senator DODD and myself, is that we take it from the corporate welfare.

You can say, what are these types of corporate welfare? We will have a chance to go into those in some detail. I can still remember where we were in the debate on corporate welfare when we had the billionaire's tax, which is $1.6 billion. Remember that here in the Senate of the United States? We came back with a small conference report a number of months ago. We went on for days before we could at least get a vote about whether we ought to close the billionaire tax loophole, which says effectively that you can make it big in the United States and then, if you become a Benedict Arnold and reject your citizenship and become an expatriate, you do not have to pay your taxes. That is the billionaire's tax loophole.

Some of us believe that they ought to pay their fair share, that anybody who has been here, has been a citizen and has been able to participate in the protections of freedom, independence, and liberty have some obligation, as greedy as they might be, and as desirous as they want to be of taking the money and running, we say we ought to close that loophole. That is $1.6 billion. That issue about trying to close that loophole passed overwhelmingly. I think it was 96 to 4 in the Senate.

Do you think we have that particular proposal included, that $1.6 billion, as a way of trying offset the child care? Do you not think the American people say, OK, that is $1.6 billion. There is $1.6 billion of that money for child care. Let us see if we cannot find the rest of it. Of course, we can. There is a whole series of different proposals that have been referred to as the corporate welfare proposal—we hear a lot about welfare—which I think ought to be considered.

All this amendment says is that we will reduce the savings by $6 billion, but it follows on with this amendment to say, let us find the $6 billion out of the billions of dollars—$424 billion under the budget resolution—of tax expenditures. We ought to be able to squeeze those expenditures just like we are squeezing the earned-income tax credit that benefits working families that are making $26,000; just like we are squeezing the students in this country, sons and daughters of working families that are talented, creative, and have the intellectual ability in order to go ahead. And we are squeezing them by the in-school interest payments, which will mean, for every student that borrows, $3,000 to $4,000 additional a year. We are squeezing those students out of $32 billion in education funds. We are squeezing those students anywhere from $8 billion to $9 billion in different ways in education generally, under the instruction of the Human Resources Committee, out of all the money that we are spending in education. We are squeezing them out of $8 billion to $10 billion.

Out of $400 billion, we ought to be able to get $6 billion for child care. $1.6 billion right off the top. We voted 96 to 4 for it. Why do we not say, all right, there is $6 billion, let us take that right away and let us look at the other $400 billion and see if we cannot get $4 billion out of there to make it up and make sure that in a welfare reform program that requires work that we are going to provide the child care? Why do we abandon them? Why do we abandon the children? Why do we abandon working families? Why do we abandon workers who want to get off welfare and go ahead? Why do we say that corporate welfare is more important than the well-being of the children of this country, the 11 million of them that are the sons and daughters of welfare recipients?

Mr. President, I see my friend and colleague who is a principal sponsor on the floor now. I will not take additional time. But I will point out that on this chart where we are talking about a total of $11 billion, and we know that of this $11 billion $5 billion can be paid for by discontinuing the existing—and these are the changes that have been made over in the House—additional one-third of the $60 billion. They want $30 billion more in the capital gains tax. That is on the table over there.

Some of these items are examples of corporate welfare: 5-year cost, $300 million; $18 billion shifting U.S. sales overseas—$18 billion. These are financial incentives to more jobs overseas and to make sure that the companies do not pay any taxes if they do so. That is a wonderful tax incentive. It seems that we ought to cut back a little bit on those measures.

I am mindful that we will not be able to get uniformity among all the Members on these different items. That is not the purpose of raising this chart here. But all we are saying, Mr. President, is that under the Dodd-Kennedy amendment, we will provide the necessary child care program, No. 1; that we have the $5 billion under the existing programs that are authorized and appropriated under the existing financing. So we have to make up the $6 billion. And under the Dodd bill, that $6 billion is made up on reducing the savings, and it is our position that we can find the $6 billion scattered across this range of corporate welfare starting with the billionaires' tax cut.

We are wide open to consider any suggestions from any of our colleagues as to how you package together that additional $6 billion. I would suggest that the first part include the billionaires' tax cut, but we are wide open to how that can be done.

Ultimately, if you say we cannot even do that, at least let us say that this measure deserves to be passed because with it being passed, we will provide child care for the children of this country. We will say to them, as all of us are wont of saying, that they are our future and they are our priority. They deserve the first priority. And rather than just saying it or speaking about this rhetorically, we will be doing something for the children of our future. That is what this amendment is about, and I believe it is the most important amendment we will have in this debate.

I ask unanimous consent that the examples of corporate welfare be printed in the RECORD.

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

Examples of corporate welfare—five year costs

Shifting U.S. Income Overseas (Transfer Pricing), $300 million; Shifting U.S. Sales Overseas (Title Passage), $18.3 billion; Creation of Phantom Sales Corporations, $7.5 billion; Billionaires' Loophole, $1.6 billion; Peanut Program Phase-Out, $264 million; Mining Subsidies for Major Corporations, $280 million; Capital Gains Tax Break, $57.4 billion; Repeal of Alternative Minimum Tax, $16.9 billion; Accelerated Depreciation of Buildings and Equipment, $115.1 billion; Market Promotion Program, $425 million.

Corporate welfare—five year costs

SHIFTING U.S. INCOME OVERSEAS—COST: $300 MILLION

Tax loophole allows multi-national corporations to avoid U.S. taxes by shifting income to foreign subsidiaries and shifting costs to U.S. facilities.

SHIFTING U.S. SALES OVERSEAS—COST: $18.3 BILLION

Tax loophole allows multi-national corporations to avoid U.S. taxes by passing title for exported goods on the high seas. Loophole was closed by both the House and the Senate during deliberations on the Tax Reform Act of 1986—but was dropped in conference.

As a result of this and other tax breaks for multi-nationals, 62% of U.S. multi-national firms pay no U.S. income taxes.

CREATION OF PHANTOM SALES CORPORATIONS—COST: $7.5 BILLION

Tax loophole allows exporting companies to set up phantom subsidiaries that exist only on paper and exempt up to 30% of their export income from U.S. taxation.

BILLIONAIRES' TAX LOOPHOLE—COST: $1.6 BILLION

Tax loophole allows billionaires to renounce their American citizenship to avoid millions of dollars in taxes on income and capital gains. Loophole applies to those with a minimum $600,000 in unrealized gains, which generally would necessitate a minimum $5 million net worth.

Finance Committee and full Senate closed loophole with 1995 legislative action, but it was re-opened in Conference.

Senate voted 96–4 on April 6, 1995 to close the loophole. It is still open.

Loophole allows an individual to enjoy all the benefits of the U.S., grow rich because of them, and then renounce citizenship to avoid taxes on the wealth generated in this country.

PEANUT PROGRAM PHASE OUT—COST: $264 MILLION

Program introduced during the Depression to assist struggling farmers by distributing poundage quotas to individuals to grow and sell peanuts. Less than a third of quota holders are farmers. Quotas are passed from generation to generation.

World market price for peanuts is $350 a ton, and American price is $678 a ton. Companies who use peanuts have moved plants to countries where peanuts are less expensive, costing U.S. jobs. Since 1990, peanut butter plants have closed in Virginia, Georgia, Alabama, Michigan, and New York.

MINING SUBSIDIES—COST: $280 MILLION

Originally signed by President Grant to encourage settlement of the West, the current mining law has allowed the extraction of over $200 billion in mineral reserves with minimal federal compensation. A company can ''patent''—or buy—20-acre tracts of land at a price between $2.50 to $5.00 per acre. The land then becomes available for mining or any other use, with no royalties for the government.

Last week, Secretary of the Interior Bruce Babbitt was forced to sell 110 acres of federal land in Idaho for $275. The land was sold to a Danish company for $2.50 an acre, and reportedly contains $1 billion of minerals.

Last year, prior to a moratorium put in place, a Canadian firm paid $10,000 for federal land in Nevada. The land has mineral value of $10 billion.

If the law stands, approximately 140,000 acres of public lands containing more than $15 billion of publicly owned minerals will be given away. One of the largest involves the Jeritt Canyon Mine in Nevada. A South Africa company and FMC, a U.S. corporation, propose to pay $5,080 for land with an estimated mineral value of $1.1 billion.

CAPITAL GAINS TAX BREAK—COST: $57.4 BILLION

Capital gains tax break benefits the wealthiest 1% of the population. Legislation passed by the House as part of the Contract with America would expand this benefit by $31.9 billion.

REPEAL OF ALTERNATIVE MINIMUM TAX—COST: $16.9 BILLION

Alternative minimum tax was instituted in 1986 Tax Reform Act. Major corporations, despite massive profits in an expanding economy, were paying zero taxes because of their artful combination of tax loopholes. Examples include:

DuPont—Despite $3.8 billion pre-tax profit, no taxes were paid; Boeing—Despite U.S. profit of $2.3 billion, no taxes were paid; and General Dynamics—Despite $2 billion pre-tax profit, no taxes were paid.

ACCELERATED DEPRECIATION OF BUILDINGS AND EQUIPMENT—COST: $115.1 BILLION

Largest of all corporate tax loopholes are write-offs for accelerated depreciation of buildings and equipment.

Expanded as part of the 1981 Reagan tax plan, the tax break was curtailed in the 1986 Tax Reform Act and the 1993 reconciliation bill. Legislation passed by the House as part of the Contract with America would expand this benefit by $16.7 billion.

MARKET PROMOTION PROGRAM—COST: $425 MILLION

Market Promotion Program funds consumer-related promotions of products through advertising campaigns, trade shows, and commodity analyses on foreign markets.

In 1995, the Senate deleted funding, but the Conference Committee restored $85 million. The House has just increased 1996 funding for the Program by 25%.

Funds are used to subsidize large companies like Miller Beer, McDonald's, General Mills, and M&M/Mars. American taxpayers spent $29 million advertising Pillsbury Muffins abroad and $10 million on Sunkist oranges. One report has cited $100 million in expenditures for foreign-owned corporations.

House Majority Leader Armey: ''I wonder about our commitment to deficit reduction if we cannot take Betty Crocker, Ronald McDonald, and the Pillsbury Doughboy off the dole.''

Program should target its resources to smaller companies attempting to expand their markets, not large multinational corporations that hardly need public assistance.

Mr. KENNEDY. I yield the floor.

Mr. GRASSLEY. Mr. President, I yield myself such time as I might consume.

Before I speak about the amendment that the Senator from Massachusetts just discussed, I wish to settle an issue that I discussed with my friend from North Dakota on his amendment concerning just exactly what CBO says the cost of that amendment is.

I hope that there will not be any dispute on this point. The Conrad amendment costs money. He says it saves $63 billion. There is nothing in this amendment that he has before us that saves $63 billion. In fact, what he basically has done is add provisions to the Dole bill that cost $7 billion.

I have the CBO estimate in my hand, and it says right here, $6.992 billion is the cost over a 7-year period of time. So I hope that will put that to rest now as to the aspects of that amendment.

In regard to the amendment that is before us, the Dodd amendment, I wish to remind my colleagues that the Dole modification to the original bill S. 1120 regarding child care—offered on September 8, last week—prohibits States from sanctioning a single custodial parent if appropriate child care for a child age 5 and under is not available within a reasonable distance of the home or work site, or informal child care by a relative is unavailable or unsuitable, or appropriate and affordable formal child care arrangements are not available.

So there will not be any sanctioning of any parent with a child under age 5 if these sort of suitable arrangements are not readily available.

Let me point out that S. 1120, as introduced, provided and continues to provide two streams of funding for child care. I think we are getting the opinion from the other side that there is no concern whatsoever about provisions for child care. That simply is not so. And the original had provisions for child care. But to address some Members' concerns, that maybe it did not go far enough, those provisions I just stated were added.

In the original S. 1120, the current AFDC-related child care provisions, like IV–A child care, transitional child care, and at-risk child care, are included as part of the cash assistance block grant to the States. Funding for that is $16.8 billion for each year, fiscal year 1996 through fiscal year 2000.

The current child care and development block grant, the State dependent care planning and development grants, and child development associate credential scholarships are folded into a separate child care development block grant. Funding for these is authorized for fiscal year 1996 at $1 billion and such sums as necessary through the year 2000.

The Dodd amendment earmarks $1 billion of the cash assistance block grant for child care and provides an additional $5 billion to States for child care. Furthermore, it mandates that the child care provisions apply to children 12 and under, including prohibiting States from applying sanctions to those who do not fulfill their work requirements.

Now, it seems as if liberals refuse to recognize that the main cash assistance block grant and the child care and development block grant will not constitute the only funding source available to AFDC children. Other funding sources for child care include Head Start, title 20 and chapter 1.

While liberals attack the Work Opportunity Act of 1995 as somehow being a Home Alone bill, like we have no care whatsoever for children, they continue to ignore the fact that most of the JOBS participants did not report receiving child care funded by AFDC day care. In fact, according to the CRS, only 38 percent of all AFDC JOBS children age 5 and under reported receiving IV–A paid child care in fiscal year 1993.

The other side complains that the measures to sanction mothers who

refuse to work are punitive because they may not be able to work due to a lack of available child care. However, this concern has been answered by the additional provisions offered on September 8 because the States will not sanction mothers that they determine cannot obtain appropriate child care. I hope we have addressed their concern satisfactorily.

Liberals claim that the Congressional Budget Office figures prove that S. 1120 will impose an unfunded mandate on the States concerning child care costs. The CBO estimates show additional costs of $280 million in fiscal year 1998, $830 million in fiscal year 1999, and $2.2 billion in fiscal year 2000.

However, the Congressional Budget Office estimates are based on the 1994 caseload level for all 5 years. The fiscal year 1994 caseload was at a historically high level due to the massive expansion of the rolls following the Family Support Act of 1988.

The Republican bill provides the mechanisms to give the States the flexibility that is needed in order to lower costs and improve the quality of child care. Our bill enables States to transfer up to 30 percent of the available funds between the child care block grant and the main cash assistance block grant. This transfer of funds will permit States to make the proper provisions for both low-income and welfare children so that funding is available as parents shift from welfare to work. The ability to transfer funds between block grants then gives States the maximum flexibility to target resources where they are needed.

We in Washington, DC, and the Congress of the United States, cannot expect to pour one mold here in Washington, DC, where we are going to solve all the child care problems or all the welfare problems as they exist in New York City or my State of Iowa in exactly the same way. We cannot expect a good use of the taxpayers' money to accomplish the most.

We have to wake up to the fact in this body and in this town that our population is so heterogeneous, our Nation so geographically vast, that it is impossible to make these very critical decisions in Washington, DC, that are going to solve the welfare problems the way they ought to be solved with the best use of the taxpayers' money moving people from welfare to work in the process.

Our bill gives States the flexibility to accomplish that. The reason that we give States the flexibility to do that is because so many of our States have shown the ability in their welfare reform legislation to move people from welfare to work and save the taxpayers money.

This legislation builds upon the success of several States, albeit under waiver from the Department of HHS, to experiment, to use new dynamic approaches to welfare reform. But they are doing it. And we observe that. We observe that States are going to do it better than we can. In fact, considering the fact that 3.1 million more people are on welfare now than in 1988, the last time Congress acted, it ought to prove to us dramatically that our efforts toward welfare reform have failed.

Now, in addition to what I said about the 30 percent that can be transferred between the block grants by the States—and that is a legitimate discretion to the States—our bill says that the States can determine the proportion of funds to be allocated for child care and the method of delivery. It could be cash, it could be vouchers, it could be reserved spaces in designated facilities. It gives to the States the method of delivery in the main cash assistance block grant, and the provision to improve the quality of care for children, enabling relatives and religious providers to care for children without onerous regulatory burdens. At the same time, we hope to be able to do it by lowering the cost of child care.

Our bill strengthens current law regarding parental choice by eliminating the registration requirements for relatives who serve as child care providers as a condition of receiving a subsidy from the block grant, and includes provisions requiring that referrals honor parental choice of child care providers. Our bill permits the States to provide vouchers to recipients so they can contract for child care by charitable, religious, and private organizations through a voucher system.

Our bill allows us to move beyond the point that Government is the answer to every problem and that only Government can solve our social problems. We have a number of examples that serve as a structure for charitable, religious and other private organizations, with a little help through a voucher system, that are able to help solve these problems in a much better way than the Government. We should not assume here in Washington that Government generally is the answer to every one of our problems. And when we assume that Government is an answer—obviously, through this legislation, we are not assuming that the Federal Government is the only answer to every problem, but that there is a role for State and local governments.

But an obvious step beyond that is not to assume that Government, and a Government program, is the answer, but that there are other organizations out there in our society—charitable, religious and private organizations—that can help, and maybe even do a better job of it than we in Government can do. So our bill does that.

Our bill also allows States to count welfare mothers as fulfilling work requirements by providing child care services for other welfare mothers. To the other side I say, it is legitimate maybe to think in terms of problems that might be created, that children need to be taken care of when mothers are working. But the answer to that problem might be in the very neighborhood of the welfare mother who wants to go to work by giving income to another welfare mother who wants to provide child care in the home. This will help them move from welfare to work, maybe to establish a very successful occupation and business they would not otherwise be able to start.

So neighbor helping neighbor is one answer to this problem, as well. You do not have to look just to some sophisticated organizations to provide child care. Give options to the families. Give neighbors an opportunity to help, particularly if that neighbor is somebody on welfare that wants to move to other sources of income. This gives that opportunity.

Now, under our bill, States can meet work participation rates without incurring major additional child care costs by moving recipients with older children off the rolls and into work.

According to the General Accounting Office, JOBS participants tend to be older and have older children than nonparticipants. The most recent data available from the Department of Health and Human Services indicates that for 39 percent of the AFDC families, the youngest child was 6 years old and over.

The Dodd amendment constrains State flexibility by eliminating $1 billion from the cash assistance block grant and making a decision here in Washington, DC. It earmarks it through congressional enactment for child care rather than leaving the decision to the States.

In addition, it appropriates $5 billion—that is in addition to the $1 billion I just spoke about—in Federal funds for child care grants over the next 5 years, even though the need for these funds has not been demonstrated.

Under the Republican bill, the child care block grant calls for such sums as are necessary in fiscal years 1997 through the year 2000. So if there is a need for increased funding, then funds can be appropriated through this provision rather than locking Congress into a decision to spend $5 billion right now.

The Dodd amendment effectively provides sufficient funding for every parent to have child care for children 12 and under and enforces the entitlement by eliminating the State's ability to sanction parents who choose not to work.

We assume that the States have the ability to make that decision, for children over 5 that they ought to have that right to make that decision. Our bill does that.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, do I control the time?

The PRESIDING OFFICER. Yes, you do.

Mr. DODD. Mr. President, I yield myself such time as I may consume. How

much time remains? There is a voting time. Parliamentary inquiry, we do not have an allocation of time?

The PRESIDING OFFICER. There is a vote set at 5 o'clock, with the time divided equally. You have about 82 minutes.

Mr. DODD. I yield myself 10 minutes. If the Chair will notify me in 10 minutes. If I need more time, I will yield some. I will try to stick to this time constraint.

Let me quickly respond to my colleague from Iowa before he leaves the floor, if I may, on a point he has made on the earmark.

Senator HATCH of Utah has an amendment pending which deals with the earmark which I think is pretty much unanimously supported. That is, to earmark out of the $48 billion, $5 billion for child care. I strongly support it. I think most people do.

What we are talking about in the Dodd amendment is not only the Hatch amendment, the $5 billion, but an additional amendment that we would be putting into the Child Care Program. The reason we do that, I say to my colleague from Iowa, is, in effect, to try and really assist the Dole proposal so that it can be done, if we try to achieve the desired goal here, and that is to get as many people to work as possible.

Under the Dole welfare reform proposal, 25 percent of all people on welfare are required, under the law, to be at work within 2 years, and then 50 percent of all people on AFDC to be at work by the year 2000.

Mr. President, I have to be careful about numbers, but this is a report that was put together on the Republican leadership plan. I will tell you who put this together in a minute. It is an analysis of the projected numbers of people that would be required to be at work under the majority leader's bill.

There are several columns. It goes State by State. The first column is the ''Projected number required in the year 2000 to participate in work under the Senate Republican leadership plan.'' Go over two columns and it is, ''Projected number required to actually participate,'' with a number in between, ''Projected number of leavers, combiners, and sanctioners that count toward participation.''

I do not know what that means, except that it reduces the number. It must mean that people who otherwise would be exempt under the proposal, for one reason or another, because it reduces the first number by almost 50 percent.

If you take the first number, the projected number by the year 2000, it is in excess of 2 million people who would have to be at work by the year 2000.

In Tennessee, the number of people is 46,000. My State of Connecticut is 26,000. Iowa is 17,000. If you take the Tennessee number and the Connecticut number, as it is reduced down, the Tennessee number actually gets you down to 23,400. The Connecticut number reduces from 26,000 down to about 13,500. It is exactly in half. I do not know quite how that happened. Let us just accept that number, somewhere between 2 and 1 million. Fifty eight thousand will have to meet that criteria.

Maybe someone can explain that middle column to me at some point, what a leaver and combiner is that reduces that number.

The point is this. It is estimated that the number of child care slots that will be necessary to move these people from welfare to work is roughly increasing the number by 165 percent. If we do not do that, the States are going to be faced with penalties, a 5-percent penalty, 5 percent on the block grant the State would get.

As you calculate that, the 5-percent penalty is probably less than saddling the State with the cost. I will give you the numbers of what is estimated State by State. I will ask unanimous consent to print this in the RECORD.

The estimated cost State by State related to child care alone, beyond what we presently have in the bill, would require an expenditure in Connecticut of $48 million. In Iowa, it is $32 million; California, $652 million; in Tennessee, it is $84 million, and each State goes down.

I see my colleague from Utah. Utah is $14 million. This is what the States would have to come up with, we are told, in order to meet the child care requirements. Sixty-four percent of these people have children under the age of 5. You are either looking at reducing spending in other areas or coming up with a tax increase to meet that number. We are doing what Hatch proposed, and we are allocating of the $48 billion, $5 billion to child care.

We are going a step further by saying the demand is such you have to have a resource allocation to avoid putting States in the position of having to pay the penalty because you are not able to get there unless they come up with this kind of revenue increase, which I think is going to be difficult in many cases. Or they probably would opt for the penalty, given the lower cost of paying the penalty.

In the debate on welfare reform, we should not be in the business of trying to promote penalty payments or necessarily asking States to meet this criteria to come up with a tax increase on their own. What we are talking about is an allocating of existing resources under the block grant and additional resources to meet the demands.

The number is somewhat in debate, depending upon, like most things in this town, when you start talking beyond the $5 billion. Everyone admits beyond the $5 billion, you need more resources. We are told roughly it is close to $6 billion over 5 years. Others will say it is $3 or $4 billion, and we are roughly in that range. Depending upon what happens with the numbers I outlined to begin with on how many people are actually moved to welfare, if it is the 2 million or the 1 million, that number, that $6 or $3 billion would probably change somewhat. But clearly, we need some if we are going to make this work.

Again, I do not know anyone who disagrees with the notion that when you have young children—by the way, I applaud the majority leader's decision to take the exemption from 1 to 5 years. That is going to help, I believe. What it does too often is it gives people an excuse not to get from welfare to work. I appreciate trying to help out those families, but I believe our underlying goal ought to be, how do we move people from public assistance to work. Not giving them a reason not to, but rather, how do you achieve it, not just in economic terms, in dollars and cents. There is a societal benefit, in my view, that exceeds whatever dollars we invest or save here, that far exceeds the numbers that we benefit or costs us to do this.

The value of work, a family at work is so much more important in many ways than the budgetary implications. There is nothing that is more salutary for a family, a neighborhood, a community than work.

And so while I applaud the decision to exempt these families, and understand it, we ought to be doing everything we can not to create exemptions but to create opportunities for work. So while I fully understand and accept the concern about an additional $3 to $6 billion over 5 years, Mr. President—not 1 year; over 5 years—I happen to believe that is a good investment, if we stick to our common goal, and that is to do everything possible to make it possible for people on public assistance to get to work.

There are other elements as well, the job training and so forth, the health care elements, but one of them clearly is the child care question.

Again, you do not have to be on welfare to understand the child care question. As I said the other day, any family in this country with young children, regardless of their income, knows of the anxiety of child care, particularly if it is a single-parent family raising children or two-income earners out there. They worry about it every day, every week, every month, wondering about whether the child care will be there next week, is it good child care, is it safe—all of these questions that people worry about.

No one is necessarily going to have to get into the shoes of a welfare recipient to appreciate the feelings of a mother or parent that is going off to work and wants to know where those children are. I might add, Mr. President, that in fact not only is this going to help people get to work, but, based on what Senator HATCH and I did a few years ago on child care—by the way, we had the same qualities, standards, and so forth, incorporated as part of our block grant as are included here. We happen to believe that the child care settings are a lot better than some of the settings we would be talking

about where some of these children would be.

There is another educational element here. Not every single case, but most of the child care programs, church-based and community-based programs, are pretty good programs. They have sliding scales and so forth to make it possible. All we are saying here is that to really make our welfare reform program work, to really make the Dole bill work, you have to have some feature to this that makes it possible for people to be able to leave their homes in the morning, knowing full well that their most important asset, the thing they care about the most, their children, are taken care of. They are not going to go out the door—and they will pay any price—particularly if they have infant children, and even 5, 5½ years of age, even though there are preschool programs, they will not leave those children unattended. They will go to jail or pay fines.

We ought to create an environment where it is inviting to go to work, not create obstacles. How do we take down the barriers? In any survey that I have read over the last 5, 6 years on welfare to work, if not the top reason, Mr. President, one of the top two or three reasons is the absence of child care. In fact, one of the problems is that in our urban areas, unlike suburban areas where you get more options of child care because there are a lot more people in the business of child care, in our urban settings, there is less of that. So the options available to people in our poorer areas—urban and particularly rural areas—is more difficult.

The problems in rural America and urban America are more difficult in trying to find child care settings for people. A lot of people are not in the business of child care, for obvious economic reasons. The pressures are great in the areas where we find the larger concentrations of people on public assistance, in our poor areas, and there is not the kind of availability.

What we are hoping to be able to do with this amendment—and I truly hope it is bipartisan—is bring everyone together on this one issue. Senator HATCH and I did that 5 years ago in our child care program. It really united a lot of people here around a common theme of trying to eliminate one of the major obstacles of going from welfare to work—to come up with a proposal that provides resources.

This is not an entitlement. It is not that somebody has a right to go into court and demand these resources. It is truly an assistance to the States that have good child care programs, that have flexibility, that we are asking to do a lot. This is a mandate, a Federal law that says, within 2 years, you have to have 25 percent and, by the year 2000, 50 percent have to be at work, or we penalize you 5 percent of your block grant.

Now, again, that is a mandate. All we are suggesting here is to make it possible for these States to achieve those goals and those numbers—whether it is the 2 million, Mr. President, or the 1 million. Again, I will try to sort out that number. It is somewhere in between here. Clearly, those are going to be difficult numbers to reach. In California, 358,000 people are going to have to find work slots. We know how difficult it is to find work for people. Here are 358,000 new jobs we are going to have to come up with in California. The number is 17,000 in Iowa, 102,000 in Michigan, 200,000 in New York, 104,000 in Ohio, and 46,000 new jobs in Tennessee in the next 2 years. We all know of the pressures of people being laid off, losing jobs, with downsizing and so forth. So as we try to create new jobs and requiring people to move into them, to make it possible and ease that burden of child care seems to me to be critically important.

One additional element. Again, I respect the 5-year-olds and less on the exemption. But if you have four children, and three of them are over 5 and one is under, you are exempted because you have one child under 5. So if you have three children—maybe 12, 13, and one is under 5—you fall into the exemption category.

We ought to be trying, as I say, not to create a situation where people say, ''How do I avoid this and continue to collect public assistance?'' But we ought to try to move people into that work category. Again, I respect the exemption and applaud it in some ways; I welcome it as an improvement here. What I really hope, Mr. President, is that we can come together here in the next few hours on this proposal. It is not draconian or radical. It is a simple enough idea. I think you build a much stronger base of support for the majority leader's bill with the result of the adoption of this. I think the President would welcome this, in terms of his signature. Also, I think it would really make it possible to reach the kind of numbers we are talking about here to be entering that work force, moving away from public assistance. And the tremendous value, beyond the dollars and cents we talk about, the value to those families and to those children, I think, does not show up on all these graphs and charts we talk about. It is hard to put a price tag on the value of somebody at home who has a job, and what it means to that family and neighborhoods and communities when people are working.

For those reasons, I urge adoption of the amendment. I thank our colleague from Vermont for cosponsoring the bill. We adopted unanimously in the Labor and Human Resources Committee a sense-of-the-Senate resolution which concludes by saying, ''It is the sense of the Senate that the Federal Government has a responsibility to provide funding and leadership with respect to child care.'' That is in anticipation of this bill coming along. And as the distinguished occupant of the chair is a member of that committee, I appreciated his support of that resolution. I hope that he, along with others, will be supportive of the amendment pending.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, how much time remains on each side?

The PRESIDING OFFICER. There are 67 minutes on that side and 97 minutes to the Senator from Utah.

Mr. KENNEDY. I yield 10 minutes to the Senator from Washington.

Mrs. MURRAY. Mr. President, I began listening to this debate several weeks ago with the hope that some positive changes could be made to the current welfare system. Since then, I have spent weeks in my State talking with friends and parents and members of communities about this issue.

I must admit, as we continue this debate, I have mixed feelings. I still believe the Senate can achieve real welfare reform that works for families. But I have been disheartened by the Senate's rejection of the work-first amendment, because I believe that amendment reflected a workable, nonpartisan, solution-oriented approach to fixing the welfare system.

Now we are considering an amendment that goes to the very heart of the welfare debate: childcare services. Make no mistake about it, Mr. President: childcare is the key to successful welfare reform.

Mr. President, I bring a unique perspective to this debate on the Senate floor. I am a mother with school-age children. I have been a preschool teacher, dealing with kids from all economic classes. I have run parent education classes, counseling young parents to help them develop their skills as mothers and fathers in the modern world.

I can tell you what it's like to take a phone call from a young single mom at the end of her rope. She is burning the candle at both ends, trying to work, worrying all day long about her kids. For this parent, her paramount concern is childcare; she cannot focus on doing a good job without knowing her kids have adequate nourishment, supervision, and care during the day.

Fully 34 percent of current welfare recipients have identified access to childcare as the single barrier between them and reentering the work force.

To succeed in reforming welfare, we have to understand the everyday challenges of everyday parents. We have to speak their language, and know their issues. Only by knowing and understanding these challenges can we design a welfare reform proposal that truly gives struggling families a boost to economic stability. That, Mr. President, means we need to address childcare in this bill.

For the past 5 months I've been participating in a unique program called Walk-a-Mile. Some of my colleagues, including Senator SIMON, have also taken part. Walk-a-Mile started in Washington State as a collaborative effort between the University of Washington and the Northwest Resource

Center for Children, Youth, and Families.

The program pairs a welfare recipient with an elected official, and the two speak frequently on the telephone about each others' experiences. I was lucky enough to be paired with June, a single mother of two from a Seattle suburb who survived an abusive relationship.

During her time on welfare, June attended school and earned a degree from evergreen State College. Her classroom time was frequently interrupted, however, because her 6-year-old son Jonathan suffers from attention-deficit disorder, a side effect of the abuse suffered in their previous home.

Since earning her degree, June was divided her time between looking for work and looking for childcare. She has been told by six different daycare providers that her son could not be cared for, because of his explosive and erratic behavior.

Her dilemma is a familiar one: in the absence of childcare, she cannot work; yet she is qualified, and eager, to work today.

How does this story related to the Dole bill? the pending legislation glosses over the childcare question, and leaves demand for childcare services unmet.

In 1994, there were 3,000 children on waiting lists for childcare in my State. Nearly 23,000 other kids received childcare services that would be eliminated under the Dole bill. That adds up to 26,000 children for whom childcare is thrown into question under this bill.

The Dole bill would compel my State to spend $88 million in childcare in order to meet its work requirements. At the same time however, we stand to lose over $500 million in Federal funding over the same period.

The bill cuts current services; it severely limits Federal funding; and forces my State to spend more of its own scarce money. Worse, it stands to create an expanded, unaddressed demand for childcare. This is a major unfunded mandate, and a major problem for Washington State.

Mr. President, this is not reform; this is reshuffling the chairs on the *Titanic*.

If we want to move people into the work force, we should do it. I think this is a very worthy and important goal. But we should be realistic about what that will take.

As a preschool teacher, and parent education counselor, I can tell you—based on firsthand experience—given the choice between work and kids, a parent with limited options will stay on welfare if it's the best childcare option, just for the security of her family.

This is why the Dodd-Kennedy amendment is so important. It addresses the need for childcare services, pure and simple.

It provides resources in a fiscally prudent, credible way through direct grants to States with only one purpose: to fund childcare needs created by new work requirements. Funding levels would be set according to CBO estimates of the childcare demands created by the underlying Dole bill.

What is the purpose of the amendment? It is not to give bureaucrats more money; it is not to place more regulations on States; the sole purpose is to move parents into the work force.

I believe this is not only appropriate, but necessary.

Think back to my Walk-a-Mile partner, June. For people like her, the Dodd-Kennedy amendment gives them peace of mind to invest themselves in education or training programs that will equip them to move into the work force, without worrying about whether their kids will be looked after during the day.

Mr. President, I know what worries parents, and I know what scares the kids. I've seen it firsthand, and I've studied it closely over the past 3 years.

We have a unique opportunity to do something concrete for real people in this bill. We can build a foundation for families. We can provide opportunity for children and their parents.

Mr. President, 78,000 children in my State live in poverty. Their parents struggle every day to make ends meet. How do we know one of those kids will not be the next Einstein, or the next Cal Ripken, or the next Bill Gates?

If we do not do our part to create a foundation to care for children and provide options for parents, our Nation stands to lose in the long run.

These are the fears of moms and their children. This is why moms get trapped in dependency, and why their kids look for their solutions on the streets. And unless we do something to remove these fears, we will not accomplish reform.

The Dodd-Kennedy amendment provides that foundation. The Senate must adopt this language, or something very close to it, if our reform effort is to succeed.

Mr. President, I urge my colleagues to look carefully at this language. It is fiscally smart, and I believe it will help welfare parents turn the corner.

I urge my colleagues to consult with their States. Do the math. Ask yourselves what happens to children under the Dole bill, in the absence of better childcare provisions.

Ask yourself whether the work requirements are realistic in the absence of strong childcare provisions. If you don't know the answer, talk to someone like June, my Walk-a-Mile partner, someone with real experience who understands life on the lower half of the economic ladder in this country.

If you do this, I believe you will have no choice but to reach the same conclusions I have: Moving welfare recipients into the work force can work, but only if we do it right. We simply must address critical childcare needs in this bill.

I yield the floor.

Mr. KENNEDY. Mr. President, how much time is on each side of this?

The PRESIDING OFFICER. The Senator from Connecticut has 58 minutes; the Senator from Utah has 96 minutes.

Mr. KENNEDY. Mr. President, I see both the Senator from Connecticut and Washington are here. We hoped to have an opportunity to debate this important measure with the leadership because it is, I think as I mentioned before, the most important amendment, I think, coming on welfare.

We welcome the opportunity to make presentations. The proponent of the amendment, Senator DODD, myself, Senator MURRAY and others on Friday outlined the amendment, and again today. We want to try and have a chance to enter into a debate on it.

Mr. President, I yield myself 4 minutes.

Mr. President, I ask to have printed in the RECORD a very excellent address on related matters provided as a keynote address to the 25th anniversary of the Campaign for Human Development by Cardinal Bernardin from Chicago.

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

THE STORY OF THE CAMPAIGN FOR HUMAN DEVELOPMENT: THEOLOGICAL-HISTORICAL ROOTS

(Joseph Cardinal Bernardin)

I am delighted to serve as Honorary Chairman of this event and to welcome you to Chicago for the 25th anniversary celebration of the Campaign for Human Development. I thank Bishop Garland and Father Hacala for the kind invitation to speak at this gathering. This is the first address I have undertaken since my illness, so it is indeed good to be here with you!

It is fitting that we are gathered here because since the beginning, Chicago has been important to the Campaign and the Campaign has been important to Chicago. As you may know, Msgr. George Higgins of this Archdiocese wrote a Labor Day message in 1969 that pointed the way to the Campaign.

Auxiliary Bishop Michael Dempsey of Chicago was CHD's first spokesperson.

Msgr. Jack Egan organized the ''Friends of CHD'' in the mid-1970s and for decades has been an inspiration to the Campaign's work.

The great work of community organizing began in Chicago, and Chicago has many important networks and training centers.

CHD enjoys a rich tradition of support here, both in the form of active and enthusiastic participation by people in organizations and projects funded by CHD, and in the generous donations to the annual CHD collection. Again this past year, despite many other urgent and worthwhile requests for assistance, Catholics throughout the Archdiocese donated nearly three quarters of a million dollars.

An anniversary is a good time to reflect on the splendid accomplishments of the past and to look to the significant challenges of the future. This evening, I will highlight CHD's historical and theological roots and share some thoughts on its importance for the future.

In his labor Day message in 1969, Msgr. George Higgins urged the Catholic Church to make ''a generous portion of its limited resources available for the development and self-determination of the poor and powerless.'' A the bishops' meeting that fall, the late Msgr. Geno Baroni continued to lay the groundwork for this initiative by urging the bishops to take up the plight of the poor in a new, significant way.

In response, the bishops resolved (a) to raise $50 million to assist self-help programs designed and operated by the poor and aimed at eliminating the causes of poverty; (b) to educate the more affluent about the root causes of poverty; and (c) to change attitudes about the plight of the poor. The bishops were inspired by Jesus' life and mission, by almost a century of Catholic social teaching, and by Pope Paul VI, who had called for determined efforts to ''break the hellish circle of poverty'' and to ''eradicate the conditions which impose poverty and trap generation after generation in an agonizing cycle of dependency and despair.''

As General Secretary of the National Conference of Catholic Bishops at the time, I was directly involved in this exciting endeavor. While enthusiasm among the bishops was high, details about how the crusade would be implemented had yet to be developed. As I have often noted, the bishops voted in this collection and left it to me and staff to work out the details! Despite the complexities involved in such an enormous undertaking, I was motivated by my strong belief that the idea behind what would become known as the Campaign for Human Development was ''blessed from the beginning,'' and was eager to get it underway.

Even though we had to create a program, manage a national collection, and decide how to distribute millions of dollars in grants—all in only a few months—we were determined to make it a success. Thanks to a dedicated staff, and many others, some of whom are with us this evening, the Campaign did get off to a good start. Indeed, the first CHD collection was the most successful national Catholic collection ever taken up in the United States, raising $8 million. And we received a thousand requests for grants!

The Campaign for Human Development has a threefold mission of empowering the poor, educating people about poverty and justice issues, and building solidarity between the poor and non-poor, it is a remarkable expression of Catholic social teaching. CHD embraces the basic principles of that teaching: the God-given dignity, rights, and responsibilities of the human person; the call to community and participation in that community; the option for, and solidarity with, the poor.

Chd funds have helped organizations effectively address the larger issues of the community by promoting changes in detrimental laws and policies and by opening lines of communication with government, banking, business, and industry. According to a recent study sponsored by the Catholic University of America, CHD seed monies have generated billions of dollars' worth of resources for underprivileged communities. That same study indicates that CHD-funded projects currently benefit in some way fully half of the poor in the United States!

CHD-funded groups have helped to shape U.S. public policy and improved life for families and communities in many ways. They helped enact legislation to ban redlining, require mortgage information disclosure, and require reinvestment in communities. They helped enact federal standards that virtually eliminated ''brown lung'' disease in the textile industry. They helped pass the Family and Medical Leave Act and strengthen enforcement of child support.

However, more important than what CHD-funded groups have done is how they have done it. While some political leaders have lately begun to talk about ''empowerment,'' CHD has made empowerment its very reason for existence. CHD has successfully promoted self-determination and participation for countless people.

One of my joys as Archbishop is meeting individuals who, thanks to CHD, now share more fully in decision-making processes that affect them. For example, just yesterday the following 1995 CHD grants for the Chicago area were announced at a press conference:

Chicago ACORN received $45,000 to fund the Chicago Parents Organizing Project's efforts to unite parents and young people to improve schools in low-income communities;

Chicago's Homeless on the Move for Equality received $30,000 to expand its operations to serve better the needs of the homeless in Chicago;

Illinois Fiesta Educativa of Chicago received $40,000 to fund educational programs and services to Latinos with disabilities; and

Chicago Metropolitan Sponsors, with which I have been personally involved, received $116,000 to address such social issues as crime, unemployment, and education in Chicago and surrounding suburbs.

Twenty-five years, nearly $250 million dollars, and 3,000 funded projects later, CHD remains a leader in community organizing and education about the impact of poverty, the social structures that perpetuate it, and ways to overcome it. CHD has consistently taught all of us about systemic injustice that limits people's ability to improve their lives. It has also changed attitudes among the poor by fostering self-esteem, self-confidence, and self-reliance, as well as encouraging a sense of hope about being able to address injustice effectively and create a better life for the poor. As CHD's ''25th Anniversary Challenge'' document notes, ''CHD is an unusual combination of religious commitment, street-smart politics, commitment to structural change, and commitment to the development of the poor.''

Pope John Paul II highlighted CHD's effectiveness when he was in Chicago in 1979, saying, ''The projects assisted by the Campaign have helped to create a more human and just order, and they enable many people to achieve an increased measure of rightful self-reliance.'' In a recent letter to Cardinal Keeler, the President of our Episcopal Conference (for whose presence this evening I am very grateful), the Holy Father echoed similar sentiments of admiration and respect. And in their 1986 pastoral letter, ''Economic Justice for All,'' the U.S. Catholic bishops underscored CHD's efforts, pointing out that: ''Our experience with CHD confirms our judgment about the validity of self-help and empowerment of the poor. The Campaign * * * provides a model that we think sets a high standard for similar efforts.''

Despite CHD's successes, tragically, poverty is more entrenched today than ever before in our nation's history. Indeed, reducing poverty today is even more daunting than a quarter-century ago because it is often exacerbated by other serious, societal problems that have increased significantly. Out-of-wedlock births, particularly among teens; inadequate housing, health care, education, and job opportunities; lack of community involvement; and most of all, the collapse of family structures—all are undermining our society and making it all the more difficult for people to escape from the grips of poverty. Moreover, senseless violence, rampant crime, drug abuse, and gang warfare dramatically and tragically diminish the quality of life in many communities.

As a result, our country is even more divided today between the ''haves'' and ''have-nots.'' There is an increased concentration of wealth and political power alongside a growing feeling of powerlessness among many of our citizens. Rapidly developing technology, layoffs, diminishing health benefits and retirement security, and more part-time jobs offering little or no benefits have left the middle-class and working-poor very insecure and growing more resentful toward both government and the non-working poor who depend on society for aid and assistance.

Building solidarity between the ''haves'' and the ''have-nots'' is vital if we are to overcome poverty and the many other problems facing our society. So, even though the challenge of reducing poverty is greater today, the fact that one of CHD's greatest strengths is its ability to bridge the gaps—between the poor and the affluent, the powerful and the powerless, workers and management—will enhance its influence. However, as you and I know very well, it will require much more than ''bridging the gaps.''

Twenty-five years ago, Msgr. Baroni emphasized this point when he spoke to the U.S. bishops about the urgent need to address poverty, racism, and injustice in our nation. He pointed out that ''something spiritual is lacking—the heart, the will, the desire on the part of affluent America to develop the goals and commitments necessary to end the hardships of poverty and racism in our midst.''

Today, for example, there appears to be a great desire to address one dimension of poverty, namely, welfare reform. Unfortunately, the debate about such reform seems to spring not so much from an authentic concern for the poor as from pragmatic concerns about the federal budget deficit and taxpayers' pocketbooks. Now the federal budget and taxes are realities that must be dealt with, but they should not be resolved apart from a sincere and objective consideration of the common good of all citizens.

If we are to solve these problems, then, we must shift the discussion about welfare reform from a merely pragmatic or myopic concern to a more fully humane concern for all. To address poverty realistically and humanely involves more than appealing to people on an intellectual or a political level. It requires calling people to a real conversion of heart for the sake of the common good, which includes the well-being of the poor and needy. It means nurturing a new spirit in the Church and in our nation:

a new spirit of compassion, generosity, and love for ''the least among us'';

a new spirit that rejects the vicious rhetoric and the push for punitive measures that is so common today and instead encourages a new, determined approach to addressing the root causes of poverty;

a new spirit that challenges those who are not poor to disavow stereotypes of the poor and shatter myths that enable people to look down upon the indigent;

a new spirit that encourages an honest and informed consideration of issues in the light of human values and a moral commitment; and, ultimately;

a new spirit that trusts in God's grace to transform our hearts and to empower our communities and Church—from sin and evil to love and justice.

There is no doubt that welfare reform is an urgent national priority. No one should support policies that are wasteful or counter productive, policies that perpetuate poverty and dependence. Rather, such reform should aim to enhance the lives and dignity of poor children and families and enable them to live productive lives. Saving money in the immediate future should not be the only criterion because such short-term savings lay the groundwork for greater difficulties and costs in the future. Remember also that welfare funds amount to only 1% of the national budget. Reforms that effectively punish the innocent children of unwed teenage mothers, wittingly or unwittingly promote abortion, or burden states to do more with less resources are not the answer.

The success of Campaign for Human Development clearly shows that combining personal responsibility and social responsibility is a potent catalyst for change, renewal, success, and hope for the future. Now is the

time to demand a halt to the political rhetoric and posturing, which are fueled by individual interests and those of special interest groups. Now is the time for creative solutions and bold strategies that invest in human dignity and potential rather than scapegoat and punish the poor, further exacerbating the already dire situations many poor people face today. We know that true reform will not be easy, but we also know that poor people, with the right kind of assistance and opportunities, can make a better life for themselves and can contribute to the common good.

So, this evening, this weekend, and as we return home, let us renew our commitment to economic and social justice for all by continuing to engage people in their faith life and by encouraging them to put their faith into action. It we do, we can and will make a difference. I am convinced that CHD harbors a vast reservoir of untapped potential.

In a speech to students in South Africa, the late Senator Robert Kennedy, said, ''Each time a man stands up for an ideal or acts to improve the lot of others or strikes out against injustice, he sends forth a tiny ripple of hope, and crossing each other from a million different centers of energy and daring, those ripples build a current that can sweep down the mightiest walls of oppression and resistance.'' (Senator Kennedy's widow, Ethel, is featured in CHD's current radio ads, and his daughter, Kerry, now serves on the USCC/CHD Committee.)

The Campaign for Human Development began as a ripple and has become a current cascading through lives and communities—bringing new opportunity in its wake. It is a sign of hope for the poor and for all Americans who seek justice. You, my friends, help to make that hope possible!

My dear sisters and brothers, let us thank God for the grace of the past quarter of a century. Let us also open ourselves to the inspiration and strength of the Holy Spirit so that we will be able to: change hearts; face the challenges and opportunities of the future; and nurture a new spirit of compassion and solidarity with the most vulnerable members of our society.

May God who has begun a good work among us bring it to fulfillment.

Mr. KENNEDY. Mr. President, let me quote from a few paragraphs of Cardinal Bernardin in his excellent address on August 25. ''Today, for example, there appears to be a great desire to address one dimension''—he talks in the early part of the speech about the problems of poverty and welfare and the importance to eradicate, to break the hellish circles of poverty is to eradicate the conditions which impose poverty and trap generation after generation in an agonizing circle of dependency and despair. He could be talking about the whole welfare issue we are addressing here today.

Today, for example, there appears to be a great desire to address one dimension of poverty, namely, welfare reform. Unfortunately, the debate about such reforms seems to spring not so much from authentic concern for the poor, as from pragmatic concern about the Federal budget deficit and taxpayers' pocketbooks. Now, the Federal budget and taxes are realities that must be dealt with, but they should not be resolved apart from a sincere and objective consideration of the common good of all citizens.

If we are to solve these problems, then, we must shift the discussion about welfare reform from a merely pragmatic and myopic concern to a more fully humane concern for all. To address poverty realistically and humanely involves more than appealing to people on an intellectual or political level. It requires calling people to a real conversion of heart for the sake of the common good, which includes the well-being of the poor and the needy.

He continues:

There is no doubt that welfare reform is an urgent national priority. No one should support policies that are wasteful or counterproductive, policies that perpetuate poverty and dependence. Rather, such reform should aim to enhance the lives and dignity of poor children and families and enable them to live productive lives. Saving money in the immediate future should not be the only criterion because such short-term savings lay the groundwork for greater difficulties and costs in the future. Remember also that welfare funds amount to only 1 percent of the national budget. Reforms that effectively punish the innocent children of unwed teenage mothers, wittingly or unwittingly, promote abortion or burden States to do more with less resources are not the answer.

He then continues:

The success of Campaign for Human Development clearly shows that combining personal responsibility and social responsibility is a potent catalyst for change, renewal, success, and hope for the future. Now is the time to demand a halt to the political rhetoric and posturing, which are fueled by individual interests and those of special interest groups. Now is the time for creative solutions and bold strategies that invest in human dignity and potential rather than scapegoat and punish the poor, further exacerbating the already dire situations many poor people face today. We know that true reform will not be easy, but we also know that poor people, with the right kind of assistance and opportunities, can make a better life for themselves and can contribute to the common good.

The excellent address goes on.

Mr. President, I daresay I would like to believe, although obviously the Cardinal was not focusing on this amendment, that is really what this amendment is all about, investing in people; in the human dignity of, in this instance, needy children. He states it, I think, in a very eloquent, uplifting and inspiring way. But it seems to me it is right on target for this debate.

Mr. President, I will withhold the remainder of our time. We have a number of speakers who will be coming to the floor.

I suggest the absence of a quorum, with the time to be evenly divided.

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

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BREAUX. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. BREAUX. Mr. President, I ask the distinguished manager of the amendment to yield to me 10 minutes.

Mr. KENNEDY. I yield 10 minutes to the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. BREAUX. I thank the Senator for yielding.

Mr. President and my colleagues, I take the floor to make comments in support of the Dodd-Kennedy amendment that is currently pending to the welfare reform bill. I do so with great enthusiasm because, like any effort, unless you have all the parts together you cannot accomplish the ultimate goal. In welfare reform there are a number of significant things that have to be done in order to pass a true reform bill. Congress cannot come on the floor, obviously, and pass a resolution that says welfare will be over with by the year 2000 and do nothing else. Any legislative effort that attacks this tremendous problem that we are facing as a Nation has to be composed of a number of significant measures in order to bring these measures together to accomplish real reform. It is not easy. It is not going to be cheap. But it is absolutely essential that we do it.

One of the things that we as Democrats, and I think Republicans as well, agree on is that the welfare system as we know it today does not work very well for those who are on it, nor does it work very well for those who are paying for it. The system has generated generation after generation of people who are dependent on government help in order to survive. We in this Congress I think have an obligation to try to come up with a real reform bill that breaks that cycle. It is not going to be easy. I think it has to be bipartisan. We have to have our Republican colleagues join us when we have a good idea and I am willing to join them when they have a good idea. We do not have enough votes by ourselves to pass a welfare reform bill. We simply do not have a majority any longer. But I would suggest that they alone do not have enough votes to pass a bill that will be signed into law by this President unless we too are involved in helping to craft a measure that makes sense.

Some have argued that the Federal Government and the States have been trying to solve the welfare problem for years and it has not brought about any real solution. Therefore, we are just going to give the whole mess to the States and let the States handle it because they are more inventive and have better ideas about how to solve the problem. I would suggest that approach is simply too simplistic and it is not going to work.

This problem is big enough for both the Federal Government and the State governments working together to try to help solve this immense problem. I would suggest that State and local governments cannot solve it by themselves, and I would also suggest that the Federal Government cannot solve it by itself. Therefore, real reform has to be a coming together of the best ideas from the States and the Federal Government working together to provide money both from the State level and the Federal level in order to try to create sufficient funds to bring about real reform.

There are those who suggest that, no, that is not the answer. We are just going to send all of the problems to the States and let them solve it. I have said that type of an approach is sort of like those of us in Washington putting all the problems of welfare into a big box and mailing it off to the States and say, ''Here. It is yours. You solve it.'' That is the block grant approach. When those State representatives and State officials open that box they are going to find a lot of problems. They are not going to find enough money to help them solve those problems. Therefore, it is absolutely essential, in my opinion, that we forge a joint venture, a partnership with the States and the Federal Government, to help bring about the best ideas and the best solutions to this problem working in partnership.

The Federal Government should absolutely have to contribute money from the tax base that we have access to to help generate sufficient funds to solve the problems. But the States also have to participate.

There are some who would suggest that the States should have no maintenance of effort at all. The Federal Government will pay the whole bill. But we will let the States get off without having to contribute anything. I think that is the wrong approach.

Tomorrow, myself and others will be joining together to offer an amendment dealing with State maintenance of effort, to give the States an incentive to match Federal money to try to create a program that makes sense. I am absolutely convinced that if State officials, no matter how good and honest they are, know all the money in the program is going to be from Washington, they are less inclined to make the right decisions, to spend the money wisely, if they do not have to put up any of their own State dollars. Therefore, I think we have to urge them to participate, to maintain most of the effort they have made in the past and to join with us in a partnership arrangement to in fact solve this problem.

Let me talk specifically just for a moment about the Dodd-Kennedy amendment. I do not think that there is a social scientist or a housewife or an individual in this country, no matter what their profession, who can look at the welfare problem in this country and say that we can solve it without addressing the problem of child care. We cannot solve welfare problems in this country just by passing a law that says all mothers should go to work and do nothing about the mothers who have small children at home, maybe 1 or 2 or 3 years old. We cannot pretend that if they have to go to work without something being done to help them with their child care, that is a real solution to welfare. In fact, that is not only not a solution, it in fact is a greater problem than we have right now. The Republican proposal requires—as does ours—that by the year 2000, 50 percent of the people who are now on welfare have to be in work. The Republican proposal and the Democratic proposal are the same essentially on that issue. The difference is how we get people to that point. The Republican proposal does not provide any additional financial assistance to pay for child care. That is the real defect in that approach.

Our legislation, on the other hand, provides $9.5 billion in new funds over the next 7 years—which is more than paid for through spending cuts—to provide child care so people can go to work and we can have true reform.

If the Republican proposal is adopted without the Dodd-Kennedy amendment, we are passing the largest unfunded mandate on to the States in the history of this country. We would do this at a time when the ink is not yet dry on the unfunded mandate legislation that so many people took so much credit for adopting—which recently this Congress passed and we sent to the President—saying that we are not going to pass an unfunded mandate on to the backs of the States any longer. But this bill without the Dodd-Kennedy amendment is, in fact, a huge unfunded mandate because it tells the States, Louisiana, or Massachusetts, or Utah, or any State in the Union, that they have to pay for the child care to put half of the people on welfare to work by the year 2000. But they are not going to be able to reach that goal without raising an incredible amount of State taxes in order to pay for the child care.

I suggest that we ought to provide child care in partnership, the Federal Government and the States, and that is exactly what the Dodd-Kennedy amendment does.

Over the next 5 years, Health and Human Services says that about $11 billion would be needed to meet the child care requirements of the Dole bill. The Dodd-Kennedy amendment provides those funds. The Republican bill does not provide those funds.

I heard some suggest that the States will have more money because we will eliminate some of the red tape. How many times have we heard the argument that if you eliminate red tape, we will solve all the problems of Government? I have heard it time after time in the years that I have been in the Congress, both in this body and the other body that, well, if you eliminate red tape, the States would have enough money to do everything they have to do. That is a ridiculous notion. It is not true, and it is not factual.

This reform is going to cost us money in order to achieve the long-term results. I should point out that the long-term result will be financially beneficial to society. It will be beneficial to individuals. It will make them more responsible citizens, and it will teach them that there is no free lunch; that people have to work in order to be able to be successful in this country.

But again, it has to be a partnership. I know that my State of Louisiana cannot come up with the necessary funds to meet that 50-percent-work requirement in the year 2000. We are suffering, as many States are, from the lack of adequate funding for roads and hospitals and health care needs and all of the other needs that a State has to address.

I suggest that child care is not a high priority among the people who get paid to lobby around State legislative bodies. Therefore, unless we require some type of a financial partnership to help provide for child care for mothers who are going to be required to go to work, those moneys will not be provided at the State and local level.

The General Accounting Office recently released a research study which provided evidence of what I am saying I think in a very commonsense way. Their study, entitled Child Care Subsidies Increase the Likelihood That Low-Income Mothers Will Work, finds that among the factors which encourage low-income mothers to work, in fact, child care affordability is one of the decisive ones.

I think we should listen to the General Accounting Office, which certainly is a bipartisan and nonpolitical organization, and their recommendation that we simply cannot have real reform in welfare, that we will not be able to get mothers who have small children to go to work, unless there is an answer to the very difficult child care problem. I have occasion from time to time in my State of Louisiana to visit welfare offices, to talk with groups that are trying to reform the welfare system, and great progress is being made, but in every one of these institutions, in every one of the talks I have been able to engage in, availability of child care was raised as such an important ingredient in the solution to this particular problem.

Unless Congress acts in a forceful and affirmative way to guarantee child care funding will be available, I suggest that no matter how laudatory the other provisions of the bill happen to be, it will truly not be reform. What it will be is a major unfunded mandate on the backs of the States.

I do not think we can find a Governor who is going to say they want to have to put 50 percent of the people to work without any help from the Federal Government. This is an absolutely essential, critical amendment. Without it, the bill I think will be fundamentally flawed and one that should not be signed into law.

If we are going to do real reform, we have to recognize our responsibility in participating as a Federal Government along with the States and local governments to build the necessary funds to bring about a real reform bill.

I congratulate Senators DODD and KENNEDY and all others who have joined with them in helping to craft this amendment. They have worked long and hard and tirelessly over the years to see to it that adequate child care is part of any reform package that

we will consider in this Congress. Without it, this bill will not be reform. It will be highly destructive and should not be signed. With it, it will go a long way to fundamental bipartisan reform legislation to which President Clinton should proudly affix his signature.

Mr. President, I yield the floor.

Mr. KENNEDY. Mr. President, how much time now remains on this side?

The PRESIDING OFFICER. Thirty-five minutes.

Mr. KENNEDY. For the proponents.

And how much for the other side?

The PRESIDING OFFICER. And 91 minutes for the opponents.

Mr. KENNEDY. Mr. President, I yield myself 5 minutes.

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

PREMIUMS UNDER REPUBLICAN MEDICARE PLAN

Mr. KENNEDY. Mr. President, the Republican secret plan for deep cuts in Medicare will finally be unveiled, we are told, this Thursday. Yet, only 4 days before the announcement, the Republican disinformation campaign about what their program will mean for senior citizens is still in high gear.

Before the 1994 election, the Republicans said they were not planning to cut Medicare at all, but their budget resolution provides for an unprecedented $270 billion in Medicare cuts. After the budget resolution was adopted, the Republicans said the cuts would not hurt senior citizens. That pledge was preposterous on its face since cuts of that magnitude would obviously have a substantial impact on millions of elderly Americans.

Now our Republican friends are beginning to reveal the true impact. Yesterday, on ''Meet the Press,'' the Speaker of the House of Representatives stated that the Republican plan would require the part B premium for Medicare to be set at 31.5 percent of program costs. He claimed that this program would cost senior citizens an additional $7 a month. He also said that the premium increases under the Republican plan are not in any way unreasonable.

The facts are otherwise. According to the independent actuaries at the Health Care Finance Administration, if the premium is set at 31.5 percent of cost as the Republicans propose, the monthly premium will go up to $96 a month, an increase of $37 a month compared to current law, not $7. On an annual basis, seniors will have to pay an additional $442 in the year 2002, a premium of almost $1,200 a year, more than twice as much as they pay today. That is from the Health Care Finance Administration. Those are their estimates.

Over the life of the Republican plan, each senior citizen will have to pay an additional $1,750 in Medicare premiums. Each senior couple would pay $3,500 more. These numbers are approximate because they are based on current projected spending under Medicare part B. They will undoubtedly change somewhat when the full Republican plan is finally laid out to the American people. Estimates by the Congressional Budget Office may even be higher.

However, the basic point is clear. We are not talking about senior citizens paying a few dollars more for Medicare. Under the Republican plan, senior citizens will be asked to pay thousands of dollars more for Medicare in order to fund a Republican tax cut for wealthy Americans.

That additional burden is unreasonable and unfair, and I believe the American people will reject the Republican plan. I urge the Congress to do so as well.

Mr. President, these figures that I am quoting are the result of the Health Care Finance Administration and their actuaries from their evaluation of the Republican plan.

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I have been listening to my colleague from Massachusetts very carefully, not only on the child care amendments but also on capital gains, on the so-called Republican amendment, and how Medicare is going to be so seriously hurt if the Republican approach is taken.

I do not think it is a Republican approach. It is a pro-American approach. Right now, I do not know of anybody who does not agree that Medicare is in serious financial condition and faces bankruptcy early in the next century.

As of next year it starts to go broke. By the year 2002 it will be broke, and 37 million Americans will be the losers. I do not know why we have to make this so partisan because I have to say the Democrats have basically been virtually in control of Congress for all of the last 40 years, every year that Medicare has been in existence. And here we are today with Medicare's financial crisis.

Now, rather than complaining about efforts to try to save it, it seems to me they ought to pitch in and help us. The fact is, if we do nothing but throw authorized dollars that are not there, it is not going to solve the underlining problem. And under the approach that the House Members are taking, Medicare is going to increase 6.4 percent each year. Not only increase 6.4 percent, but the average payment under Medicare is currently $4,800 a year per senior and that will increase to $6,700 by the year 2002.

Clearly, nobody is cutting Medicare. The 37 million-plus beneficiaries who currently are on Medicare will continue to be taken care of. And, the program will be there for the rest of us in the future. The American people understood this when they, for the first time in 40 years, put Republicans in control of the House of Representatives. The American people knew that if they kept business as usual by keeping Democrats in control—who believe the answer to everything is the Federal Government—then we would never solve Medicare's financial situation.

And Medicare is soon going to be broke if it is not fixed. And the Medicare trustees' April 3, 1995, report on part A, the Medicare Hospital Insurance trust fund, under the most likely scenario, would be bankrupt in 7 years by the year 2002. It will begin running a deficit as early as October 1 of next year. The average two-income couple retiring in 1995, according to the Trustees Report—and four of the six Trustees are Clinton appointees—will receive $117,000 more in Medicare benefits than they paid into the Trust Fund during their working lives. Now, I do not have any problem with that as long as we have a fiscally responsible approach to solving the problems. So Congress will save Medicare, not by cutting it, but by slowing its rate of growth. This is based not on rhetoric but on the Congressional Budget Office analysis.

The Budget resolution proposes to increase total Medicare spending from $181 billion in fiscal year 1995 to $276 billion in fiscal year 2002—an increase of $96 billion or 52 percent overall.

As I said, the Budget resolution proposes to increase the amount spent per beneficiary from $4,800 in fiscal year 1995 to $6,700 in fiscal year 2002. That is $1,900 per person on Medicare or a 40 percent increase over that 7-year period. Congress will increase spending over 7 years by $355 billion more than if it were held at its current level. That amount of increase is equal to twice the total amount that will be spent on Medicare this year.

Who is kidding whom? It is nice to get up and harangue about the fact that we have to restrain the growth of Medicare. It is not a cut; it is a reduction in growth. We cannot just assume that Medicare is going to continue to run off the charts at 10.4 percent every year. That is totally unrealistic. It would bankrupt Medicare and jeopardize the program for future generations.

That is why we experienced a change in congressional leadership in the last election. The American people, in despair, realized that the only way they will get this problem under control is to get more moderate to conservative leadership in the Congress. That is what they did in voting for Republicans the last time.

Spending, as I said, is going to increase by 6.4 percent each year for the next 7 years if the Republican budget resolution proposal is adopted. The slowed spending rate is designed to save Medicare—not to balance the budget or pay for tax cuts. If the budget were balanced today, Medicare would still be broke tomorrow. Medicare's trustees, three of whom are members of the Clinton Cabinet, have

made this clear, but the President refuses to admit it. And so apparently do others here in the Senate.

Medicare reform is not related to Congress' promise of tax relief for America's middle class. Clinton's charge to the contrary is hypocritical. His own budget combines slow growth in Medicare spending with $110 billion in tax cuts. So who is kidding whom? Let us quit playing politics. Let us do what is right for Medicare and the American people. We have got to restrain the growth of this program and we have got to do it now. And that means, in part, some people are going to be means tested, and some of us are going to have to pay slightly more Part B premiums.

I think President Clinton and those who support him and who are playing politics with this are playing politics with our senior citizens' health. Rather than focus on Medicare's problems, you do not hear any solutions from these people who have controlled Congress for 40 years and who will control the White House for at least another 1½ years. You do not hear any solutions from them. Rather than focus on Medicare's problems, its impending bankruptcy, President Clinton seems to want to have us focus on politics and exaggerate spending differences between his and the Republican's plan.

When I hear that the Republicans want to hurt Medicare so they can fund their tax cuts for the wealthy, who is kidding whom? If you look at the Republican tax cuts, they primarily benefit the middle class. So let us not kid each other. And let us quit playing politics and start facing the facts and work together to solve this problem while, at the same time, developing prudent tax policy that encourages growth, economic development, and jobs enhancement rather than encouraging the growth of Federal spending.

A comparison of CBO's estimate of Congress' plan and the President's own estimation by the Office of Management and Budget of his plan shows the spending differences to be minuscule. Medicare spending will increase under both the President's and Congress' plan, assuming Congress will pass it.

Let us call it the Republican plan, if you want, because right now that is fair. However, there are going to be Democrats who support it who are as concerned about the future of Medicare as are Republicans who now know that reform is inevitable. It is apparent that Medicare spending cannot continue at current levels if the program is to survive for future generations of Americans.

And what is this rhetoric that cutting taxes is to take care of the wealthy? Proposed tax cuts are based on responsible reasons just as the Republican Medicare reform proposals are based.

And, in fact, President Clinton's current budget is closer to Congress' than it is to the first one he proposed just 4 months earlier. The Clinton budget would spend 7.4 percent more every year for the next 7 years. Congress would spend 6.4 percent.

(Mr. DEWINE assumed the chair.)

Mr. HATCH. Mr. President, also, according to the Senate Budget Committee, Federal benefits spending is going to grow by 6.4 percent. The difference between Congress' plan and the President's—1 percent—is well less than the difference between projected spending under current law—CBO says 9.98 percent—and the President's plan, a 1-percent difference. Yet, we hear this rhetoric that the Republicans are going to ruin Medicare and that they are going to take money away from the poor and give it to the rich. That is simply not true, and it is time for those who make those allegations to become more responsible and to stop misleading the American people.

True, the Republicans restrain the growth slightly more than the President's proposal, and I think there is a case, a very important case, to be made that is an appropriate thing to do.

The reform differences are crucial, however. Under Congress' budget, the problem is identified. Medicaid will be saved, and the budget will be balanced. That is the difference. The problem is identified, Medicare will be saved, and the budget will be balanced under the Republican approach. I should say, the Republican—with moderate/conservative Democrats—approach to solving the problem. Reform will mean Medicare is not only secure for the future but strengthened with more choices, less waste, and less abuse.

So I felt I had to make a few comments about this issue because of some of the comments made by several of my dear colleagues.

I would like to thank the distinguished Senator from Connecticut and the distinguished Senator from Massachusetts, both of whom are close and dear friends of mine, for their kind words about my involvement in the enactment of the child care development block grant. I do, indeed, consider this landmark legislation. I was proud to have played a role in its passage, and I have to say that working with my friends, the Senators from Connecticut and Massachusetts, as well as Senator MIKULSKI from Maryland, to accomplish this legislation was certainly one of the highlights of my last term in the Senate.

I agree with the thrust of the Senator's amendment in this case. I agree that we need more money for subsidized child care. I do not think anybody can disagree with that. The figures just show we need more money, not only to enable those on welfare to get off, but also to enable those who are working but have low income to stay off welfare.

I personally believe that child care is one of the key components to the reduction of welfare rolls in virtually every State. These points are well made, they are well taken, and I do not know many Senators in the Senate who would disagree with them. I have to say that if the distinguished Senators were suggesting the mere addition of funds to the CCDBG, the child care development block grant, or to the child care carve-out that I am suggesting in title I, I think it would be a pretty tempting proposition. But I have several reservations about this approach. I am going to keep an open mind as we debate it, but I still have several reservations.

First, it is a separate program, a new separate program established completely apart from title I. I believe we need to delineate funds for child care under the welfare program, and the reason we do is because if you just block grant them to the Governors, children do not vote and it becomes too easy to use those funds for other children's programs. That is a pretty wide array of programs, some of which may or may not benefit children and may or may not benefit them very much, if at all.

So I think we do need to delineate funds, but I do not believe the two efforts should be so completely separated that they cannot be effectively coordinated. I believe this is particularly important if we want to reduce the strain on the CCDBG, the child care development block grant, to provide child care for a welfare population at the expense of services for the working poor.

Second, one of the primary purposes of this block-grant approach is to simplify things for States. We want to spend less on bureaucracy at all levels and more on services at all levels. So I see no reason for a separate State application and a different format, which is what this amendment does. It just adds more bureaucracy, more Federal control, less money, less services, even though they are adding 6 billion new dollars.

Third, while I certainly appreciate what I take to be an effort of flexibility, I think subsection (e) is a little too flexible. Here I believe it is appropriate to specify that the use of funds are exclusively for child care services, not for a whole host of other child-care-related functions performed by States and localities.

Along this line, I would like to see some indication that parents will have a full array of child care options. My amendment, which we will take up later, states that ''eligible providers'' are centers, family-based or church-based.

Then, finally, there is the dreaded ''M'' word, and that is ''money.'' As I stated earlier, I agree that an excellent case could be made for child care funding. In fact, I will be using similar arguments about the need for child care during my presentation on my amendment to split child care funding out from title I funding. I hope I can deliver my statement with as much passion as the Senator from Connecticut and the Senator from Massachusetts have done, because I wholeheartedly

believe that we must enable parents to access safe, affordable child care.

The problem that I have with a quarter-billion-dollar add-on in the first year and a ballooning of that add-on to more than $3.7 billion in the year 2000 is that unless the Appropriations Committee has been holding out on us and has a money tree somewhere that can grow an additional $6 billion between now and the year 2000, I just do not think that it is very wise or even fair to authorize this money and pretend that it is going to materialize. Sitting on the Finance Committee, I have to tell you, the Finance Committee already has to come up with almost $600 billion in savings over the next 5 years.

I think an authorization should be realistic. It creates an expectation among the States, local governments, and potential recipients of this child care assistance, and we should not be promising that which we cannot deliver, and we cannot deliver at this time an additional $6 billion on top of the moneys that we have. I wish we could. If we could, I would certainly be in favor of doing it.

For those who work on these very crucial money committees, like the Finance Committee, I have to tell you, there are a lot of programs that are going to have to pay their fair share. I wish they could all be funded to the fullest degree. It is a lot more fun to spend money than it is to conserve, but there comes a time in everybody's life when they have to conserve, where they have to live within their means, where they have to try and balance budgets, and this is that time. We cannot continue on the way we are going.

It is not enough to believe child care is the right thing to do; we have to make it happen as well. I do have these problems, among others, with my friend's amendment today. It is a matter of great concern to me, because as everybody knows, I take a very strong and vital interest in child care and have from the beginning and would like to think I played a significant role in passing the Child Care Development Block Grant Act, which I think was long overdue.

I suggest to my colleagues who agree with both the Senator from Connecticut and me that child care is an essential component of this bill that they will have an opportunity later on in this debate to support a carve-out for child care within the title I block grant.

I have offered my amendment, and I will be bringing it up during the debate. I do believe that Senators will find that the Hatch child care amendment is more workable and more viable as an alternative in the overall context of this welfare reform bill.

That is not to disparage the efforts of my friends, because like I say, if the moneys were there, if we had a reasonable chance of getting those moneys, if we really go could go out and find them somewhere, certainly I would be very much in favor of trying to do that. But I am not in favor of creating an additional program to be run by HHS. The purpose of this is to block grant the funds to the States and let the States use less bureaucracy and get the moneys to the people who really need them—they claim they can do it better, and I have no doubt about that—than if we launder it through the HHS, this humongous bureaucracy bank that eats it up as fast as we launder it through.

I should say there are some differences between our amendments, and maybe I will speak on that later. I cannot find fault with anybody who feels deeply about this, arguing for this amendment. I know my friends from Massachusetts and Connecticut feel very deeply, as do I, about the whole issue of child care. We fought together on this floor for it, and we fought a very difficult battle, which was very costly to some of us. I would do it over again. But I also think we have to look at reality, too. I just plain do not want to start another separate child care program when we have one that is working very well right now, that we fought for and gave a lot for and have seen work well once it was enacted.

Mr. President, I feel so deeply about child care issues. I feel deeply about the single heads of household—primarily women, who do not know where to turn, who really cannot work because they worry about their children. I worry about latchkey children, who do not have anybody to supervise them at home. I worry about 6- and 7-year-olds watching over babies. These are all important points.

I think we should carve out and make it clear that we are going to protect these people who do not have votes right now, because over the years, as we have been concerned about our seniors—and rightly so—the bulk of the money is going to seniors because they vote, and the people who are being left out are children because they cannot vote. That is why I think we should have a carve-out so they have to use this money for child care and for the purposes of child care. But I do not think we should be sending messages that we have $6 billion when we do not. There is no real reason why we are going to have it.

Having said that, Mr. President, I suggest the absence of a quorum—I withhold that.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I yield myself 5 minutes. I know there are others of our colleagues who want to speak on this issue. I want to respond very briefly to some comments that my friend and colleague from Utah made with regard to the Medicare issue.

Of course, as the Senator from Utah knows, it is not part B of Medicare that is in trouble now, it is part A. That is the part of the Medicare system that needs focus and attention. The increase in the premiums that the Speaker has talked about and that is part of the Republican program is in the part B program. That is important to understand right at the outset.

We saw earlier in the year where the Republicans in the House of Representatives took $87 billion over ten years out of the Medicare part A trust fund in order to support their tax fund program. And still they continue to advocate for $245 billion in tax relief, while they are cutting Medicare $270 billion. So while Medicare part A is the part that is in difficulty, it is part B that we are going to have the increases in. But part B is not subject to bankruptcy, from a statutory point of view. That is important to understand. Again, it is part B where we are going to see the dramatic increases. Under the Republican plan, individuals will have to pay an additional $442 in the year 2002—a premium of almost $1,200 a year. These increases will cost individuals about $1,750 more in Medicare premiums over the life of the program, which means each senior couple will pay $3,500 more.

I just say, in response to my friend and colleague, that it does very little good, at least to the seniors in my State, to say, well, we are increasing the amounts which we are expending for you in terms of Medicare, but we are not increasing them to the extent to cover your health care needs, as we have in the past. And you are going to have to pay some $3,500 more. Maybe the seniors in Utah have a different reaction than the seniors in Massachusetts. People have paid into the Medicare system; they are working families. Two-thirds of them are making less than $17,000 a year, and $3,500 is a great deal of money for any family, any middle-income family and any retirees. And to say to the seniors, well, we are raising the expenditures on Medicare, but not the amount to cover the same range of health care services to the extent of $3,500 to the seniors in my State. They say that is a cut.

Here is the final point I will make with regard to the Medicare. First of all, we find that the statement the Speaker made with regard to a $7 a month increase in the part B premium is absolutely wrong. According to the Health Care Financing Administration, the monthly premium will go up to $96 a month in the year 2002, an increase of $37 a month, not $7 a month.

So it is important that seniors understand, as this debate takes place, what the facts are. There is going to be up to $37 a month increase, not $7 a month increase, in the year 2002 alone. And individuals will pay $1,750 more over the next 7 years of the program and couples will pay $3,500 more. So the argument that we will be raising the reimbursement falls flat to the seniors of my State that will be paying that much more—$3,500 more—over the next 7 years.

Finally, it is important in health care to understand what has been going

on in Medicare over the last 10 years. The fact is that Medicare, per patient, has not increased as much as in the private sector. We understand that. The increases in Medicare for treatment has not increased as much as the cost for the treatment of those that are not in Medicare. The increase in the costs, therefore, are a result of the Congress not acting to hold costs down. And to say to our senior citizens that it is just too bad that you are paying more out of your pocket because we in Congress refuse to come to grips with the escalation of health care costs, I find to be an unsatisfactory way to approach this situation.

Mr. President, I daresay we will have more of a chance to deal with and discuss the Medicare issue. I think it is obviously an overarching, overriding issue, because it involves the social compact which is a part of Social Security. Social Security and Medicare are part of one single contract. We heard a great deal around here about how we are not going to cut Social Security, but somehow that promise did not, for some reason, extend to Medicare. And now we have seen at the beginning of that debate, which will continue over the period of these next few weeks, serious misrepresentations in terms of the costs for our seniors. That is a disservice to the debate and discussion which needs to take place.

So, Mr. President, finally, let me just say this regarding the Senator's comments on the child care proposal. As the Senator from Connecticut and I have stated during the course of this debate, the provisions in the child care and the discretionary program would not be law today if the Senator from Utah had not supported those provisions.

That was at a time when we had real renewed attention and focus on the issues of children. It was at a time we were debating the Family and Medical Leave Program on which my friend and colleague, the Senator from Connecticut, Senator DODD, was a leader up here, as well as on the child care program where, again, he, Senator HATCH, Senator KASSEBAUM, and others were the real leaders.

When he speaks and expresses his commitment and concern, all who have been a part of this whole process respect that.

The only point I make is that we are, in characterizing this amendment, as the Senator provides $1 billion for earmarking for the child care program in a way that it will work its way through the block grants to the States and through the State organization, we have accepted that same approach in terms of the Dodd-Kennedy increase in funding.

We are following identically the same kind of process. The difference is we will meet the responsibilities to the increased demand for child care, we think. We all respect the approach of the Senator from Utah that falls far short.

Mr. President, I see my friend here from Minnesota. I expect the Senator wants some time.

How much time remains?

The PRESIDING OFFICER. The Senator has 21 minutes and 22 seconds.

Mr. KENNEDY. I yield 6 minutes to the Senator from Minnesota.

Mr. WELLSTONE. I thank the Chair. I say to my colleague from Massachusetts that I will not use any of this time to talk about health care, but I do want to associate myself with his remarks. I think we really will have a nationally and historically significant debate about Medicare and health care policy soon which will be extremely important for this Nation.

I hope people throughout the country are very engaged in this debate.

Mr. President, I ask unanimous consent that I be included as an original cosponsor of the Kennedy-Dodd bill.

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

Mr. WELLSTONE. Mr. President, this amendment would provide a direct spending grant to States of $11 billion over the next 5 years, which is precisely the amount that HHS estimates the child care would cost under the Dole bill.

I say to my colleague from Utah and I say to the rest of my colleagues, as well, that you cannot have real health care reform, as opposed to what I describe as reverse reform, which is what we have right now with the Dole bill, unless you have a commitment to family child care. This amendment really invests the necessary resources.

Mr. President, there have been any number of different studies in Minnesota, and I cite one study by the Greater Minneapolis Day Care Association in 1995. I am not even going to go through all the statistics because sometimes I think our discussion on the floor of the Senate becomes too cut and dried when we just focus on statistics.

The long and the short of the study is that there are many families, single-parent and two-parent families, that really are doing everything they can to get on their own two feet and be able to work. The problem is affordable child care.

In cases of a single-parent family—and when we talk about welfare families, we are talking in the main about a family with a woman as a single parent. I wish men would accept more responsibility. I know the Chair agrees with me 100 percent on that. In the case of a single-parent family welfare mom, quite often the pattern over a period of time is that a mother will move from welfare to workfare. But then what happens is the cost of child care is so prohibitively high or it is just so difficult to find the child care in the first place, or the child becomes sick for a week and the mother loses her job, you name it, that she has to then go back to welfare.

I am all for the welfare reform. Guess what? It is not just Senators that are for the welfare reform. The citizens that are most for real reform as opposed to something which is punitive and degrading are the welfare mothers themselves, the ones who all too many Senators have been bashing for the last week and a half.

Mr. President, this amendment is extremely important. If we want to have the reform, we have to invest the resources into affordable child care.

Mr. President, I noticed there is a provision now in the Dole bill which I think is interesting and I think it is relatively important, which essentially says, as I understand it, that if, in fact, the State does not allocate the money or does not have the resources for the affordable child care for the mother, then the mother would not be sanctioned by not taking a job and going into the work force.

That makes a lot of sense because these mothers, like all parents, are worried about their children.

By the way, Mr. President, if we have silly cutoffs like 1 year, it does not make any sense. I am a father of three children, a grandfather of two, going to be a grandfather of three in the next month or so, and I can tell you that a child at 1 year and 1 week is not exactly ready to clean the kitchen, do the housework, stay at home alone, et cetera.

The question is, what happens to these small children? The last thing in the world we want to do is punish children.

This commitment of some resources to child care goes some way toward making this real welfare reform as opposed to reformatory; that is to say, something which is punitive and puts children in jeopardy.

The second point I want to make, Mr. President, with this provision that is now in the Dole bill, is that as I see it, if this provision is taken seriously, what will happen is a lot of this is just going to be at a standstill because as a matter of fact without the commitment of resources for child care, and we did not have that commitment of resources in the Dole bill—this amendment attempts to invest those resources—a lot of mothers will be in a position back in our States of saying with the long waiting lists already for affordable child care, without the resources to be able to afford it, these are low-income women, they will be able to say we cannot go to work because we do not know what will happen to our children, there is no affordable child care for our children, in which case according to the provision in the bill they would not have to go into the work force.

There is some good news to that, because I do not think we should coerce a mother into going into the work force. Taking care of children at home is very important work, whether it is a mother or a father. Without the child care, she cannot do it.

On the other hand, then, the whole promise of this reform of enabling welfare mothers, sometimes welfare fathers, to be able to work becomes a promise that is never fulfilled. This amendment goes a long way toward enabling us to fulfill that promise.

The PRESIDING OFFICER. All time has expired.

Mr. KENNEDY. I yield 1 minute.

Mr. WELLSTONE. Mr. President, in a minute, I cannot even do justice to the point I will try to make.

What has cropped up in this debate I think is a very interesting argument, which is all too often some of my colleagues will say, well, look, if you have a family with an income of $35,000, maybe two parents, they are paying for child care, why should we talk about investment of resources for affordable child care for welfare mothers?

I do not know why we are paying off middle-income and moderate-income citizens versus low-income women. We should focus on what is good for the children.

The fact of the matter is our country has not made a commitment to affordable child care. It is a shame. This is a perfect example of where we could allocate some of the resources at the Federal level and decentralize it and let all the good things happen at the community level, at the neighborhood level—be it for low income, moderate income, middle income—with some sort of sliding fee scale.

That is really the direction we ought to go, not in the direction of not investing resources in child care and therefore putting mothers in a difficult position, and most important of all, punishing children.

This is a very important amendment which really kind of is a litmus test as to whether we are serious about reform as opposed to reformatory.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Connecticut.

Mr. DODD. Mr. President, if I might, let me inquire how much time remains?

The PRESIDING OFFICER. The Senator from Connecticut has 14 minutes and 18 seconds.

Mr. DODD. On the side of the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Utah has 67 minutes and 22 seconds.

Mr. DODD. I would just inquire of my colleague from Utah if I might take 5 of his minutes? I am fearful he may not be on the floor, someone else may come over, and we will have run out of all of our time.

Mr. HATCH. I will be glad to yield 5 minutes to the Senator from Connecticut.

Should I say a few words first? Or I will be happy to wait.

Mr. DODD. No, go ahead.

The PRESIDING OFFICER. The Senator from Utah.

THE CAPITAL GAINS DEBATE

Mr. HATCH. Mr. President, it is not quite on this subject, but since my friend from Massachusetts raised the issue I thought I would just spend a few minutes on it because it is something that is near and dear to my heart and I think near and dear to, really, those of a pretty good majority of this body.

One of the worst perceptions about the capital gains debate is that only the rich are going to benefit from a capital gains rate reduction. My friend from Massachusetts implied that and implied that those of us who are for a capital gains rate reduction are basically taking care of our good old rich friends. I do not have many rich friends. I have to say that I was born in poverty, came up the hard way. I am one of the few in this body who learned a trade, went through a formal apprenticeship program, became a journeyman and worked in the building construction trade unions for 10 years, putting myself through high school. I had to work to get through high school, college and law school. So I do not think it is a matter of rich friends at all.

The fact of the matter is, nothing could be further from the truth with regard to capital gains. In fact, Americans at all economic levels will benefit from increased growth. President John F. Kennedy once said, basically while he was enacting a capital gains rate reduction which proved to be very efficacious for our country, ''a rising tide of investment lifts all boats.'' President Kennedy supported a capital gains cut because thousands of middle-class Americans would benefit from it.

In 1992, 56 percent of Federal income tax returns claiming capital gains—56 percent of those returns claiming capital gains—were from taxpayers with incomes of $50,000 or less, and 83 percent came from taxpayers with incomes of less than $100,000. Almost all of them came from people who earned less than $100,000. But, again, keep in mind, 56 percent came from those who earned less than $50,000. Only the rich?

The preferential capital gains tax benefits every American who believes in the American dream, who is willing to take a risk for a long-term reward. Millions of American families that own farms or small businesses will benefit from the capital gains tax. Yes, in 1 year of their productive lives, a husband and wife may have a high income, in the year they sell their family farm or small business. But that is one reason these statistics can be so misleading. The capital gains differential is just as much about Main Street as it is Wall Street. This amendment rewards risk taking and sacrifice, and that is the right thing to do.

The opponents of the capital gains tax rate cut argue that it benefits mostly the wealthiest income groups. This assertion is based on deceptive statistics. The income figures used in these statistics include the taxpayer's entire income, which includes the capital gain. This makes the capital gains tax cut appear to be a tax cut for the rich.

A far more accurate picture results when only recurring or ordinary income is considered. Let me give an example. An elderly couple living in Cache County, UT, has been farming on land they owned for 40 years. The land was purchased for $50,000 in 1950. They decided to retire to St. George, UT, and thus, they sell their farm for $250,000 after farming it for 40 years, having paid $50,000 for it.

This couple has never reported more than $35,000 of gross income on their tax returns in their life, never more than $35,000 in any given year. But in the year of the sale of their farm, they report more than $200,000 of gross income. Are these people among the very wealthiest income earners of our Nation? Of course not.

The Department of the Treasury statistics show that this example is not just the exception, it is the rule. If capital gains are excluded from income, only about 5 percent of tax returns containing long-term capital gains have incomes of over $200,000. Only 5 percent.

A Treasury study covering 1985 shows that taxpayers with wage and salary income of less than $50,000 realized nearly one-half of all capital gains in 1985. In addition, three-quarters of all returns with capital gains were reported by taxpayers with wage and salary income of less than $50,000 in that year. So let us not kid anybody. Of course, those who are wealthy will benefit, but they generally put their moneys back into investments or into businesses, into creation of jobs and economic opportunity for others. So we should not begrudge the fact that they benefit as well.

But a huge, huge number of middle-class people benefit from capital gains rate reductions not just because they themselves have capital gains to pay taxes on, but because they benefit from the stimulation of the economy that occurs when money is rolled over and utilized in creating new jobs and new job opportunities.

A Joint Tax Committee analysis of the years 1979 to 1983 found that 44 percent of taxpayers reporting gains realized a gain in only 1 out of 5 years. This is the occasional investor, the home or business owner, who is realizing these gains. When we move beyond the class warfare rhetoric, we find that capital gains tax cuts help working Americans.

High capital gains taxes especially hurt elderly taxpayers. Capital gains for seniors average four to five times the size for capital gains for younger taxpayers. In fact, in any year more than 40 percent of taxpayers over the age of 60 pay capital gains taxes.

So, the fact of the matter is, it is deceptive to argue that capital gains benefit only the wealthy. They benefit everybody.

I believe if we cut capital gains, we will unleash some of the $8 trillion in

this economy that is locked up in capital assets that people will not sell because they do not want to pay 28 to 39 percent in a capital gains tax. Once we unleash that—if we could just unleash 10 percent of that money, can you imagine what a stimulation and stimulus that would be to our economy?

Taxpayers are very sensitive to capital gains reductions. This is especially true for the most affluent Americans. As a result, Americans will realize many gains as soon as the rate changes. This will raise tax revenue, probably by an amount far above joint tax estimates.

Joint tax estimates are among the most conservative estimates you can have. I will not go into the details on this, but we can say in the last 30 years, every time capital gains rates have gone up, revenues to the Federal Government have gone down from selling capital assets. Every time capital gains rates have been dropped, or lowered, revenues to the Government have gone up. It just makes sense, especially when you realize there is $8 trillion locked up in capital assets that they will not sell, they will not trade, they will not move because of the high rate of taxation that we have today.

Let us lower that capital gains rate and benefit all Americans, but especially—especially—the middle class and those earning under $50,000 a year who will benefit greatly from it, and get some sense into this system so we push the better aspects of our system. Let us get rid of some of this demeaning rhetoric that literally cuts into the—really cuts against what are the real facts with regard to capital gains and capital gains rate reductions.

I am very strongly for a capital gains rate reduction because I think it will benefit virtually everybody in our society, the poor as well, because there will be more jobs and more economic opportunity than before the rates are cut.

Mr. President, I yield the floor.

THE FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

Mr. KENNEDY. Mr. President, will the Senator be good enough to yield 5 minutes?

Mr. HATCH. I will be happy to yield 5 minutes.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. I thank the Senator.

Mr. President, I just want to put in the RECORD some of the comments from some of the leading church and legislative and active groups that have been focusing on the welfare debate. I will include all of the statements in the RECORD. But I would like to refer at this time to individual sentences and comments that summarize their position.

One was from the National Council of the Churches of Christ in the USA. It said:

The religious community is a major provider of center-based child care. Throughout the nation, millions of children are cared for every day in church-housed child care. Our churches have long waiting lists of parents seeking quality care for their children. We are not able to accommodate the demand because the resources to expand the supply are so scarce. We know this problem first hand, because the desperate parents are in our congregations, as are the overworked providers of child care services. Their facilities are in our buildings, and our congregations are enriched by the lively presence of their children.

We believe that it is not responsible public policy to require parents to work without providing adequately for their children's safety and nurture while the parents are at their jobs. If the government is going to insist that mothers of young children leave them to go into the workplace, then the government must make it possible for the parents to do so in the confidence that their children are in a safe, wholesome environment. To do otherwise puts our children at risk and almost guarantees that parents, preoccupied with concern for the well-being of their youngsters, will not perform to the best of their ability.

That is an excellent statement of the National Council of the Churches of Christ.

The National Conference of State Legislatures:

NCSL has been concerned about the lack of coordination of existing child care funding streams. We are interested in working with you to consolidate these funds. Child care is an essential component to support welfare recipients moving from welfare to work and is critical for low-income working families. Our experience suggests that a renewed commitment to work by welfare recipients will require additional child care funds above current levels.

That is the National Conference of State Legislatures; that is, Republicans and Democrats.

The American Public Welfare Association:

Current proposals in the Senate do not create a separate state block grant for all child care programs. APWA supports a separate child care block grant, in the form of an entitlement to states, not as a discretionary spending program subject to annual funding reductions. States will not be able to move clients from welfare to work without adequate and flexible funding to provide essential child care services.

Catholic Charities:

We are very concerned that the new work requirements and time limits for AFDC participation will leave children without adequate adult supervision while their parents are working or looking for work. The key to successful work programs is safe, affordable, quality day care for the children. The bill before the Senate does not guarantee or increase funding for day care to meet the increased need associated with the work requirements and time limits. Please, support amendments by Senators Hatch and Kennedy to guarantee adequate funding to keep children safe while their mothers try to earn enough to support them.

The Governor of Ohio:

I would like to see the child care and family nutrition block grants converted into capped state entitlements. In the House bill, funding for these block grants is discretionary. Key child care programs currently are individual entitlements. The need for child care only will grow as welfare recipients move into the workforce.

The National Parent Teacher Association:

The potential for success of welfare reform depends on former recipients becoming employed an being able to meet basic needs for shelter, food, health care and child care. Subsidized child care for low income working parents is crucial.

Every single organization that has responsibility and which has studied this is and which are out on the front lines on the issue of welfare reform has understood the importance of providing child care, and the Dodd-Kennedy amendment provides it.

Mr. President, I ask unanimous consent that these documents be printed in the RECORD.

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

NATIONAL COUNCIL OF THE CHURCHES OF CHRIST IN THE USA—STATEMENT ON THE IMPORTANCE OF CHILD CARE IN WELFARE REFORM

(By Mary Anderson Cooper, Associate Director, Washington Office, August 9, 1995)

As the Senate works to overhaul the nation's welfare system, we urge Senators to make the well-being of those who are impacted by that system their primary concern. As people of faith and religious commitment, we are called to stand with and seek justice for people who are poor. This is central to our religious traditions, sacred texts, and teachings. We are convinced, therefore, that welfare reform must not focus on eliminating programs but on eliminating poverty and the damage it inflicts on children (who are ⅔ of all welfare recipients), on their parents, and on the rest of society.

Further, we support the goal of helping families to leave welfare through employment, because we believe that those who are able to work have a right and a responsibility to do so. However, we also recognize that just finding a job will not necessarily mean either that a family should leave welfare or that its poverty will end. Since full-time jobs at minimum wage yield a family income that is below the poverty line, and since such jobs often do not provide health care benefits, employed people trying to leave welfare may still need some government subsidy in order to become self-supporting.

Key among the kinds of help such people need is child care. The Children's Defense Fund tells us that one in four mothers in their twenties who were out of the labor force in 1986 said they were not working because of child care problems (high cost, lack of availability, poor quality or location, lack of transportation, etc.). Among poor women, 34% said they were not working because of child care problems.

The Government Accounting Office tells us that increasing the supply of child care would raise the work participation rates of poor women from 29 to 44 percent. For near-poor women, the rates would rise from 43 to 57 percent. Thus, increasing the supply of safe, quality, affordable child care would help some women escape poverty while helping others avoid falling into it in the first place.

The religious community is a major provider of center-based child care. Throughout the nation, millions of children are care for every day in church-housed child care. Our churches have long waiting lists of parents seeking quality care for their children. We

are not able to accommodate the demand because the resources to expand the supply are so scarce. We know this problem first hand, because the desperate parents are in our congregations, as are the overworked providers of child care services. Their facilities are in our buildings, and our congregations are enriched by the lively presence of their children.

We believe that it is not responsible public policy to require parents to work without providing adequately for their children's safety and nurture while the parents are at their jobs. If the government is going to insist that mothers of young children leave them to go into the workplace, then the government must make it possible for the parents to do so in the confidence that their children are in a safe, wholesome environment. To do otherwise puts our children at risk and almost guarantees that parents, preoccupied with concern for the well-being of their youngsters, will not perform to the best of their ability.

The issue of child care has been nearly absent from the congressional debate on welfare reform. Consequently, we are particularly grateful to Senator Daschle for making child care a key feature of his legislation. We commend him for raising the visibility of this issue and look forward to working with him to assure that adequate provisions for child care are included in any welfare bill that is approved by the Congress.

NATIONAL CONFERENCE OF STATE LEGISLATURES,
Washington, DC, May 16, 1995.

Hon. BOB PACKWOOD,
U.S. Senate, Russell Office Building, Washington, DC.

DEAR SENATOR PACKWOOD: We are writing to thank you for your public commitment to state flexibility as a principle in your welfare reform legislation. The National Conference of State Legislatures (NCSL) is especially pleased by your recognition of the critical role of state legislators in welfare reform and other programs that serve children and families. We appreciate your confidence in our ability to design programs that best serve the needs in our states and urge you to consider our views as you finalize your welfare reform legislation.

We are encouraged by your endorsement of providing more discretion to state decisionmakers and rejecting provisions that micromanage and limit state authority to determine eligibility. However, state legislators are concerned about several provisions under consideration that have the potential to limit state authority, shift major costs to the states and violate NCSL's policy on block grants. The balance of this letter specifies our concerns in six major areas. In summary, we urge you to reconsider the consolidation of open-ended entitlements for child protection services, work requirements in the cash assistance block grant, denial of benefits to legal immigrants, the absence of real protection for states to respond to economic change, the consolidation of child care funding, and timing to successfully implement revised programs.

I understand that your are still considering a block grant for child protection funds. State legislators believe that foster care maintenance and adoption assistance payments and administrative funding under Title IV-E must be maintained as an open-ended entitlement. Children in danger cannot be told that the government ran out of money to protect them. We must respond to those who turn to us as a last resort. The demand for these services has not been predicted well at the federal level. No one predicted the damage that HIV infection, crack cocaine and homelessness would do to children's security within their families. No one anticipated the resulting increase in state and federal costs. Courts will decide to remove children from unsafe homes and states must respond to these decisions. We urge you to reject the child protection block grant.

We are disappointed with the prescriptive work and participation requirements in H.R. 4. State legislators are interested in creating our own programs, not running a uniform program with federally-determined program details and fewer funds. We oppose federal micromanagement in the definition or type or work, the role of training, minimum number of hours a recipient must work, and participation rates. These are precisely the decisions each state should make based on local needs. We do support measurement of outcomes and performance data to ensure that program goals are being met.

NCSL strongly opposes the denial of benefits to legal immigrants. The federal government has sole jurisdiction over immigration policy and must bear the responsibility to serve the immigrants it allows to enter states and localities. The denial of benefits will shift the costs to state budgets. Eliminating benefits to noncitizens or deeming for unreasonably long periods will not eliminate the need, and state and local budgets and taxpayers will bear the burden. Denial of services to legal immigrants by states appears to violate both state and federal constitutional provisions. We continue to support making affidavits of support legally binding.

NCSL supports the development of a contingency funds to assist states to respond to changes in population and the economy rather than a loan fund. The absence of adequate protections for states with population growth, economic changes and disasters is a barrier to state support of a cash assistance block grant. We believe that a loan fund is not sufficient assurance of federal assistance. The federal government must participate as a partner in a fund that has a mechanism for budget adjustment so that states are not overly burdened by increased demand for services.

NCSL has been concerned about the lack of coordination of existing child care funding streams. We are interested in working with you to consolidate these funds. Child care is an essential component to support welfare recipients moving from welfare to work and is critical for low-income working families. Our experience suggests that a renewed commitment to work by welfare recipients will require additional child care funds above current levels. A consolidated child care fund should stand alone.

Finally, state legislators will need adequate transition time to successfully implement revised income security and related programs. States will have to modify their laws to comport with new federal legislation, restructure their administrative bureaucracies and revise their FY96 and FY97 budgets that have been enacted on the basis of current law and federal spending guarantees. We urge inclusion of a provision giving states no less than one year of transition time and consideration for additional time for states that meet biennially.

We look forward to working with you throughout this process. Please contact Sheri Steisel or Michael Bird in NCSL's Washington Office to further discuss our views.

Sincerely,

JANE L. CAMPBELL,
President, NCSL, Assistant House Minority Leader, Ohio.

JAMES J. LACK,
President-elect, NCSL, Senator, New York.

AMERICAN PUBLIC WELFARE ASSOCIATION

(By Gerald H. Miller, President, and A. Sidney Johnson III, Executive Director)

SERIOUS SHORTFALL IN CHILD CARE FUNDING

By increasing the number of participants required to work and maintaining child care funds at the FY 94 level, current welfare reform proposals in the Senate would significantly hinder states' efforts to move welfare recipients into the workforce. There is clear congressional intent to require states to meet higher participation rates, which cannot be met if child care is unavailable. CBO estimates, presented in testimony before the Senate Finance Committee, indicate that the child care needed to meet proposed participation rates, will cost approximately 5 times the current proposed allocation. Based on those estimates, states will face a serious child care funding crisis.

Current proposals in the Senate do not create a separate state block grant for all child care programs. APWA supports a separate child care block grant, in the form of an entitlement to states, not as a discretionary spending program subject to annual funding reductions. States will not be able to move clients from welfare to work without adequate and flexible funding to provide essential child care services.

ANALYSIS

The amount of money allocated for child care is not adequate given the work participation requirements in the bill. Welfare reform legislation, in outlining work provisions and requirements, should recognize and address both programatically and financially the distinct role of child care in clients' ability to obtain and retain employment. Child care is an essential component for successfully moving people to self-sufficiency. Moreover, no work program can succeed without a commitment to making quality child care available for recipients.

CATHOLIC CHARITIES, USA,
August 4, 1995.

DEAR SENATOR: As the Senate takes up welfare reform, we urge you to adopt provisions to strengthen families, protect children, and preserve the nation's commitment to fighting child poverty.

Across this country, 1,400 local agencies and institutions in the Catholic Charities network serve more than 10 million people annually. Last year alone, Catholic Charities USA helped more than 138,000 women, teenagers, and their families with crisis pregnancies. Because Catholic agencies run the full spectrum of services, from soup kitchens and shelters to transitional and permanent housing, they see families in all stages of problems as well as those who have escaped poverty and dependency.

This broad experience, along with our religious tradition which defends human life and human dignity, compels us to share our strong convictions about welfare reform.

The first principle in welfare reform must be, ''Do no harm.'' Along with the U.S. Catholic Conference, the National Right-to-Life Committee, and other pro-life organizations, we have vigorously opposed child-exclusion provisions such as the ''family cap'' and denial of cash assistance for children born to teenage mothers or for whom paternity has not yet been legally established.

We are also convinced that the idea of rewarding states for reducing out-of-wedlock pregnancies is well-intentioned but dangerously light of the fact that the only state experiment in this regard, the New Jersey family cap, already has increased abortions without any significant reduction in births. The ''illegitimacy ratio'' may well encourage states to engage in similar experiments that

would result in more abortions and more suffering.

We also support Senator Kent Conrad's amendment, which not only would require teen mothers to live under adult supervision and continue their education, but also would provide resources for ''second-chance homes'' to make that requirement a reality.

The second principle should be to protect children. We are very concerned that the new work requirements and time limits for AFDC participation will leave children without adequate adult supervision while their parents are working or looking for work. The key to successful work programs is safe, affordable, quality day care for the children. The bill before the Senate does not guarantee or increase funding for day care to meet the increased need associated with the work requirements and time limits. Please, support amendments by Senators Hatch and Kennedy to guarantee adequate funding to keep children safe while their mothers try to earn enough to support them.

The third principle should be to maintain the national safety net for children. We oppose block granting Food Stamps, even as a state option, because the Food Stamp program is the only national program available to feed poor children of all ages with working parents as well as those on welfare. On the whole, the Food Stamp program works well, ensuring that children in even the poorest families do not suffer from malnutrition.

We are encouraged by the fact that Senator Dole's bill does not seek to cut or erode federal support for child protection in the child welfare system. Proposals to block grant these essential protections are ill-advised and dangerous to children who are already abused, neglected, abandoned, and totally at the mercy of state child welfare systems. Federal rules and guarantees are essential to the safety of children.

The fourth principle should be fairness to all citizens. Certain proposals before the Senate would create a new category of ''second-class citizenship,'' making immigrants ineligible for most federal programs, even after they become naturalized Americans. We urge you to reject this and other proposals that would leave legal immigrants without the possibility of assistance when they are in genuine need.

The fifth principle should be to maintain the national commitment to fighting child poverty. In exchange for federal dollars and broad flexibility, states should be expected to maintain at least their current level of support for poor children and their families. We understand that Senator Breaux will offer such an amendment on the Senate floor. Please give it your support.

In our Catholic teaching, all children, but especially poor and unborn children, have a special claim to the protection of society and government. Please vote for proposals that keep the federal government on their side.

Sincerely,

FRED KAMMER, SJ,
President.

STATE OF OHIO,
OFFICE OF THE GOVERNOR,
March 27, 1995.

Hon. BOB DOLE,
Majority Leader,
U.S. Senate, Washington, DC.

DEAR SENATOR DOLE: As you know, the House of Representatives has completed its consideration of welfare reform legislation. While I strongly support the decision made by the House to convert welfare programs into block grants, I am concerned that the House bill fails to provide states with the flexibility needed to set our own priorities and conduct innovative experiments to promote responsibility and self-sufficiency. Many of my fellow Republican Governors share a number of my concerns.

I was disappointed with the allocation formula established through the Temporary Family Assistance Block Grant. It is the position of the National Governors' Association that any formula should allow states to use either a three-year average or 1994 spending levels in determining base year allocations. While the House formula includes this choice, it then applies a 2.4-percent reduction factor to each state's allocation. The reduction factor leaves Ohio with a base year allocation of $700 million annually, which is lower than what we would have received using either formula without a reduction factor. Speaker Gingrich assured states he would support eliminating the reduction factor. We would like to work with you in the Senate to make this correction.

Although allowing each state to receive its most favorable allocation without a reduction factor requires funding for the block grant to be increased by approximately $200 million nationally, it is important to remember that states are making a significant financial sacrifice in supporting capped block grants. If states are disadvantaged in determining base year allocations, it becomes even more difficult to make the increased investments in work programs necessary to move individuals off welfare.

The House bill also does not include sufficient protections for states in the event of an economic downturn. If Congress replaces open-ended individual entitlements with capped state entitlements, states are placed in an extremely vulnerable position should the welfare-eligible population increase significantly. The state and federal governments should be partners in meeting the needs of expanded caseloads in recessions. The House bill contains a $1 billion rainy day fund designed to provide the states with short-term loans, repayable with interest in three years. A loan fund does not represent a partnership; instead it is a cost shift.

Ohio would be particularly disadvantaged in a recession due to aggressive steps already taken to reduce welfare caseloads. Today, 85,000 fewer Ohioans receive welfare than in 1992. States that have not been aggressive in reducing their welfare rolls will be better able to accommodate increased caseloads. Ohio's streamlined base makes it very difficult for us to absorb increased recessionary demands.

As part of our efforts to reduce welfare caseloads, Ohio has developed the strongest JOBS program in the nation. Ohio leads the nation with 33,911 recipients participating in JOBS. Only California comes close to matching Ohio's performance with 32,755 recipients enrolled in JOBS, and California has three times as many ADC recipients as Ohio. Our success with the JOBS program reflects a strong investment in training and education programs. Regardless of the extent of our investment, however, no work program can succeed without a commitment to making quality child care available for recipients. In Ohio, the state provides non-guaranteed day care to families with incomes up to 133 percent of the federal poverty level. The program currently has an average daily enrollment of 17,800. The State of Ohio is doing its part to provide child care to those in need. The federal government also must meet its responsibility.

I would like to see the child care and family nutrition block grants converted into capped state entitlements. In the House bill, funding for these block grants is discretionary. Key child care programs currently are individual entitlements. The need for child care only will grow as welfare recipients move into the workforce. My comfort level with the House package would increase significantly if states were guaranteed to receive a specified level of funding for child care and for child nutrition services for the next five years. That guarantee can only come through a capped state entitlement.

Excessive prescriptiveness is a problem throughout the House legislation. The bill's work requirements are a perfect example. The federal government mandates how many hours per week a federally defined percentage of cash assistance recipients must participate in federally prescribed work activities. In a true block grant, states would be free to choose how best to allocate resources to meet goals developed jointly by the federal and state governments. The recordkeeping requirements in the House bill also are extraordinarily prescriptive. States remain concerned that our computer systems lack the capability to provide the information required by the House.

A true block grant should also give states the ability to determine their own program eligibility standards. The House legislation includes a number of specific eligibility restrictions. For example, cash benefits will be denied to unwed minor mothers and their children. Additional children born to mothers on welfare will be denied benefits. Decisions like these should be left to the states. By federally mandating these restrictions, the House is interfering with successful state reforms. For example, in Ohio we have developed a program designed to encourage minor mothers to remain in school. The LEAP (Learning, Earning, and Parenting) program supplements or reduces a teen mother's ADC cash grant based on her school attendance to teach her that there is a real value to completing her education. LEAP has led to a significant decrease in the drop-out rate for this vulnerable population. If the House prohibition on cash benefits remains in place, the LEAP program will have to be discontinued.

As the Senate begins to consider welfare legislation, I would be grateful for your assistance in addressing my concerns. Like many other Governors, I strongly support the broad outline of the House proposal, but it is important that these issues be resolved successfully. As a Governor, it will be up to me to implement welfare reforms in my State. I would like to work with you to ensure that block grants give the states the flexibility we need to implement innovative reforms designed to meet the specific needs of our communities. Without this flexibility, I cannot support this welfare reform package.

While Ohio watches federal welfare reform developments with tremendous interest, we have been actively pursuing a statewide reform agenda. I have enclosed a summary of Ohio's history of welfare reform innovation for your information.

Thank you for your personal consideration of my concerns.

Sincerely,

GEORGE V. VOINOVICH,
Governor.

NATIONAL PARENT TEACHER ASSOCIATION, NATIONAL ASSOCIATION OF ELEMENTARY SCHOOL PRINCIPALS, NATIONAL ASSOCIATION OF STATE BOARDS OF EDUCATION, NATIONAL ASSOCIATION OF STATE DIRECTORS OF SPECIAL EDUCATION, NATIONAL EDUCATION ASSOCIATION, AND THE COUNCIL OF CHIEF STATE SCHOOL OFFICERS,
March 20, 1995.

DEAR REPRESENTATIVE: The undersigned organizations, representing parents, educators, principals, and state policymakers, support improvements to the welfare system. We believe such reforms must address the

fundamental quality child care needs of working as well as unemployed parents.

We have several concerns about the impact of H.R. 999 on the issues of access to and the quality of child care in this country:

The plan reduces funding even though programs already have long waiting lists of eligible families.

Welfare reform will increase the need for child care by requiring participation in training, education, or employment by mothers who currently take care of their children.

The potential for success of welfare reform depends on former recipients becoming employed and being able to meet basic needs for shelter, food, health care and child care. Subsidized child care for low income working parents is crucial.

Recent data show that quality in centers and daycare homes is low, especially for infants. Cutting funding for quality and eliminating standards would threaten to erode the quality of care even further.

We know that the quality of child care for all children has a significant impact on the ability of children to learn in the first few years of school. When children experience success in responsive, high quality programs, they learn essential skills and knowledge, and their parents learn to be confident partners with teachers and schools.

* * * * *

Mr. KENNEDY. Finally, Mr. President, I would just mention what we are really talking about in terms of child care. We have talked about figures. We talked about statistics. We talked about flow lines. We talked about entitlements. What we are talking about is really the issue of children being home alone. This is not a joke or a big screen comedy. It is a real life tragedy for American families pressed to the wall. Just listen to the horror stories from families that have been put in this awful position—and paying an unbelievable price.

Think about 6-year-old Jermaine James of Fairfax County and his 6-year-old friend Amanda, who were being cared for by his 8-year-old sister Tina. When a fire broke out in their apartment, Tina ran for help, inadvertently locking the younger children in the burning apartment. They died before the fire department could get to them. Sandra James and her husband needed two jobs to support their family and still could not afford child care. They tried to stagger their schedules but did not always succeed.

Think about 7-month-old Craig Pinner of San Francisco who drowned in the bathtub while his 9-year-old brother was trying to bathe him. His mother was working part time and participating in job training. She usually left the children with her family, but her car had broken down and she was no longer able to get them there. She was trying to find affordable child care but was unsuccessful.

Think about 4-year-old Anthony and 5-year-old Maurice Grant of Dade County. While home alone, they climbed into the clothes dryer to look at a magazine in a hiding place, pulled the door closed, and tumbled and burned to death. Their mother was waiting for child care assistance and generally left the children with neighbors. But sometimes these arrangements fell through and she had to leave them home alone for just a few hours.

This did not happen in Hollywood—but in Virginia and Florida and California and elsewhere. We must do everything in our power to avoid putting families in this kind of a situation in the name of reform.

Mr. President, I will include in the RECORD, if my friend and colleague, Senator DODD, has not, the waiting lines that exist in the States at the present time.

The States face large unmet needs for child assistance, waiting lists, clothes, and the list goes on all the way—Alabama, 19,000 children; Alaska, 752 children; Arizona, 2,600 children; California, 250,000 children; Delaware, over 1,000 children; Florida, 19,000; Georgia, 21,000; Hawaii, 900 children are on the waiting list; Idaho, 1,000 children waiting; Illinois, 20,000 children waiting; Indiana, 7,900 on the waiting lists; Kansas, 1,270 on the waiting list, Kentucky, 10,000 on the waiting list; Louisiana, 4,600; Maine 3,000; Maryland, 4,000; Massachusetts 4,000 statewide waiting for child care for working poor families; Michigan, 12,000 last year; Minnesota, 7,000; Missouri, 6,500; Montana, 200 children; Nevada, 7,000; and the list goes on; New Jersey, 24,000; New Mexico, 6,300; New York, 23,000; North Carolina, 13,000; Pennsylvania, 7,700; Rhode Island, 972. The list goes on and on with Wisconsin, 6,800; West Virginia, 13,000.

Mr. President, the fact of the matter is that under this particular bill, the Dole bill, without the Dodd amendment, we will be requiring the States to have over 1 million new slots. They are not doing it today. They do not have the resources today. They do not have the money under the Dole program today to do it. The Dodd amendment will provide them with the resources to be able to meet that obligation, that obligation that is there in the States today and that will be created by this bill. That is what this amendment is all about and why it should be supported.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, let me pick up on the last point that the Senator from Massachusetts raised. He may have made it before I walked onto the floor. He pointed out the waiting lists that exist in the States for child care slots today, before we pass a welfare reform bill. There is just tremendous demand today. What we are talking about—this bill, of course—is taking anywhere from 1 to 2 million people and moving them over the next 5 years from welfare to work.

If we do not provide additional resources, then there will be increased pressure on existing dollars that go to those who are getting the child care today. It is worthwhile to point out that the people who get child care today under the child care development block grant, that Senator HATCH and I passed in 1990, are working poor. Those are people at work right now. That child care assistance makes it possible for them to stay in the work force and not slip into a public assistance category.

The fear that many of us have here, is that without some additional resources, as we move people who are on welfare today to work, the people out working today and staying at work, getting some of that assistance, those resources are going to have to be shifted in the State in order to accommodate the demands of this bill or face the penalties the bill imposes on the States if the States do not move the 25 to 50 percent of the welfare recipients on their rolls to work.

So you are going to have the almost bizarre effect of taking people who are doing what we are encouraging people to do, and that is stay at work, who are marginally making enough to stay off the welfare rolls and pushing those people back on the rolls as we accommodate the demands of the legislation to take people on the welfare rolls to work.

So it seems we ought not to be jeopardizing the small amount of funds we have today out there assisting those families presently at work.

Let me emphasize a couple of points here if I can. What we are talking about with this proposal is not an entitlement. This is a pool of resources. It does not entitle anyone to it. It merely makes the funds available to the States.

So there are those who have said they do not believe in an entitlement for child care. We might otherwise disagree about that, but this amendment does not create an entitlement. It merely says to Ohio, Connecticut, Massachusetts, divide it up based on the block grant and what it takes to make it work. Here are some additional resources to make it possible for you to meet the demand, the mandate, of the Federal law.

The mandate of the bill we are about to pass says to Ohio and Connecticut, you must move the following percentages of your welfare rolls to work. And what we are saying is rather than ask Ohio and Connecticut to pay a penalty because they did not meet that criteria because they could not come up with the resources to pay for the child care, here as a result of our mandate are some resources on the most critical issue facing any State with its welfare recipients: How do you take a parent that has infant children and no place to put them and get them to go to work?

Sixty percent of all welfare recipients have children age 5 and under, Mr. President. So it is unrealistic to assume those children are going to find some setting in the neighborhood or with a grandparent. Ideally that would be the best case, but realistically that

is not going to happen in enough instances. So it is finding and affording child care that's the issue. The child care settings may vary—church-based programs, community-based programs. There is a wide variety of things the States have done creatively in the child-care setting area. I do not have any difficulty with that kind of flexibility at all. But here are resources.

In the absence of that, we are told that we are looking at an additional cost, above the amount set aside from the block grant, which is the $5 billion over 5 years. In fiscal year 2000, in the State of Ohio, the additional amount is $190 million, in the State of Pennsylvania—I see my colleague and friend from Pennsylvania here—$171 million; for Connecticut, $48 million; Massachusetts, $89 million. These are the numbers the States, it is estimated, will have to come up with. They can cut spending. It does not mean necessarily a mandate to raise taxes. But that is the pool they will have to come up with to provide for the child-care needs of the population that moves to work.

If we are mandating that—and we are; we are mandating work—why not provide the States with some help to do it? That is all we are saying here, a pool of money over 5 years, $6 billion.

Now, it is a lot of money. I know that. But if we all appreciate keeping our mind on the goal of getting people to work, then we ought to be trying to do this in a bipartisan way.

Mr. President, I am not exaggerating. If we get this amendment adopted or something like it—and I think on the issue of the formulas, which is, I think, a minor point—and a few other areas, you could pass this bill 95 to 5. We could have overwhelming, strong support coming out of here for a welfare reform bill, because I think all of us share the common goal of getting people from welfare to work.

Whether that is cost savings or an investment, the value of it, I think all of us appreciate, to the family, the neighborhood, the community, is tremendously enhanced. And if child care is one of the major obstacles to moving an individual to work, because they do not know where to put that child, then trying to find the way for them to do it, assist the States in that process ought not to be an ideological battle here. We have enough battles on that stuff. This ought not be one.

So I am urging in these next 40 minutes or so that are remaining that people take a good look at what this is. Understand, it is no entitlement, not a guarantee to anybody, merely assistance to these States to be able to achieve the goal as laid out in the majority leader's bill, and that is to get people to work.

People will tell you even with adequate child care, it is going to be hard. You talk about some pretty heavy numbers to move from welfare to work, and given the economy and downsizing and a lot of other things happening, good jobs, and so forth, are not expanding in our economy. We ought to be talking about that, I hope, one of these days, but nonetheless under the best of circumstances, it is going to be hard.

It seems to me we ought to be trying at least to make it possible to move those people to work and not have the kind of burden on the States that is laid out here with the particular costs associated with child care. And as I said in response to the point that was being made by the Senator from Massachusetts, we have already got people really trying hard to stay off the welfare rolls and stay at work. It would be a tragedy, in a way, to then have some of these people taking some of the resources they get, plowing them into this area and moving some of these people at work and trying to stay off welfare back on those rolls.

Mr. President, I thank my colleague from Utah, who was here, who allocated me about 5 or 10 minutes of his time to make this point. I am grateful to him for that.

At this point, I will yield the floor. We may have some additional Members who show up on this issue. But I urge my colleagues in these next remaining minutes here, this is a chance for us, Mr. President, to really put together a bipartisan bill on welfare reform. I honestly believe that if we could adopt this amendment, and a few other things, we would be looking at an overwhelming vote in favor of this welfare reform package.

That is how this body and this Congress ought to be functioning. People want us to come together. They do not want to see bickering and partisan battling. They would like us to find common ground. Here is a way for us to do it on an issue that most people really want to see us focus our attention on. Here is a chance to achieve that goal in the next 45 or 50 minutes. It means doing the right thing. It is truly doing the right thing in terms of welfare reform and eliminating a major obstacle that people face here of moving from the rolls of public assistance to the independence and self-reliance of work and helping them out with their kids. And those children's needs, as I said a moment ago, Mr. President, ought not to be the subject of a partisan debate here. We ought to be able to find the means by which we can assist the families to eliminate at least that question in their mind, assist the States as they move into this process in a way in which we can do it. Resource allocation is simple enough to accommodate.

I again urge my colleagues to take a good look at this and come to this floor, hopefully in the next 50 minutes, and cast a vote in favor of what I think would build a strong, strong vote of support in favor of the majority leader's welfare reform bill.

I yield the floor.

Mr. SANTORUM. Mr. President, may I inquire of the Chair of the time remaining on this side?

The PRESIDING OFFICER. The Senator from Pennsylvania has 50 minutes remaining. The Senator from Connecticut has 1 minute 42 seconds.

Mr. SANTORUM. Mr. President, I yield myself such time as I may consume.

I wanted to congratulate the Senator from Connecticut for his very persuasive case on behalf of the need for child care and making workfare or welfare to work.

I do not think anyone on this side of the aisle disagrees with the basic premise of his amendment, which is if we are going to have people go to work, then we are going to be in some need of child care for working women, single mothers. The question is, How much money are you willing to put up? What will be the impact?

Again, we go back to the start of a lot of these programs, the welfare programs back in the 1960's when they really mushroomed, and a lot of these programs were very well intentioned, but what happened? What were the consequences of these—I am careful not to use the word entitlement because I know the Senator from Connecticut says this is not an entitlement. I agree. It is not an entitlement. But there is enough money in his bill to fill all the day-care slots that are anticipated to be needed.

Well, it is not an entitlement, but it takes care of everyone who needs the service. So while you know it is sort of taking away with one hand, saying it is not an entitlement, it is giving with the other by giving all the money necessary anticipated to have the need. You can say it is not an entitlement, but it is, in fact, almost a guarantee of child care.

So, what are the consequences of this guarantee? And we talked about this in some dialog on Friday. And you know, I have some concerns about people on welfare getting a guarantee of sorts of child care where if someone who is a working mother gets no guarantee at all of having any kind of child-care support. In fact, as the Senator from Connecticut pointed out on numerous occasions, accurately, there is a shortage of day-care slots available for working mothers in this country.

So to suggest we should provide some sort of quasi-guarantee for those on welfare and not for those who are working mothers, I think, sets up a bad precedent, No. 1; and with the law of unintended consequence you may encourage welfare dependency, at least initially, in some cases.

There are several other points I want to make. One is the money. I know we sort of gloss over that around here. Mr. President, $6 billion is not a whole lot of money, at least if you sit on the Senate floor most days you would think $6 billion is not a lot of money. But it is a lot of money, and it is given the fact that if you look at what is being proposed in the Republican bill that we are now amending.

The Republican bill over the next 7 years will allow welfare to grow at 70 percent over the next 7 years—70 percent. Welfare programs will grow from

the year 1995 to the year 2002, 70 percent. There will be an increase of 70 percent in these programs. And what we are saying now is that is not enough. We need another $6 billion more. Just so you understand, you say, well, how much was it going to grow if we did not cut it back, because this bill does have some reduction? Well, it would have grown at 77 percent. So we are taking a program that was supposed to grow over the next 7 years and grow by 77 percent; cut it back to 70 percent. There are those on the other side saying, that is too tough. We need to add another $6 billion more back to this fund of money.

If you are serious about day care, if you really think child care is that important, well then, I would suggest that you confine it to the 70-percent growth that is going to be experienced over the next 7 years, $6 billion to offset the money you want to spend, not another quasi-guarantee or almost entitlement for child care.

I just think you have to pass the straight-face test around here. If you really are serious about solving problems—I think we all are. We want to solve the problem of child care in this bill. And I think we have done some things with the Snowe amendment that goes a long way in doing so. So it is now in the Dole modified bill. I think we made a major step forward.

If you are serious about providing and funding more dollars, do not say we need to spend more. That is how we got to where we are today. This bill has to fit into a reconciliation package which, by the way, it does not right now. It does not right now. It is over what, I think, the Budget Committee wants to see in reductions in welfare. We are going to have to get more.

When we go to conference this bill is going to come back with less money, I suspect. The House bill was substantially under this bill. So it will be under this. The House bill had a 5-year year timeframe when they passed the bill. And on their 5-year timeframe they had welfare expenditures growing at 42 percent.

Now, that is at a slower rate than our 70 percent over 7 years. So you are going to see we are already going to have to pull back funds. And to suggest that we should come to the floor and we can get a compromise spending more money, that is how we got there and how we got to what the welfare system is. We have always done that, come to the floor and said, ''OK. We will compromise and spend more.'' And everybody will be happy and pass a bill 96 to 1, passing a bill 96 to 1 that perpetuates the same thing—maybe makes everybody feel good, but it does not solve the problem. It does not solve the problem.

So what we are suggesting here is that you know, we are, and I think, continuing in a dialog. I know Senator HATCH has an amendment on day care that I think is a serious amendment. And we are trying to find some ground to make all of our Members, not just on the Democratic side, but I know myself and others, I know Senator JEFFORDS is going to speak here. We are concerned about the child care aspects of this.

I know Senator JEFFORDS supported the Snowe amendment which is now in the leader's bill. I know he would like to go further. And I know there are other Members who would like to go further. But we have to understand we have budget constraints.

This is not a stingy bill that we are dealing with. Welfare spending will grow by 70 percent over the next 7 years. That is not stingy. That is not uncaring. And to suggest that we can solve the problem and get everybody happy by spending another $6 billion—I suggest if we got that in there there would be another $6 billion to spend in another program.

I would also add that Republican Governors, almost every one of them—I know the majority leader has come here and said I think 29 of the 30 Republican Governors in the country have come out and supported the Dole substitute. They comprise roughly 80 percent of the welfare recipients. The Governors of those States have within those States 80 percent of the Nation's welfare recipients. And what they have almost unanimously said to us is ''You give us the money you allocated under this bill and we can do the job. We can, in fact, put people to work.''

You would think from the comments of some on the other side that we are going to require every mother who has a child under 5 to go to work. I would remind the Senators who are debating this amendment that when this bill goes into effect, the initial participation rates are only 30 percent. That means only 30 percent of all the welfare caseload has to be in a work program. It only goes up to a maximum of 50 percent. So the State always has discretion to take mothers with young children and not require them to work. In fact, many Governors have already told me that is exactly what they would do in most cases because of the cost, and because of the difficulty with day care.

But we provide that flexibility in the law. We already provide that. We already say they can adjust. And the Governors say they can do it. And if you look at some of the plans that have been tried under the 1988 act—I mentioned on several occasions the Riverside, CA, example, where what we have seen is a 14-percent reduction in food stamps, a 20-some reduction—I do not have numbers in front of me—20-some percent reduction that goes out on AFDC, aid to families with dependent children, and a 25-percent reduction in caseload.

Now, that saves money. Why? Why do they save money? They require people to go to work. So you can save money to provide some of that work. And it was a successful program at a time when Riverside, CA, was experiencing a 9 percent-unemployment rate. So it is not that there are no jobs. There are no jobs. Well, there are jobs, if we do some things like the Dole bill does which allow you to fill some vacancies in cities and counties and local governments, State governments which you cannot under current law. If there is a vacancy in the State government or local government, you want to fill it with a welfare recipient, you can do it. You are not allowed to hire somebody who is a welfare recipient for an open position. Why? That is to protect the union membership at the State and local level. They do not want people on welfare to get some of those jobs. I think that is a crime. That would change under the Dole bill.

So I mean we are doing a lot of things that will encourage—will create more job opportunities which will cause savings as we have seen in examples in the past, where if you have a work requirement, the welfare rolls will go down. Ask Governor Thompson, Governor Engler, and ask others who have tried it. The caseload will go down. People will get to work because of the requirement that is there. And they will save money. And that money can be used to provide for support services for those who have to remain in the program and go to the work program. That is the whole basis behind what we are suggesting here.

I would suggest that what we have provided for again with the Governors, Republican Governors lining up behind this bill, is adequate to fund this program, to fund the child-care programs that are necessary. We have the flexibility of the States with the 50-percent work participation requirement to exempt certain difficult-to-place mothers with young children. I mean there is a lot of flexibility in this program to be able to deal with the problems. I think what we now have to do is make the fiscally responsible vote. Welfare has gotten itself in the problem it has because we have been reluctant in the face of harming children or these horrible things that are going to occur, if we do not provide all the money for everything, all these entitlements. If we do not provide all these entitlements children are going to suffer.

All I would suggest is we provided entitlements for 25 and 30 years. Children are suffering at historic levels. So if it was just money and entitlements there would be no suffering today. There are plenty of entitlements and plenty of suffering to go with it. So let me suggest that maybe what we need is instead of guaranteeing everybody child care, why do we not require work and say that we have to look to families and to other kinds of networks of support to look for child care, just like we have done in this country historically?

One of my real concerns—and this gets to be more of a philosophical concern, if we—as I know the Senator from Connecticut will say we are not guaranteeing, but we darn near are guaranteeing it—if you provide all the money for all the slots, if you do that, you run

into the problem where the Government day-care option is the first resort; that getting Government support for that day care slot is now the first choice, not the last resort. The system as it works today works well. I know there are shortages of day care, but it works well in targeting the mothers who need day care the most. It works well in that you have to go through a very rigorous qualification procedure to be able to qualify for Government-assisted day care. That would probably not be the case if we fully funded all these day care slots.

Mr. DODD. Will my colleague yield?

Mr. SANTORUM. Yes, I will yield.

Mr. DODD. I note the point about the entitlement issue. I think my colleague from Pennsylvania mentioned over the next 7 years there would be a 70-percent increase. I believe it is flat. I do not think there is a penny more. This is $48 billion. It is for 7 years. There is no inflation factor built in. I think I am correct on that, but I stand corrected if I am wrong.

Mr. SANTORUM. The Senator is right, the AFDC dollars remain flat. When I talk about the 70-percent increase, I talk about all the means-tested entitlement programs included in this bill.

Mr. DODD. As far as the AFDC——

Mr. SANTORUM. The AFDC program is block granted at a flat level, the Senator is right. But, obviously, there are a lot of other support services and means-tested programs that will continue to grow.

The point I tried to make is that with respect to AFDC, you have the flexibility within that program the Governors desire, saying, in fact, they can save money and have money, because of the savings, available to support the work program.

In addition, you have a 50-percent work participation requirement which would give the States the flexibility to exclude a lot of the people that you mentioned who have young children or maybe multiple young children, from having to go to work and the work requirement. We do provide a lot of flexibility there. We think that flexibility goes a long way in solving the problem.

I am hopeful we can look at the past to see what the future holds. Looking at the past and seeing all the entitlements we put in place and seeing all the money that we spent trying to make sure nobody is harmed, what we have done is make sure that nobody has been helped. What we have not done is challenge people to do more, to move forward.

I believe this program, with the work requirement and the participation standards we have and the flexibility given to States, will do just that: challenge people to go out and work and find ways to provide for themselves and their families. I think, in the long run, that will be the best for everyone concerned.

At this time, I yield 5 minutes to the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, we all are having a hard time with this amendment and with this bill. We all want to see welfare reform. We all want to see child care provided, and, thus, I rise in support of this amendment because I think it will help us move in that direction.

We all agree that we want to see more welfare recipients in the work force. We all agree that the welfare cycle must be broken. I believe giving kids a good start through safe and healthy surroundings is essential to breaking the welfare cycle.

In order to become productive, self-sufficient members of society, kids need quality care from the very beginning of their lives, either from their parents, in the child care setting or elsewhere. And a quality education must be provided from the beginning of their lives. What we are talking about, though, are the resources that will be available and should be available.

We are all tied up with the problems of the deficit and the need to reduce the deficit. But there are things we must consider when we go about providing resources, that if we do not make resources available for those things that will break the cycle, for those things which will allow our young children to have the possibility of breaking out of the cycle, sort of give the parents of the children the ability to provide the child care necessary, then one important segment of breaking that cycle will not come about.

Let us take a look at the macro picture that we must have and what we have to deal with so that we can recognize what the savings are from improving the education of our society and, most importantly, from the beginning of life, in child care to be sure these young children have the opportunity to have the surroundings that will allow them to learn.

This chart gives us an idea of what we are losing now because we have serious educational problems in our country. One-half of a trillion dollars in GDP is lost per year because we fail to educate our people. The cost to our economy is more than $125 billion, in addition to lost revenues; $208 billion is lost from the result of the problems of welfare. So when we are talking about $1 billion a year or more to try and get enough money available for child care, to give to the children, weigh that against what is lost.

In addition to that, I will have an amendment that says, hey, we have a demand here, an important demand that says every person in training must have a GED, must have a high school equivalent education. There is not money for that either. So what we are going to be doing is either creating a huge mandate upon the States that is unfunded or going forward with expectations which will not be fulfilled.

Let us take a look at the relationship of education to productivity, what is happening to those who do not have a good education.

The only people who have increased their income over the past few years are professionals. This is over the last 20 years. In the last 20 years, the only people who have increased their standard of living is at the level of master's, doctorates, and professionals. Others have either stayed at the bachelor level or gone down. Then take a look at the comparison of what is earned by those who do not finish high school: $12,800 per family. That is incredibly low and is going down in the sense of percentage of income.

How do we break out of this? How do we provide those resources? It is stupid to cut back on those things which is going to increase your deficit. If we do not provide the amount of money that is necessary for child care, there is no chance that we are going to raise this level up, until you get to the area where you have a high enough standard of living to survive.

So what this amendment tries to do is to say, ''Look, we are going to make sure that our children will have an opportunity to have the kind of income that will bring them out of the welfare cycle, to place them in a position where they can earn what is necessary, to get us out of the position of losing all this money we do with the welfare situation.''

So when we talk in terms of $1 billion a year over the term of this, as compared to the $208 billion we are losing by the problems we have with welfare, it means we are just being, really, penny wise and pound foolish, and we must not do that.

I recognize that my time has expired. May I have an additional 2 minutes?

The PRESIDING OFFICER. The Senator is recognized for an additional 2 minutes.

Mr. JEFFORDS. So as we go forward with this welfare reform, let us keep in mind some things. I do not think there is a person here or the House who does not want welfare reform, including the White House. The question is, how do we reach a consensus?

That is not going to be easy, there is no question about it. We have some people at the extremes of the process from no welfare to all welfare. But what we have to do is to try and reach that middle ground. We have to make some areas where we can have a consensus, and certainly one of those ought to be the provision of child care.

There is not anyone in this body who does not believe there ought to be adequate child care. This amendment is the only thing which will bring us close to that. So, if we are going to have consensus on the issue of child care and if we really want to do what we are supposed to do here, and that is to break through the cycle of welfare, if we are going to give the children of those in the most desperate economic situations in this country the ability for them to have the education which is necessary, all the studies show if they

do not get the early preschool education, they start out at a big disadvantage.

Let me just end up by saying one of my most unusual experiences when I came to the Senate was I had a group of CEO's come into my office when I was first elected to the Senate. John Akers was the head of the group, the Business Roundtable. I expected them all to say, ''We need to get capital gains tax relief,'' blah, blah, blah. What happened? The first thing they said was, ''We need to fully fund Head Start. We need to make sure there is preschool education for every one of our kids if we are ever going to get our society in a position where we can be economically sound.'' Just recently, this IBM president said at the NGA, ''This Nation is in a crisis, and if we do not start the educational process we need, this Nation is not going to be the Nation it is today in the next century.'' I leave those words with you.

Here is an opportunity to make sure the young kids will have the opportunity to get out of the welfare cycle.

I yield the floor.

Ms. MIKULSKI. Mr. President, I am proud to be one of the co-sponsors of the Kennedy-Dodd child-care amendment to the Republican welfare reform bill. No issue more clearly defines the differences in this welfare debate than child care. Both sides have said that the goal of welfare must be to move people to work, but Democrats have maintained that it is not just about moving them to work, it is is about keeping them on the job.

We want to provide welfare recipients with the tools to stay on the job. What the facts prove time and time again is that the most necessary tool is child care for children. Child care is the No. 1 barrier keeping mothers out of the work force, and one in four mothers between the ages of 21 and 29 are not working today because of child care. Among welfare mothers, 34 percent are not working because of either inability to find reliable child care or inability to afford child care.

No single parent can look for or keep a job without child care, and single parents make up 88 percent of the AFDC caseload. Without child care, we will have no success in moving people to work and keeping them there.

But child care is costly, and the average middle-class family spends 9 percent of its income on child care. However, the average poor family spends almost 25 percent of its income on child care.

The Republican plan will leave four million children under the age of six home alone. Today, almost 650,000 of them receive child care with assistance that would be eliminated under the Dole plan. In fact, the plan would repeal the child care guarantee passed by the Senate in 1988.

If the States implement the proposed welfare reform plan, the need for child care will increase by more than 200 percent by the year 2000. States will need over $4 billion more a year. In Maryland, the unfunded mandate will amount to more than $1 million a week that Maryland taxpayers will pay to cover child care costs.

This child care policy proves that the Republican bill does not look at the day-to-day lives of real people. Welfare recipients who we send to work will not have high-paying jobs, and will not be able to afford child care.

Suppose a mother lives in suburban Maryland and decides to do the right thing. She gets an entry-level, minimum-wage job in the food service industry. With this job, she is making almost $9,000 a year, but gets no benefits. After taxes and Social Security, this mother takes home $175 a week, but her child care costs her $125 a week. How is she going to pay for rent, food, clothing, and transportation costs with only $50 left over a week?

Our Democratic Work First plan recognizes that child care is the vital link between leaving welfare and going to work. Our plan consolidates four current programs into one expanded child care block grant, eliminating duplicate paperwork and reporting requirements, and reducing bureaucratic structure.

This block grant will help provide child care for welfare recipients, those transitioning from welfare to work, and the working poor. Under our plan, a family of four making less than $15,000 a year will be eligible for child care.

On the other hand, the Republican plan forces States into an impossible position. Either the State does not provide child care and welfare reform fails, or they do provide child care by raising taxes and cutting other State programs.

States also can divert aid from the working poor to pay for welfare, but in doing so send a perverse incentive—if you go on welfare, you get help; if you go to work every day and barely make ends meet, you never get a break.

Welfare reform is about ending the cycle and the culture of poverty. Ending the cycle of poverty is an economic challenge, but Democrats are providing the tools to overcome this challenge. The Republicans have no plan.

Ending the culture of poverty is about personal responsibility. Democrats have proposed a tough plan based on tough love. It is a hand up, not a hand out. But Republicans have proposed a punitive plan based on tough luck. It aims for the mother, but hits the child.

This debate should be about ending welfare as a way of life, and making it a step to a better life. That means real work requirements, with the tools to get the job done. If we are to have a bipartisan framework for welfare reform, we must address the work challenge in a way that is real, and deals with people's day-to-day needs.

We must adopt the Kennedy-Dodd amendment and fix the Dole home alone child care policy.

THE NEED FOR CHILD CARE IN WELFARE REFORM

Mr. DORGAN. Mr. President, I think we can all agree on the fundamental goal of welfare reform. We must create a program that moves recipients from welfare to work to economic self-sufficiency as quickly as possible. We must help replace their welfare checks with paychecks.

One obvious way to transform a system which encourages dependency is to eliminate its inherent disincentives. How? Fundamentally, you must make support services—the cornerstone of long-term success in the workplace—more available to low-income people who want to work. The linchpin of successfully transitioning people from welfare to work is child care. And the bill before us today is woefully deficient in providing funding for child care services. In fact, the Dole bill does not guarantee that one cent of the block grant will be spent on child care.

That is why I strongly support the Dodd-Kennedy amendment. It recognizes that no welfare reform proposal can be successful without providing child-care services. And it is willing to invest in those services to ensure a successful outcome.

Most working families feel the pinch of child-care costs. Low-income families, which are often headed by single parents, feel the greatest pinch, spending a quarter of their income for child care. In North Dakota, it costs a family about $3,400 a year for child care. If a family is just scraping by at poverty level wages—$14,763 for a family of four—that's an awfully big chunk of your income going to pay for child care.

This situation is all too prevalent in our society. There are too many working poor families, and too many mothers trying to move from welfare to work who are forced back onto the welfare rolls because their child care is too expensive or unreliable.

While the Dole bill does contain child-care provisions, it falls far short of what is needed to help these families achieve true self-sufficiency and economic independence. It fails to guarantee child-care assistance to recipients who are moving to work, and most importantly, it fails to provide additional funding to meet the work requirements contained in the bill—it provides less than half of current child-care spending and doesn't even begin to address the increased need for child care created by the bill's work requirements. In short, it just doesn't put its money where its mouth is, and it is a recipe for disaster.

The ability to secure affordable child care is a decisive factor in determining whether low-income mothers can get off and stay off welfare. If we want to move parents with children off of the welfare rolls and into work, we must pass a welfare reform bill that will ensure that the 10 million children on AFDC will be cared for while their parents look for jobs and begin employment.

The Dodd-Kennedy amendment achieves that goal. To help welfare recipients get and keep a job, this amendment creates a direct spending grant to States with the funding levels set at HHS cost estimates of $11 billion over 5 years so that the child-care needs created by the Dole work requirements are met. This grant is fully paid for—by earmarking $5 billion from the title 1 block grant and by cuts in corporate welfare.

The amendment guarantees that no child will be left home alone while their parents are working, looking for work, or participating in an education or training program. And it ensures that families aren't punished for failing to participate in job training or work programs if child care is unavailable.

It also requires States to maintain current spending on child care—without requiring them to match additional child-care spending.

Perhaps most importantly, the Dodd-Kennedy amendment means that critical child-care services for low-income families will continue to be provided under the child care and development block grant.

Parents who are able to work must be given the tools to do so. A critical component of getting families off welfare—and keeping them off—is ensuring safe, adequate and affordable care for their children. The Dodd-Kennedy amendment does just that, and I hope that my colleagues will support it.

Mr. LEAHY. Mr. President, I am proud to be a co-sponsor of the Dodd-Kennedy child-care amendment to the Republican leader's welfare bill. This amendment backs up the work requirements in this bill with the child care assistance necessary to meet them.

Caring for our children is not an issue that affects only the poor—all working parents need child care. As we debate the issue of how we are going to change the dynamic of the welfare system, it is absolutely crucial that we do all we can to protect children.

We are trying to agree on the best way to get welfare parents, generally single mothers, into jobs and how to keep them there. A single mother should not be forced to choose between properly caring for her children and going to work. And if parents are not working, they cannot support their families. If my wife and I wanted to see a movie, but were unable to find a babysitter for our three children when they were young, then we did not see the movie. How can we expect parents to work when there is no one to care for their children? We need to be realistic in our effort to reform the welfare system.

Welfare reform is not only about adults—it is about children who live in poor families. These children are poor at no fault of their own and the U.S. Congress is punishing them by forcing their mothers out the door, leaving them home without a parent or babysitter.

If we are going to break the cycle of poverty and change the future of poor people in this country, children need to be at the top of our list of priorities. We need to guarantee that children will be cared for in healthy, safe, supportive environments that help them to develop and build their self-confidence. If we do this, if we help children get good child care, we can help parents keep their jobs, and then and only then, will their children learn the importance of working.

Watching their parents come home from work at night will allow children to see the self-confidence that results from bringing home a pay check and being self-supportive. If Congress denies low-income families the child care assistance they need to work, then kids will be left home alone. Do we want television to take over as the caregiver while parents are at work?

If we can give children some structure, a place where they can learn the skills and values they need to stay interested in school, perhaps they will work their way out of poverty and we can start breaking the demoralizing cycle of poverty that has affected millions of Americans.

Anyone who has ever sought child care knows that it can be difficult, stressful, and time consuming. For many families, child care is unavailable and unaffordable and those that lack the economic resources, the time, and information, have fewer options. In many small towns in Vermont, neighbors, friends, and family rely on each other to help out with each other's children. There is usually someone around who can watch the children for a few hours. But not every family lives in that kind of supportive environment. We all need to share the responsibility in meeting the needs of the children of this country. Children growing up in secure, supportive environments benefits us all.

The Republican leader's bill will make child care even more unaffordable for low-income families. As it is, working poor families spend 33 percent of their income on child care. In sharp contrast, middle-class families spend only 6 percent of their income on child care. A single mother of two living on welfare can probably expect to earn about $5 an hour once she is able to find a job. Child care will cost about $3 an hour or more for her two children which leaves her $2 an hour, at most, to live on and support her family—$2 an hour is not even enough to support one person.

In addition to child care, a single mother must then pay for transportation to work, clothes for herself and her children, rent, food, and medical costs depending on how much assistance she receives from food stamps and Medicaid. Nobody could cover those expenses on $2 an hour. Nobody. Welfare is the price our country pays to keep families, single mothers and their children, together. If this Congress fails to require States to guarantee child care, the consequences for many of these families, women and their children, will be tragic.

We must also remember that single mother's did not have their children alone. I certainly hope that strong child support enforcement will decrease the need for Federal assistance, and move single mothers and their families toward self-sufficiency. These efforts alone, however, may not be enough for some families.

Child-care assistance for low-income working parents and those working their way off of welfare is essential. I urge adoption of this amendment.

Mr. HARKIN. Mr. President, I rise in strong support of the pending amendment and commend Senators DODD and KENNEDY for addressing one of the most critical issues related to welfare reform.

Child care is the linchpin for achieving comprehensive welfare reform because parents must know that their children are supervised and safe in order to go to work. That is just common sense.

But the Dole amendment falls short here. First, it repeals the guarantee that child care must be provided in order for States to take welfare recipients out of the home and put them into the workplace.

Second, the Dole proposal mandates that parents work, but does not provide any additional support for child care. In fact, the plan repeals all existing child-care funding specifically for this purpose.

Mr. President, we all agree that welfare recipients must be required to work. However, if quality, affordable child care is not available parents will be faced with the unacceptable alternative of leaving children at home alone or in unsafe situations. That is really no choice at all.

I have often spoken about the success of the Iowa Family Investment Program. After 22 months, the Iowa welfare reform program is showing good results. More people are working, the caseload is declining and the cost of cash assistance is going down.

These results happened because the State has been investing in education, training, transportation, and, of course, child care.

I often meet with welfare recipients, caseworkers, and other in Iowa regarding welfare reform. The most common concern I hear is the need for child care and the need to provide more resources for this purpose. We must make sure that resources are available for child care or welfare reform will fail. This is a most fundamental issue.

The average annual cost per participant in Iowa's PROMISE JOBS program is $1,920, including $987 for child care. It is clear that child care is a critical part of moving welfare recipients into the work force.

Mr. President, I commend Senators DODD and KENNEDY for addressing the important issue of child care and welfare reform and urge adoption of the amendment.

Mr. SANTORUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. KENNEDY. Mr. President, I ask unanimous consent that Senator HOLLINGS be added as a cosponsor.

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

Mr. KENNEDY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Chair advises Senators that the Senator from Massachusetts has only 1 minute and 42 seconds, and the Senator from Pennsylvania has 14 minutes and 52 seconds. Therefore, there is insufficient time for the elapse of a quorum call.

Does the Senator from Pennsylvania yield time?

Mr. SANTORUM. Mr. President, I yield such time as I may consume. I want to go over this amendment again and discuss it specifically for Members who may be torn, as I think many are, in wanting to support work and see the potential need for day care.

Focusing on what the amendment does, we have heard a lot of discussion from the Senator from Connecticut and the Senator from Massachusetts of the concern for mothers with preschool children, that we cannot allow mothers who have children 1, 2, 3, 4, 5 years of age—and I have three children all under the age of 5 and I am keenly aware of the need for care for young children.

However, this amendment does not just pertain to young children. This provides funding so that every welfare parent with children under 12 years of age—12 and under, under 13—you can have an 11-year-old or 12-year-old and you still get a funded day care slot. That is what the amendment says. This is not just focused on children under 5.

We talk about being concerned for them. This is a much more expansive program. It is not just part-time child care, it is a full-time child care program. It is 12 and under, full time, not just for single moms, not just for single moms or dads who have children, but for married mothers and fathers who may be on welfare and have children. This is for two-parent households as well as single-parent households. That is what the amendment says.

You could have a situation where you have a 12-year-old child at home with two parents, and under this bill, you would get a full-time day care slot paid for by the Federal Government. Would that not be nice if every American who was working, the Government would pay your full-time child care, and you could not even have to work under this bill.

So you do not have to work. You can be married, have a 12-year-old at home, do not work, and the Government will pay your child care full time. That is what this amendment does.

Now, you hear a lot of compassion on the other side about the single mom with the 2-year-old, but you do not hear that this is another well-intended bill that focuses on the hard problem. And then when you realize this is a brandnew big-time expansive program, day care for everybody on welfare, whether you are married or not, whether you are working or not.

I do not think that is what is being sold here on the Senate floor. I think we have to look very carefully at what is in this amendment and how much money it costs—$6 billion, fully funded day care slots for all children of married and unmarried parents, single and married parents, up to 12 years of age. Not the preschool kids, but up to 12 years of age.

I think this is a real Pandora's box we have opened. This is not the amendment that is being talked about. This is a very broad, expansive program.

Mr. KENNEDY. Will the Senator yield?

Mr. SANTORUM. I am happy to yield to the Senator.

Mr. KENNEDY. Is the Senator familiar with how many parents are waiting for child care in the State of Pennsylvania?

Mr. SANTORUM. I think the number is around 9,000.

Mr. KENNEDY. Mr. President, 7,779 children now are on the child care waiting list in Pennsylvania, many are single parents, waiting to get off welfare or stay off welfare.

I am wondering, does the Senator believe that for those who want to work and can work, that there ought to at least be some help and assistance, either full or part time, as was included in the bill passed in 1988 and providing at help and assistance for hundreds of thousands of families?

Mr. SANTORUM. If I can reclaim my time, I say the answer is yes. I think we do that in this bill. In the Dole modified bill, we believe there are ample dollars available. Within the AFDC block grant, there will be money available for child care.

You have the additional child care block grant, which is appropriated at $1 billion for this year and as necessary for future years. We will have this debate every year, Senator.

We are going to have a debate on the floor of the Senate over how much money we will provide in the appropriations process for people on welfare who need day care assistance. I may be back here with you, joining with you in having started this program in place and having seen the needs and heard from the Governors that we may need to appropriate more money in the years ahead. There is nothing that prohibits us from doing that.

But to lock in—you do not call it an entitlement, but it might as well be one—to lock in a program of $6 billion right now, not just again for young kids, for children under the age of 5, but for children up to the age of 12, for parents who are single and married, I think that just goes too far.

I hope that my colleagues will look at the expansiveness of this amendment, the cost of this amendment, and I think the unfairness of this amendment when juxtaposed to the working family in America.

We are telling the working family in America that, if you want to raise children, fine. But you are on your own. But if you go on welfare, even if you are married, we are going to provide a full-time government day-care slot for you. I think that goes too far.

I hope we will reject this amendment, that we will continue to work—as I know the Senator from Utah [Mr. HATCH] has talked about, and I know the Senator from Vermont and others who are looking at this issue will—we will continue to work to see what we can do to make sure that people are not disqualified from working because of the unavailability of day care. That is what the Snowe amendment——

Mr. KENNEDY. Will the Senator yield further?

Mr. SANTORUM. If I can finish—that is what the Senator's amendment does. It focuses in on the problem areas. It says, if you cannot find day care, and if you can show that day care is unavailable, whether it is just too costly, given the amount of money you receive on welfare, or it is not proximate to where you live, or whatever the case may be—and there is a laundry list of things that you can use to show the unavailability of day care—under the Snowe amendment that is included in the Dole package now, if you can show that day care is unavailable, you are exempted from the work requirements.

That is a very important measure. Because what that does is it says to the State—which, I remind you, has to have, when this program is finally phased in, half of the people in the program in the work program. Those people who cannot find day care remain in the denominator but not in the numerator. So they are part of the base of 100 percent, but they do not go toward the 50 percent you need for work participation. If you have a sufficient lack of day care, that is going to have a big effect on your ability to meet your 50 percent work participation standards.

We believe that will be adequate impetus, in fact more than adequate impetus, to get the States to provide day-care services that are necessary to get younger mothers, in particular, into the workplace. We think that kind of flexibility and dynamics are better than creating out of the box a fully funded entitlement—or guarantee, it is not an entitlement—guarantee that you are going to have day care if you are on welfare: You get day care if you have children under age 13 whether you are married or not, whether you are working or not. I just think that is too big of a loophole, too big of a grant.

And I think it is an unwise move by the U.S. Senate.

Mr. KENNEDY. Is that what the Senator understands the Dodd amendment will do, provide day care for all children? The Senator just said that. Is that what the Senator understands it to do? You said it. Of course——

Mr. SANTORUM. If I can reclaim my time, I will be happy to answer the question. It says on page 4 of the amendment, eligible children are—

For purposes of this section, the term ''eligible child'' means an individual, who is less than 13 years of age and resides with a parent or parents who are working pursuant to a work requirement contained in section 404 of the Act.

So I think it is clear that those who are eligible are under 13 years of age, can be with a single parent or parents, which I assume means married.

Mr. KENNEDY. And what percent in the Dole proposal would be included under that requirement? What percent in the Dole proposal will not be so included?

As the Senator knows, half of those will be required to work in order for the States not to be penalized. They are going to have to find their child care outside of these requirements.

The Senator understands that?

Mr. SANTORUM. Right.

Mr. KENNEDY. When the Senator says this amendment is effectively saying to every parent that all children will receive child care, that is not a fair characterization of the amendment. I mean, I think that is what we ought to do—but that is one fact that the Senator is wrong on. And second, how does the Senator understand the discretionary block grant? Who is eligible for that?

Mr. SANTORUM. My understanding, if I can respond to the first point, is that the Senator from Connecticut has repeatedly said the formula was calculated based on fully funding every welfare parent who is required to work with children under 12. That includes single parents and married parents. So there will be parents who will not have to work because only one of them will be required to work that will, in fact, get day care. I think that is a little much.

Mr. KENNEDY. As the Senator knows, the Dole proposal requires that half of all families on welfare participate in the work program. HHS estimates that half of these families will find their own child care. The Dodd amendment is focused on those families that will need child care assistance in order to move from welfare to work.

So it is not all of those. It is those that they believe—50 percent of the adults that otherwise would need the child care under this proposal.

Let me just ask the Senator——

Mr. SANTORUM. If I can reclaim my time, the 50 percent participation standard means that 50 percent of the people in the welfare program are going to be required to be in a work program. The other 50 percent are not required to be in a work program and therefore the need for day care, I would assume—there would be no need for day care because they would not be in a work program.

So, what the Dodd amendment does is provide funding for those who have to work. That is my understanding.

Mr. KENNEDY. First of all, I am a strong supporter of the need for child care to move people off of welfare into work. But second, how does the Senator understand the block grant program? Who is eligible for the discretionary block grant program?

Mr. SANTORUM. Under the amendment of the Senator from Connecticut?

Mr. KENNEDY. No, just under the existing program, the $1 billion that is existing under the discretionary program. Who is eligible for that?

Mr. SANTORUM. Before I answer that question, how much time is there remaining?

The PRESIDING OFFICER. The Senator from Pennsylvania has 2 minutes 20 seconds. The Senator from Massachusetts has 1 minute 24 seconds.

Mr. KENNEDY. I think we have another 15 minutes.

Mr. SANTORUM. I will put a unanimous consent in, and then I will be happy to respond.

Mr. President, I ask unanimous consent the vote on or in relation to the Dodd amendment occur at 5:15 p.m. today, notwithstanding the previous order, with the time between now and 5:15 equally divided.

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

Mr. SANTORUM. My understanding is, under the current proposal, that money is a block grant to the States with the States' discretion to provide those funds.

Mr. KENNEDY. The existing discretionary block grant program, who is participating in that program today? The program originally created by Senators DODD and HATCH.

Mr. SANTORUM. I do not know the answer to that.

Mr. KENNEDY. See, this is part of the problem, Mr. President, using these characterizations loosely. That program is targeted to low-income working families. It provides $1 billion and 700,000 families struggling to make ends meet and stay off welfare. It has been supported by Republicans and Democrats alike. The idea, under these proposals, is to assist those who are making the minimum wage, who still receive the $13,000 for the family and still cannot afford the child care they need to get by.

The Senator mentioned earlier that he is concerned about trying to provide some help and assistance to working poor families. I hope then he opposes diverting these essential resources away from working poor families as is encouraged by the Dole bill.

Mr. SANTORUM. Mr. President, if I can reclaim my time, I just think, within the existing AFDC block grant, there are funds available, that are currently available under the AFDC program, for child care. Those funds would continue to be available if the State should so desire to create a program to provide assistance for people on welfare in addition to the block grant funding. So what we do is provide State flexibility to be able to use those funds as the State sees fit, which is in keeping with what this side of the aisle was trying to do, which is for the States to be able to design, we believe, better programs than a Washington-based program.

Again, I think throughout this dialog we found that, in fact, this program is an expansive, new—I will not use the term ''entitlement'' because there is not an entitlement in the law —but it fully funds every slot that is necessary. I know that is not an entitlement because you cannot go in there and go to court and say I am entitled to this money. But the money is there. Anyone who has a child under the age of 13, one or two parents, will be able to get fully funded government day care, a full-time day-care slot.

Again, it is the option of first resort, not last resort. If you look at the money the Senator from Massachusetts was just talking about, the block grant funding, and he talks about how many working families are waiting for this assistance, it is not the option of first resort. You have to look at family and neighbors and friends. That, I would think, would still be—it is harder. But I think we have done enough to say that families are not important in this country or that fathers are not important in this country, to continue to provide money to replace existing social networks and just say the Government will do it. You do not need the father's money. You do not need a father around anymore. We will pay the father's money. That is what AFDC is for and all these other programs. You do not need grandparents or cousins. We will have a fully funded Government day care slot for you. We do not need family support. What does that mean? That is not necessary. We will continue to isolate you from your surroundings. I think that is harmful. I think guaranteeing something up front is harmful in the long run. It may sound good, but it will continue to destroy the fabric and culture of our society where we used to be interdependent. And because the Government is now coming in and doing everything for you, you have become this island unto yourself.

I think it is a very sad state in our communities. And we will only add to that with this program.

I hope we do not accept this amendment.

Mr. President, I reserve the remainder of my time.

Mr. KENNEDY. Mr. President, how much time remains? I see the leader on the floor.

The PRESIDING OFFICER (Mr. GRAMS). The Senator from Massachusetts has 9 minutes remaining.

Mr. KENNEDY. May I have 3 minutes?

Mr. President, I have listened to my friend and colleague from Pennsylvania. I listened to him describe the Dodd amendment. I have difficulty understanding his interpretation. There are 60 percent of welfare mothers today who have children 5 years of age or younger. Under the most recent modification, they would not be sanctioned for failure to participate in the work program. It is clearly better for parents to stay home than to leave their children home alone, but what about the great number of those individuals who want to work, would like to work, could work, will work, and are just looking for the opportunity and the child care they need to enable them to work. The Senator from Pennsylvania says, ''Well, we are not going to be punitive to them.'' Well he is right, the most recent modification is better than the original bill, but it is not enough.

The final point that I want to mention again is what the National Council of Churches says with regard to this. I have read it. They believe we need increased access to child care. The National Conference of State Legislatures, bipartisan, believes that we need additional child care. The American Public Welfare Association thinks we need additional child care. The Catholic Charities talk about it. They think we need additional child care, and the list goes on. The National Parent-Teachers Association agrees.

These are groups that are operating programs for children every single day, talking with parents and listening to their concerns. They are on the frontlines, and this is what their conclusion is.

Our amendment will promote work and protect children. It will improve the lives and the livelihoods of millions of American families. That is why I think the amendment is needed.

I yield the remainder of my time.

Mr. DASCHLE. Mr. President, I will use my leadership time for whatever time I may consume to speak in behalf of the Dodd amendment.

Mr. President, let me begin by thanking the distinguished Senator from Massachusetts for his excellent comments and for the leadership that he has shown on this issue throughout this debate, and certainly the Senator from Connecticut, the senior Senator, Senator DODD, for his work in bringing us to this point this afternoon. His leadership and the effort that he has invested in this issue for many years is illustrative of the contribution that he has made on a number of issues relating to children. And this is perhaps the most important contribution of all.

As the distinguished Senator from Massachusetts has indicated, you simply cannot have welfare reform if you do not address the issue of child care adequately. There can be no doubt that it is the linchpin between welfare and work. Why? Because 60 percent of AFDC families have children under 6. Why? Because, in many cases, those same families cannot find adequate day care, cannot afford day care even if they can find it, and have great anxiety about leaving their children unattended.

I do not care whether it is one parent or two parents. If we want them to go out and work, if we want them to go out and get the skills necessary so they can work—time after time they have told us, and time after time virtually every social organization has indicated—you have to find a way to take care of their children. That is what this amendment does. It says in a meaningful way we are going to create a partnership. We are not going to tell you who to take your children to. We are not going to create some new governmental system to do it. We are simply going to give you the means by which you can find the best way to take care of your children.

This will affect every single welfare family. You have to have a child to be on welfare, period. You do not meet the definition if you do not have a child.

Child care enables mothers to go to work, to have the confidence to leave their home. Parents cannot accept their responsibilities as parents if they leave their children at home alone without any supervision, without any care, without any knowledge of what is going to happen to their children, especially at those early ages.

Let me address another point that was raised in this most recent colloquy. It is not just the child who is under the age of 4 or 5 and not yet ready to go to school that we ought to be concerned about. What happens to those children who are going to school, who come back in the mid to late afternoon to a home without a parent, without anybody to take care of them through the end of the day? What happens to them? What kind of supervision, what kind of care, what kind of nutrition, what kind of attention are they going to get? This amendment addresses that concern. It is not just a concern for those who are under the age of 6 and not able to go to school. We have to be equally as concerned with those children who come home in the afternoon and have no supervision, especially in those early ages.

Families below poverty spend almost 30 percent of their income on child care, Mr. President. Nonpoor families only spend about 7 percent of their income on child care. There is no secret why low-income families are not capable of addressing the need for child care in their own families.

Child care costs in the District of Columbia can run as high as $150 to $175 per week. The average monthly benefit for an AFDC recipient is less than $400. So we are asking many parents today to spend more in 1 month on child care alone than they receive in AFDC. Obviously, Mr. President, it is an incredible impediment for many people.

So what happens is that most people today are relegated to finding other ways of ensuring that their children are cared for. They depend on relatives who may or may not be reliable or informal arrangements that may or may not work on a daily basis. A job requires reliable child care, and often that is very hard to find.

So in many cases, Mr. President, parents are simply forced to make do. And all too often, unfortunately, they do not make do. All too often they are forced to rely on low-quality care.

We believe that quality child care is too important to child development to leave those children home alone or to make a way somehow on a day-to-day basis with relatives or families or people in the neighborhood to care for their children. Studies show that the first 3 years of life in some ways are the most critical of all. Quality care can clearly change the lives of children today. Quality care can truly give kids a head start. Quality care can relieve parental stress and give people the confidence they need to walk out of that door and go to their job, go on and achieve meaningful job skills, and do so with the knowledge that they can be a productive, cohesive, and successful family when the work is done.

Mr. President, that is all we are asking. Let us give families an opportunity to be families. Let us give them the opportunity to be strong families. Strength is defined in part by how strong the children are, by how nourished, how educated, how guided, how attended, and how cared for they are.

The Republican plan, frankly, is nonexistent in this regard. It is nice to have all the nice sounding rhetoric, but the fact is you have nothing if you do not put resources next to it. There are no resources in the Dole bill. It is estimated that the Dole bill in its current form is underfunded by almost $11 billion in the area of child care.

So there is no assurance that the children of single mothers will be adequately cared for. As the distinguished Senator from Massachusetts has said over and over, the Home Alone bill is not what this piece of legislation ought to be.

The modification made by the majority leader last week does not address this concern. In fact, it only exacerbates the problem. As the Senator from Pennsylvania has alluded to, the bill prohibits States from sanctioning mothers with children under 6. That may be good in some cases. But that is not the real issue. That does not help mothers become self-sufficient. It is a de facto exemption from the work requirement.

We do not want to exempt mothers, and we do not want to exempt States that do not provide the resources. We want States to provide the resources so that mothers will have the tools and the opportunities they are going to need.

Mr. President, the Dole bill in its current form will exempt 60 percent of those who are eligible for welfare today. Why? Because 60 percent of AFDC mothers have children under 6.

As the Dole bill is written, it will exempt any mother among that 60 percent that cannot find or afford child care.

States already had to pay for day care. It was an unfunded mandate, but they were required to pay it or exempt mothers and take a 5-percent cut in the block grant. The likelihood now is even greater that the bill has virtually no value in terms of putting people to work or providing child care.

So that is why this amendment is so important. This amendment says a number of things. First of all, it says we cannot expect parents to walk out that door, achieve the desired goals of this bill—that people either acquire skills or acquire a job—if they have to leave their children at home alone.

Second, it provides the resources necessary to make this happen. We ensure, not only that States are going to establish the mechanisms by which to provide those services, but that States are going to have the resources to see that that happens.

Third, the Dodd-Kennedy amendment is tough on work but not on kids. We require able-bodied adults to work or to prepare for work. We ensure that when they do, we are going to enter into a partnership with them to see that their children are cared for. We guarantee that child care assistance is provided, and we do so not by exempting the mothers with children who cannot find day care, but by helping them find the child care they need to allow them to work in the first place.

It is very clear. The adoption of this amendment is the linchpin to welfare reform. We are not going to get it without child care. We are not going to get it without the level of resources required to provide meaningful child care. We are not going to get it simply by exempting mothers who have no other recourse but to stay at home because child care is not available.

There has been a lot of rhetoric in this debate. The most important thing we can do to change rhetoric to real action is to pass this amendment, to provide the resources, to provide the mechanisms, and, most importantly, to provide mothers the confidence that they can be a family when they come home from work at night. This investment in children is as important to kids as it is to mothers, as it is to the system itself. It deserves our support, and I hope Republicans will join us in the passage of it as we take up the vote momentarily.

I yield the floor.

The PRESIDING OFFICER. Is all time yielded back?

Mr. SANTORUM. Mr. President, what time is remaining on both sides?

The PRESIDING OFFICER. The Senator from Pennsylvania controls 5 minutes, 45 seconds.

Mr. SANTORUM. Their time has expired?

The PRESIDING OFFICER. Seven minutes and seven seconds on the minority side.

Does the Senator from Massachusetts yield back all of his time? Is that correct?

Mr. DODD. The Democratic leader just spoke. Does anybody on that side wish to be heard on this?

Mr. SANTORUM. I would like to recognize the Senator from Washington for 2 minutes.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, I just want to say that the abstractions with which we deal with issues like this here are very different from the reality on the streets.

On my way back here from Seattle today, I read a long and fascinating article in the New York Times about the cultural differences among various kinds of gangs in the city of Los Angeles. The reporter reports on the particular ethos of black gangs, of Asian gangs, and of Hispanic gangs. In Los Angeles, the Spanish gangs account for most of the street murders, in the number of hundreds every year, but they do have a strong sense of family. And the principal part of the story is about a 15-year-old gang member with a 17-year-old girlfriend who has a 1-year-old child by this gang member.

If I may, I will share the last two paragraphs of that story with you, Mr. President.

> ''He's always staying home now,'' Tanya said hopefully. ''He doesn't want to miss nothing. He's saying, 'Can't you just leave the baby with me. I'll watch the baby and you go to school.''
>
> Dreamer is still only school age—
>
> He is 15.
>
> Tanya acknowledged, but the young family expects to be financially secure. Her mother receives Federal assistance to care for her through Aid to Families with Dependent Children. And now, Tanya said, she will also receive AFDC assistance to care for her own daughter, who is named Josefina.

So here we are subsidizing gangs and gang warfare in Los Angeles. That is why we need to pass this bill. That is why we need to deal with reality.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. I yield myself such time as I may consume.

In closing, I just want to remind Members what this amendment does. This is not an amendment targeted at preschool children, to provide single mothers support for preschool children. Children aged 12 and under are eligible for a full-time guaranteed day care slot under this proposal, under the Dodd amendment including two-parent families. Not just single mothers but two-parent families also qualify for a full-time day care slot. It also has a 100-percent maintenance-of-effort provision in this bill on the States.

This is a throwback to some of the ideas that we were debating for the past 2 decades. This is not in a new direction. This is not the direction we should take if we are going to reform the welfare system and get people back to work and get back to self-sufficiency.

I urge my colleagues to defeat the Dodd amendment.

I yield back the remainder of my time.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, very briefly, first of all, just in response to my friend from Pennsylvania, we say with regard to children that they should not be penalized if there are two parents. In fact, we ought to be encouraging that. And second, for after-school programs, it does not mean all-day child care, people in school. Obviously, it does not apply in those cases.

However, let me get back to the central point, Mr. President, if I can, in conclusion. We all want to see people move from welfare to work, and assist in that process. Every survey that has been done over the last decade has indicated that one of the major obstacles of people moving from welfare to work is the absence of child care.

Sixty percent of all AFDC recipients have children age 5 and under. If we are truly committed to moving people from welfare to work and we want to assist States in that process, we must provide adequate funds for child care. Because this bill mandates a 25-percent work requirement in 2 years, and 50 percent by the year 2000—we set that as a mandate in this bill—we should assist States in making that happen. All this amendment does is provide the assistance in a pool of money.

It is not an entitlement. It does not guarantee anybody anything. Merely on a proportional basis based on the block grant, it says to the States, ''Here is a pool of money to assist you in providing those families that you are moving from welfare to work with child care.''

Everyone knows that any effort to go from welfare to work, with infant children, that does not provide for child care will fail. And all of us do not want to see that happen.

So, Mr. President, I urge that we come together. This is an authorization—authorization. Money will have to be appropriated. If the numbers are less, then appropriate to less. But let us not try to divide over this issue that has united us in the past. Let us see if we cannot here find some common ground.

I happen to believe, Mr. President, we would pass welfare reform 95–5 if we would adopt the Dodd amendment on child care. We could end the acrimony. We could have a good welfare reform bill. We could assist our States. And we could move people from welfare to work. Let us not miss this opportunity, for once, to come together in this Congress on an issue this critical and this important to the American public.

Mr. President, I yield back the remainder of my time, and I urge a ''yes'' vote on the amendment.

Mr. SANTORUM. Mr. President, I move to table the Dodd amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is now on the motion to table.

The clerk will call the roll.

The bill clerk called the roll.

Mr. LOTT. I announce that the Senator from Texas [Mr. GRAMM] and the Senator from Wyoming [Mr. SIMPSON] are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming [Mr. SIMPSON] would vote ''yea.''

The VICE PRESIDENT. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 50, nays 48, as follows:

[Rollcall Vote No. 406 Leg.]

YEAS—50

Abraham	Frist	McConnell
Ashcroft	Gorton	Murkowski
Bennett	Grams	Nickles
Bond	Grassley	Packwood
Brown	Gregg	Pressler
Burns	Hatch	Roth
Chafee	Hatfield	Santorum
Coats	Helms	Shelby
Cochran	Hutchison	Smith
Cohen	Inhofe	Snowe
Coverdell	Kassebaum	Specter
Craig	Kempthorne	Stevens
D'Amato	Kyl	Thomas
DeWine	Lott	Thompson
Dole	Lugar	Thurmond
Domenici	Mack	Warner
Faircloth	McCain	

NAYS—48

Akaka	Feingold	Leahy
Baucus	Feinstein	Levin
Biden	Ford	Lieberman
Bingaman	Glenn	Mikulski
Boxer	Graham	Moseley-Braun
Bradley	Harkin	Moynihan
Breaux	Heflin	Murray
Bryan	Hollings	Nunn
Bumpers	Inouye	Pell
Byrd	Jeffords	Pryor
Campbell	Johnston	Reid
Conrad	Kennedy	Robb
Daschle	Kerrey	Rockefeller
Dodd	Kerry	Sarbanes
Dorgan	Kohl	Simon
Exon	Lautenberg	Wellstone

NOT VOTING—2

Gramm	Simpson

So the motion to lay on the table the amendment (No. 2560) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote.

Mr. SANTORUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The VICE PRESIDENT. The question recurs on the amendment of the Senator from Kansas, Mrs. KASSEBAUM.

There are 4 minutes of debate, evenly divided.

Mr. MOYNIHAN. Mr. President, may we have order.

The VICE PRESIDENT. The Senate will be in order.

The Senator from Kansas, [Mrs. KASSEBAUM], is recognized.

AMENDMENT NO. 2522

Mrs. KASSEBAUM. Mr. President, first, I would like to ask for the yeas and nays on my amendment.

The VICE PRESIDENT. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mrs. KASSEBAUM. Mr. President, I will reiterate why I believe this amendment is important.

Mr. President, I, too, feel strongly about the importance of child care. In order to make our welfare reform effort successful, I could not support the measure that we just voted on because I felt it was an amount of money that could not be sustained and was not offset in a way that I felt would be successful.

The rationale for my amendment is briefly three parts. It creates a unified system of child care at the State level, with one State plan. It is not an effort to, in any way, intrude on the infringement of one committee over another. It is my idea that a consolidation of these efforts is important, and it provides one set of regulations, rather than a two-track system. So it does not transfer jurisdiction of the Senate Finance Committee child care program to the Senate Labor and Human Resources Committee. But it does set up a single system through which child care is handled. It prevents families from experiencing disruptions in their child care since their eligibility is no longer tied to specific program requirements, that is, AFDC. Instead, eligibility is based on a family's income, through a sliding fee scale that the State determines. As parents earn more, they make a greater contribution for child care assistance.

I feel it is very important that low-income families can be able to move off of welfare rolls and yet still be able to maintain some support for child care. It preserves the limited funding for child care for low-income working families, many of whom rely on this assistance to stay off of the welfare rolls. For example, for a family of two earning minimum wage, average yearly child care costs consume 47 percent of the household gross income. That is a significant amount, Mr. President. I believe families do need some support because it is the children that we do have to protect in this process.

I yield the floor.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GRAMS). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Texas [Mr. GRAMM] and the Senator from Wyoming [Mr. SIMPSON] are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming [Mr. SIMPSON] would vote ''nay.''

The PRESIDING OFFICER (Mr. FAIRCLOTH). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 76, nays 22, as follows:

[Rollcall Vote No. 407 Leg.]

YEAS—76

Abraham	Exon	Leahy
Akaka	Feingold	Levin
Baucus	Feinstein	Lieberman
Bennett	Ford	Lugar
Biden	Frist	Mikulski
Bingaman	Glenn	Moseley-Braun
Bond	Gorton	Murkowski
Boxer	Graham	Murray
Bradley	Grams	Nunn
Breaux	Harkin	Pell
Bryan	Hatch	Pressler
Bumpers	Hatfield	Pryor
Burns	Heflin	Reid
Byrd	Helms	Robb
Campbell	Hollings	Rockefeller
Chafee	Hutchison	Santorum
Coats	Inouye	Sarbanes
Cochran	Jeffords	Shelby
Cohen	Johnston	Simon
Conrad	Kassebaum	Snowe
Craig	Kempthorne	Specter
Daschle	Kennedy	Stevens
DeWine	Kerrey	Warner
Dodd	Kerry	Wellstone
Domenici	Kohl	
Dorgan	Lautenberg	

NAYS—22

Ashcroft	Inhofe	Packwood
Brown	Kyl	Roth
Coverdell	Lott	Smith
D'Amato	Mack	Thomas
Dole	McCain	Thompson
Faircloth	McConnell	Thurmond
Grassley	Moynihan	
Gregg	Nickles	

NOT VOTING—2

Gramm	Simpson

So the amendment (No. 2522) was agreed to.

Mr. SANTORUM. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2523

The PRESIDING OFFICER. The question—the Senate will please be in order.

The question is on the amendment No. 2523, offered by Senator HELMS. There are 4 minutes evenly divided. Who yields the time?

The distinguished Senator from North Carolina.

Mr. HELMS. Mr. President, I do not believe I can talk over the various discussions going on.

Mr. LEAHY. Mr. President, the Senate is not in order. The Senator is right. He is entitled to be heard.

The PRESIDING OFFICER. The Senate will please be in order.

Mr. FORD. The Chair can call names.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Carolina.

Mr. HELMS. Mr. President, instead of making remarks, I have prepared a sheet that is on every Senator's desk that explains, or refutes in one or two cases, suggestions about what this amendment does or does not do.

Let me go down the list. First, the question and then the answer.

How much of the taxpayers' money will this amendment save?

CBO says it will save $5.68 billion over 7 years.

What are the work requirements under the Helms amendment? And by the way it is cosponsored by the distinguished occupant of the chair, Mr. FAIRCLOTH, and Mr. SMITH of New Hampshire, Mr. GRAMS of Minnesota, and Mr. SHELBY of Alabama. What are the work requirements under the Helms amendment?

Food stamp recipients must work a total of 40 hours over a 4-week period before receiving benefits.

Question. Are temporarily unemployed people denied food stamps?

No, community service will count as work.

Are work requirements in the Helms amendment stronger than in the Dole amendment? And, incidentally Senator DOLE supports the Helms amendment.

Yes. The Dole amendment allows recipients to receive food stamps for a full year and requires only 6 months of work to qualify.

Will pregnant women be denied food stamps?

No, there are millions of pregnant women who went to work this morning. But if and when they are unable to work they can and will get food stamps when qualified.

Will retired people be denied food stamps?

Of course not. Citizens over 55 are exempt from the work requirements.

How many individuals does the Helms amendment target?

It targets the 2.5 million able-bodied individuals who refuse to work.

Exempted by this amendment are children under 18, parents with children, parents with disabled dependents, mentally or physically unfit, and all who are over 55.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The time of the Senator has expired.

Who yields time?

Mr. LUGAR. Mr. President, I would like to speak in opposition.

The PRESIDING OFFICER. The Chair recognizes the Senator from Indiana.

Mr. LUGAR. Mr. President, the dilemma with the Helms amendment is very simple. That is in many communities throughout the country there are not volunteer programs. There are not work programs that people could take up. In some cases, there are not jobs.

Frankly, the problem is the amendment affects able-bodied people who are temporarily laid off, as people sometimes are in this country, during recessions or during closing of factories or economic change. It does not really give a very good opportunity for those people to qualify for food stamps.

USDA estimates 700,000 people would be affected. By and large, these are people, often with long work records, who temporarily have bad luck.

In my judgment, the amendment has the merit of trying to tighten up the food stamp situation but it does so at the expense of able-bodied Americans who should not be penalized.

I encourage the Senate to defeat the amendment.

Mr. LEAHY. Mr. President, it is true that this amendment by itself would save money. But you could also say that if we had an amendment that totally did away with the food stamp program that would save even more money.

Basically what this says is you could be somebody who has worked in the plant for 15 years, you paid your taxes, you are an upright citizen who paid for the programs and everything else, and if that factory, the largest employer in the area, should suddenly close, and you cannot find a job within 30 or 31 days later and if you are looking for food stamps you are not going to get them because you have not worked in the last 30 days. This is far too punitive. It is going to make it extremely difficult, as the senior Senator from Indiana said, for those who have been employed who because of a disaster or a plant closing or something else are out of a job. It goes much too far.

FOOD STAMP WORK AMENDMENT

Mr. SHELBY. Mr. President, I am pleased to join with Senators HELMS and FAIRCLOTH to offer this amendment to the welfare reform bill. This amendment is based on the simple notion that recipients of public assistance should give something in return for their benefits. To not require work for welfare, is to promote irresponsibility, which is ultimately harmful to the recipient.

This amendment is straightforward. It states that those recipients of food assistance, who are able-bodied, do not have any dependents, and are between the ages of 18 and 55, must work for an average of 40 hours per month in order to receive their food assistance.

Some critics might point out that the Dole amendment already has work requirements for Food Stamp recipients. However, those work requirements do not begin until 6 months after the person begins receiving food assistance. Workfare programs should resemble the private sector to the greatest extent possible, and I do not know of any business which pays its employees for 6 months before the employee ever begins working. Our work requirement is structured identically to private sector employment: wages—or benefits in this case—are paid after the service is rendered. This will promote personal responsibility and self-sufficiency.

Finally, one of the main benefits of work requirements is that they are a humane way of screening people off of welfare who do not belong on the rolls. Many people receiving benefits which are now free, will opt to pursue other options they currently have in the private sector if they are faced with even a minimal work requirement. If they have no such options, they will be able to continue to receive benefits in exchange for community service. However, CBO has estimated that this work requirement will save taxpayers $5.5 billion over 7 years, due to a decrease in the food stamp rolls of more than 1 million individuals. This will free up money to be used on people who are in genuine need, who have small children, and who have no employment options in the private sector.

Again, this amendment does not affect anyone with small children, or anyone who is disabled or elderly. It is carefully targeted at those who are the most likely to be able to move into the private sector.

Mr. President, this is a responsible amendment, and one I hope my colleagues will support.

Ms. MIKULSKI. Mr. President, I rise today to speak out against the amendment offered by the senior Senator from North Carolina.

Let me be clear. I am for reform of the Food Stamp Program. I am willing to toughen up work requirements. I am for elimination of fraud. That is why Democrats included reforms in our welfare reform.

We include increased civil and criminal forfeiture for grocers who violate the Food Stamp Act. We require stores to reapply for the Food Stamp Program so that we make sure that fraud is not taking place. We disqualify grocers who have already been disqualified from the WIC Program. We encourage States to use the electronic benefits transfer program and we allow them to require a picture ID. We require able-bodied people who are between 18 to 50 to work after a period.

The fight here is over food, not fraud. This amendment would say to workers in my State and States across this country that if you are a victim of a plant closing, you won't get any food stamps unless you go out and work. This amendment is tough on new mothers. Under this amendment, if you are about to have your first child and for some reason you lose your job, you are cut off from food stamps unless you work. Cut off at the most critical time in life for good nutrition. This amendment doesn't recognize that some areas are hit by high unemployment. This proposal fails to realize that we do have recessions.

In a time when we denounce mandates to the States, this is exactly what the proposal does—it mandates further costs. This amendment offers no funding to help these workers find work or create jobs. It is assumed that State and local governments can do this on their own. State and local governments will have to enforce these new Food Stamp requirements at the very time they are reinventing their welfare program.

Mr. President, I am for welfare reform including the Food Stamp Program. I am not for denying help to those who truly need it and that is what this amendment does. I urge my

colleagues to vote this amendment down so we can get on to real reform.

The PRESIDING OFFICER. All time on the amendment has expired. The question is on agreeing to the amendment of the Senator from North Carolina. On this question, the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Texas [Mr. GRAMM] and the Senator from Wyoming [Mr. SIMPSON] are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming [Mr. SIMPSON] would vote ''yea.''

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 32, nays 66, as follows:

[Rollcall Vote No. 408 Leg.]

YEAS—32

Abraham	Gregg	Nickles
Brown	Helms	Pressler
Coats	Hutchison	Roth
Coverdell	Inhofe	Santorum
Craig	Kempthorne	Shelby
Dole	Kyl	Smith
Faircloth	Lott	Stevens
Frist	Mack	Thompson
Gorton	McCain	Thurmond
Grams	McConnell	Warner
Grassley	Murkowski	

NAYS—66

Akaka	Dodd	Lautenberg
Ashcroft	Domenici	Leahy
Baucus	Dorgan	Levin
Bennett	Exon	Lieberman
Biden	Feingold	Lugar
Bingaman	Feinstein	Mikulski
Bond	Ford	Moseley-Braun
Boxer	Glenn	Moynihan
Bradley	Graham	Murray
Breaux	Harkin	Nunn
Bryan	Hatch	Packwood
Bumpers	Hatfield	Pell
Burns	Heflin	Pryor
Byrd	Hollings	Reid
Campbell	Inouye	Robb
Chafee	Jeffords	Rockefeller
Cochran	Johnston	Sarbanes
Cohen	Kassebaum	Simon
Conrad	Kennedy	Snowe
D'Amato	Kerrey	Specter
Daschle	Kerry	Thomas
DeWine	Kohl	Wellstone

NOT VOTING—2

Gramm	Simpson

So the amendment (No. 2523) was rejected.

Mr. DOLE. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I will ask unanimous consent as to how we may proceed. It has been worked out and cleared by the Democrats. There will be no more votes tonight.

Unfortunately, we could not get anybody to offer an amendment, but we do have an agreement the Senator from California and the Senator from North Dakota will offer amendments and votes will occur tomorrow.

ORDERS FOR TUESDAY, SEPTEMBER 12, 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. Tuesday, September 12, 1995, and the Senate immediately resume consideration of H.R. 4, the welfare bill.

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

Mr. DOLE. I ask unanimous consent that at 9 a.m. there be 10 minutes for debate on the pending Conrad amendment No. 2529, to be followed immediately by a vote on or in relation to the Conrad amendment.

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

Mr. DOLE. I further ask that following disposition of the Conrad amendment, there be 4 minutes equally divided in the usual form on the Feinstein amendment No. 2469, to be followed immediately by a vote on or in relation to the Feinstein amendment.

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

Mr. DOLE. I further ask that following disposition of the Feinstein amendment, Senator BREAUX be recognized to offer his amendment concerning maintenance of effort; that the time prior to 12:30 p.m. be equally divided in the usual form and a vote occur on or in relation to the Breaux amendment at 2:15 p.m. on Tuesday.

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

Mr. DOLE. Mr. President, let me indicate to my colleagues on both sides, I think there are a couple hundred amendments pending. We did not dispose of very many today. It is my understanding there are about 19 cleared on this side. And we hope we might be able to dispose of those this evening if they can be cleared on the other side. They are both Democratic and Republican amendments, and not controversial, as I understand it.

I have not seen the amendments myself. But I think we have indicated—at least I have indicated, and I think the Democratic leader, the distinguished Senator from South Dakota, Senator DASCHLE, agrees—we ought to complete action on this bill Thursday, that on Friday take up the State, Commerce, Justice appropriations bill, and either complete action on that Friday—the chairman would like it Friday or Saturday, that bill, because we do need to complete action on the remaining appropriations bills and go to conference and send them down to the President before October 1.

And so there is a lot of pressure on us to get the work done. We still have the six appropriations bills to do. Two or three will take some time. A couple of them may go rather quickly. So I would suggest that we have got a lot of work to do in a rather short time.

I know that some of my colleagues will have problems in the first week in October because of religious holidays. And we want to accommodate everybody, try to accommodate everybody, as we should. But hopefully we will have the appropriations bills done, so it will be easier to accommodate those who have particular concerns in that area.

So I would urge my colleagues to cooperate with the managers on each side so we can complete action on this bill on Thursday evening.

I will be sending a cloture motion to the desk. In fact, I will do it right now.

Ms. MOSELEY-BRAUN. Will the majority leader yield?

Mr. DOLE. I will be happy to yield to the Senator from Illinois.

Ms. MOSELEY-BRAUN. I have three pending amendments that I would be prepared to take up after the Breaux amendment has been disposed of, and if it is appropriate, if you would amend your unanimous-consent request to take up the three 4Moseley-Braun amendments thereafter.

Mr. MOYNIHAN. Did you want 1 hour?

Ms. MOSELEY-BRAUN. An hour would be sufficient.

Mr. DOLE. For each one?

Ms. MOSELEY-BRAUN. One hour for all three.

Mr. DOLE. I think now that we have two Democratic amendments pending, our hope would be that we take up the Ashcroft amendment, the Shelby amendment, and then the amendments of the Senator from Illinois, if that is satisfactory.

I do not know how much time they are going to take. So we would be on your amendments by about 4:30.

Ms. MOSELEY-BRAUN. Is there time on the Aschroft amendment?

Mr. DOLE. One hour on Ashcroft; 1 hour on Shelby; and 1 hour on yours, if that is satisfactory.

Mr. MOYNIHAN. Why do we not ask for that now?

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Florida.

Mr. GRAHAM. I would request, immediately after disposition of the amendments from the Senator from Illinois, an amendment offered by Senator BUMPERS and myself be the next Democratic amendment. And we have agreed to a time agreement of 2 hours equally divided.

Mr. DOLE. I want to first make certain we satisfy the Senator from Illinois.

Ms. MOSELEY-BRAUN. If I may, I would like an hour on my side on my three amendments. And if that would mean an hour—that would be 2 hours total on the three amendments that I have.

Mr. DOLE. OK. Let me just make this consent request, that following the disposition of the Breaux amendment—the vote will occur at 2:15—then we consider the Ashcroft amendment, 1 hour equally divided in reference to food stamps; followed by a Shelby amendment in reference to food stamps, 1 hour equally divided; followed by three amendments by the distinguished Senator from Illinois, Senator MOSELEY-BRAUN, 2 hours equally divided; followed by——

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. If the Senator from Florida would be understanding, I do not know that we could get a time agreement at this point. But in the sequence, he would come after the Senator from Illinois.

Mr. GRAHAM. I would modify my request for unanimous consent just to be in sequence after the Senator from Illinois and settle at a later date the question of time.

Mr. DOLE. I think the only point I would make—I am not certain we could do that. We do not want to get to one amendment at 5 o'clock tomorrow and be on it for the rest of the day.

If I could get consent, before I move to the Graham amendment, on the previous three amendments, Ashcroft, Shelby—no time agreements.

Mr. FORD. Reserving the right to object, Mr. President. And I say to my friend, the majority leader, there are some that are very involved, and the floor manager here understands that very well. We have not been able to check about the time limits on food stamps.

If we could do sequence, then work out the time agreements after that, I think that would be best. But as far as agreeing to a time as it relates to these amendments, it would be very difficult for us to do it at this time unless we could get all of those Senators that are involved and interested in the particular amendments that are going to be brought forward.

We are talking about basically six amendments here, and one of them you cannot give a time agreement on; one you have the time agreement for an hour on the three; but then that does not include time in opposition, so 2 hours. I would be put in a very untenable position to having to object.

I see the minority leader is here, the Democratic leader is here now.

I yield the floor.

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

Mr. DOLE. That is OK.

Mr. President, I will just modify my request.

Mr. MOYNIHAN. I withdraw my request.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Again, I must say we still have a couple hundred amendments pending. I do not want to get carried away that we are making progress if we take up four amendments, five.

Mr. FORD. They are major, though.

Mr. DOLE. I would ask the following sequence: Following disposition of the Breaux amendment, Senator ASHCROFT be recognized to offer an amendment on food stamps; following disposition of that amendment, we hope to get a time agreement, and that the Senator from Alabama, Senator SHELBY, be recognized to offer an amendment on food stamps; following disposition of that amendment, the distinguished Senator from Illinois, Senator MOSELEY-BRAUN, be recognized to offer three amendments with a 2-hour time agreement, 1 hour on each side; followed by the Graham-Bumpers amendment on formulas, as I understand it.

Mr. MOYNIHAN. That is right.

Mr. DOLE. Yes.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Reserving the right to object. Might I ask the majority leader a question?

Mr. Majority Leader, there is no time agreement yet as to when this bill has to be disposed of, is there?

Mr. DOLE. No. But it is my hope, and I hope the hope of the Democratic leader, that we finish it Thursday. Otherwise, I think we will go the reconciliation route. We could be here on this for the next 3 weeks, and we have six appropriations bills to pass. We have got some people pressing for a recess in October. And we want to try to accommodate people, but sometimes we have to accommodate the work at hand. And there is a lot of work at hand.

For 49 hours we have been on this bill. It is a very important bill. But this will take us into tomorrow evening, even this agreement—one, two, five, six, seven, eight, nine amendments, which will get us to sometime tomorrow evening. That would still only leave 200 left. That may be progress; not in my book.

I will send a cloture motion to the desk.

First, I will yield the floor.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the minority leader.

Mr. DASCHLE. Mr. President, I share the view just expressed by the majority leader. I think we have made some progress. We have a long way to go. I know that some of the amendments that have been offered are duplicative amendments, so there is probably a much shorter list than 200.

I think we can make a real good-faith effort tomorrow and see if we cannot accommodate both sides in not having votes on all of these. I think if we can work with the managers and accept some of these amendments, it would be very helpful as well.

There are two other amendments, at least I will just put our colleagues on notice, on the Democratic side. I would like the Lieberman amendment and the Kennedy amendment having to do with work as our next two amendments, regardless of whether they are part of the unanimous-consent agreement or not. I think it would be helpful for Democrats on our side at least to know what the sequencing will be.

Mr. KENNEDY. Will the Senator yield?

Mr. DASCHLE. Yes.

Mr. KENNEDY. This is the amendment to strike the training aspects of the welfare proposal; basically, the Kassebaum training programs that deal with dislocated workers, the workers that would be covered under NAFTA, GATT, defense downsizing, corporate restructuring, environmental considerations, an amendment that would be used to strike those provisions from the Dole bill.

Mr. DOLE. Any time agreements?

Mr. KENNEDY. We would be glad to work out a reasonable time, and I will be glad to talk with others who are the cosponsors and Senator KASSEBAUM and make a recommendation to the leaders tomorrow and try to get that in prior to the time of the cloture vote.

Mr. DOLE. I will just say for my colleagues, we have two Republican amendments, and then we have three amendments from Senator CAROL MOSELEY-BRAUN and then the amendment of Senators GRAHAM and BUMPERS. I assume following that there would be a Republican amendment, and then we can accommodate.

Mr. DASCHLE. The next two Democratic amendments following those would be the two I just mentioned.

Mr. DOLE. I also want to say, as I indicated earlier, since the leader is on the floor, there are a number of amendments that have been cleared on this side, and if they can be cleared on the other side—I think there are a total of 19—that would be a sign of progress, too. As I understand, they are amendments from Republicans and Democrats. They are not controversial. They probably would not have been cleared. That would be a sign we are making progress, too.

The PRESIDING OFFICER. Is there objection to the majority leader's request?

Mr. DOMENICI. I wonder if the Senator will add Senator DOMENICI's amendment on family cap to the sequencing when he is finished.

Mr. DOLE. Following the Graham-Bumpers amendment, how much time?

Mr. DOMENICI. At least an hour on my side; maybe an hour on the other side.

Mr. DOLE. They may want to check that. I can seek agreement but not give a time agreement. I ask unanimous consent that Senator DOMENICI be sequenced in after Graham-Bumpers, but we cannot get an agreement on time.

The PRESIDING OFFICER. Is there objection to the request? Without objection, it is so ordered.

CLOTURE MOTION

Mr. DOLE. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the Dole substitute amendment to H.R. 4, the welfare reform bill.

Bob Packwood, Hank Brown, Bob Dole, Paul D. Coverdell, Conrad Burns, Don Nickles, Trent Lott, Bill Roth, Rick Santorum, Ted Stevens, Pete V. Domenici, Robert F. Bennett, Mike

DeWine, Slade Gorton, Larry Pressler, Craig Thomas, Rod Grams.

The PRESIDING OFFICER. The Chair recognizes the Senator from California.

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

AMENDMENT NO. 2469

Mrs. FEINSTEIN. Mr. President, I thank you for the recognition, and I speak to amendment No. 2469, which was earlier offered, which has to do with the growth formula provided for in this bill.

I ask unanimous consent that Senator BOXER be added as a cosponsor to the legislation.

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

Mrs. FEINSTEIN. Mr. President, let me try to be succinct as to how this amendment would change the Dole bill. Essentially what the Dole bill does, as drafted, is present a growth fund for the next 5 years of $877 million. It then submits a formula under which that growth fund is disbursed. The formula would provide funds only to 19 States. You cannot convince me that only 19 States are going to grow in terms of poor families in this Nation.

So what I have tried to do is come up with a fair formula that measures the growth of poor families. The House bill has a formula in it which measures the growth of people and then applies that to this bill. Ours is very similar to the House, with one distinction, and the distinction is that it would use the census data to count the increase in poor families to determine how the growth money is spent. The House uses the census data to count the increase in the general population. Then, the way in which the growth money is spent is simply: The percentage of growth is divided into the overall total growth. In that way, every State is accommodated, and the growth funds are distributed to each state proportionate to its share of the total growth.

Specifically, it would require the Secretary of Health and Human Services to publish every 2 years data relating to the incidence of poverty. The methodology employed mirrors title 13 of the United States Code, section 141(a) of the census statute, and as I have said, is the same as the House welfare reform bill. So people should know that what we are doing is simply following the way the census produces the material, under current law, and then empowering the Secretary of Health and Human Services to disburse funds according to the results of that data, and proportionate to each state's share of the total growth in poor people.

There is no additional cost associated with this amendment.

I would like to add that all States are being held harmless; in other words, no State's grant would be reduced if that State experiences a decline in poor population. According to the present population projections, four States are expected to experience an actual decline of population. They are Maine, Massachusetts, Connecticut, and Rhode Island. These States are all held harmless in this amendment.

If, of course, the projections prove wrong and those States do experience an increase, because no one can actually predict future growth, they will receive their fair share of the growth formula.

If I may, I would like to contrast this with the approach taken in the underlying bill. Eight hundred seventy-seven million dollars over 5 years is authorized in this bill to accommodate growth. As I said, only 19 States are funded with this growth formula. Under the Dole bill, the 19 States receive automatic additional funding, 2.5 percent of their 1996 grant, in each of fiscal years 1997 to 2000 if, one, their State's welfare spending is less than the national average level of State spending and, two, their rate of population growth is greater than the national average population growth.

For reasons which are unclear, certain States are deemed as qualifying if their level of State welfare spending per poor person is less than 35 percent of the national average level of State welfare spending per poor person in fiscal year 1996.

So Federal taxpayers are being asked to spend almost $1 billion over 5 years in the name of growth. But, in fact, the result is that States that, until now, have spent less than the average level of State spending in assisting their poor will now be subsidized by taxpayers from all 50 States. I think that is plain wrong. The State with the greatest growth—and that is California—is significantly disadvantaged because its funding is frozen for the next 5 years. I have distributed a letter with our proposal, with the Dole-Hutchison formula in it and with the difference. So there are three charts on everyone's desk tonight so everybody can look up their State.

Certainly, the 19 States recognized in the Dole bill—and I know Senator HUTCHISON will comment on this—will be cut back somewhat so that everybody could have a fair share of the growth fund based on the actual growth of poor people in their State as determined by the Bureau of the Census. What could be fairer than that? If in the census you achieve more people, the growth fund is there to give you your percent share of the total growth fund.

So I will yield the floor for the moment. I know Senator HUTCHISON would like to debate this.

The PRESIDING OFFICER. Who yields time?

Mrs. HUTCHISON. Mr. President, I will be managing the time on this amendment for our side. Mr. President, I want to lay out exactly what my amendment does, or my formula, the Dole-Hutchison formula, does. Senator SANTORUM is going to have to leave in 7 minutes, so I would like to ask him to speak for 2 or 3 minutes, and then I will lay out the parameters of the Dole-Hutchison formula so that everyone understands why it is the fairest formula.

Mr. SANTORUM. Mr. President, I thank the Senator from Texas for yielding.

As I discussed the other night, I want to congratulate the Senator from Texas for working diligently in coming up with this formula. It is a fair formula. On the surface, it sounds like the Feinstein formula is fair because it is based on growth in poverty population.

What the Feinstein formula ignores is how we got to the allocation in the first place. In other words, how did we get to today? It is based on not how many poor children there are in California, Pennsylvania, or New Mexico; it gets to the State today based on how much the State of California ponied up, as did the States of Texas and Pennsylvania. As a result, you have States like California—and Pennsylvania being another one and New York—who had large welfare contributions. They put up a substantial State match. As a result, they got more Federal dollars. If you put up more State money, you got more Federal money. So you had certain States who were more generous with their welfare—or more progressive, some would say—and put up more dollars.

Well, now the match is gone. There is no longer a match required under the Dole substitute, the bill we are going to pass. So to suggest that we should now take a formula based on what a State match was and apply that in the future, based on what the growth in the poverty population is, already gives those States that had high State matches an artificial advantage in the first place.

So what the Hutchison formula tries to do is say—starting at this inequity, because the Hutchison formula holds every State harmless and says that, from there on, we are going to have the States who get less per child under current law get more money over time to equal out what the Pennsylvanias and Californias and New Yorks get. So her growth formula targets the low-benefit States that are growing and allows them to catch up with these Federal dollars.

It is fair in the sense that these are block granted funds and there is no match required anymore. California does not want to spend a penny on this. They will not anymore because we have a 75 percent maintenance of effort. But California can reduce their contribution, which would be a lot more to their State budget than Mississippi's reduction in their welfare contribution. So they have a lot more flexibility under the current law. There is no match requirement except to the extent of the 75 percent maintenance of effort.

This is a fair way to make up the difference over a period of time. As Senator HUTCHISON will very articulately tell you, they are still at the short end of the stick because the per child expenditure for a child from California, New York, or Pennsylvania will still be less after 7 years than they will be in taxes, even though it is a block-granted formula. We try to make up this inequity. I congratulate her for her tenacity in dealing with this issue. This was the toughest issue to deal with. Any time you try to figure out how the money is allocated, you get all sorts of parochial interests that jump to the floor. She was able to stick in there and handle it and bring people together. It is one of the principal reasons this bill is on the floor and in shape to pass the Senate.

Mrs. HUTCHISON. Mr. President, I yield myself 6 minutes of our time. I want to start by thanking the Senator from Pennsylvania. I appreciate all of his efforts on this bill. He is one of the first people who understood the balance in the formula.

Mr. President, this formula is very carefully balanced. That is why it is fair. The challenge we had was to make a fair formula in a totally reformed welfare system with a 5-year block grant.

Now, here was the problem. You have high-welfare States that gain in the beginning because they are block granted for 5 years. These are States that have put more into their welfare spending and therefore have gotten more out. A State that has put more in has also gotten more Federal matching funds. Therefore, they have gotten more total AFDC dollars. Now, you have low-benefit States that have not put up as much money. My State is 35th in per capita income and may not have been able to put up as much. So they have gotten fewer Federal dollars.

In we come with welfare reform. Now we are going to lessen the State requirement. We will have no State requirement at all in the last 2 years of this 5-year plan. So we have to reform the formula as well, to keep the low-benefit States that are growing from being in a desperate situation. So the challenge was not to take from anyone, but to allow these low-benefit, high-growth States to be able to win in the end, so that they march toward parity.

If I can say one thing about this formula, it is that we have a goal of parity at some point in the future. I would like to be at parity today; so would Senator DOMENICI, so would Senator NICKLES, and so would Senator GRAMM. We would like to be at parity right now. But even after 5 years, our States will not be at parity. But we know that we have to make accommodations so that everyone can feel that they have gained something from welfare reform. So we are willing to move slowly toward parity, which should be the goal of this country—for every poor person to have the same basic general grant in welfare. My solution, the Dole-Hutchison formula, does exactly that.

Some have said that food stamps make up for inequity. This is not true. If you put AFDC and food stamps together, which gives you the fairest picture, even after 5 years with the Dole-Hutchison formula, here is what you have. The higher welfare States like California that are frozen still get more than their percent of the poverty population in Federal dollars at the end of 5 years. California will get 14.41 percent of the Federal dollars under my formula, whereas, they have 14.1 percent of the poverty population. So they will be getting $141 million more than their actual share of the poverty population. Because they are frozen at the higher level, they are going to be big winners in the beginning, and they will still not be losers at the end.

Hawaii, for instance, will have double its poverty population in Federal benefits. New York will have 9.94 percent of all the Federal AFDC dollars, whereas it has 7.6 percent of the poverty population. Massachusetts will get 1.99 percent of the Federal dollars, whereas, it has 1.7 percent of the poverty population. Michigan will get 4.16 percent of the dollars, whereas, it has 3.6 percent of the poverty population. Washington State will get 1.96 percent of the total Federal dollars whereas they have 1.5 percent of the poverty population.

Now, these are States that are going to be frozen at the higher levels. That is why these States win even though they are frozen. If you take their Federal dollars frozen plus their food stamps they still come out ahead of their poverty population percent.

Now, what is wrong with the Feinstein amendment? Let me say that the Feinstein amendment, she has done her homework. I admire the Senator from California very much. Here is what is wrong with this amendment. It redistributes the growth even to high-benefit States so they get a double advantage. They get a high Federal benefit in the beginning and they get the growth.

So what happens? They increase in poverty requirements, which are an incentive to even the high-welfare States to continue having growing poverty statistics.

The second thing that is wrong with the Feinstein amendment is parity will never be reached. We will never reach the goal in this country to have general parity across the Nation of all of the AFDC grants.

Let me give some examples of the difference between the Dole-Hutchison formula and what Senator FEINSTEIN's formula would do to the poor States.

California receives $1,016 per poor person now. Alabama receives $148 per poor person, and yet under the Feinstein amendment Alabama will lose $11 million more under her formula than they would get under mine because they will grow under mine because they are poor.

Arkansas, $137 per poor person as compared to $1,016 from California.

The PRESIDING OFFICER (Mr. SANTORUM). The 6 minutes of the Senator has expired.

Mrs. HUTCHISON. I ask unanimous consent to be extended 2 minutes.

The PRESIDING OFFICER. The Senator has 4 minutes remaining on her time.

Mrs. HUTCHISON. Mr. President, let me finish this thought, and I want to yield the floor to Senator DOMENICI for 2 minutes.

We have the poor States that will continue to lose under the Feinstein amendment.

The third thing that is wrong with the Feinstein amendment is that it directs the Secretary of Health and Human Services to determine poverty estimates by means of sampling, estimation, or any other method that the Secretary determines will produce reliable data.

Now, Mr. President, that is a hole as big as a Mack truck. Who knows what the formula might be? We just cannot live with that. We must have something that we can count on that will not be jiggered or changed over the years, to be considered fair.

Mr. President, I yield the floor, and I yield the Senator from New Mexico 2 minutes.

Mr. DOMENICI. Mr. President, thank you.

Senator HUTCHISON, let me just say we actually should call the new formula in the Dole amendment not the Dole-Hutchison but the Hutchison-Dole.

I commend the Senator also for the tremendous job done in trying to create parity and what I perceive to be fairness. I have great admiration for anybody that tries to get more for their State. Obviously, I admire the distinguished Senator from California for trying to get more for California.

Essentially, to just give an example, California and New York each start off with more Federal spending per poor person than New Mexico, Texas, Alabama, and Virginia combined. Let me put it one more time, just taking California. California starts off with more Federal spending per poor person than New Mexico, Texas, Alabama, and Virginia combined.

Now, if we are going to have a formula that perpetuates that disparity, then why would we from States like New Mexico, Texas, Alabama, Virginia, and many others, want to be part of this change in our Federal Government's approach to the welfare system? Why we would want to join and put our States and our poor people in a perpetual inferiority position—not a little bit, but a dramatic difference.

The Senator from Texas has stated the difference. We will never catch up.

The distinguished Senator from Texas did not come up with a formula that would take from the rich States, the States that have harvested the program so well. We did not decide in our work together—I worked on it with you, the Senator from New Mexico worked with you—to take from them.

We just said do not continue to leave the poorer States in a perpetual state of disparity beyond any recognition. There will be a welfare program in New Mexico under this that will be one-third of that in New York. My State will lose $23 million. It is one of the hardest hit States. There are many more like it.

I say to the Senator from California, good luck on getting things for California but on this one, this formula will not work because it is not fair. I thank the Senator from Texas for yielding.

Mr. MOYNIHAN. Mr. President, the Dole substitute to H.R. 4 authorizes a supplemental appropriation of $878 million over fiscal years 1997 through 2000 to be allocated to certain States in addition to the funds they would receive under the temporary assistance for needy families block grant. States qualify for the supplemental funds if one, total population—not just poor population—growth in fiscal year 1996 is above the national average and State welfare expenditures per poor person are at or below 50 percent of the national average, or two, State welfare expenditures per poor person are at or below 35 percent of the national average, regardless of population growth.

States have a one-time opportunity to qualify in fiscal year 1997. If they do, they will receive a 2.5-percent increase in their block grant funding each year, 1997–2000, regardless of whether they continue to meet the eligibility standards in subsequent years. Likewise, States that fail to qualify in fiscal year 1997 are excluded from receiving any of the supplemental funds even if they were to quality later. The practical effect of the provision would be to boost cumulative funding in 19 so-called growth States—but not California—by 10.4 percent. The remaining 31 States, including New York, would be held harmless; their allocations under the main block grant would remain frozen through fiscal year 2000, Not surprisingly, fully two-thirds of the Senators who represent the winner States are Republicans.

Mr. President, there are major flaws with this provision that makes me wonder just how serious its proponents are. First, general population growth is not a reliable proxy for an increase in a State's share of the growth of poor people who qualify for welfare benefits. Many rapid-growth States attract new residents precisely because their economies are strong and work opportunities are good. It is entirely possible that a State experiencing rapid growth due to economic expansion could see its share of poor people decline. Conversely, a slow-growing Rustbelt State could see its share of total population decline but its share of poor people eligible for welfare increase.

The second problem is that supplemental fund will be made available only to those growth States whose State expenditures per poor person are at or below 50 percent of the national average. And then there is the curious provision that rewards nongrowth States if their State expenditures per poor person are at or below 35 percent of the national average.

A State could have a large share of childless working or elderly poor. These individuals would dilute per capita welfare expenditures even though they would not be welfare recipients. More importantly, are now about to enter the business of rewarding States who will not spend their own resources on their own poor people? Are we going to start punishing States that do commit their own resources by reallocating scarce Federal funds away from them? I will have much more to say on this subject when we take up the formula amendment the senior Senator from Florida has offered. Suffice it to say at this point that I will not stand by and allow our Federal system to be wrecked in one fell swoop.

Senator FEINSTEIN's amendment is identical to the provision in the bill the House passed pertaining to supplemental block grant funds. Each State's annual share of the supplemental block grant, if any, would be proportionate to its share of the increase in the number of poor people nationwide. New York, theoretically, could be eligible for supplemental block grant funds.

The Feinstein amendment requires the Census Bureau to update and publish data relating to the incidence of poverty for each State, county, and local school district unit of government every 2 years, commencing in fiscal year 1996 and authorizes an annual appropriation of $1.5 million for this purpose.

Mr. President, I support the Feinstein amendment, but it does have two flaws. First, an increase in the number of poor people—while better than the proxy used in the underlying substitute—still is not a precise proxy for an increase in the number of poor people who would be welfare beneficiaries. Once again, low-income men and women without dependent children and the elderly poor, for instance, would not be AFDC recipients but would count in the population tallies that determine whether a State qualifies for the supplemental block grant. More importantly, while updating poverty data more frequently is a desirable public policy goal, which I support, statisticians are not confident yet that accurate subcounty counts are possible in any context other than the decennial census.

Collecting data more frequently typically will harm slow-growing States like New York when the data sets are plugged into allocation formulas. Exacerbating the problem is the fact that poverty data do not reflect regional or State-by-State differences in the cost of living. A family of our just above the poverty threshold living in New York City is demonstrably worse off than a family of four just below the threshold living in rural Mississippi. Research indicates that differences in the cost of living can be as great as 50 percent.

Each year, in collaboration with the Taubman Center for State and Local Government at the John F. Kennedy School of Government, I publish a document entitled ''The Federal Budget and the States'' that details the flow of funds for the previous fiscal year. Aficionados of the report know that I refer to it as the ''Fisc.'' I send a copy to each Senator every summer and hope that my colleagues read it. At any rate, the most recent edition of the Fisc contains, for the second year, the ''Friar/Leonard state cost of living index,'' which is named for its cocreators, my coauthors, Monica E. Friar, an indefatigable research assistant, and Professor Herman B. Leonard, academic dean of the teaching programs and Baker Professor of Public Finance at the Kennedy School. If we were to apply the Friar/Leonard index to subnational poverty statistics, we would find that New York's 1992 poverty rate jumps from the 18th highest rate nationwide to the 6th highest.

One of the amendments I offered last, Friday would require the Census Bureau to develop cost of living index values for each of the States—at a minimum, and at the sub-State level, if practicable—and apply those values to the national poverty threshold in determining the number of poor people for each State. The index value for the United States would be 100. A State such as New York might have a hypothetical index value of 106 while Mississippi might have an index value of 94. Applying the index values for the two States to the national poverty threshold would increase the income limit and hence the number of poor people in New York and decrease the income limit and the number of poor people in Mississippi.

Earlier this year, a National Academy of Sciences [NSA] panel of experts released a congresssionally commissioned study on redefining poverty. The report, edited by Constance F. Cirro and Robert T. Michael, is entitled ''Measuring Poverty: A New Approach.''

According to a Congressional Research Service reviews,

> The NAS panel (one member among the 12 member panel dissented with the majority recommendations) makes several recommendations which, if fully adopted, could dramatically alter the way poverty in the U.S. is measured, how Federal funds are allotted to States, and how eligibility for many Federal programs is determined. The recommended poverty measures would be based on more items in the family budget, would take major noncash benefits and taxes into account, and would be adjusted for regional differences in living costs.
>
> . . . Under current measures the share of the poor population living in each region in 1992 was: Northeast: 16.9%, Midwest: 21.7%, South: 40.0%, and West: 21.4%. Under the proposed new measure, the estimated share in each region would be: Northeast 18.9% Midwest: 20.2%, South: 36.4%, and West: 24.5%.

The CRS report, ''Redefining Poverty in the United States: National Academy of Science Panel Recommendations,'' was written by Thomas P. Gabe.

Mr. President, despite the flaws I have just mentioned, the Feinstein amendment is enormously superior to the underlying provision, and I encourage my colleagues to support it.

Mrs. HUTCHISON. Mr. President, I yield 30 seconds to the senior Senator from Florida.

Mr. GRAHAM. Mr. President I ask unanimous consent to extend that 2 minutes.

The PRESIDING OFFICER. Is there objection?

Mrs. HUTCHISON. Mr. President, I think I only have—

Mr. SANTORUM. The Senator has 30 seconds remaining.

Mr. GRAHAM. This would be 90 seconds in addition.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that I get 4 more minutes because I have two other speakers.

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

Mr. DOMENICI. Might I ask the Senator from Florida if he would yield without losing any of the time for a unanimous consent request.

Mr. GRAHAM. I yield to the Senator from New Mexico.

AMENDMENT NO. 2575, AS MODIFIED

Mr. DOMENICI. Mr. President, I send an amendment to the desk and ask unanimous consent that it be modified. It is an amendment on my part to conform the amendment on the family cap to the Dole amendment as offered.

My previous amendment was in anticipation of the amendment. This just makes it conform with the Dole amendment. I ask that it be filed as such and take the place of my previously filed amendment.

The PRESIDING OFFICER. Is there objection to the modification?

Mrs. FEINSTEIN. Mr. President, I reserve the right to object.

Mr. President, I withdraw my reservation.

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

The amendment will be so modified.

The amendment, as modified, is as follows:

Strike the matter inserted in lieu of the matter on page 49, line 20, through page 50, line 5, and insert the following:

''(c) STATE OPTION TO DENY ASSISTANCE FOR CHILDREN BORN TO FAMILIES RECEIVING ASSISTANCE.—At the option of the State to which a grant is made under section 403 may provide that the grant shall not be used to provide assistance for a minor child who is born to—

''(1) a recipient of assistance under the program funded under this part; or

''(2) an individual who received such benefits at any time during the 10-month period ending with the birth of the child.

AMENDMENT NO. 2469

Mr. GRAHAM. Mr. President, I rise just to put the Senate on notice that this is not the only alternative to the formula that we will have an opportunity to consider during the debate on the welfare reform bill.

There will be other amendments that will be offered by Senator BUMPERS, others, and myself tomorrow which go to the more fundamental issue.

That fundamental issue is that not only as the Presiding Officer has correctly pointed out have we changed the status quo by no longer requiring a local effort, and therefore continuing a formula whose numbers were predicated on that effort, is irrational.

We go beyond that. We impose new obligations on the States, particularly in the areas of child care and preparation for work. We are going to be requiring essentially the same obligation from each of the 50 States with enormously different amounts of Federal resources in order to reach those obligations. There are some States that will have to spend over 80 percent of their Federal money in order to meet the new Federal mandates. Other States can reach those Federal mandates with 40 percent or less of the Federal money.

So I suggest this is not just an issue of allocating money between Texas, California, New Mexico, Rhode Island, Florida, or the other States. It goes to the fundamental issue of: Can we achieve the result that this bill is intended to achieve, which is to assist people through appropriate State action to move from welfare dependency to the independence of work?

My suggestion is that we will not be able to achieve that objective, and therefore I urge the amendment as offered by my good friend, the Senator from California, be defeated and, frankly, that tomorrow we be prepared to engage in a very fundamental debate about how we are going to allocate resources that, in my opinion, is critical to whether this goal of welfare to work is attainable.

The PRESIDING OFFICER. Who yields time?

Mrs. HUTCHISON. Mr. President, I yield 30 seconds to the Senator from Arizona.

Mr. KYL. Mr. President, I oppose the amendment of the Senator from California.

I appreciate what she is trying to accomplish. But under her formula, as I calculate it, California would receive fully 20 percent of the supplemental amount already appropriated in the bill. Under the Hutchison formula, not a single State would lose any block grant funding but there is an adjustment for those particularly high growth States and States that are well below the national average on the receipt of Federal funds for welfare spending.

Everybody has a different formula which helps them. Senator FEINSTEIN is only trying to help her constituents.

But if we get bogged down in a welfare formula fight, there is a good possibility that welfare reform could be derailed in the Senate.

Realizing that, a group of Senators early on, under the leadership of Senator HUTCHISON, came up with a formula that, in a small way, begins to recognize the need to distribute welfare funds in a more equitable manner.

The point is this: States that are currently well below the national average in receipt of Federal funds and State welfare spending and States that will experience higher than average growth in population should receive a greater share of the ''growth'' formula. The Hutchison formula accomplishes this by giving States that meet these criteria a 2.5-percent increase per year in block grant funding starting in fiscal year 1997. Under this formula, no State loses any block grant funding and 17 States with particular needs get an increase. So, in States like Mississippi, where AFDC payments are the lowest in the Nation, a small stride will be made toward allocating funding in a way that treats poor children more equitably. And, in States like Arizona, where population growth is expected to be well above the national average over the next 5 years, a small movement toward equity in funding distribution is also achieved.

The Feinstein amendment, on the other hand, is based solely on increases in incidences of poverty. That will upset the balance that was achieved earlier on the funding formula.

It is based solely on increases in poverty—which can be a built-in incentive for States to keep people in poverty in order to receive increases in Federal funding.

It will reward States like California and New York, which already take a huge chunk of the Federal pot with even additional Federal dollars. Under the Feinstein amendment, 20 percent of the supplemental amount already appropriated in the bill will go to California. This is not fair.

Under the Feinstein amendment, California's spending per person in poverty will remain well above the national average while Arizona will continue to hover around the national average. And, under Feinstein, other States like Mississippi and Texas, will not even reach the national average in spending by the year 2000.

Under the Feinstein amendment, States that are poor and growing will continue to be poor and growing without the necessary 10.4 percent increase that the Hutchison formula would provide. California, which already receives three times more in Federal funding per poor child—$1,016 per child—than a child in Arizona—$361 per child—will receive a much larger increase than Arizona.

Since there will no longer be a Federal/State match required in welfare spending under the Dole welfare bill, there must be a movement toward equity in Federal welfare funding to the States. We cannot expend all of our resources in just a few States.

The Hutchison formula is a very fair formula and I urge my colleagues to reject the amendment of the Senator from California.

The PRESIDING OFFICER. Who yields time?

Mrs. HUTCHISON. Mr. President, I just want to say this formula would not have come about without Senator KYL and Senator MACK, who is the next speaker and I want to yield the remainder of my time tonight to Senator MACK from Florida.

The PRESIDING OFFICER. The Senator is recognized for 1 minute and 10 seconds.

Mr. MACK. Mr. President, the Hutchison formula has been inappropriately referred to as a ''supplemental'' grant to States. This is a misleading characterization of the additional moneys provided in this legislation. It implies that certain States have been able to negotiate a sort of slush fund or bonus for themselves unfairly.

In reality the Hutchison formula in the underlying legislation begins to chip away at historical inequities between States due to the Federal Government's present system of awarding AFDC moneys.

This debate is and should be about equity.

The Feinstein amendment not only undermines an honest attempt to provide some equity and parity between States but it does so in a way that in essence rewards States for increasing the number of people living in poverty each year.

This policy, Mr. President, runs counter to the welfare reform bill's goal of encouraging States to get people off welfare and into work. Any incentives that we create to reward States for reducing their welfare caseloads would be nullified by Senator FEINSTEIN's amendment.

The Hutchison formula provides funds for States which have been historically below the national average of Federal welfare spending and at the same time experiencing an above average population growth. These qualifiers appropriately identify those States with the most need and begins to move those States, albeit modestly, toward parity.

California currently receives $1,016 per person living in poverty compared to the $363 Florida receives per poor person living in poverty. Under the Hutchison formula, in the year 2000, Florida will still not reach parity with California—Florida will only be receiving about $400 per person living in poverty. Yet the Feinstein amendment will give California $160 million additional over the next 5 years.

Providing States like California with additional money, when they already receive more Federal dollars per recipient than almost any other State—does not mean equity to me. I urge my colleagues to support the underlying bill and vote against the Feinstein amendment.

I yield the floor.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from California.

Mrs. FEINSTEIN. Mr. President, I would like to speak for as much time as I may use.

The PRESIDING OFFICER. The Senator is recognized. She has 8½ minutes remaining.

Mrs. FEINSTEIN. In deference to my opponents on this issue, and I very much respect them, there is really a difference in viewpoint here.

Let me explain where I am coming from. For more than a half a century, the way the Federal allocation has been determined has been based on a State determination of benefit level, so a State decides what its cost of living is, how much it needs to sustain a poor family, and sets that amount. And then the Federal Government matches that amount.

Suddenly, what is being said, as I hear it, is those States that had low benefit levels or what amounts to a very low maintenance of effort are now going to be rewarded with a growth fund. California's grant is $607 a month because California decided that the basic cost of living necessary for a family was at least that. And California would put up one half of it. If a State like Alabama, for example, decides that they only want to put up $164, then the Federal Government only matches a percentage of that amount.

Where the arguments made on the other side of the aisle do not ring true to me is only 19 States are benefited in the Dole bill with the growth fund. That means any other State that has growth is not going to get any money under this bill.

In the Feinstein amendment, 28 States have a net benefit over the language. Let me tell you which they are and what the additional annual amount is, over and above the Dole bill, by the fifth year.

Alaska, $2,029,000; California, $64,922,000; Delaware, $1,217,000; Hawaii, $2,840,000; Idaho, $289,000; Illinois, $9,062,000; Indiana, $6.627 million; Iowa, $2.164 million; Kansas, $3.381 million; Kentucky, $4.058 million; Maryland, $6.763 million; Michigan, $5.275 million; Minnesota, $5.816 million; Missouri, $4.058 million; Nebraska, $1.758 million; Nevada, $2.488 million, New Hampshire, $812,000, New Jersey, $5.545 million; New York, $1.217 million; North Dakota, $135,000. Ohio, $7.709 million; Oklahoma, $2.840 million; Oregon, $7.304 million; Pennsylvania, $5.004 million; Vermont, $271,000. State of Washington, $16.095 million; West Virginia, $541,000. Wisconsin, $6.492 million;

Mr. President, I ask unanimous consent the comparison tables be printed in the RECORD.

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

TABLE 1.—ESTIMATED ALLOCATIONS UNDER THE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT, WITH GRANT ADJUSTED IN FISCAL YEAR 1998 AND FISCAL YEAR 2000 FOR CHANGE IN POPULATION THE FEINSTEIN BILL

[Share of change in population is used as a proxy for share of change in the poverty population (dollars in thousands)]

State	1996	1997	1998	1999	2000	Dollar change: 1996–2000	Percentage change: 1996–2000
Alabama	$106,858	$108,297	$109,698	$111,189	$112,674	$5,816	5.44
Alaska	66,348	66,838	67,295	67,726	68,377	2,029	3.06
Arizona	230,462	232,881	235,383	237,941	240,606	10,144	4.40
Arkansas	59,900	60,604	61,351	62,163	62,875	2,976	4.97
California	3,685,571	3,700,973	3,716,869	3,733,403	3,750,492	64,922	1.76
Colorado	130,713	133,163	135,698	138,193	140,857	10,144	7.76
Connecticut	247,498	247,498	247,498	247,498	247,498	0	0.00
Delaware	30,239	30,546	30,807	31,125	31,457	1,217	4.03
District of Columbia	95,882	95,882	95,882	95,882	95,882	0	0.00
Florida	581,871	589,311	596,826	604,409	612,167	30,297	5.21
Georgia	359,139	362,691	366,395	370,162	374,017	14,878	4.14
Hawaii	94,964	95,607	96,289	97,031	97,805	2,840	2.99
Idaho	33,696	34,584	35,589	36,550	37,483	3,787	11.24
Illinois	583,219	585,485	587,699	590,010	592,281	9,062	1.55
Indiana	227,031	228,623	230,249	232,050	233,658	6,627	2.92
Iowa	133,938	134,459	134,948	135,513	136,102	2,164	1.62
Kansas	111,743	112,569	113,383	114,302	115,124	3,381	3.03
Kentucky	188,447	189,457	190,403	191,399	192,504	4,058	2.15
Louisiana	164,016	164,751	165,468	166,280	166,992	2,976	1.81
Maine	76,333	76,333	76,333	76,333	76,333	0	0.00
Maryland	246,947	248,693	250,418	252,065	253,710	6,763	2.74
Massachusetts	487,449	487,449	487,449	487,449	487,449	0	0.00
Michigan	806,641	808,049	809,417	810,774	811,915	5,275	0.65
Minnesota	287,137	288,546	290,040	291,468	292,953	5,816	2.03
Mississippi	87,038	87,559	88,111	88,711	89,337	2,299	2.64
Missouri	232,505	233,454	234,461	235,556	236,562	4,058	1.75
Montana	44,948	45,346	45,768	46,129	46,706	1,758	3.91
Nebraska	60,384	60,782	61,141	61,664	62,142	1,758	2.91
Nevada	35,964	37,495	38,993	40,688	42,186	6,222	17.30

TABLE 1.—ESTIMATED ALLOCATIONS UNDER THE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT, WITH GRANT ADJUSTED IN FISCAL YEAR 1998 AND FISCAL YEAR 2000 FOR CHANGE IN POPULATION THE FEINSTEIN BILL—Continued

[Share of change in population is used as a proxy for share of change in the poverty population (dollars in thousands)]

State	1996	1997	1998	1999	2000	Dollar change: 1996–2000	Percentage change: 1996–2000
New Hampshire	42,577	42,791	43,019	43,167	43,388	812	1.91
New Jersey	417,198	418,698	420,101	421,430	422,743	5,545	1.33
New Mexico	129,839	130,788	131,795	132,890	133,897	4,058	3.13
New York	2,308,405	2,308,986	2,309,604	2,309,487	2,309,622	1,217	0.05
North Carolina	347,837	350,991	354,210	357,580	361,092	13,255	3.81
North Dakota	25,978	26,009	25,978	26,077	25,113	135	0.52
Ohio	769,144	771,073	772,930	774,852	776,853	7,709	1.00
Oklahoma	166,123	166,736	167,385	168,190	168,964	2,840	1.71
Oregon	183,038	184,753	186,509	188,353	190,342	7,304	3.99
Pennsylvania	658,388	659,705	660,975	662,226	663,392	5,004	0.76
Rhode Island	92,633	92,633	92,633	92,633	92,633	0	0.0
South Carolina	103,291	104,607	105,941	107,326	108,836	5,545	5.37
South Dakota	23,019	23,264	23,524	23,708	24,101	1,082	4.70
Tennessee	205,981	208,063	210,209	212,476	214,772	8,791	4.27
Texas	507,442	516,873	526,435	536,672	546,800	39,359	7.76
Utah	83,847	85,133	85,560	88,079	89,663	5,816	6.94
Vermont	49,365	49,457	49,555	49,661	49,636	271	0.55
Virginia	175,260	178,015	180,812	183,625	186,486	11,226	6.41
Washington	432,328	436,033	439,963	444,039	448,423	16,095	3.72
West Virginia	119,017	119,140	119,269	119,411	119,558	541	0.45
Wisconsin	334,783	336,345	337,938	339,606	341,275	6,492	1.94
Wyoming	23,275	23,490	23,717	23,964	24,222	947	4.07
U.S. total	16,695,648	16,781,508	16,868,924	16,959,116	17,050,958	355,310	2.14
One-year, year-to-year change		85,860	87,416	90,192	91,842		
One-year amount over fiscal year 1996 grant	0	85,860	173,276	263,468	355,310		
Cumulative amount over fiscal year 1996 grant	0	85,860	259,136	522,604	877,914		

Source: Table prepared by The Congressional Research Service [CRS] Fiscal year 1996 allocations are based on the Federal share of expenditures for AFDC, EA, and Title IV–A child care plus the JOBS grant. Adjustments for poverty population assume no change in State poverty rates. Therefore, percentage increases are based on percentage increases in total State population. Change in State population are based on Census Bureau projections of the population for the States.

TABLE 2.—PROPOSED ALLOCATIONS TO THE STATES UNDER S. 1120, FISCAL YEARS 1996–2000 (THE DOLE BILL)

[Dollars in thousands]

State	Fiscal year—					Dollar change: 1996–2000	Percentage change: 1996–2000
	1996	1997	1998	1999	2000		
Alabama	$106,858	$109,530	$112,268	$115,075	$117,951	11,093	10.4
Alaska	66,348	66,348	66,348	66,348	66,348	0	0.0
Arizona	230,462	236,223	242,129	284,182	254,386	23,925	10.4
Arkansas	59,900	61,397	62,932	64,506	66,118	6,218	10.4
California	3,685,571	3,685,571	3,685,571	3,685,571	3,685,571	0	0.0
Colorado	130,713	133,981	137,330	140,764	144,283	13,570	10.4
Connecticut	247,498	247,498	247,498	247,498	247,498	0	0.0
Delaware	30,239	30,239	30,239	30,239	30,239	0	0.0
District of Columbia	95,882	95,882	95,882	95,882	95,882	0	0.0
Florida	581,871	596,417	611,328	626,611	642,276	60,406	10.4
Georgia	359,139	368,117	377,320	386,753	396,422	37,283	10.4
Hawaii	94,964	94,964	94,964	94,964	94,964	0	0.0
Idaho	33,696	34,538	35,402	36,287	37,194	3,498	10.4
Illinois	583,219	583,219	583,219	583,219	583,219	0	0.0
Indiana	227,031	227,031	227,031	227,031	227,031	0	0.0
Iowa	133,938	133,938	133,938	133,938	133,938	0	0.0
Kansas	111,743	111,743	111,743	111,743	111,743	0	0.0
Kentucky	188,447	188,447	188,447	188,447	188,447	0	0.0
Louisiana	164,016	168,117	172,320	176,628	181,043	17,027	10.4
Maine	76,333	76,333	76,333	76,333	76,333	0	0.0
Maryland	246,947	246,947	246,947	246,947	246,947	0	0.0
Massachusetts	487,449	487,449	487,449	487,449	487,449	0	0.0
Michigan	806,641	806,641	806,641	806,641	806,641	0.	0.0
Minnesota	287,137	287,137	287,137	287,137	287,137	0	0.0
Mississippi	87,038	89,214	91,444	93,730	96,074	9,036	10.4
Missouri	232,505	232,505	232,505	232,505	232,505	0	0.0
Montana	44,948	46,071	47,223	48,404	49,614	4,666	10.4
Nebraska	60,384	60,384	60,384	60,384	60,384	0	0.0
Nevada	35,964	36,863	37,785	38,729	39,698	3,734	10.4
New Hampshire	42,577	42,577	42,577	42,577	42,577	0	0.0
New Jersey	417,198	417,198	417,198	417,198	417,198	0	0.0
New Mexico	129,839	133,085	136,412	139,823	143,318	13,479	10.4
New York	2,308,405	2,308,405	2,308,405	2,308,405	2,308,405	0	0.0
North Carolina	347,837	356,533	365,446	374,582	383,947	36,110	10.4
North Dakota	25,978	25,978	25,978	25,978	25,978	0	0.0
Ohio	769,144	769,144	769,144	769,144	769,144	0	0.0
Oklahoma	166,123	166,123	166,123	166,123	166,123	0	0.0
Oregon	183,038	183,038	183,038	183,038	183,038	0	0.0
Pennsylvania	658,388	658,388	658,388	658,388	658,388	0	0.0
Rhode Island	92,633	92,633	92,633	92,633	92,633	0	0.0
South Carolina	103,291	105,873	108,520	111,233	114,014	10,723	10.4
South Dakota	23,019	23,594	23,594	24,184	24,184	1,165	5.1
Tennessee	205,981	211,130	216,409	221,819	227,364	21,383	10.4
Texas	507,442	520,128	533,131	546,459	560,121	52,679	10.4
Utah	83,847	85,943	88,092	90,294	92,551	8,704	10.4
Vermont	49,365	49,365	49,365	49,365	49,365	0	0.0
Virginia	175,260	179,641	184,132	188,735	193,454	18,194	10.4
Washington	432,328	432,328	432,328	432,328	432,328	0	0.0
West Virginia	119,017	119,017	119,017	119,017	119,017	0	0.0
Wisconsin	334,783	334,783	334,783	334,783	334,783	0	0.0
Wyoming	23,275	23,857	24,454	25,065	25,692	2,416	10.4
Totals	16,695,648	16,781,508	16,868,924	16,959,116	17,050,958		
Year-to-year change		85,860	87,416	90,192	91,842		
One year amount over fiscal year 1996 grant		85,860	173,276	263,468	355,310		
Cumulative amount over fiscal year 1996 grant		85,860	259,136	522,604	877,914		

Source: Estimates prepared by CRS based on financial data on AFDC and related programs from the Department of Health and Human Services [DHHS] and poverty and population data from the U.S. Census Bureau.

TABLE 3.—COMPARISON OF STATE ALLOCATIONS: PROPOSAL TO ADJUST THE GRANT EVERY TWO YEARS FOR CHANGES IN POPULATION COMPARED WITH S. 1120 (CHANGE FROM DOLE BILL WITH FEINSTEIN)

[Changes in population are used as a proxy for changes in poverty population in proposal (dollars in thousands)]

State	1996	1997	1998	1999	2000	Dollar change
Alabama	$0	−$1,232	−$2,570	−$3,886	−$5,277	−$5,277
Alaska	0	490	947	1,378	2,029	2,029
Arizona	0	−3,343	−6,745	−10,240	−13,781	−13,781
Arkansas	0	−793	−1,581	−2,342	−3,243	−3,243
California	0	15,402	31,298	47,832	64,992	64,922
Colorado	0	−818	−1,632	−2,571	−3,426	−3,426
Connecticut	0	0	0	0	0	0
Delaware	0	306	568	886	1,217	1,217
District of Columbia	0	0	0	0	0	0
Florida	0	−7,106	−14,502	−22,202	−30,109	−30,109
Georgia	0	−5,426	−10,925	−16,591	−22,405	−22,405
Hawaii	0	643	1,325	2,067	2,840	2,840
Idaho	0	46	187	263	289	289
Illinois	0	2,266	4,480	6,791	9,062	9,062
Indiana	0	1,592	3,218	5,019	6,627	6,627
Iowa	0	521	1,010	1,575	2,164	2,164
Kansas	0	827	1,641	2,559	3,381	3,381
Kentucky	0	1,010	1,956	2,953	4,058	4,058
Louisiana	0	−3,366	−6,852	−10,348	−14,051	−14,051
Maine	0	0	0	0	0	0
Maryland	0	1,745	3,471	5,118	6,763	6,763
Massachusetts	0	0	0	0	0	0
Michigan	0	1,409	2,776	4,134	5,275	5,275
Minnesota	0	1,409	2,903	4,330	5,816	5,816
Mississippi	0	−1,655	−3,334	−5,019	−6,736	−6,736
Missouri	0	949	1,956	3,051	4,058	4,058
Montana	0	−726	−1,455	−2,275	−2,908	−2,908
Nebraska	0	398	757	1,279	1,758	1,758
Nevada	0	632	1,208	1,959	2,488	2,488
New Hampshire	0	214	442	591	812	812
New Jersey	0	1,500	2,903	4,232	5,545	5,545
New Mexico	0	−2,297	−4,617	−6,932	−9,421	−9,421
New York	0	582	1,199	1,083	1,217	1,217
North Carolina	0	−5,542	−11,236	−17,002	−22,855	−22,855
North Dakota	0	31	0	98	135	135
Ohio	0	1,929	3,786	5,708	7,709	7,709
Oklahoma	0	612	1,262	2,067	2,840	2,840
Oregon	0	1,715	3,471	5,315	7,304	7,304
Pennsylvania	0	1,317	2,587	3,838	5,004	5,004
Rhode Island	0	0	0	0	0	0
South Carolina	0	−1,266	−2,579	−3,907	−5,178	−5,178
South Dakota	0	−331	−71	−476	−83	−83
Tennessee	0	−3,067	−6,200	−9,342	−12,592	−12,592
Texas	0	−3,255	−6,696	−9,787	−13,320	−13,320
Utah	0	−810	−1,531	−2,215	−2,889	−2,889
Vermont	0	92	189	295	271	271
Virginia	0	−1,626	−3,320	−5,110	−6,968	−6,968
Washington	0	3,705	7,635	11,712	16,095	16,095
West Virginia	0	122	252	394	541	541
Wisconsin	0	1,562	3,155	4,823	6,492	6,492
Wyoming	0	−368	−737	−1,101	−1,470	−1,470
Totals	0	0	0	0	0	0
Year-to-year change	0	0	0	0	0	.....
One year amount over fiscal year 1996 grant	0	0	0	0	0	.....
Cumulative amount over fiscal year 1996 grant	.....	0	0	0	0	.....

Source: Estimates prepared by CRS based on financial data on AFDC and related programs from the Department of Health and Human Services [DHHS] and poverty and population data from the U.S. Census Bureau.

Mrs. FEINSTEIN. These tables show how 28 States would gain as a difference between what the Dole bill would give and what this amendment would provide. For the most part, many of these are States with a higher benefit level. These States have decided they were going to spend what they needed to spend to have a poor family be able to exist in their States. What I object to about the Dole bill is that a State is locked out because a State has had a high benefit level and a maintenance of effort and has been willing to provide for their people. Now, they are frozen out of the growth fund.

California, the biggest State, with the most poor people: there is nothing in the growth fund for California. And the reason that is being given is, well, you do not deserve any money because you fund half of $607 a month from California taxpayers to support poor people. So, because California and these 27 other States have had a higher maintenance of effort, and said we are going to fund poor people, suddenly they are left out of any growth fund. There is no hold harmless. They are left out. They are locked out, and that is what I object to in this language.

You can come to California, or any high cost-of-living State, and attempt to live. And it is very much tougher. This is the way the formula has been figured now for over a half century—based on a state match. The Hutchison formula is a stark change from that. But it is a penalty. And it says if you have funded your poor people in the past, as a State, you are now not going to figure into the growth formula.

So let me say another thing. The House of Representatives in its wisdom has passed a formula which is straight across the board based on growth in a State. The only difference in what they did and what I am suggesting we do is base it on growth of poor people. If a State wants to support their poor population, I think that is fine. If they do not, what we are saying, if the Hutchison language is accepted, is, therefore, the Federal Government should reward them for not doing it by providing a growth fund for them. And I frankly cannot agree as someone who has participated in local government helping make some of these decisions. I simply cannot agree that that is the fair way to do it.

So we have presented this. Again 28 States benefit, I have given the amounts. Twenty-two States lose money in this way.

But I believe it is fair. It is based on a census as ratified by the Secretary of Health and Human Services.

How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 33 seconds remaining.

Mrs. FEINSTEIN. I yield my 33 seconds.

AMENDMENT NO. 2501

Mr. PRESSLER. Mr. President, last week I offered an amendment that is designed to give States greater authority to crackdown on welfare fraud.

This amendment would allow States to intercept Federal income tax refunds in order to recover overpayments of welfare benefits due to fraud or error.

This technique, called tax intercept, would be used as a measure of a last resort against former welfare recipients who defraud the system. Originally, welfare was designed as a transitional program to help people become self-sufficient. Many families find themselves

in circumstances beyond their control and legitimately need temporary help. However, as we all know, far too many individuals abuse the system, making public assistance a way of life. This amendment is designed to crack down on the persistent fraud problems that plague our welfare system.

It is estimated that welfare overpayments represent about 4 percent of payments paid by AFDC, food stamp, and Medicaid programs. Many of these overpayments are due to deliberate fraud. This type of abuse is an insult both to hard-working taxpayers who struggle daily without Government assistance as well as families on welfare who play by the rules.

Currently, a similar tax intercept is reducing fraud successfully in the Food Stamp Program in 32 States. My amendment would create a similar model for AFDC. It is also designed to protect taxpayer privacy.

Just as important, my amendment would save States at least $250 million, enabling them to use the savings for those who truly need assistance. The most recent estimate of this proposal was done in 1992, when the United Council on Welfare Fraud estimated that States could save $49 million per year. If a similar analysis were done today, I expect the savings from my amendment would be even greater.

I am pleased this amendment will be accepted. It means getting tough on the cheats who abuse our welfare system.

I also ask unanimous consent that Senator BRYAN be added as an original cosponsor of my amendment.

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

Mr. PRESSLER. I thank my colleague for his cosponsorship and support and leadership in this area.

Mr. BRYAN. Mr. President, I am pleased to be joining with Senator PRESSLER as a cosponsor on this amendment to provide States the option to use the IRS Federal income tax refund intercept process to try to recapture AFDC-type benefit overpayments.

Some years ago, Congress provided for an IRS Federal income tax intercept process to be used to help retrieve child support payment arrearages. When an individual is in arrears on his or her child support payments, the IRS refund intercept allows the State to notify the IRS of the arrearage. If the individual is to receive a Federal income tax refund, the IRS can intercept the refund. Rather than having the tax refund go directly to the individual, the refund amount is intercepted and paid toward the child support arrearage.

As I know a number of my colleagues have also done in their home States, I have spent significant time this year visiting welfare offices in both northern and southern Nevada. During those visits, I spent a significant amount of time listening to welfare eligibility workers. It surprised me to learn from these eligibility workers that State welfare agencies did not have the authority to notify the IRS to intercept Federal income tax refunds to try to recapture benefit overpayments for AFDC-type cash assistance.

My experience in spending time with those who are actually involved in the welfare program, who administer it on a day-to-day basis, has been enormously helpful to me. They have helped explain some of the complexities in our welfare system, some of its inconsistencies and some of its frustrations that welfare workers experience when our best intended policies are hopelessly inconsistent, or when they find their hands tied because of some nonsensical rule that requires them to do certain things.

This is why I am particularly pleased to join on as an original cosponsor of the Pressler-Bryan amendment. This amendment provides an answer to one of those frustrations. When benefit overpayments are made in AFDC-type cash assistance programs under this bill, State welfare agencies will now have the IRS refund intercept process available to them.

Unfortunately, many times welfare recipients who receive benefit overpayments, and most frequently this occurs in the AFDC program, are able to walk away knowing they are not going to have to repay the benefit overage. Those individuals essentially have been unjustly enriched as a result of a fraudulent overpayment made to them. When they later qualify for a Federal income tax refund, the States are powerless to try to intercept that refund, and recapture the money rightfully due the State.

Under the amendment offered by the Senator from South Dakota and myself, we now add a new category to cover those individuals who have received benefit overpayment by reason of their fraud, or for whatever reason the circumstances led to the overpayment. Now States are empowered, through the IRS, to intercept any tax refund check that would otherwise be paid to that welfare recipient. And as the Senator from South Dakota has pointed out, the amount of savings to the taxpayers is enormous. This amendment makes a lot of sense. Expanding the IRS refund intercept process to AFDC-type benefit overpayments makes common sense, and allows all States greater flexibility in the administration of the welfare system.

I applaud the Senator for his leadership and associate myself with his comments on this important amendment. This is the kind of bipartisan work that I am delighted to participate in, and which can help make this welfare reform proposal workable for the States.

I thank my colleague. I yield the floor.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. If we could deal with this amendment, it has been cleared on both sides of the aisle. I ask unanimous consent that the Senate proceed to the consideration of amendment 2501.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows.

The Senator from South Dakota [Mr. PRESSLER] proposes an amendment numbered 2501.

Mr. PRESSLER. I ask unanimous consent that the amendment be considered as read.

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

(The text of the amendment is printed in the Friday, September 8, 1995, edition of the RECORD.)

Mr. PRESSLER. I urge adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

So the amendment (No. 2501) was agreed to.

Mr. PRESSLER. Mr. President, I move to reconsider the vote.

Mr. CHAFEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MORNING BUSINESS

Mr. CHAFEE. Mr. President, I ask unanimous consent there now be a period for the transaction of morning business with Senators permitted to speak up to 15 minutes.

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

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, it takes no rocket scientist to be aware that the U.S. Constitution forbids any President to spend even a dime of Federal tax money that has not first been authorized and appropriated by Congress—both the House of Representatives and the U.S. Senate.

So when a politician or an editor or a commentator pops off that ''Reagan ran up the Federal debt'' or that ''Bush ran it up,'' bear in mind that the Founding Fathers, two centuries before the Reagan and Bush presidencies, made it very clear that it is the constitutional duty solely of Congress—a duty Congress cannot escape—to control Federal spending.

Thus, it is the fiscal irresponsibility of Congress that has created the incredible Federal debt which stood at $4,962,703,726,882.93 as of the close of business Friday, September 8. This outrageous debt—which will be passed on to our children and grandchildren—averages out to $18,838.51 for every man, woman, and child in America.

WELCOMING HIS HOLINESS THE DALAI LAMA TO WASHINGTON, DC

Mr. PELL. Mr. President, I welcome to Washington today one of the most honorable and respected leaders of our time, His Holiness the Dalai Lama.

His Holiness is a historical rarity, someone who has devoted his entire life to finding a peaceful solution to an overwhelmingly difficult political problem with an often belligerent foe. China invaded Tibet in 1949, under the banner of ''peaceful liberation,'' but the presence of the People's Liberation Army in Tibet since then has been neither peaceful nor liberating. The Tibetan people continue to suffer repression under the too-often violent control of an outside power. But the Dalai Lama's response has been unswervingly one of seeking a peaceful solution to Tibet's conflict with China. His Holiness' courage and leadership is widely respected in Tibet and has assuredly prevented the Tibetans from staging a violent uprising or insurgency, the response that suppressed people without such moral leadership often take.

In accepting his Nobel Peace Prize in 1989, His Holiness showed the world how all-encompassing his call for peace and compassion was when he said he felt no ''anger or hatred toward those who are responsible for the immense suffering of our people and the destruction of our land, homes, and culture. They too are human beings who struggle to find happiness and deserve our compassion.'' How rare in today's world—or in the history—to find a leader willing to see the human face of his or her enemies and to offer compassion in response to oppression. He argues not for retribution but for recognition that thoughtfulness and benevolence towards others is in every individual's self-interest, and ultimately is essential for relations in an increasingly interconnected world. His call for people to accept that we are a ''global family'' and recognize that actions we take to hurt each other or damage the world we live in—such as acts of war or pollution—ultimately harm us as well, is a model for global interaction at the end of the 20th century.

We can learn much from the teachings of this ''simple monk.'' I urge my colleagues to meet him at a coffee the Foreign Relations Committee is hosting in his honor tomorrow afternoon. Come meet the leader whose moral courage and commitment to nonviolence has put him in the ranks of leaders like Martin Luther King, Jr. and Mohandas Ghandi. While His Holiness' visit to Washington is short, I hope his lessons will live on in the minds of us all.

THE RETIREMENT OF REAR ADM. JACK E. BUFFINGTON CEC, USN

Mr. LOTT. Mr. President, it has come to my attention that on Friday, September 15, 1995, Rear Adm. Jack E. Buffington, Civil Engineer Corps, U.S. Navy, will retire after 34 years of honorable and distinguished service.

Since September 1992 he has served as the commander, Naval Facilities Engineering Command, and chief of civil engineers. As the senior civil engineer in the Navy he was responsible for planning, design, and construction of naval facilities around the world. On Capitol Hill he is best known for his role in developing and executing the Navy's Military Construction Program. As such, he has testified before congressional committees and ensured that members and their staffs have fully understood the requirements of the Navy's construction program.

Previously he served as the commander, Pacific Division, Naval Facilities Engineering Command, and commander, Naval Construction Battalions, U.S. Pacific Fleet. Prior to that he was assigned as the director, Shore Activities Division for the Chief of Naval Operations. His public works assignments included duty at the New York Naval Shipyard; the Public Works Center, Subic Bay in the Philippines; the U.S. Naval Academy; and as commanding officer, Public Works Center, Norfolk, VA. Assignments managing Navy construction contracts in the field included duty in New Orleans, LA, and Bethesda, MD.

Rear Admiral Buffington is best known however for his devotion to the Seabees of the Naval Construction Force. His Seabee assignments included duty in Naval Mobile Construction Battalion 9 as company commander on Okinawa, on a detail in Alaska, and as officer in charge of a Seabee team in Vietnam. Later he served as executive officer, Naval Mobile Construction Battalion 4, deployed to Okinawa and Rota, Spain. The highlight of his career was probably his tour as commanding officer, Naval Mobile Construction Battalion 1, homeported in Gulfport, MS. Under his superb leadership NMCB 1 was awarded the Best of Type and the coveted Peltier Award as the top Seabee battalion in the Navy. He later went on to serve as commander, Naval Construction Battalions, U.S. Atlantic Fleet, where he was in charge of Seabees working in Europe, Africa, the Caribbean, and Central America. There is nothing in the Seabee world which Rear Admiral Buffington has not done, and done superbly. As a result he is affectionately known throughout the fleet as Seabee Jack Buffington.

Rear Admiral Buffington is a native of Westville, OK, and a graduate of the University of Arkansas where he received his bachelor of science degree in civil engineering. He later attended the Georgia Institute of Technology where he received his master of science in civil engineering. Rear Admiral Buffington is the son of Maxine Buffington and the late Ernest Buffington of Westville, OK. He is married to the former Robin Bush of Lakeland, FL. He and Robin have two daughters: Shawn who is married to Kurt Lohrmann, and Kelly, who is married to Brian Corey.

My State of Mississippi is home to one of the two remaining Seabee bases in this country. I know firsthand the important mission they perform with unparalleled professionalism. Under Jack Buffington's leadership, the Navy's Seabee legacy has grown and flourished. Mr. President, I take this opportunity to personally pay tribute to a superb naval officer, true gentleman, and a good friend, Rear Adm. Jack Buffington. As he begins the next phase of his life, I wish him fair winds, following seas, and godspeed in all of his endeavors.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1404. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the report that a reward has been paid; to the Committee on Foreign Relations.

EC–1405. A communication from the Secretary of the Army and the Secretary of Agriculture, transmitting jointly, pursuant to law, notice of the intention of the Departments of the Army and Agriculture to interchange jurisdiction of civil works and national forest lands; to the Committee on Agriculture, Nutrition, and Forestry.

EC–1406. A communication from the Secretary of Agriculture, transmitting, a draft of proposed legislation entitled ''The Animal and Plant Health Inspection Service Omnibus User Act of 1995''; to the Committee on Agriculture, Nutrition, and Forestry.

REPORTS OF COMMITTEE

The following report of committee was submitted:

By Mr. HATFIELD, from the Committee on Appropriations:

Special Report entitled ''Revised Allocation to Subcommittees of Budget Totals from the Concurrent Resolution for Fiscal Year 1996'' (Rept. No. 104–138).

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. STEVENS (for himself and Mr. MURKOWSKI):

S. 1229. A bill entitled the ''Native Alaskan Subsistance Whaling Provision''; to the Committee on Finance.

By Mr. MOYNIHAN:

S. 1230. A bill to amend section 1501, title 21, United States Code, to eliminate the position of Deputy Director of Demand Reduction within the Office of National Drug Control Policy; to the Committee on Labor and Human Resources.

By Mrs. BOXER:

S. 1231. A bill to designate the reservoir created by Trinity Dam in the Central Valley project, California, as ''Trinity Lake'', and for other purposes; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. STEVENS (for himself and Mr. MURKOWSKI):

S. 1229. A bill entitled the ''Native Alaskan Subsistence Whaling Provision''; to the Committee on Finance.

THE NATIVE ALASKAN SUBSISTENCE WHALING PROVISION ACT OF 1995

● Mr. STEVENS. Mr. President, today I am reintroducing legislation that Senator MURKOWSKI and I introduced last session that would provide tax relief to Alaska Native whaling captains to help ensure that they are able to continue their centuries-old tradition of subsistence whaling. This bill would amend section 170 of the Internal Revenue Code to provide a charitable deduction to those native captains who organize and support traditional native whaling activities for their communities. Since there was no revenue bill last year, this legislation did not go through. I hope that it can be considered in the reconciliation process this year.

Let me tell you why I think this legislation is important. For thousands of years the Inupiat and Siberian Yupik Eskimos from the coastal villages in northern and western Alaska have hunted the bowhead whale. The bowhead whale, and the activities related to the traditional subsistence hunt of the whale, are a vital part of the cultural and religious traditions of these Native Alaskan communities. The whale meat and muktuck, which is blubber and skin, from a successful hunt are distributed by the whaling captains to their communities to help ensure the survival of the village throughout the long winter months. In many instances, a successful hunt is the lifeline of these coastal villages.

By tradition, each whaling captain is required to pay all of the costs associated with the subsistence hunt out of his personal funds. This includes the cost of providing the boats, fuel, gear, weapons, ammunition, food, and special clothing for their crews, then storing the meat until it is used. The whaling captain incurs significant expenses in carrying out these activities—averaging $2,500 to $5,000 per captain per year. Even though the captain pays these expenses out of his personal funds, tradition dictates that the captain must donate a substantial portion of the whale to the village in order to help the community to survive. Each captain retains a portion for personal consumption, but does not benefit financially from the capture of the whale.

In recent years, native whaling captains have been treating their whaling expenses as a deduction against their personal Federal income tax because they donate the whale meat to their communities, and because their expenses have skyrocketed due to the increased cost of complying with Federal and international requirements for hunting bowhead whales. Unfortunately, the Internal Revenue Service [IRS] has ruled that the native whaling captains are not entitled to deduct these expenses as charitable contributions on their personal income tax returns. This has caused an extreme financial burden to the whaling captains, whose average annual household income is less than $45,000. Currently, five cases are in the appeals process.

The legislation that I am introducing today would amend section 170 of the Internal Revenue Code to allow Native Alaskan subsistence whaling captains to deduct their expenses for whaling activities for the community. It would apply retroactively to currently pending tax refund claims and tax years for which the statute of limitations has not expired.

I believe this deduction is necessary and justified for a number of reasons. First, the whaling captains donate their personal fund to support an activity that is of immeasurable cultural, religious, and subsistence importance to the Inupiat and Siberian Yupik communities. Second, if the donations of the whaling captain were made to the Inupiat Community of the North Slope [ICAS], Alaska Eskimo Whaling Commission [AEWC], or the communities' participating churches instead of directly in the form of food, gear, ammunition, and other essentials, they would be tax deductible. The ICAS, a federally recognized tribe, and the AEWC, a 501(c)(3) corporation, are the two organizations that are responsible for the preservation of Native Alaskan subsistence whaling. The effect of denying a tax deduction directly to the whaling captains penalizes these Native Alaskans from adhering to traditional religious and cultural requirements for the subsistence whale hunt.

I would note that the subsistence hunt is carefully regulated by the International Whaling Commission [IWC] and the U.S. Department of Commerce. Local regulation of the hunt is vested in the Alaska Eskimo Whaling Commission [AEWC] under a cooperative agreement with the National Oceanic and Atmospheric Administration. Acknowledging that whaling, more than any other activity, fundamentally underlies the total way of life of these communities, the IWC permits the Native communities to land up to 51 bowhead whales a year. The IWC has established this quota based on exhaustive documentation of the cultural and subsistence need of the whaling villages for each one of these whales.

The whaling community has a very good working relationship with these organizations, and provides the IWC and NOAA with annual detailed accounts of bowhead whale activity. The North Slope Borough of Alaska spends approximately $500,000 to $700,000 annually on bowhead whale and other Arctic marine research and programs in support of the IWC's efforts.

The legislation that I have introduced today will incur a very small revenue loss to the Treasury. The cost of this legislation based on the existence of 150 whaling captains is estimated at $230,000 per year. I expect the cost will be significantly less because not every captain outfits a crew each year.

I thank my colleagues for their attention and I welcome their support of this provision which will help to ensure that the native whaling captains can continue to carry the centuries-old traditional subsistence whaling hunt for the coastal villages of Alaska.

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

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

S. 1229

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

SECTION 1. CHARITABLE CONTRIBUTION DEDUCTION FOR CERTAIN EXPENSES INCURRED IN SUPPORT OF NATIVE ALASKAN SUBSISTENCE WHALING.

(a) IN GENERAL.—Section 170 of the Internal Revenue Code of 1986 (relating to charitable, etc., contributions and gifts) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

''(m) EXPENSES PAID BY CERTAIN WHALING CAPTAINS IN SUPPORT OF NATIVE ALASKAN SUBSISTENCE WHALING.—

''(1) IN GENERAL.—In the case of an individual who is recognized by the Alaska Eskimo Whaling Commission as a whaling captain charged with the responsibility of maintaining and carrying out sanctioned whaling activities and who engages in such activities during the taxable year, the amount described in paragraph (2) (to the extent such amount does not exceed $7,500 for the taxable year) shall be treated for purposes of this section as a charitable contribution.

''(2) AMOUNT DESCRIBED.—The amount described in this paragraph is the aggregate of the reasonable and necessary whaling expenses paid by the taxpayer during the taxable year in carrying out sanctioned whaling activities. For purposes of the preceding sentence, the term 'whaling expenses' includes expenses for—

''(A) the acquisition and maintenance of whaling boats, weapons, and gear used in sanctioned whaling activities,

''(B) the supplying of food for the crew and other provisions for carrying out such activities, and

''(C) storage and distribution of the catch from such activities.

''(3) SANCTIONED WHALING ACTIVITIES.—For purposes of this subsection, the term 'sanctioned whaling activities' means subsistence bowhead whale hunting activities conducted pursuant to the management plan of the Alaska Eskimo Whaling Commission.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to all taxable years beginning before, on, or after the date of the enactment of this Act.●

By Mrs. BOXER:

S. 1231. A bill to designate the reservoir created by Trinity Dam in the Central Valley project, California, as ''Trinity Lake,'' and for other purposes; to the Committee on Energy and Natural Resources.

THE TRINITY LAKE ACT OF 1995

● Mrs. BOXER. Mr. President, today I am introducing a bill which proposes to change the name of Clair Engle Lake in northern California to Trinity Lake. Clair Engle Lake is the largest body of recreational water in Trinity County. Every year, thousands of recreational users from all over California and the area come to the lake to fish, boat, hike, and camp.

Since the reservoir was created by the building of the Trinity Dam, local citizens have referred to the lake as Trinity Lake. This usage has been widely adopted by almost all of the general public as well as by Federal, State, and local officials. In fact, this widespread usage has become the cause of confusion for visitors and tourists, and has had a negative economic impact on the lake community.

My legislation would end this confusion by changing the name of the lake to what it is known as by residents of the area. My legislation is supported by the Trinity County Board of Supervisors as well as the Bureau of Reclamation. I also am pleased to be working with Representative WALLY HERGER who has introduced similar legislation in the House of Representatives.

Mr. President I ask unanimous consent that the text of the bill be printed in the RECORD.

S. 1231

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

SEC. 1. DESIGNATION OF TRINITY LAKE.

(a) DESIGNATION.—The reservoir created by Trinity Dam in the Central Valley project, California, and designated as ''Clair Engle Lake'' by Public Law 88–662 (78 Stat. 1093) is redesignated as ''Trinity Lake''.

(b) REFERENCES.—Any reference in any law, regulation, document, record, map, or other paper of the United States to the reservoir referred to in subsection (a) shall be considered to be a reference to ''Trinity Lake''.

(c) CONFORMING AMENDMENT.—Public Law 88–662 (78 Stat. 1093) is repealed.●

ADDITIONAL COSPONSORS

S. 389

At the request of Mr. JOHNSTON, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 389, a bill for the relief of Nguyen Quy An and his daughter, Nguyen Ngoc Kim Quy.

S. 650

At the request of Mr. SHELBY, the name of the Senator from Georgia [Mr. NUNN] was added as a cosponsor of S. 650, a bill to increase the amount of credit available to fuel local, regional, and national economic growth by reducing the regulatory burden imposed upon financial institutions, and for other purposes.

S. 896

At the request of Mr. CHAFEE, the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of S. 896, a bill to amend title XIX of the Social Security Act to make certain technical corrections relating to physicians' services, and for other purposes.

S. 953

At the request of Mr. CHAFEE, the names of the Senator from Iowa [Mr. GRASSLEY] and the Senator from Kansas [Mr. DOLE] were added as cosponsors of S. 953, a bill to require the Secretary of the Treasury to mint coins in commemoration of black revolutionary war patriots.

S. 963

At the request of Mr. BAUCUS, the names of the Senator from Florida [Mr. GRAHAM] and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of S. 963, a bill to amend the Medicare Program under title XVIII of the Social Security Act to improve rural health services, and for other purposes.

S. 969

At the request of Mr. BRADLEY, the name of the Seantor from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 969, a bill to require that health plans provide coverage for a minimum hospital stay for a mother and child following the birth of the child, and for other purposes.

S. 986

At the request of Mr. D'AMATO, the name of the Senator from Arizona [Mr. KYL] was added as a cosponsor of S. 986, a bill to amend the Internal Revenue Code of 1986 to provide that the Federal income tax shall not apply to U.S. citizens who are killed in terroristic actions directed at the United States or to parents of children who are killed in those terroristic actions.

S. 1052

At the request of Mr. HATCH, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of 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.

S. 1165

At the request of Mr. HATCH, the name of the Senator from Michigan [Mr. ABRAHAM] was added as a cosponsor of S. 1165, a bill to amend the Internal Revenue Code of 1986 to allow a tax credit for adoption expenses and an exclusion for employer-povided adoption assistance.

SENATE RESOLUTION 146

At the request of Mr. JOHNSTON, the name of the Senator from Michigan [Mr. ABRAHAM] was added as a cosponsor of Senate Resolution 146, a resolution designating the week beginning November 19, 1995, and the week beginning on November 24, 1991, as ''National Family Week,'' and for other purposes

AMENDMENT NO. 2468

At the request of Mr. SIMON, the names of the Senator from Nevada [Mr. REID] and the Senator from West Virginia [Mr. BYRD] were added as cosponsors of amendment No. 2468 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2469

At the request of Mrs. FEINSTEIN, the name of the Senator from California [Mrs. BOXER] was added as a cosponsor of amendment No. 2469 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2490

At the request of Mr. BREAUX, the names of the Senator from Montana [Mr. BAUCUS] and the Senator from West Virginia [Mr. ROCKEFELLER] were added as cosponsors of amendment No. 2490 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2501

At the request of Mr. PRESSLER, the name of the Senator from Nevada [Mr. BRYAN] was added as a cosponsor of amendment No. 2501 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2523

At the request of Mr. HELMS, the name of the Senator from New Hampshire [Mr. SMITH] was added as a cosponsor of amendment No. 2523 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2560

At the request of Mr. WELLSTONE, his name was added as a cosponsor of amendment No. 2560 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

At the request of Mr. KENNEDY, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of amendment No. 2560 proposed to H.R. 4, supra.

S. 1530

The text of S. 1530, which was omitted from the RECORD of September 6, 1995, is as follows:

S. 1530

Resolved, That the bill from the House of Representatives (H.R. 1530) entitled ''An Act to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes'', do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''National Defense Authorization Act for Fiscal Year 1996''.

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) DIVISIONS.—This Act is organized into three divisions as follows:

(1) DIVISION A—Department of Defense Authorizations.

(2) DIVISION B—Military Construction Authorizations.

(3) DIVISION C—Department of Energy National Security Authorizations and Other Authorizations.

(4) DIVISION D—Information Technology Management Reform.

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

Sec. 1. Short title.
Sec. 2. Organization of Act into divisions; table of contents.
Sec. 3. Congressional defense committees defined.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

Sec. 101. Army.
Sec. 102. Navy and Marine Corps.
Sec. 103. Air Force.
Sec. 104. Defense-wide activities.
Sec. 105. Reserve components.
Sec. 106. Defense Inspector General.
Sec. 107. Chemical demilitarization program.
Sec. 108. Defense health program.

Subtitle B—Army Programs

Sec. 111. AH–64D Longbow Apache attack helicopter.
Sec. 112. OH–58D AHIP Scout helicopter.
Sec. 113. Hydra 70 rocket.
Sec. 114. Report on AH–64D engine upgrades.

Subtitle C—Navy Programs

Sec. 121. Seawolf and new attack submarine programs.
Sec. 122. Repeal of prohibition on backfit of Trident submarines.
Sec. 123. Arleigh Burke class destroyer program.
Sec. 124. Split funding for construction of naval vessels.
Sec. 125. Seawolf submarine program.
Sec. 126. Crash attenuating seats acquisition program.

Subtitle D—Other Programs

Sec. 131. Tier II predator unmanned aerial vehicle program.
Sec. 132. Pioneer unmanned aerial vehicle program.
Sec. 133. Joint Primary Aircraft Training System program.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

Sec. 201. Authorization of appropriations.
Sec. 202. Amount for basic research and exploratory development.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. A/F117X long-range, medium attack aircraft.
Sec. 212. Navy mine countermeasures program.
Sec. 213. Marine Corps shore fire support.
Sec. 214. Space and missile tracking system program.
Sec. 215. Precision guided munitions.
Sec. 216. Defense Nuclear Agency programs.
Sec. 217. Counterproliferation support program.
Sec. 218. Nonlethal weapons program.
Sec. 219. Federally funded research and development centers.
Sec. 220. States eligible for assistance under Defense Experimental Program To Stimulate Competitive Research.
Sec. 221. National defense technology and industrial base, defense reinvestment, and conversion.
Sec. 222. Revisions of Manufacturing Science and Technology Program.
Sec. 223. Preparedness of the Department of Defense to respond to military and civil defense emergencies resulting from a chemical, biological, radiological, or nuclear attack.
Sec. 224. Joint Seismic Program and Global Seismic Network.
Sec. 225. Depressed altitude guided gun round system.
Sec. 226. Army echelon above corps communications.
Sec. 227. Testing of theater missile defense interceptors.

Subtitle C—Missile Defense

Sec. 231. Short title.
Sec. 232. Findings.
Sec. 233. Missile defense policy.
Sec. 234. Theater missile defense architecture.
Sec. 235. National missile defense system architecture.
Sec. 236. Cruise missile defense initiative.
Sec. 237. Policy regarding the ABM Treaty.
Sec. 238. Prohibition on funds to implement an international agreement concerning theater missile defense systems.
Sec. 239. Ballistic Missile Defense program elements.
Sec. 240. ABM Treaty defined.
Sec. 241. Repeal of missile defense provisions.
Sec. 242. Sense of Senate on the Director of Operational Test and Evaluation.
Sec. 243. Ballistic Missile Defense Technology Center.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

Sec. 301. Operation and maintenance funding.
Sec. 302. Working capital funds.
Sec. 303. Armed Forces Retirement Home.
Sec. 304. Transfer from National Defense Stockpile Transaction Fund.
Sec. 305. Increase in funding for the Civil Air Patrol.

Subtitle B—Depot-Level Maintenance and Repair

Sec. 311. Policy regarding performance of depot-level maintenance and repair for the Department of Defense.
Sec. 312. Extension of authority for aviation depots and naval shipyards to engage in defense-related production and services.

Subtitle C—Environmental Provisions

Sec. 321. Revision of requirements for agreements for services under environmental restoration program.
Sec. 322. Discharges from vessels of the Armed Forces.
Sec. 323. Revision of authorities relating to restoration advisory boards.

Subtitle D—Civilian Employees

Sec. 331. Minimum number of military reserve technicians.
Sec. 332. Exemption of Department of Defense from personnel ceilings for civilian personnel.
Sec. 333. Wearing of uniform by National Guard technicians.
Sec. 334. Extension of temporary authority to pay civilian employees with respect to the evacuation from Guantanamo, Cuba.
Sec. 335. Sharing of personnel of Department of Defense domestic dependent schools and Defense Dependents' Education System.
Sec. 336. Revision of authority for appointments of involuntarily separated military reserve technicians.
Sec. 337. Cost of continuing health insurance coverage for employees voluntarily separated from positions to be eliminated in a reduction in force.
Sec. 338. Elimination of 120-day limitation on details of certain employees.
Sec. 339. Repeal of requirement for part-time career opportunity employment reports.
Sec. 340. Authority of civilian employees of Department of Defense to participate voluntarily in reductions in force.
Sec. 341. Authority to pay severance payments in lump sums.
Sec. 342. Holidays for employees whose basic workweek is other than Monday through Friday.
Sec. 343. Coverage of nonappropriated fund employees under authority for flexible and compressed work schedules.

Subtitle E—Defense Financial Management

Sec. 351. Financial management training.
Sec. 352. Limitation on opening of new centers for Defense Finance and Accounting Service.

Subtitle F—Miscellaneous Assistance

Sec. 361. Department of Defense funding for National Guard participation in joint disaster and emergency assistance exercises.
Sec. 362. Office of Civil-Military Programs.
Sec. 363. Revision of authority for Civil-Military Cooperative Action Program.
Sec. 364. Office of Humanitarian and Refugee Affairs.
Sec. 365. Overseas humanitarian, disaster, and civic AID programs.

Subtitle G—Operation of Morale, Welfare, and Recreation Activities

Sec. 371. Disposition of excess morale, welfare, and recreation funds.
Sec. 372. Elimination of certain restrictions on purchases and sales of items by exchange stores and other morale, welfare, and recreation facilities.
Sec. 373. Repeal of requirement to convert ships' stores to nonappropriated fund instrumentalities.

Subtitle H—Other Matters

Sec. 381. National Defense Sealift Fund: availability for the National Defense Reserve Fleet.
Sec. 382. Availability of recovered losses resulting from contractor fraud.
Sec. 383. Permanent authority for use of proceeds from the sale of certain lost, abandoned, or unclaimed property.
Sec. 384. Sale of military clothing and subsistence and other supplies of the Navy and Marine Corps.
Sec. 385. Conversion of Civilian Marksmanship Program to nonappropriated fund instrumentality and activities under program.
Sec. 386. Report on efforts to contract out certain functions of Department of Defense.

Sec. 387. Impact aid.
Sec. 388. Funding for troops to teachers program and troops to cops program.
Sec. 389. Authorizing the amounts requested in the budget for Junior ROTC.
Sec. 390. Report on private performance of certain functions performed by military aircraft.
Sec. 391. Allegany Ballistics Laboratory.
Sec. 392. Encouragement of use of leasing authority.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

Sec. 401. End strengths for active forces.
Sec. 402. Temporary variation in DOPMA authorized end strength limitations for active duty Air Force and Navy officers in certain grades.
Sec. 403. Certain general and flag officers awaiting retirement not to be counted.

Subtitle B—Reserve Forces

Sec. 411. End strengths for Selected Reserve.
Sec. 412. End strengths for Reserves on active duty in support of the reserves.
Sec. 413. Increase in number of members in certain grades authorized to serve on active duty in support of the reserves.
Sec. 414. Reserves on active duty in support of Cooperative Threat Reduction programs not to be counted.
Sec. 415. Reserves on active duty for military-to-military contacts and comparable activities not to be counted.

Subtitle C—Military Training Student Loads

Sec. 421. Authorization of training student loads.

Subtitle D—Authorization of Appropriations

Sec. 431. Authorization of appropriations for military personnel.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

Sec. 501. Joint officer management.
Sec. 502. Revision of service obligation for graduates of the service academies.
Sec. 503. Qualifications for appointment as Surgeon General of an armed force.
Sec. 504. Deputy Judge Advocate General of the Air Force.
Sec. 505. Retiring general and flag officers: applicability of uniform criteria and procedures for retiring in highest grade in which served.
Sec. 506. Extension of certain reserve officer management authorities.
Sec. 507. Restrictions on wearing insignia for higher grade before promotion.
Sec. 508. Director of admissions, United States Military Academy: retirement for years of service.

Subtitle B—Matters Relating to Reserve Components

Sec. 511. Mobilization income insurance program for members of Ready Reserve.
Sec. 512. Eligibility of dentists to receive assistance under the financial assistance program for health care professionals in reserve components.
Sec. 513. Leave for members of reserve components performing public safety duty.

Subtitle C—Uniform Code of Military Justice

Sec. 521. References to Uniform Code of Military Justice.
Sec. 522. Definitions.
Sec. 523. Article 32 investigations.
Sec. 524. Refusal to testify before court-martial.
Sec. 525. Commitment of accused to treatment facility by reason of lack of mental capacity or mental responsibility.
Sec. 526. Forfeiture of pay and allowances and reduction in grade.
Sec. 527. Deferment of confinement.
Sec. 528. Submission of matters to the convening authority for consideration.
Sec. 529. Proceedings in revision.
Sec. 530. Appeal by the United States.
Sec. 531. Flight from apprehension.
Sec. 532. Carnal knowledge.
Sec. 533. Time after accession for initial instruction in the Uniform Code of Military Justice.
Sec. 534. Technical amendment.
Sec. 535. Permanent authority concerning temporary vacancies on the Court of Appeals for the Armed Forces.
Sec. 536. Advisory panel on UCMJ jurisdiction over civilians accompanying the Armed Forces in time of armed conflict.

Subtitle D—Decorations and Awards

Sec. 541. Award of Purple Heart to certain former prisoners of war.
Sec. 542. Meritorious and valorous service during Vietnam era: review and awards.
Sec. 543. Military intelligence personnel prevented by secrecy from being considered for decorations and awards.
Sec. 544. Review regarding awards of Distinguished-Service Cross to Asian-Americans and Pacific Islanders for certain World War II service.

Subtitle E—Other Matters

Sec. 551. Determination of whereabouts and status of missing persons.
Sec. 552. Service not creditable for periods of unavailability or incapacity due to misconduct.
Sec. 553. Separation in cases involving extended confinement.
Sec. 554. Duration of field training or practice cruise required under the Senior Reserve Officers' Training Corps program.
Sec. 555. Correction of military records.
Sec. 556. Limitation on reductions in medical personnel.
Sec. 557. Repeal of requirement for athletic director and nonappropriated fund account for the athletics programs at the service academies.
Sec. 558. Prohibition on use of funds for service academy preparatory school test program.
Sec. 559. Centralized judicial review of Department of Defense personnel actions.
Sec. 560. Delay in reorganization of Army ROTC regional headquarters structure.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

Sec. 601. Military pay raise for fiscal year 1996.
Sec. 602. Election of basic allowance for quarters instead of assignment to inadequate quarters.
Sec. 603. Payment of basic allowance for quarters to members of the uniformed services in pay grade E–6 who are assigned to sea duty.
Sec. 604. Limitation on reduction of variable housing allowance for certain members.
Sec. 605. Clarification of limitation on eligibility for family separation allowance.

Subtitle B—Bonuses and Special and Incentive Pays

Sec. 611. Extension of certain bonuses for reserve forces.
Sec. 612. Extension of certain bonuses and special pay for nurse officer candidates, registered nurses, and nurse anesthetists.
Sec. 613. Extension of authority relating to payment of other bonuses and special pays.
Sec. 614. Hazardous duty incentive pay for warrant officers and enlisted members serving as air weapons controllers.
Sec. 615. Aviation career incentive pay.
Sec. 616. Clarification of authority to provide special pay for nurses.
Sec. 617. Continuous entitlement to career sea pay for crew members of ships designated as tenders.
Sec. 618. Increase in maximum rate of special duty assignment pay for enlisted members serving as recruiters.

Subtitle C—Travel and Transportation Allowances

Sec. 621. Calculation on basis of mileage tables of Secretary of Defense: repeal of requirement.
Sec. 622. Departure allowances.
Sec. 623. Dislocation allowance for moves resulting from a base closure or realignment.
Sec. 624. Transportation of nondependent child from sponsor's station overseas after loss of dependent status while overseas.

Subtitle D—Commissaries and Nonappropriated Fund Instrumentalities

Sec. 631. Use of commissary stores by members of the Ready Reserve.
Sec. 632. Use of commissary stores by retired Reserves under age 60 and their survivors.
Sec. 633. Use of morale, welfare, and recreation facilities by members of reserve components and dependents: clarification of entitlement.

Subtitle E—Other Matters

Sec. 641. Cost-of-living increases for retired pay.
Sec. 642. Eligibility for retired pay for non-regular service denied for members receiving certain sentences in courts-martial.
Sec. 643. Recoupment of administrative expenses in garnishment actions.
Sec. 644. Automatic maximum coverage under Servicemen's Group Life Insurance.
Sec. 645. Termination of Servicemen's Group Life Insurance for members of the Ready Reserve who fail to pay premiums.
Sec. 646. Report on extending to junior noncommissioned officers privileges provided for senior noncommissioned officers.
Sec. 647. Payment to survivors of deceased members of the uniformed services for all leave accrued.
Sec. 648. Annuities for certain military surviving spouses.
Sec. 649. Transitional compensation for dependents of members of the Armed Forces separated for dependent abuse.

TITLE VII—HEALTH CARE

Subtitle A—Health Care Services

Sec. 701. Medical care for surviving dependents of retired Reserves who die before age 60.
Sec. 702. Dental insurance for members of the Selected Reserve.
Sec. 703. Modification of requirements regarding routine physical examinations and immunizations under CHAMPUS.
Sec. 704. Permanent authority to carry out specialized treatment facility program.
Sec. 705. Waiver of medicare part B late enrollment penalty and establishment of special enrollment period for certain military retirees and dependents.

Subtitle B—TRICARE Program

Sec. 711. Definition of TRICARE program and other terms.
Sec. 712. Provision of TRICARE uniform benefits by uniformed services treatment facilities.
Sec. 713. Sense of Senate on access of medicare eligible beneficiaries of CHAMPUS to health care under TRICARE.
Sec. 714. Pilot program of individualized residential mental health services.

Subtitle C—Uniformed Services Treatment Facilities

Sec. 721. Delay of termination of status of certain facilities as uniformed services treatment facilities.
Sec. 722. Applicability of Federal Acquisition Regulation to participation agreements with uniformed services treatment facilities.
Sec. 723. Applicability of CHAMPUS payment rules in certain cases.

Subtitle D—Other Changes to Existing Laws Regarding Health Care Management

Sec. 731. Investment incentive for managed health care in medical treatment facilities.
Sec. 732. Revision and codification of limitations on physician payments under CHAMPUS.
Sec. 733. Personal services contracts for medical treatment facilities of the Coast Guard.
Sec. 734. Disclosure of information in medicare and medicaid coverage data bank to improve collection from responsible parties for health care services furnished under CHAMPUS.

Subtitle E—Other Matters

Sec. 741. TriService nursing research.
Sec. 742. Fisher House trust funds.
Sec. 743. Applicability of limitation on prices of pharmaceuticals procured for Coast Guard.
Sec. 744. Report on effect of closure of Fitzsimons Army Medical Center, Colorado, on provision of care to military personnel and dependents experiencing health difficulties associated with Persian Gulf Syndrome.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

Subtitle A—Acquisition Reform

Sec. 801. Waivers from cancellation of funds.
Sec. 802. Procurement notice posting thresholds and subcontracts for ocean transportation services.
Sec. 803. Prompt resolution of audit recommendations.
Sec. 804. Test program for negotiation of comprehensive subcontracting plans.
Sec. 805. Naval salvage facilities.
Sec. 806. Authority to delegate contracting authority.
Sec. 807. Coordination and communication of defense research activities.
Sec. 808. Procurement of items for experimental or test purposes.
Sec. 809. Quality control in procurements of critical aircraft and ship spare parts.
Sec. 810. Use of funds for acquisition of designs, processes, technical data, and computer software.
Sec. 811. Independent cost estimates for major defense acquisition programs.
Sec. 812. Fees for certain testing services.
Sec. 813. Construction, repair, alteration, furnishing, and equipping of naval vessels.
Sec. 814. Civil Reserve Air Fleet.
Sec. 815. Cost and pricing data.
Sec. 816. Procurement notice technical amendments.
Sec. 817. Repeal of duplicative authority for simplified acquisition purchases.
Sec. 818. Micro-purchases without competitive quotations.
Sec. 819. Restriction on reimbursement of costs.

Subtitle B—Other Matters

Sec. 821. Procurement technical assistance programs.
Sec. 822. Treatment of Department of Defense cable television franchise agreements.
Sec. 823. Preservation of ammunition industrial base.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Sec. 901. Redesignation of the position of Assistant to the Secretary of Defense for Atomic Energy.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

Sec. 1001. Transfer authority.
Sec. 1002. Disbursing and certifying officials.
Sec. 1003. Defense modernization account.
Sec. 1004. Authorization of prior emergency supplemental appropriations for fiscal year 1995.
Sec. 1005. Limitation on use of authority to pay for emergency and extraordinary expenses.
Sec. 1006. Transfer authority regarding funds available for foreign currency fluctuations.
Sec. 1007. Report on budget submission regarding reserve components.

Subtitle B—Naval Vessels

Sec. 1011. Iowa class battleships.
Sec. 1012. Transfer of naval vessels to certain foreign countries.
Sec. 1013. Naming amphibious ships.

Subtitle C—Counter-Drug Activities

Sec. 1021. Revision and clarification of authority for Federal support of drug interdiction and counter-drug activities of the National Guard.
Sec. 1022. National Drug Intelligence Center.
Sec. 1023. Assistance to Customs Service.

Subtitle D—Department of Defense Education Programs

Sec. 1031. Continuation of the Uniformed Services University of the Health Sciences.
Sec. 1032. Additional graduate schools and programs at the Uniformed Services University of the Health Sciences.
Sec. 1033. Funding for basic adult education programs for military personnel and dependents outside the United States.
Sec. 1034. Scope of education programs of Community College of the Air Force.
Sec. 1035. Date for annual report on Selected Reserve Educational Assistance Program.
Sec. 1036. Establishment of Junior ROTC units in Indian reservation schools.

Subtitle E—Cooperative Threat Reduction With States of the Former Soviet Union

Sec. 1041. Cooperative Threat Reduction programs defined.
Sec. 1042. Funding matters.
Sec. 1043. Limitation relating to offensive biological warfare program of Russia.
Sec. 1044. Limitation on use of funds for cooperative threat reduction.

Subtitle F—Matters Relating to Other Nations

Sec. 1051. Cooperative research and development agreements with NATO organizations.
Sec. 1052. National security implications of United States export control policy.
Sec. 1053. Defense export loan guarantees.
Sec. 1054. Landmine clearing assistance program.
Sec. 1055. Strategic cooperation between the United States and Israel.
Sec. 1056. Support services for the Navy at the Port of Haifa, Israel.
Sec. 1057. Prohibition on assistance to terrorist countries.
Sec. 1058. International military education and training.
Sec. 1059. Repeal of limitation regarding American diplomatic facilities in Germany.
Sec. 1060. Implementation of arms control agreements.
Sec. 1061. Sense of Congress on limiting the placing of United States forces under United Nations command or control.
Sec. 1062. Sense of Senate on protection of United States from ballistic missile attack.
Sec. 1063. Iran and Iraq arms nonproliferation.
Sec. 1064. Reports on arms export control and military assistance.

Subtitle G—Repeal of Certain Reporting Requirements

Sec. 1071. Reports required by title 10, United States Code.
Sec. 1072. Reports required by title 37, United States Code, and related provisions of defense authorization Acts.
Sec. 1073. Reports required by other defense authorization and appropriations Acts.
Sec. 1074. Reports required by other national security laws.
Sec. 1075. Reports required by other provisions of the United States Code.
Sec. 1076. Reports required by other provisions of law.
Sec. 1077. Reports required by Joint Committee on Printing.

Subtitle H—Other Matters

Sec. 1081. Global positioning system.
Sec. 1082. Limitation on retirement or dismantlement of strategic nuclear delivery systems.
Sec. 1083. National Guard civilian youth opportunities pilot program.
Sec. 1084. Report on Department of Defense boards and commissions.
Sec. 1085. Revision of authority for providing Army support for the National Science Center for Communications and Electronics.
Sec. 1086. Authority to suspend or terminate collection actions against deceased members.
Sec. 1087. Damage or loss to personal property due to emergency evacuation or extraordinary circumstances.
Sec. 1088. Check cashing and exchange transactions for dependents of United States Government personnel.
Sec. 1089. Travel of disabled veterans on military aircraft.
Sec. 1090. Transportation of crippled children in Pacific Rim region to Hawaii for medical care.
Sec. 1091. Student information for recruiting purposes.
Sec. 1092. State recognition of military advance medical directives.
Sec. 1093. Report on personnel requirements for control of transfer of certain weapons.
Sec. 1094. Sense of Senate regarding Ethics Committee investigation.
Sec. 1095. Sense of Senate regarding Federal spending.
Sec. 1096. Associate Director of Central Intelligence for Military Support.
Sec. 1097. Review of national policy on protecting the national information infrastructure against strategic attacks.

Sec. 1098. Judicial assistance to the International Tribunal for Yugoslavia and to the International Tribunal for Rwanda.
Sec. 1099. Landmine use moratorium.
Sec. 1099A. Extension of pilot outreach program.
Sec. 1099B. Sense of Senate on Midway Islands.
Sec. 1099C. Study on chemical weapons stockpile.
Sec. 1099D. Designation of National Maritime Center.
Sec. 1099E. Operational Support Airlift Aircraft Fleet.
Sec. 1099F. Sense of the Senate on Chemical Weapons Convention and START II Treaty ratification.

TITLE XI—TECHNICAL AND CLERICAL AMENDMENTS

Sec. 1101. Amendments related to Reserve Officer Personnel Management Act.
Sec. 1102. Amendments related to Federal Acquisition Streamlining Act of 1994.
Sec. 1103. Amendments to reflect name change of Committee on Armed Services of the House of Representatives.
Sec. 1104. Miscellaneous amendments to title 10, United States Code.
Sec. 1105. Miscellaneous amendments to annual defense authorization Acts.
Sec. 1106. Miscellaneous amendments to Federal acquisition laws.
Sec. 1107. Miscellaneous amendments to other laws.
Sec. 1108. Coordination with other amendments.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

Sec. 2001. Short title.

TITLE XXI—ARMY

Sec. 2101. Authorized Army construction and land acquisition projects.
Sec. 2102. Family housing.
Sec. 2103. Improvements to military family housing units.
Sec. 2104. Authorization of appropriations, Army.
Sec. 2105. Reduction in amounts authorized to be appropriated for fiscal year 1992 military construction projects.

TITLE XXII—NAVY

Sec. 2201. Authorized Navy construction and land acquisition projects.
Sec. 2202. Family housing.
Sec. 2203. Improvements to military family housing units.
Sec. 2204. Authorization of appropriations, Navy.
Sec. 2205. Revision of fiscal year 1995 authorization of appropriations to clarify availability of funds for Large Anechoic Chamber, Patuxent River Naval Warfare Center, Maryland.
Sec. 2206. Authority to carry out land acquisition project, Norfolk Naval Base, Virginia.
Sec. 2207. Acquisition of land, Henderson Hall, Arlington, Virginia.

TITLE XXIII—AIR FORCE

Sec. 2301. Authorized Air Force construction and land acquisition projects.
Sec. 2302. Family housing.
Sec. 2303. Improvements to military family housing units.
Sec. 2304. Authorization of appropriations, Air Force.
Sec. 2305. Reduction in amounts authorized to be appropriated for fiscal year 1992 military construction projects.

TITLE XXIV—DEFENSE AGENCIES

Sec. 2401. Authorized Defense Agencies construction and land acquisition projects.
Sec. 2402. Military housing private investment.
Sec. 2403. Improvements to military family housing units.
Sec. 2404. Energy conservation projects.
Sec. 2405. Authorization of appropriations, Defense Agencies.
Sec. 2406. Modification of authority to carry out fiscal year 1995 projects.
Sec. 2407. Reduction in amounts authorized to be appropriated for prior year military construction projects.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

Sec. 2501. Authorized NATO construction and land acquisition projects.
Sec. 2502. Authorization of appropriations, NATO.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

Sec. 2601. Authorized Guard and Reserve construction and land acquisition projects.
Sec. 2602. Reduction in amount authorized to be appropriated for fiscal year 1994 Air National Guard projects.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

Sec. 2701. Expiration of authorizations and amounts required to be specified by law.
Sec. 2702. Extension of authorizations of certain fiscal year 1993 projects.
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SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.

For purposes of this Act, the term ''congressional defense committees'' means—

(1) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

(2) the Committee on National Security and the Committee on Appropriations of the House of Representatives.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

Funds are hereby authorized to be appropriated for fiscal year 1996 for procurement for the Army as follows:

(1) For aircraft, $1,396,451,000.

(2) For missiles, $894,430,000.

(3) For weapons and tracked combat vehicles, $1,547,964,000.

(4) For ammunition, $1,120,115,000.

(5) For other procurement, $2,771,101,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 1996 for procurement for the Navy as follows:

(1) For aircraft, $4,916,588,000.

(2) For weapons, including missiles and torpedoes, $1,771,421,000.

(3) For shipbuilding and conversion, $7,111,935,000.

(4) For other procurement, $2,471,861,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 1996 for procurement for the Marine Corps in the amount of $683,416,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 1996 for procurement for the Air Force as follows:

(1) For aircraft, $6,318,586,000.

(2) For missiles, $3,597,499,000.

(3) For other procurement, $6,546,001,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 1996 for Defense-wide procurement in the amount of $2,118,324,000.

SEC. 105. RESERVE COMPONENTS.

Funds are hereby authorized to be appropriated for fiscal year 1996 for procurement of aircraft, vehicles, communications equipment, and other equipment for the reserve components of the Armed Forces as follows:

(1) For the Army National Guard, $209,400,000.

(2) For the Air National Guard, $137,000,000.

(3) For the Army Reserve, $62,000,000.

(4) For the Naval Reserve, $74,000,000.

(5) For the Air Force Reserve, $240,000,000.

(6) For the Marine Corps Reserve, $55,000,000.

SEC. 106. DEFENSE INSPECTOR GENERAL.

Funds are hereby authorized to be appropriated for fiscal year 1996 for procurement for the Inspector General of the Department of Defense in the amount of $1,000,000.

SEC. 107. CHEMICAL DEMILITARIZATION PROGRAM.

There is hereby authorized to be appropriated for fiscal year 1996 the amount of $671,698,000 for—

(1) the destruction of lethal chemical weapons and munitions in accordance with section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521); and

(2) the destruction of chemical warfare material of the United States that is not covered by section 1412 of such Act.

SEC. 108. DEFENSE HEALTH PROGRAM.

Funds are hereby authorized to be appropriated for fiscal year 1996 for the Department of Defense for procurement for carrying out health care programs, projects, and activities of the Department of Defense in the total amount of $288,033,000.

Subtitle B—Army Programs

SEC. 111. AH–64D LONGBOW APACHE ATTACK HELICOPTER.

The Secretary of the Army may, in accordance with section 2306b of title 10, United States Code, enter into multiyear procurement contracts for procurement of AH–64D Longbow Apache attack helicopters.

SEC. 112. OH–58D AHIP SCOUT HELICOPTER.

The prohibition in section 133(a)(2) of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1383) does not apply to the obligation of funds in amounts not to exceed $125,000,000 for the procurement of not more than 20 OH–58D AHIP Scout aircraft from funds appropriated for fiscal year 1996 pursuant to section 101.

SEC. 113. HYDRA 70 ROCKET.

(a) LIMITATION.—Funds appropriated or otherwise made available for the Department of Defense for fiscal year 1996 may not be obligated to procure Hydra 70 rockets until the Secretary of the Army submits to Congress a document that contains the certifications described in subsection (b)(1) together with a discussion of the matter described in subsection (b)(2).

(b) CONTENT OF SUBMISSION.—(1) A document submitted under subsection (a) satisfies the certification requirements of that subsection if it contains the certifications of the Secretary that—

(A) the specific technical cause of Hydra 70 Rocket failures has been identified;

(B) the technical corrections necessary for eliminating premature detonations of such rockets have been validated;

(C) the total cost of making the necessary corrections on all Hydra 70 rockets that are in the Army inventory or are being procured under any contract in effect on the date of the enactment of this Act does not exceed the amount equal to 15 percent of the nonrecurring costs that would be incurred by the Army for acquisition of improved rockets, including commercially developed nondevelopmental systems, to replace the Hydra 70 rockets; and

(D) a nondevelopmental composite rocket system has been fully reviewed for, or has received operational and platform certifications for, full qualification of an alternative composite rocket motor and propellant.

(2) The document shall also contain a discussion of whether the existence of the system referred to in the certification under paragraph (1)(D) will result in—

(A) early and continued availability of training rockets to meet the requirements of the Army for such rockets; and

(B) the attainment of competition in future procurements of training rockets to meet such requirements.

(c) WAIVER AUTHORITY.—The Secretary of Defense may waive the requirement in subsection (a) for the Secretary to submit the document described in that subsection before procuring Hydra 70 rockets if the Secretary determines that a delay in procuring the rockets pending compliance with the requirement would result in a significant risk to the national security of the United States. Any such waiver may not take effect until the Secretary submits to Congress a notification of that determination together with the reasons for the determination.

SEC. 114. REPORT ON AH–64D ENGINE UPGRADES.

No later than February 1, 1996, the Secretary of the Army shall submit to Congress a report on plans to procure T700–701C engine upgrade kits for Army AH–64D helicopters. The report shall include—

(1) a plan to provide for the upgrade of all Army AH–64D helicopters with T700–701C engine kits commencing in fiscal year 1996.

(2) detailed timeline and funding requirements for the engine upgrade program described in paragraph (1).

Subtitle C—Navy Programs

SEC. 121. SEAWOLF AND NEW ATTACK SUBMARINE PROGRAMS.

(a) FUNDING.—(1) Of the amount authorized to be appropriated under section 102(a)(3)—

(A) $1,507,477,000 shall be available for the final Seawolf attack submarine (SSN–23); and

(B) $814,498,000 shall be available for design and advance procurement in fiscal year 1996 for the lead submarine and the second submarine under the New Attack Submarine program, of which—

(i) $10,000,000 shall be available only for participation of Newport News Shipbuilding in the New Attack Submarine design; and

(ii) $100,000,000 shall be available only for advance procurement and design of the second submarine under the New Attack Submarine program.

(2) Of amounts authorized under any provision of law to be appropriated for procurement for the Navy for fiscal year 1997 for shipbuilding and conversion, $802,000,000 shall be available for design and advance procurement in fiscal year 1997 for the lead submarine and the second submarine under the New Attack Submarine program, of which—

(A) $75,000,000 shall be available only for participation by Newport News Shipbuilding in the New Attack Submarine design; and

(B) $427,000,000 shall be available only for advance procurement and design of the second submarine under the New Attack Submarine program.

(3) Of the amount authorized to be appropriated under section 201(2), $455,398,000 shall be available for research, development, test, and evaluation for the New Attack Submarine program.

(b) COMPETITION REQUIRED.—Funds referred to in subsection (c) may not be obligated until the Secretary of the Navy certifies in writing to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives that—

(1) the Secretary has restructured the New Attack Submarine program in accordance with this section so as to provide for—

(A) procurement of the lead vessel under the New Attack Submarine program from the Electric Boat Division beginning in fiscal year 1998, if the price offered by Electric Boat Division is determined by the Secretary as being fair and reasonable;

(B) procurement of the second vessel under the New Attack Submarine program from Newport News Shipbuilding beginning in fiscal year 1999, if the price offered by Newport News Shipbuilding is determined by the Secretary as being fair and reasonable; and

(C) procurement of other vessels under the New Attack Submarine program under one or more contracts that are entered into after competition between potential competitors (as defined in subsection (i)) in which the Secretary shall solicit competitive proposals and award the contract or contracts on the basis of price; and

(2) the Secretary has directed, as set forth in detail in such certification, that no action prohibited in subsection (d) will be taken to impair the design, engineering, construction, and maintenance competencies of either Electric Boat Division or Newport News Shipbuilding to construct the New Attack Submarine.

(c) COVERED FUNDS.—The funds referred to in subsection (b) are as follows:

(1) Funds available to the Navy for any fiscal year after fiscal year 1995 for procurement of the final Seawolf attack submarine (SSN–23) pursuant to this Act or any Act enacted after the date of the enactment of this Act.

(2) Funds available to the Navy for any such fiscal year for research, development, test, and evaluation or for procurement (including design and advance procurement) for the New Attack Submarine program pursuant to this Act or any Act enacted after the date of the enactment of this Act.

(d) LIMITATION ON CERTAIN ACTIONS.—In order to ensure that Electric Boat Division and Newport News Shipbuilding retain the technical competencies to construct the New Attack Submarine, the following actions are prohibited:

(1) A termination of or failure to extend, except by reason of a breach of contract by the

contractor or an insufficiency of appropriations—

(A) the existing Planning Yard contract for the Trident class submarines; or

(B) the existing Planning Yard contract for the SSN–688 Los Angeles class submarines.

(2) A termination of any existing Lead Design Yard contract for the SSN–21 Seawolf class submarines or for the SSN–688 Los Angeles class submarines, except by reason of a breach of contract by the contractor or an insufficiency of appropriations.

(3) A failure of, or refusal by, the Department of the Navy to permit both Electric Boat Division and Newport News Shipbuilding to have access to sufficient information concerning the design of the New Attack Submarine to ensure that each is capable of constructing the New Attack Submarine.

(e) LIMITATION ON EXPENDITURE OF FUNDS FOR SEAWOLF PROGRAM.—Of the funds referred to in subsection (c)(1)—

(1) not more than $700,000,000 may be expended in fiscal year 1996;

(2) not more than an additional $200,000,000 may be expended in fiscal year 1997;

(3) not more than an additional $200,000,000 may be expended in fiscal year 1998; and

(4) not more than an additional $407,477,000 may be expended in fiscal year 1999.

(f) LIMITATION ON EXPENDITURE OF FUNDS FOR NEW ATTACK SUBMARINE PROGRAM.—Funds referred to in subsection (c)(2) that are available for the lead and second vessels under the New Attack Submarine program may not be expended during fiscal year 1996 for the lead vessel under that program (other than for class design) unless funds are obligated or expended during such fiscal year for a contract in support of procurement of the second vessel under the program.

(g) REPORTS REQUIRED.—Not later than November 1, 1995, and every six months thereafter through November 1, 1998, the Secretary of the Navy shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report setting forth the obligations and expenditures of funds for—

(1) the procurement of the final Seawolf attack submarine (SSN–23); and

(2) research, development, test, and evaluation or for procurement (including design and advance procurement) for the lead and second vessels under the New Attack Submarine program.

(h) REFERENCES TO CONTRACTORS.—For purposes of this section—

(1) the contractor referred to as ''Electric Boat Division'' is General Dynamics Corporation Electric Boat Division; and

(2) the contractor referred to as ''Newport News Shipbuilding'' is Newport News Shipbuilding and Drydock Company.

(i) DEFINITIONS.—In this section:

(1) The term ''potential competitor'' means any source to which the Secretary of the Navy has awarded, within 10 years before the date of the enactment of this Act, a contract or contracts to construct one or more nuclear attack submarines.

(2) The term ''New Attack Submarine'' means any submarine planned or programmed by the Navy as a class of submarines the lead ship of which is planned by the Navy, as of the date of the enactment of this Act, for procurement in fiscal year 1998.

SEC. 122. REPEAL OF PROHIBITION ON BACKFIT OF TRIDENT SUBMARINES.

Section 124 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2683) is repealed.

SEC. 123. ARLEIGH BURKE CLASS DESTROYER PROGRAM.

(a) FIRST INCREMENT FUNDING.—Of the amount authorized to be appropriated under section 102(a)(3), $650,000,000 shall be available in accordance with section 7315 of title 10, United States Code (as added by section 124), as the first increment of funding for two Arleigh Burke class destroyers.

(b) FINAL INCREMENT FUNDING.—It is the sense of Congress that the Secretary of the Navy should plan for and request the final increment of funding for the two destroyers for fiscal year 1997 in accordance with section 7315 of title 10, United States Code (as added by section 124).

SEC. 124. SPLIT FUNDING FOR CONSTRUCTION OF NAVAL VESSELS.

(a) IN GENERAL.—Chapter 633 of title 10, United States Code is amended by adding at the end the following:

''§ 7315. Planning for funding construction

''(a) PLANNING FOR SPLIT FUNDING.—The Secretary of Defense may provide in the future-years defense program for split funding of construction of new naval vessels satisfying the requirements of subsection (d).

''(b) SPLIT FUNDING REQUESTS.—In the case of construction of a new naval vessel satisfying the requirements of subsection (d), the Secretary of the Navy shall—

''(1) determine the total amount that is necessary for construction of the vessel, including an allowance for future inflation; and

''(2) request funding for construction of the vessel in two substantially equal increments.

''(c) CONTRACT AUTHORIZED UPON FUNDING OF FIRST INCREMENT.—(1) The Secretary of the Navy may enter into a contract for the construction of a new naval vessel upon appropriation of a first increment of funding for construction of the vessel.

''(2) A contract entered into in accordance with paragraph (1) shall include a liquidated damages clause for any termination of the contract for the convenience of the Government that occurs before the remainder of the amount necessary for full funding of the contract is appropriated.

''(d) APPLICABILITY.—This section applies to construction of a naval vessel—

''(1) that is in a class of vessels for which the design is mature and there is sufficient construction experience for the costs of construction to be well understood and predictable; and

''(2) for which—

''(A) provision is made in the future-years defense program; or

''(B) the Chairman of the Joint Chiefs of Staff, in consultation with the Secretary of the Navy, has otherwise determined that there is a valid military requirement.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 633 of such title is amended by adding at the end the following:

''7315. Planning for funding construction.''.

SEC. 125. SEAWOLF SUBMARINE PROGRAM.

(a) LIMITATION OF COSTS.—Except as provided in subsection (b), the total amount obligated or expended for procurement of the SSN–21, SSN–22, and SSN–23 Seawolf class submarines may not exceed $7,223,659,000.

(b) AUTOMATIC INCREASE OF LIMITATION AMOUNT.—The amount of the limitation set forth in subsection (a) is increased after fiscal year 1995 by the following amounts:

(1) The amounts of outfitting costs and post-delivery costs incurred for the submarines referred to in such subsection.

(2) The amounts of increases in costs attributable to economic inflation after fiscal year 1995.

(3) The amounts of increases in costs attributable to compliance with changes in Federal, State, or local laws enacted after fiscal year 1995.

SEC. 126. CRASH ATTENUATING SEATS ACQUISITION PROGRAM.

(a) PROGRAM AUTHORIZED.—The Secretary of the Navy may establish a program to procure for, and install in, H–53E military transport helicopters commercially developed, energy absorbing, crash attenuating seats that the Secretary determines are consistent with military specifications for seats for such helicopters.

(b) FUNDING.—To the extent provided in appropriations Acts, of the unobligated balance of amounts appropriated for the Legacy Resource Management Program pursuant to the authorization of appropriations in section 301(5) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2706), not more than $10,000,000 shall be available to the Secretary of the Navy, by transfer to the appropriate accounts, for carrying out the program authorized in subsection (a).

Subtitle D—Other Programs

SEC. 131. TIER II PREDATOR UNMANNED AERIAL VEHICLE PROGRAM.

Funds appropriated or otherwise made available for the Department of Defense for fiscal year 1996 for procurement or for research, development, test, and evaluation may not be obligated or expended for the Tier II Predator unmanned aerial vehicle program.

SEC. 132. PIONEER UNMANNED AERIAL VEHICLE PROGRAM.

Not more than ⅙ of the amount appropriated pursuant to this Act for the activities and operations of the Unmanned Aerial Vehicle Joint Program Office (UAV–JPO), and none of the unobligated balances of funds appropriated for fiscal years before fiscal year 1996 for the activities and operations of such office, may be obligated until the Secretary of the Navy certifies to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives that the nine Pioneer Unmanned Aerial Vehicle systems have been equipped with the Common Automatic Landing and Recovery System (CARS).

SEC. 133. JOINT PRIMARY AIRCRAFT TRAINING SYSTEM PROGRAM.

Of the amount authorized to be appropriated under section 103(1), $54,968,000 shall be available for the Joint Primary Aircraft Training System program for procurement of up to eight aircraft.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 1996 for the use of the Department of Defense for research, development, test, and evaluation as follows:

(1) For the Army, $4,845,097,000.

(2) For the Navy, $8,624,230,000.

(3) For the Air Force, $13,087,389,000.

(4) For Defense-wide activities, $9,533,148,000, of which—

(A) $239,341,000 is authorized for the activities of the Director, Test and Evaluation;

(B) $22,587,000 is authorized for the Director of Operational Test and Evaluation; and

(C) $475,470,000 is authorized for Other Theater Missile Defense, of which up to $25,000,000 may be made available for the operation of the Battlefield Integration Center.

SEC. 202. AMOUNT FOR BASIC RESEARCH AND EXPLORATORY DEVELOPMENT.

(a) FISCAL YEAR 1996.—Of the amounts authorized to be appropriated by section 201, $4,076,580,000 shall be available for basic research and exploratory development projects.

(b) BASIC RESEARCH AND EXPLORATORY DEVELOPMENT DEFINED.—For purposes of this section, the term ''basic research and exploratory development'' means work funded in program elements for defense research and development under Department of Defense category 6.1 or 6.2.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. A/F117X LONG-RANGE, MEDIUM ATTACK AIRCRAFT.

Of the amount authorized to be appropriated by section 201(2) for the Joint Advanced Strike Technology program—

(1) $25,000,000 shall be available for the conduct, during fiscal year 1996, of a 6-month program definition phase for the A/F117X, an F–117 fighter aircraft modified for use by the Navy as a long-range, medium attack aircraft; and

(2) $150,000,000 shall be available for engineering and manufacturing development of the A/F117X aircraft, except that none of such amount may be obligated until the Secretary of the Navy, after considering the results of the program definition phase, approves proceeding into engineering and manufacturing development of the A/F117X aircraft.

SEC. 212. NAVY MINE COUNTERMEASURES PROGRAM.

Section 216(a) of the National Defense, Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102-190; 105 Stat. 1317) is amended—

(1) by striking out ''Director, Defense Research and Engineering'' and inserting in lieu thereof ''Under Secretary of Defense for Acquisition and Technology''; and

(2) by striking out ''fiscal years 1995 through 1999'' and inserting in lieu thereof ''fiscal years 1997 through 1999''.

SEC. 213. MARINE CORPS SHORE FIRE SUPPORT.

Of the amount appropriated pursuant to section 201(2) for the Tomahawk Baseline Improvement Program, not more than 50 percent of that amount may be obligated until the Secretary of the Navy certifies to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives that the Secretary has structured, and planned for full funding of, a program leading to a live-fire test of an Army Extended Range Multiple Launch Rocket from an Army Multiple Launch Rocket Launcher on a Navy ship before October 1, 1997.

SEC. 214. SPACE AND MISSILE TRACKING SYSTEM PROGRAM.

(a) DEVELOPMENT AND DEPLOYMENT PLAN.—The Secretary of the Air Force shall structure the development schedule for the Space and Missile Tracking System so as to achieve a first launch of a user operation evaluation system (UOES) satellite in fiscal year 2001, and to attain initial operational capability (IOC) of a full constellation of user operation evaluation systems and objective system satellites in fiscal year 2003.

(b) MANAGEMENT OVERSIGHT.—In exercising the responsibility for the Space and Missile Tracking System program, the Secretary of the Air Force shall first obtain the concurrence of the Director of the Ballistic Missile Defense Organization before implementing any decision that would have any of the following results regarding the program:

(1) A reduction in funds available for obligation or expenditure for the program for a fiscal year below the amount specifically authorized and appropriated for the program for that fiscal year.

(2) An increase in the total program cost.

(3) A delay in a previously established development or deployment schedule.

(4) A modification in the performance parameters or specifications.

(c) AUTHORIZATION.—Of the amount authorized to be appropriated under section 201(3) for fiscal year 1996, $249,824,000 shall be available for the Space and Missile Tracking System (SMTS) program.

SEC. 215. PRECISION GUIDED MUNITIONS.

(a) ANALYSIS REQUIRED.—The Secretary of Defense shall perform an analysis of the full range of precision guided munitions in production and in research, development, test, and evaluation in order to determine the following:

(1) The numbers and types of precision guided munitions that are needed to provide a complementary capability against each target class.

(2) The feasibility of carrying out joint development and procurement of additional munition types by more than one of the Armed Forces.

(3) The feasibility of integrating a particular precision guided munition on multiple service platforms.

(4) The economy and effectiveness of continuing acquisition of—

(A) interim precision guided munitions; or

(B) precision guided munitions that, as a result of being procured in decreasing numbers to meet decreasing quantity requirements, have increased in cost per unit by more than 50 percent over the cost per unit for such munitions as of December 1, 1991.

(b) REPORT.—(1) Not later than February 1, 1996, the Secretary shall submit to Congress a report on the findings and other results of the analysis.

(2) The report shall include a detailed discussion of the process by which the Department of Defense—

(A) approves the development of new precision guided munitions;

(B) avoids duplication and redundancy in the precision guided munitions programs of the Army, Navy, Air Force, and Marine Corps;

(C) ensures rationality in the relationship between the funding plans for precision guided munitions modernization for fiscal years following fiscal year 1996 and the costs of such modernization for those fiscal years; and

(D) identifies by name and function each person responsible for approving each new precision guided munition for initial low-rate production.

(c) FUNDING LIMITATION.—Funds authorized to be appropriated by this Act may not be expended for research, development, test, and evaluation or procurement of interim precision guided munitions until the Secretary of Defense submits the report under subsection (b).

(d) INTERIM PRECISION GUIDED MUNITION DEFINED.—For purposes of paragraph (1), a precision guided munition is an interim precision guided munition if the munition is being procured in fiscal year 1996, but funding is not proposed for additional procurement of the munition in the fiscal years after fiscal year 1996 in the future years defense program submitted to Congress in 1995 under section 221(a) of title 10, United States Code.

SEC. 216. DEFENSE NUCLEAR AGENCY PROGRAMS.

(a) AGENCY FUNDING.—Of the amounts authorized to be appropriated to the Department of Defense in section 201, $252,900,000 shall be available for the Defense Nuclear Agency.

(b) TUNNEL CHARACTERIZATION AND NEUTRALIZATION PROGRAM.—Of the amount available under subsection (a), $3,000,000 shall be available for a tunnel characterization and neutralization program to be managed by the Defense Nuclear Agency as part of the counterproliferation activities of the Department of Defense.

(c) LONG-TERM RADIATION TOLERANT MICROELECTRONICS PROGRAM.—(1) Of the amount available under subsection (a), $6,000,000 shall be available for the establishment of a long-term radiation tolerant microelectronics program to be managed by the Defense Nuclear Agency for the purposes of—

(A) providing for the development of affordable and effective hardening technologies and for incorporation of such technologies into systems;

(B) sustaining the supporting industrial base; and

(C) ensuring that a use of a nuclear weapon in regional threat scenarios does not interrupt or defeat the continued operability of systems of the Armed Forces exposed to the combined effects of radiation emitted by the weapon.

(2) Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on how the long-term radiation tolerant microelectronics program is to be conducted and funded in the fiscal years after fiscal year 1996 that are covered by the future-years defense program submitted to Congress in 1995.

SEC. 217. COUNTERPROLIFERATION SUPPORT PROGRAM.

(a) FUNDING.—Of the funds authorized to be appropriated to the Department of Defense under section 201(4), $144,500,000 shall be available for the Counterproliferation Support Program, of which—

(1) $30,000,000 shall be available for a tactical antisatellite technologies program; and

(2) $6,300,000 shall be available for research and development of technologies for Special Operations Command (SOCOM) counterproliferation activities.

(b) ADDITIONAL AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1) In addition to the transfer authority provided in section 1003, upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 1996 to counterproliferation programs, projects, and activities identified as areas for progress by the Counterproliferation Program Review Committee established by section 1605 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary may transfer under the authority of this subsection may not exceed $50,000,000.

(3) The authority provided by this subsection to transfer authorizations—

(A) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(B) may not be used to provide authority for an item that has been denied authorization by Congress.

(4) A transfer made from one account to another under the authority of this subsection shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(5) The Secretary of Defense shall promptly notify Congress of transfers made under the authority of this subsection.

SEC. 218. NONLETHAL WEAPONS PROGRAM.

(a) ESTABLISHMENT OF PROGRAM OFFICE.—The Secretary of Defense shall establish in the Office of the Under Secretary of Defense for Acquisition and Technology a Program Office for Nonlethal Systems and Technologies to conduct research, development, testing, and evaluation of nonlethal weapons applicable to forces engaged in both traditional and nontraditional military operations.

(b) FUNDING.—Of the amount authorized to be appropriated under section 201(4), $37,200,000 shall be available for the Program Office for Nonlethal Systems and Technologies.

SEC. 219. FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS.

(a) CENTERS COVERED.—Funds appropriated or otherwise made available for the Department of Defense for fiscal year 1996 pursuant to an authorization of appropriations in section 201 may be obligated to procure work from a federally funded research and development center only in the case of a center named in the report required by subsection (b) and, in the case of such a center, only in an amount not in excess of the amount of the proposed funding level set forth for that center in such report.

(b) REPORT ON ALLOCATIONS FOR CENTERS.—(1) Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report containing—

(A) the name of each federally funded research and development center from which work is proposed to be procured for the Department of Defense for fiscal year 1996; and

(B) for each such center, the proposed funding level and the estimated personnel level for fiscal year 1996.

(2) The total of the proposed funding levels set forth in the report for all federally funded research and development centers may not exceed the amount set forth in subsection (d).

(c) LIMITATION PENDING SUBMISSION OF REPORT.—No funds appropriated or otherwise made available for the Department of Defense for fiscal year 1996 may be obligated to procure work from a federally funded research and development center until the Secretary of Defense submits the report required by subsection (b).

(d) FUNDING.—Of the amounts authorized to be appropriated by section 201, not more than a total of $1,162,650,000 may be obligated to procure services from the federally funded research and development centers named in the report required by subsection (b).

(e) AUTHORITY TO WAIVE FUNDING LIMITATION.—The Secretary of Defense may waive the limitation regarding the maximum funding amount that applies under subsection (a) to a federally funded research and development center. Whenever the Secretary proposes to make such a waiver, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives notice of the proposed waiver and the reasons for the waiver. The waiver may then be made only after the end of the 60-day period that begins on the date on which the notice is submitted to those committees, unless the Secretary determines that it is essential to the national security that funds be obligated for work at that center in excess of that limitation before the end of such period and notifies the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives of that determination and the reasons for the determination.

(f) UNDISTRIBUTED REDUCTION.—The total amount authorized to be appropriated for research, development, test, and evaluation in section 201 is hereby reduced by $90,000,000.

SEC. 220. STATES ELIGIBLE FOR ASSISTANCE UNDER DEFENSE EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE RESEARCH.

Subparagraph (A) of section 257(d)(2) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2705; 10 U.S.C. 2358 note) is amended to read as follows:

''(A) the amount of all Department of Defense obligations for science and engineering research and development that were in effect with institutions of higher education in the State for the fiscal year preceding the fiscal year for which the designation is effective or for the last fiscal year for which statistics are available is less than the amount determined by multiplying 60 percent times 1/50 of the total amount of all Department of Defense obligations for science and engineering research and development that were in effect with institutions of higher education in the United States for such preceding or last fiscal year, as the case may be (to be determined in consultation with the Secretary of Defense);''.

SEC. 221. NATIONAL DEFENSE TECHNOLOGY AND INDUSTRIAL BASE, DEFENSE REINVESTMENT, AND CONVERSION.

(a) REPEAL OF CERTAIN AUTHORITIES AND REQUIREMENTS.—Chapter 148 of title 10, United States Code, is amended—

(1) in section 2491—

(A) by striking out paragraphs (12), (13), (14), and (15); and

(B) by redesignating paragraph (16) as paragraph (12);

(2) in section 2501—

(A) by striking out subsection (b); and

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

(3) by striking out sections 2512, 2513, 2516, 2520, 2523, and 2524.

(b) CRITERIA FOR SELECTION OF DEFENSE ADVANCED MANUFACTURING TECHNOLOGY PARTNERSHIPS.—Subsection (d) of section 2522 of such title is amended to read as follows:

''(d) SELECTION CRITERIA.—The criteria for the selection of proposed partnerships for establishment under this section shall be the criteria specified in section 2511(f) of this title.''.

(c) CONFORMING AMENDMENTS.—(1) Section 2516(b) of such title is amended—

(A) by inserting ''and'' at the end of paragraph (2);

(B) by striking out ''; and'' at the end of paragraph (3) and inserting in lieu thereof a period; and

(C) by striking out paragraph (4).

(2) Section 2524 of such title is amended—

(A) in subsection (a), by striking out ''and the defense reinvestment, diversification, and conversion program objectives set forth in section 2501(b) of this title''; and

(B) in subsection (f), by striking out ''and the reinvestment, diversification, and conversion program objectives set forth in section 2501(b) of this title''.

(d) CLERICAL AMENDMENTS.—(1) The table of sections at the beginning of subchapter III of chapter 148 of title 10, United States Code, is amended by striking out the items relating to sections 2512, 2513, 2516, and 2520.

(2) The table of sections at the beginning of subchapter IV of such chapter is amended by striking out the items relating to sections 2523 and 2524.

SEC. 222. REVISIONS OF MANUFACTURING SCIENCE AND TECHNOLOGY PROGRAM.

(a) PARTICIPATION OF DOD LABORATORIES IN ESTABLISHMENT OF PROGRAM.—Subsection (a) of section 2525 of title 10, United States Code, is amended by inserting after the first sentence the following: ''The Secretary shall use the manufacturing science and technology joint planning process of the directors of the Department of Defense laboratories in establishing the program.''.

(b) PARTICIPATION OF EQUIPMENT MANUFACTURERS IN PROJECTS.—Subsection (c) of such section is amended—

(1) by inserting ''(1)'' after ''(c) EXECUTION.—''; and

(2) by adding at the end the following:

''(2) The Secretary shall seek, to the extent practicable, the participation of manufacturers of manufacturing equipment in the projects under the program.''.

SEC. 223. PREPAREDNESS OF THE DEPARTMENT OF DEFENSE TO RESPOND TO MILITARY AND CIVIL DEFENSE EMERGENCIES RESULTING FROM A CHEMICAL, BIOLOGICAL, RADIOLOGICAL, OR NUCLEAR ATTACK.

(a) REPORT.—Not later than February 28, 1996, the Secretary of Defense and the Secretary of Energy, in consultation with the Director of the Federal Emergency Management Agency, shall jointly submit to Congress a report on the plans and programs of the Department of Defense to prepare for and respond to military and civil defense emergencies resulting from a chemical, biological, radiological, or nuclear attack on the United States.

(b) CONTENT OF REPORT.—The report shall contain the following:

(1) A discussion of—

(A) the consequences of an attack for which the Department of Defense has a responsibility to provide a primary response; and

(B) the plans and programs for preparing for and providing that response.

(2) A discussion of—

(A) the consequences of an attack for which the Department of Defense has a responsibility to provide a supporting response; and

(B) the plans and programs for preparing for and providing that response.

(3) Any actions and recommended legislation that the Secretary considers necessary for improving the preparedness of the Department of Defense to respond effectively to the consequences of a chemical, biological, radiological, or nuclear attack on the United States.

SEC. 224. JOINT SEISMIC PROGRAM AND GLOBAL SEISMIC NETWORK.

To the extent provided in appropriations Acts, $9,500,000 of the unobligated balance of funds available to the Air Force for research, development, test, and evaluation for fiscal year 1995 shall be available for continuation of the Joint Seismic Program and Global Seismic Network.

SEC. 225. DEPRESSED ALTITUDE GUIDED GUN ROUND SYSTEM.

Of the amount authorized to be appropriated under section 201(1), $5,000,000 is authorized to be appropriated for continued development of the depressed altitude guided gun round system.

SEC. 226. ARMY ECHELON ABOVE CORPS COMMUNICATIONS.

Of the amount authorized to be appropriated under section 201(3), $40,000,000 is hereby transferred to the authorization of appropriations under section 101(5) for procurement of communications equipment for Army echelons above corps.

SEC. 227. TESTING OF THEATER MISSILE DEFENSE INTERCEPTORS.

(a) The Secretary of Defense may not approve a theater missile defense interceptor program proceeding beyond the low-rate initial production acquisition stage until the Secretary certifies to the congressional defense committees that such program has successfully completed initial operational test and evaluation, and is found to be a suitable and effective system.

(b) In order to be certified under subsection (a) as having been successfully completed, the initial operational test and evaluation conducted with respect to an interceptor program must have included flight tests—

(1) that were conducted with multiple interceptors and multiple targets in the presence of realistic countermeasures; and

(2) the results of which demonstrate the achievement by the interceptors of the baseline performance thresholds.

(c) For purposes of this section, the baseline performance thresholds with respect to a program are the weapons systems performance thresholds specified in the baseline description for the system established (pursuant to section 2435(a)(1) of title 10, United States Code) before the program entered the engineering and manufacturing development stage.

(d) The number of flight tests described in subsection (b) that are required in order to make the certification under subsection (a) shall be a number determined by the Director of Operational Test and Evaluation to be sufficient for the purposes of this section.

(e) The Secretary may augment flight testing to demonstrate weapons system performance goals for purposes of the certification under subsection (a) through the use of modeling and simulation that is validated by ground and flight testing.

(f) The Director of Operational Test and Evaluation and Ballistic Missile Defense Organization shall include in their annual reports to Congress plans to adequately test theater missile defense interceptor programs throughout the acquisition process. As these theater missile defense systems progress through the acquisition process, the Director of Operational Test and Evaluation and Ballistic Missile Defense Organization shall include in their annual reports to Congress an assessment of how these programs satisfy planned test objectives.

Subtitle C—Missile Defense

SEC. 231. SHORT TITLE.

This subtitle may be cited as the ''Missile Defense Act of 1995''.

SEC. 232. FINDINGS.

Congress makes the following findings:

(1) The threat that is posed to the national security of the United States by the proliferation

of ballistic and cruise missiles is significant and growing, both quantitatively and qualitatively.

(2) The deployment of effective Theater Missile Defense systems can deny potential adversaries the option of escalating a conflict by threatening or attacking United States forces, coalition partners of the United States, or allies of the United States with ballistic missiles armed with weapons of mass destruction to offset the operational and technical advantages of the United States and its coalition partners and allies.

(3) The intelligence community of the United States has estimated that (A) the missile proliferation trend is toward longer range and more sophisticated ballistic missiles, (B) North Korea may deploy an intercontinental ballistic missile capable of reaching Alaska or beyond within 5 years, and (C) although a new indigenously developed ballistic missile threat to the continental United States is not forecast within the next 10 years there is a danger that determined countries will acquire intercontinental ballistic missiles in the near future and with little warning by means other than indigenous development.

(4) The deployment by the United States and its allies of effective defenses against ballistic missiles of all ranges, as well as against cruise missiles, can reduce the incentives for countries to acquire such missiles or to augment existing missile capabilities.

(5) The Cold War distinction between strategic ballistic missiles and nonstrategic ballistic missiles and, therefore, the ABM Treaty's distinction between strategic defense and nonstrategic defense, has changed because of technological advancements and should be reviewed.

(6) The concept of mutual assured destruction, which was one of the major philosophical rationales for the ABM Treaty, is now questionable as a basis for stability in a multipolar world in which the United States and the states of the former Soviet Union are seeking to normalize relations and eliminate Cold War attitudes and arrangements.

(7) Theater and national missile defenses can contribute to the maintenance of stability as missile threats proliferate and as the United States and the former Soviet Union significantly reduce the number of strategic nuclear forces in their respective inventories.

(8) Although technology control regimes and other forms of international arms control can contribute to nonproliferation, such measures alone are inadequate for dealing with missile proliferation, and should not be viewed as alternatives to missile defenses and other active and passive defenses.

(9) Due to limitations in the ABM Treaty which preclude deployment of more than 100 ground-based ABM interceptors at a single site, the United States is currently prohibited from deploying a national missile defense system capable of defending the continental United States, Alaska, and Hawaii against even the most limited ballistic missile attacks.

SEC. 233. MISSILE DEFENSE POLICY.

It is the policy of the United States to—

(1) deploy as soon as possible affordable and operationally effective theater missile defenses capable of countering existing and emerging theater ballistic missiles;

(2)(A) develop for deployment a multiple-site national missile defense system that: (i) is affordable and operationally effective against limited, accidental, and unauthorized ballistic missile attacks on the territory of the United States, and (ii) can be augmented over time as the threat changes to provide a layered defense against limited, accidental, or unauthorized ballistic missile threats;

(B) initiate negotiations with the Russian Federation as necessary to provide for the national missile defense systems specified in section 235; and

(C) consider, if those negotiations fail, the option of withdrawing from the ABM Treaty in accordance with the provisions of Article XV of the Treaty, subject to consultations between the President and the Senate;

(3) ensure congressional review, prior to a decision to deploy the system developed for deployment under paragraph (2), of: (A) the affordability and operational effectiveness of such a system; (B) the threat to be countered by such a system; and (C) ABM Treaty considerations with respect to such a system.

(4) improve existing cruise missile defenses and deploy as soon as practical defenses that are affordable and operationally effective against advanced cruise missiles;

(5) pursue a focused research and development program to provide follow-on ballistic missile defense options;

(6) employ streamlined acquisition procedures to lower the cost and accelerate the pace of developing and deploying theater missile defenses, cruise missile defenses, and national missile defenses;

(7) seek a cooperative transition to a regime that does not feature mutual assured destruction and an offense-only form of deterrence as the basis for strategic stability; and

(8) carry out the policies, programs, and requirements of subtitle C of title II of this Act through processes specified within, or consistent with, the ABM Treaty, which anticipates the need and provides the means for amendment to the Treaty.

SEC. 234. THEATER MISSILE DEFENSE ARCHITECTURE.

(a) ESTABLISHMENT OF CORE PROGRAM.—To implement the policy established in section 233, the Secretary of Defense shall establish a top priority core theater missile defense program consisting of the following systems:

(1) The Patriot PAC–3 system, with a first unit equipped (FUE) in fiscal year 1998.

(2) The Navy Lower Tier (Area) system, with a user operational evaluation system (UOES) capability in fiscal year 1997 and an initial operational capability (IOC) in fiscal year 1999.

(3) The Theater High-Altitude Area Defense (THAAD) system, with a user operational evaluation system (UOES) capability in fiscal year 1997 and an initial operational capability (IOC) no later than fiscal year 2002.

(4) The Navy Upper Tier (Theater Wide) system, with a user operational evaluation system (UOES) capability in fiscal year 1999 and an initial operational capability (IOC) in fiscal year 2001.

(b) INTEROPERABILITY AND SUPPORT OF CORE SYSTEMS.—To maximize effectiveness and flexibility, the Secretary of Defense shall ensure that core theater missile defense systems are interoperable and fully capable of exploiting external sensor and battle management support from systems such as the Navy's Cooperative Engagement Capability (CEC), the Army's Battlefield Integration Center (BIC), air and space-based sensors including, in particular, the Space and Missile Tracking System (SMTS).

(c) TERMINATION OF PROGRAMS.—The Secretary of Defense shall terminate the Boost Phase Interceptor (BPI) program.

(d) FOLLOW-ON SYSTEMS.—(1) The Secretary of Defense shall develop an affordable development plan for follow-on theater missile defense systems which leverages existing systems, technologies, and programs, and focuses investments to satisfy military requirements not met by the core program.

(2) Before adding new theater missile defense systems to the core program from among the follow-on activities, the Secretary of Defense shall submit to the congressional defense committees a report describing—

(A) the requirements for the program and the specific threats to be countered;

(B) how the new program will relate to, support, and leverage off existing core programs;

(C) the planned acquisition strategy; and

(D) a preliminary estimate of total program cost and budgetary impact.

(e) REPORT.—(1) Not later than the date on which the President submits the budget for fiscal year 1997 under section 1105 of title 31, United States Code, the Secretary of Defense shall submit to the congressional defense committees a report detailing the Secretary's plans for implementing the guidance specified in this section.

(2) For each deployment date for each system described in subsection (a), the report required by paragraph (1) of this subsection shall include the funding required for research, development, testing, evaluation, and deployment for each fiscal year beginning with fiscal year 1997 through the end of the fiscal year in which deployment is projected under subsection (a).

SEC. 235. NATIONAL MISSILE DEFENSE SYSTEM ARCHITECTURE.

(a) IN GENERAL.—To implement the policy established in section 233, the Secretary of Defense shall develop an affordable and operationally effective national missile defense system to counter a limited, accidental, or unauthorized ballistic missile attack, and which is capable of attaining initial operational capability (IOC) by the end of 2003. Such system shall include the following:

(1) Ground-based interceptors capable of being deployed at multiple sites, the locations and numbers of which are to be determined so as to optimize the defensive coverage of the continental United States, Alaska, and Hawaii against limited, accidental, or unauthorized ballistic missile attacks.

(2) Fixed ground-based radars and space-based sensors, including the Space and Missile Tracking system, the mix, siting and numbers of which are to be determined so as to optimize sensor support and minimize total system cost.

(3) Battle management, command, control, and communications (BM/C3).

(b) INTERIM OPERATIONAL CAPABILITY.—To provide a hedge against the emergence of near-term ballistic missile threats against the United States and to support the development and deployment of the objective system specified in subsection (a), the Secretary of Defense shall develop an interim national missile defense plan that would give the United States the ability to field a limited operational capability by the end of 1999 if required by the threat. In developing this plan the Secretary shall make use of—

(1) developmental, or user operational evaluation system (UOES) interceptors, radars, and battle management, command, control, and communications (BM/C3), to the extent that such use directly supports, and does not significantly increase the cost of, the objective system specified in subsection (a);

(2) one or more of the sites that will be used as deployment locations for the objective system specified in subsection (a);

(3) upgraded early warning radars; and

(4) space-based sensors.

(c) USE OF STREAMLINED ACQUISITION PROCEDURES.—The Secretary of Defense shall prescribe and use streamlined acquisition procedures to—

(1) reduce the cost and increase the efficiency of developing the national missile defense system specified in subsection (a); and

(2) ensure that any interim national missile defense capabilities developed pursuant to subsection (b) are operationally effective and on a path to fulfill the technical requirements and schedule of the objective system.

(d) ADDITIONAL COST SAVING MEASURES.—In addition to the procedures prescribed pursuant to subsection (c), the Secretary of Defense shall employ cost saving measures that do not decrease the operational effectiveness of the systems specified in subsections (a) and (b), and which do not pose unacceptable technical risk. The cost saving measures should include the following:

(1) The use of existing facilities and infrastructure.

(2) The use, where appropriate, of existing or upgraded systems and technologies, except that

Minuteman boosters may not be used as part of a National Missile Defense architecture.

(3) Development of systems and components that do not rely on a large and permanent infrastructure and are easily transported, emplaced, and moved.

(e) REPORT ON PLAN FOR DEPLOYMENT.—Not later than the date on which the President submits the budget for fiscal year 1997 under section 1105 of title 31, United States Code, the Secretary of Defense shall submit to the congressional defense committees a report containing the following matters:

(1) The Secretary's plan for carrying out this section.

(2) For each deployment date in subsections (a) and (b), the report shall include the funding required for research, development, testing, evaluation, and deployment for each fiscal year beginning with fiscal year 1997 through the end of the fiscal year in which deployment is projected under subsection (a) or (b). The report shall also describe the specific threat to be countered and provide the Secretary's assessment as to whether deployment is affordable and operationally effective.

(3) An analysis of options for supplementing or modifying the national missile defense architecture specified in subsection (a) before attaining initial operational capability, or evolving such architecture in a building block manner after attaining initial operational capability, to improve the cost-effectiveness or the operational effectiveness of such system by adding one or a combination of the following:

(A) Additional ground-based interceptors at existing or new sites.

(B) Sea-based missile defense systems.

(C) Space-based kinetic energy interceptors.

(D) Space-based directed energy systems.

SEC. 236. CRUISE MISSILE DEFENSE INITIATIVE.

(a) IN GENERAL.—The Secretary of Defense shall undertake an initiative to coordinate and strengthen the cruise missile defense programs, projects, and activities of the military departments, the Advanced Research Projects Agency and the Ballistic Missile Defense Organization to ensure that the United States develops and deploys affordable and operationally effective defenses against existing and future cruise missile threats.

(b) ACTIONS OF THE SECRETARY OF DEFENSE.—In carrying out subsection (a), the Secretary of Defense shall ensure that—

(1) to the extent practicable, the ballistic missile defense and cruise missile defense efforts of the Department of Defense are coordinated and mutually reinforcing;

(2) existing air defense systems are adequately upgraded to provide an affordable and operationally effective defense against existing and near-term cruise missile threats; and

(3) the Department of Defense undertakes a high priority and well coordinated technology development program to support the future deployment of systems that are affordable and operationally effective against advanced cruise missiles, including cruise missiles with low observable features.

(c) IMPLEMENTATION PLAN.—Not later than the date on which the President submits the budget for fiscal year 1997 under section 1105 of title 31, United States Code, the Secretary of Defense shall submit to the congressional defense committees a detailed plan, in unclassified and classified forms, as necessary, for carrying out this section. The plan shall include an assessment of—

(1) the systems that currently have cruise missile defense capabilities, and existing programs to improve these capabilities;

(2) the technologies that could be deployed in the near- to mid-term to provide significant advances over existing cruise missile defense capabilities, and the investments that would be required to ready the technologies for deployment;

(3) the cost and operational tradeoffs, if any, between upgrading existing air and missile defense systems and accelerating follow-on systems with significantly improved capabilities against advanced cruise missiles; and

(4) the organizational and management changes that would strengthen and further coordinate the cruise missile defense efforts of the Department of Defense, including the disadvantages, if any, of implementing such changes.

SEC. 237. POLICY REGARDING THE ABM TREATY.

(a) Congress makes the following findings:

(1) Article XIII of the ABM Treaty envisions ''possible changes in the strategic situation which have a bearing on the provisions of this treaty''.

(2) Articles XIII and XIV of the ABM Treaty establish means for the Parties to amend the Treaty, and the Parties have employed these means to amend the Treaty.

(3) Article XV of the ABM Treaty establishes the means for a party to withdraw from the Treaty, upon 6 months notice, ''if it decides that extraordinary events related to the subject matter of this treaty have jeopardized its supreme interests''.

(4) The policies, programs, and requirements of subtitle C of title II of this Act can be accomplished through processes specified within, or consistent with, the ABM Treaty, which anticipates the need and provides the means for amendment to the Treaty.

(b) SENSE OF CONGRESS.—In light of the findings and policies provided in this subtitle, it is the sense of Congress that—

(1) Given the fundamental responsibility of the Government of the United States to protect the security of the United States, the increasingly serious threat posed to the United States by the proliferation of weapons of mass destruction and ballistic missile technology, and the effect this threat could have on the options of the United States to act in a time of crisis—

(A) it is in the vital national security interest of the United States to defend itself from the threat of a limited, accidental, or unauthorized ballistic missile attack, whatever its source; and

(B) the deployment of a national missile defense system, in accord with section 233, to protect the territory of the United States against a limited, accidental, or unauthorized missile attack can strengthen strategic stability and deterrence; and

(2)(A) the Senate should undertake a comprehensive review of the continuing value and validity of the ABM Treaty with the intent of providing additional policy guidance on the future of the ABM Treaty during the second session of the One Hundred Fourth Congress; and

(B) upon completion of the review, the Committee on Foreign Relations, in consultation with the Committee on Armed Services and other appropriate committees, should report its findings to the Senate.

SEC. 238. PROHIBITION ON FUNDS TO IMPLEMENT AN INTERNATIONAL AGREEMENT CONCERNING THEATER MISSILE DEFENSE SYSTEMS.

(a) FINDINGS.—Congress makes the following findings:

(1) Section 234 of the National Defense Authorization Act for Fiscal Year 1994 provides that the ABM Treaty does not apply to or limit research, development, testing, or deployment of missile defense systems, system upgrades, or system components that are designed to counter modern theater ballistic missiles, regardless of the capabilities of such missiles, unless those systems, system upgrades, or system components are tested against or have demonstrated capabilities to counter modern strategic ballistic missiles.

(2) Section 232 of the National Defense Authorization Act for Fiscal Year 1995 provides that the United States shall not be bound by any international agreement that would substantially modify the ABM Treaty unless the agreement is entered into pursuant to the treaty making power of the President under the Constitution.

(3) the demarcation standard described in subsection (b)(1) is based upon current technology.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) unless a missile defense system, system upgrade, or system component, including one that exploits data from space-based or other external sensors, is flight tested against a ballistic missile target that exceeds a range of 3,500 kilometers or a velocity of 5 kilometers per second, such missile defense system, system upgrade, or system component has not been tested in an ABM mode nor deemed to have been given capabilities to counter strategic ballistic missiles, and

(2) any international agreement that would limit the research, development, testing, or deployment of missile defense systems, system upgrades, or system components that are designed to counter modern theater ballistic missiles in a manner that would be more restrictive than the criteria in paragraph (1) should be entered into only pursuant to the treaty making powers of the President under the Constitution.

(c) PROHIBITION ON FUNDING.—Funds appropriated or otherwise made available to the Department of Defense for fiscal year 1996 may not be obligated or expended to implement an agreement with any of the independent states of the former Soviet Union entered into after January 1, 1995 that would establish a demarcation between theater missile defense systems and antiballistic missile systems for purposes of the ABM Treaty or that would restrict the performance, operation, or deployment of United States theater missile defense systems except: (1) to the extent provided in an Act enacted subsequent to this Act; (2) to implement that portion of any such agreement that implements the criteria in subsection (b)(1); or (3) to implement any such agreement that is entered into pursuant to the treaty making power of the President under the Constitution.

SEC. 239. BALLISTIC MISSILE DEFENSE PROGRAM ELEMENTS.

(a) ELEMENTS SPECIFIED.—In the budget justification materials submitted to Congress in support of the Department of Defense budget for any fiscal year after fiscal year 1996 (as submitted in the budget of the President under section 1105(a) of title 31, United States Code), the amount requested for activities of the Ballistic Missile Defense Organization shall be set forth in accordance with the following program elements:

(1) The Patriot system.

(2) The Navy Lower Tier (Area) system.

(3) The Theater High-Altitude Area Defense (THAAD) system.

(4) The Navy Upper Tier (Theater Wide) system.

(5) Other Theater Missile Defense Activities.

(6) National Missile Defense.

(7) Follow-On and Support Technologies.

(b) TREATMENT OF NON-CORE TMD IN OTHER THEATER MISSILE DEFENSE ACTIVITIES ELEMENT.—Funding for theater missile defense programs, projects, and activities, other than core theater missile defense programs, shall be covered in the ''Other Theater Missile Defense Activities'' program element.

(c) TREATMENT OF CORE THEATER MISSILE DEFENSE PROGRAMS.—Funding for core theater missile defense programs specified in section 234, shall be covered in individual, dedicated program elements and shall be available only for activities covered by those program elements.

(d) BM/C3I PROGRAMS.—Funding for programs, projects, and activities involving battle management, command, control, communications, and intelligence (BM/C3I) shall be covered in the ''Other Theater Missile Defense Activities'' program element or the ''National Missile Defense'' program element, as determined on the basis of the primary objectives involved.

(e) MANAGEMENT AND SUPPORT.—Each program element shall include requests for the amounts necessary for the management and support of the programs, projects, and activities contained in that program element.

SEC. 240. ABM TREATY DEFINED.

For purposes of this subtitle, the term ''ABM Treaty'' means the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missiles, signed at Moscow on May 26, 1972, and includes the Protocols to that Treaty, signed at Moscow on July 3, 1974.

SEC. 241. REPEAL OF MISSILE DEFENSE PROVISIONS.

The following provisions of law are repealed:

(1) The Missile Defense Act of 1991 (part C of title II of Public Law 102–190; 10 U.S.C. 2431 note).

(2) Section 237 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160).

(3) Section 242 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160).

(4) Section 222 of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 99 Stat. 613; 10 U.S.C. 2431 note).

(5) Section 225 of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 99 Stat. 614).

(6) Section 226 of the National Defense Authorization Act for Fiscal Years 1988 and 1989 (Public Law 100–180; 101 Stat. 1057; 10 U.S.C. 2431 note).

(7) Section 8123 of the Department of Defense Appropriations Act, 1989 (Public Law 100–463; 102 Stat. 2270–40).

(8) Section 8133 of the Department of Defense Appropriations Act, 1992 (Public Law 102–172; 105 Stat. 1211).

(9) Section 234 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1595; 10 U.S.C. 2431 note).

(10) Section 235 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2701; 10 U.S.C. 221 note).

SEC. 242. SENSE OF SENATE ON THE DIRECTOR OF OPERATIONAL TEST AND EVALUATION.

(a) FINDINGS.—The Senate makes the following findings:

(1) The Office of the Director of Operational Test and Evaluation of the Department of Defense was created by Congress to provide an independent validation and verification on the suitability and effectiveness of new weapons, and to ensure that the United States military departments acquire weapons that are proven in an operational environment before they are produced and used in combat.

(2) The office is currently making significant contributions to the process by which the Department of Defense acquires new weapons by providing vital insights on operational weapons tests to be used in this acquisition process.

(3) The office provides vital services to Congress in providing an independent certification on the performance of new weapons that have been operationally tested.

(4) A provision of H.R.1530, an Act entitled ''An Act to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes'', agreed to by the House of Representatives on June 15, 1995, contains a provision that could substantially diminish the authority and responsibilities of the office and perhaps cause the elimination of the office and its functions.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the authority and responsibilities of the Office of the Director of Operational Test and Evaluation of the Department of Defense should not be diminished or eliminated; and

(2) the conferees on H.R.1530, an Act entitled ''An Act to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes'' should not propose to Congress a conference report on that Act that would either diminish or eliminate the Office of the Director of Operational Test and Evaluation or its functions.

SEC. 243. BALLISTIC MISSILE DEFENSE TECHNOLOGY CENTER.

(a) ESTABLISHMENT.—The Director of the Ballistic Missile Defense Organization shall establish a Ballistic Missile Defense Technology Center within the Space and Strategic Defense Command of the Army.

(b) MISSION.—The missions of the Center are as follows:

(1) To maximize common application of ballistic missile defense component technology programs, target test programs, functional analysis and phenomenology investigations.

(2) To store data from the missile defense technology programs of the Armed Forces using computer facilities of the Missile Defense Data Center.

(c) TECHNOLOGY PROGRAM COORDINATION WITH CENTER.—The Secretary of Defense, acting through the Director of the Ballistic Missile Defense Organization, shall require the head of each element or activity of the Department of Defense beginning a new missile defense program referred to in subsection (b)(1) to first coordinate the program with the Ballistic Missile Defense Technology Center in order to prevent duplication of effort.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

Funds are hereby authorized to be appropriated for fiscal year 1996 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

(1) For the Army, $18,073,206,000.

(2) For the Navy, $21,343,960,000.

(3) For the Marine Corps, $2,405,711,000.

(4) For the Air Force, $18,224,893,000.

(5) For Defense-wide activities, $10,021,162,000.

(6) For the Army Reserve, $1,062,591,000.

(7) For the Naval Reserve, $840,842,000.

(8) For the Marine Corps Reserve, $90,283,000.

(9) For the Air Force Reserve, $1,482,947,000.

(10) For the Army National Guard, $2,304,108,000.

(11) For the Air National Guard, $2,734,221,000.

(12) For the Defense Inspector General, $138,226,000.

(13) For the United States Court of Appeals for the Armed Forces, $6,521,000.

(14) For Environmental Restoration, Defense, $1,601,800,000.

(15) For Drug Interdiction and Counter-drug Activities, Defense-wide, $680,432,000.

(16) For Medical Programs, Defense, $9,943,825,000.

(17) For support for the 1996 Summer Olympics, $15,000,000.

(18) For Cooperative Threat Reduction programs, $365,000,000.

(19) For Overseas Humanitarian, Disaster, and Civic Aid programs, $60,000,000.

The amount authorized to be appropriated by section 301(5) is hereby reduced by $40,000,000.

SEC. 302. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 1996 for the use of the Armed Forces and other activities and agencies of the Department of Defense for providing capital for working capital and revolving funds in amounts as follows:

(1) For the Defense Business Operations Fund, $878,700,000.

(2) For the National Defense Sealift Fund, $1,084,220,000.

SEC. 303. ARMED FORCES RETIREMENT HOME.

(a) AUTHORIZATION OF APPROPRIATIONS TO TRUST FUND.—There is hereby authorized to be appropriated to the Armed Forces Retirement Home Trust Fund the sum of $45,000,000, to remain available until expended.

(b) AUTHORIZATION OF APPROPRIATIONS FROM TRUST FUND.—There is hereby authorized to be appropriated for fiscal year 1996 from the Armed Forces Retirement Home Trust Fund the sum of $59,120,000 for the operation of the Armed Forces Retirement Home, including the United States Soldiers' and Airmen's Home and the Naval Home.

SEC. 304. TRANSFER FROM NATIONAL DEFENSE STOCKPILE TRANSACTION FUND.

(a) TRANSFER AUTHORITY.—To the extent provided in appropriations Acts, not more than $150,000,000 is authorized to be transferred from the National Defense Stockpile Transaction Fund to operation and maintenance accounts for fiscal year 1996 in amounts as follows:

(1) For the Army, $50,000,000.

(2) For the Navy, $50,000,000.

(3) For the Air Force, $50,000,000.

(b) TREATMENT OF TRANSFERS.—Amounts transferred under this section—

(1) shall be merged with, and be available for the same purposes and the same period as, the amounts in the accounts to which transferred; and

(2) may not be expended for an item that has been denied authorization of appropriations by Congress.

(c) RELATIONSHIP TO OTHER TRANSFER AUTHORITY.—The transfer authority provided in this section is in addition to the transfer authority provided in section 1001.

SEC. 305. INCREASE IN FUNDING FOR THE CIVIL AIR PATROL.

(a) INCREASE.—(1) The amount of funds authorized to be appropriated by this Act for operation and maintenance of the Air Force for the Civil Air Patrol Corporation is hereby increased by $5,000,000.

(2) The amount authorized to be appropriated for operation and maintenance for the Civil Air Patrol Corporation under paragraph (1) is in addition to any other funds authorized to be appropriated under this Act for that purpose.

(b) OFFSETTING REDUCTION.—The amount authorized to be appropriated under this Act for Air Force support of the Civil Air Patrol is hereby reduced by $2,900,000. The amount of the reduction shall be allocated among funds authorized to be appropriated for Air Force personnel supporting the Civil Air Patrol and for Air Force operation and maintenance support for the Civil Air Patrol.

Subtitle B—Depot-Level Maintenance and Repair

SEC. 311. POLICY REGARDING PERFORMANCE OF DEPOT-LEVEL MAINTENANCE AND REPAIR FOR THE DEPARTMENT OF DEFENSE.

(a) REQUIREMENT FOR POLICY.—Not later than March 31, 1996, the Secretary of Defense shall develop and report to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a comprehensive policy on the performance of depot-level maintenance and repair for the Department of Defense.

(b) PRIMARY OBJECTIVE OF POLICY.—In developing the policy, it shall be the primary objective of the Secretary to ensure a ready and controlled source of technical competence and repair and maintenance capabilities necessary for national security across a full range of current and projected training and operational requirements, including requirements in peacetime, contingency operations, mobilization, and other emergencies.

(c) CONTENT OF POLICY.—The policy shall—

(1) define, in terms of the requirements of the Department of Defense for performance of maintenance and repair, the purpose for having public depots for performing those functions;

(2) provide for performance of core depot-level maintenance and repair capabilities in facilities owned and operated by the United States;

(3) provide for the core capabilities to include sufficient skilled personnel, equipment, and facilities to achieve the objective set forth in subsection (b);

(4) address environmental liability;

(5) in the case of depot-level maintenance and repair workloads in excess of the workload required to be performed by Department of Defense depots, provide for competition for those workloads between public and private entities when there is sufficient potential for realizing cost savings based on adequate private sector competition and technical capabilities;

(6) provide for selection on the basis of merit whenever the workload of a Department of Defense depot is changed;

(7) provide transition provisions appropriate for persons in the Department of Defense depot-level workforce; and

(8) address issues concerning exchange of technical data between the Federal Government and the private sector, environmental liability, efficient and effective performance of depot functions, and adverse effects of the policy on the Federal Government work force.

(d) CONSIDERATION.—In developing the policy, the Secretary shall take into consideration the capabilities of the public depots and the capabilities of businesses in the private sector to perform the maintenance and repair work required by the Department of Defense.

(e) REPEAL OF 60/40 REQUIREMENT AND REQUIREMENT RELATING TO COMPETITION.—(1) Sections 2466 and 2469 of title 10, United States Code, are repealed.

(2) The table of sections at the beginning of chapter 146 of such title is amended by striking out the items relating to sections 2466 and 2469.

(3) The amendments made by paragraphs (1) and (2) shall take effect on the date (after the date of the enactment of this Act) on which legislation is enacted that contains a provision that specifically states one of the following:

(A) ''The policy on the performance of depot-level maintenance and repair for the Department of Defense that was submitted by the Secretary of Defense to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives pursuant to section 311 of the National Defense Authorization Act for Fiscal Year 1996 is approved.''; or

(B) ''The policy on the performance of depot-level maintenance and repair for the Department of Defense that was submitted by the Secretary of Defense to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives pursuant to section 311 of the National Defense Authorization Act for Fiscal Year 1996 is approved with the following modifications:'' (with the modifications being stated in matter appearing after the colon).

(f) REVIEW BY THE GENERAL ACCOUNTING OFFICE.—(1) The Secretary shall make available to the Comptroller General of the United States all information used by the Department in developing the policy under subsections (a) through (d) of this section.

(2) Not later than 45 days after the Secretary submits to Congress the report required by subsection (a), the Comptroller General shall transmit to Congress a report containing a detailed analysis of the Secretary's proposed policy as reported under subsection (a).

SEC. 312. EXTENSION OF AUTHORITY FOR AVIATION DEPOTS AND NAVAL SHIPYARDS TO ENGAGE IN DEFENSE-RELATED PRODUCTION AND SERVICES.

Section 1425(e) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1684), as amended by section 370(b) of Public Law 103–160 (107 Stat. 1634) and section 386(b) of Public Law 103–337 (108 Stat. 2742), is further amended by striking out ''September 30, 1995'' and inserting in lieu thereof ''September 30, 1996''.

Subtitle C—Environmental Provisions

SEC. 321. REVISION OF REQUIREMENTS FOR AGREEMENTS FOR SERVICES UNDER ENVIRONMENTAL RESTORATION PROGRAM.

(a) REQUIREMENTS.—(1) Section 2701(d) of title 10, United States Code, is amended to read as follows:

''(d) SERVICES OF OTHER AGENCIES.—

''(1) IN GENERAL.—Subject to paragraph (2), the Secretary may enter into agreements on a reimbursable or other basis with any other Federal agency, or with any State or local government agency, to obtain the services of the agency to assist the Secretary in carrying out any of the Secretary's responsibilities under this section. Services which may be obtained under this subsection include the identification, investigation, and cleanup of any off-site contamination resulting from the release of a hazardous substance or waste at a facility under the Secretary's jurisdiction.

''(2) LIMITATION ON REIMBURSABLE AGREEMENTS.—An agreement with an agency under paragraph (1) may provide for reimbursement of the agency only for technical or scientific services obtained from the agency.''.

(2)(A) Except as provided in subparagraph (B), the total amount of funds available for reimbursements under agreements entered into under section 2710(d) of title 10, United States Code, as amended by paragraph (1), in fiscal year 1996 may not exceed $5,000,000.

(B) The Secretary of Defense may pay in fiscal year 1996 an amount for reimbursements under agreements referred to in subparagraph (A) in excess of the amount specified in that subparagraph for that fiscal year if—

(i) the Secretary certifies to Congress that the payment of the amount under this subparagraph is essential for the management of the Defense Environmental Restoration Program under chapter 160 of title 10, United States Code; and

(ii) a period of 60 days has expired after the date on which the certification is received by Congress.

(b) REPORT ON SERVICES OBTAINED.—The Secretary of Defense shall include in the report submitted to Congress with respect to fiscal year 1998 under section 2706(a) of title 10, United States Code, information on the services, if any, obtained by the Secretary during fiscal year 1996 pursuant to each agreement on a reimbursable basis entered into with a State or local government agency under section 2701(d) of title 10, United States Code, as amended by subsection (a). The information shall include a description of the services obtained under each agreement and the amount of the reimbursement provided for the services.

SEC. 322. DISCHARGES FROM VESSELS OF THE ARMED FORCES.

(a) PURPOSES.—The purposes of this section are to—

(1) enhance the operational flexibility of vessels of the Armed Forces domestically and internationally;

(2) stimulate the development of innovative vessel pollution control technology; and

(3) advance the development by the United States Navy of environmentally sound ships.

(b) UNIFORM NATIONAL DISCHARGE STANDARDS DEVELOPMENT.—Section 312 of the Federal Water Pollution Control Act (33 U.S.C. 1322) is amended by adding at the end the following:

''(n) UNIFORM NATIONAL DISCHARGE STANDARDS FOR VESSELS OF THE ARMED FORCES.—

''(1) APPLICABILITY.—This subsection shall apply to vessels of the Armed Forces and discharges, other than sewage, incidental to the normal operation of a vessel of the Armed Forces, unless the Secretary of Defense finds that compliance with this subsection would not be in the national security interests of the United States.

''(2) DETERMINATION OF DISCHARGES REQUIRED TO BE CONTROLLED BY MARINE POLLUTION CONTROL DEVICES.—

''(A) IN GENERAL.—The Administrator and the Secretary of Defense, after consultation with the Secretary of the department in which the Coast Guard is operating, the Secretary of Commerce, and interested States, shall jointly determine the discharges incidental to the normal operation of a vessel of the Armed Forces for which it is reasonable and practicable to require use of a marine pollution control device to mitigate adverse impacts on the marine environment. Notwithstanding subsection (a)(1) of section 553 of title 5, United States Code, the Administrator and the Secretary of Defense shall promulgate the determinations in accordance with the section.

''(B) CONSIDERATIONS.—In making a determination under subparagraph (A), the Administrator and the Secretary of Defense shall take into consideration—

''(i) the nature of the discharge;

''(ii) the environmental effects of the discharge;

''(iii) the practicability of using the marine pollution control device;

''(iv) the effect that installation or use of the marine pollution control device would have on the operation or operational capability of the vessel;

''(v) applicable United States law;

''(vi) applicable international standards; and

''(vii) the economic costs of the installation and use of the marine pollution control device.

''(3) PERFORMANCE STANDARDS FOR MARINE POLLUTION CONTROL DEVICES.—

''(A) IN GENERAL.—For each discharge for which a marine pollution control device is determined to be required under paragraph (2), the Administrator and the Secretary of Defense, in consultation with the Secretary of the department in which the Coast Guard is operating, the Secretary of State, the Secretary of Commerce, other interested Federal agencies, and interested States, shall jointly promulgate Federal standards of performance for each marine pollution control device required with respect to the discharge. Notwithstanding subsection (a)(1) of section 553 of title 5, United States Code, the Administrator and the Secretary of Defense shall promulgate the standards in accordance with the section.

''(B) CONSIDERATIONS.—In promulgating standards under this paragraph, the Administrator and the Secretary of Defense shall take into consideration the matters set forth in paragraph (2)(B).

''(C) CLASSES, TYPES, AND SIZES OF VESSELS.—The standards promulgated under this paragraph may—

''(i) distinguish among classes, types, and sizes of vessels;

''(ii) distinguish between new and existing vessels; and

''(iii) provide for a waiver of the applicability of the standards as necessary or appropriate to a particular class, type, age, or size of vessel.

''(4) REGULATIONS FOR USE OF MARINE POLLUTION CONTROL DEVICES.—The Secretary of Defense, after consultation with the Administrator and the Secretary of the department in which the Coast Guard is operating, shall promulgate such regulations governing the design, construction, installation, and use of marine pollution control devices on board vessels of the Armed Forces as are necessary to achieve the standards promulgated under paragraph (3).

''(5) DEADLINES; EFFECTIVE DATE.—

''(A) DETERMINATIONS.—The Administrator and the Secretary of Defense shall—

''(i) make the initial determinations under paragraph (2) not later than 2 years after the date of enactment of this subsection; and

''(ii) every 5 years—

''(I) review the determinations; and

''(II) if necessary, revise the determinations based on significant new information.

''(B) STANDARDS.—The Administrator and the Secretary of Defense shall—

''(i) promulgate standards of performance for a marine pollution control device under paragraph (3) not later than 2 years after the date of a determination under paragraph (2) that the marine pollution control device is required; and

''(ii) every 5 years—

''(I) review the standards; and

''(II) if necessary, revise the standards, consistent with paragraph (3)(B) and based on significant new information.

''(C) REGULATIONS.—The Secretary of Defense shall promulgate regulations with respect to a marine pollution control device under paragraph (4) as soon as practicable after the Administrator and the Secretary of Defense promulgate standards with respect to the device under paragraph (3), but not later than 1 year after the Administrator and the Secretary of Defense promulgate the standards. The regulations promulgated by the Secretary of Defense under paragraph (4) shall become effective upon promulgation unless another effective date is specified in the regulations.

''(D) PETITION FOR REVIEW.—The Governor of any State may submit a petition requesting that the Secretary of Defense and the Administrator review a determination under paragraph (2) or a standard under paragraph (3), if there is significant new information, not considered previously, that could reasonably result in a change to the particular determination or standard after consideration of the matters set forth in paragraph (2)(B). The petition shall be accompanied by the scientific and technical information on which the petition is based. The Administrator and the Secretary of Defense shall grant or deny the petition not later than 2 years after the date of receipt of the petition.

''(6) EFFECT ON OTHER LAWS.—

''(A) PROHIBITION ON REGULATION BY STATES OR POLITICAL SUBDIVISIONS OF STATES.—Beginning on the effective date of—

''(i) a determination under paragraph (2) that it is not reasonable and practicable to require use of a marine pollution control device regarding a particular discharge incidental to the normal operation of a vessel of the Armed Forces; or

''(ii) regulations promulgated by the Secretary of Defense under paragraph (4);

except as provided in paragraph (7), neither a State nor a political subdivision of a State may adopt or enforce any statute or regulation of the State or political subdivision with respect to the discharge or the design, construction, installation, or use of any marine pollution control device required to control the discharge.

''(B) FEDERAL LAWS.—This subsection shall not affect the application of section 311 to discharges incidental to the normal operation of a vessel.

''(7) ESTABLISHMENT OF STATE NO-DISCHARGE ZONES.—

''(A) STATE PROHIBITION.—

''(i) IN GENERAL.—After the effective date of—

''(I) a determination under paragraph (2) that it is not reasonable and practicable to require use of a marine pollution control device regarding a particular discharge incidental to the normal operation of a vessel of the Armed Forces; or

''(II) regulations promulgated by the Secretary of Defense under paragraph (4);

if a State determines that the protection and enhancement of the quality of some or all of the waters within the State require greater environmental protection, the State may prohibit 1 or more discharges incidental to the normal operation of a vessel, whether treated or not treated, into the waters. No prohibition shall apply until the Administrator makes the determinations described in subclauses (II) and (III) of subparagraph (B)(i).

''(ii) DOCUMENTATION.—To the extent that a prohibition under this paragraph would apply to vessels of the Armed Forces and not to other types of vessels, the State shall document the technical or environmental basis for the distinction.

''(B) PROHIBITION BY THE ADMINISTRATOR.—

''(i) IN GENERAL.—Upon application of a State, the Administrator shall by regulation prohibit the discharge from a vessel of 1 or more discharges incidental to the normal operation of a vessel, whether treated or not treated, into the waters covered by the application if the Administrator determines that—

''(I) the protection and enhancement of the quality of the specified waters within the State require a prohibition of the discharge into the waters;

''(II) adequate facilities for the safe and sanitary removal of the discharge incidental to the normal operation of a vessel are reasonably available for the waters to which the prohibition would apply; and

''(III) the prohibition will not have the effect of discriminating against a vessel of the Armed Forces by reason of the ownership or operation by the Federal Government, or the military function, of the vessel.

''(ii) APPROVAL OR DISAPPROVAL.—The Administrator shall approve or disapprove an application submitted under clause (i) not later than 90 days after the date on which the application is submitted to the Administrator. Notwithstanding clause (i)(II), the Administrator shall not disapprove an application for the sole reason that there are not adequate facilities to remove any discharge incidental to the normal operation of a vessel from vessels of the Armed Forces.

''(C) APPLICABILITY TO FOREIGN FLAGGED VESSELS.—A prohibition under this paragraph—

''(i) shall not impose any design, construction, manning, or equipment standard on a foreign flagged vessel engaged in innocent passage unless the prohibition implements a generally accepted international rule or standard; and

''(ii) that relates to the prevention, reduction, and control of pollution shall not apply to a foreign flagged vessel engaged in transit passage unless the prohibition implements an applicable international regulation regarding the discharge of oil, oily waste, or any other noxious substance into the waters.

''(8) PROHIBITION RELATING TO VESSELS OF THE ARMED FORCES.—After the effective date of the regulations promulgated by the Secretary of Defense under paragraph (4), it shall be unlawful for any vessel of the Armed Forces subject to the regulations to—

''(A) operate in the navigable waters of the United States or the waters of the contiguous zone, if the vessel is not equipped with any required marine pollution control device meeting standards established under this subsection; or

''(B) discharge overboard any discharge incidental to the normal operation of a vessel in waters with respect to which a prohibition on the discharge has been established under paragraph (7).

''(9) ENFORCEMENT.—This subsection shall be enforceable, as provided in subsections (j) and (k), against any agency of the United States responsible for vessels of the Armed Forces notwithstanding any immunity asserted by the agency.''.

(c) CONFORMING AMENDMENTS.—

(1) DEFINITIONS.—Section 312(a) of the Federal Water Pollution Control Act (33 U.S.C. 1322(a)) is amended—

(A) in paragraph (8)—

(i) by striking ''or''; and

(ii) by inserting ''or agency of the United States'' after ''association,'';

(B) in paragraph (11), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following:

''(12) 'discharge incidental to the normal operation of a vessel'—

''(A) means a discharge, including—

''(i) graywater, bilge water, cooling water, weather deck runoff, ballast water, oil water separator effluent, and any other pollutant discharge from the operation of a marine propulsion system, shipboard maneuvering system, crew habitability system, or installed major equipment, such as an aircraft carrier elevator or a catapult, or from a protective, preservative, or absorptive application to the hull of the vessel; and

''(ii) a discharge in connection with the testing, maintenance, and repair of a system described in clause (i) whenever the vessel is waterborne; and

''(B) does not include—

''(i) a discharge of rubbish, trash, garbage, or other such material discharged overboard;

''(ii) an air emission resulting from the operation of a vessel propulsion system, motor driven equipment, or incinerator; or

''(iii) a discharge that is not covered by part 122.3 of title 40, Code of Federal Regulations (as in effect on the date of enactment of subsection (n));

''(13) 'marine pollution control device' means any equipment or management practice, for installation or use on board a vessel of the Armed Forces, that is—

''(A) designed to receive, retain, treat, control, or discharge a discharge incidental to the normal operation of a vessel; and

''(B) determined by the Administrator and the Secretary of Defense to be the most effective equipment or management practice to reduce the environmental impacts of the discharge consistent with the considerations set forth in subsection (n)(2)(B); and

''(14) 'vessel of the Armed Forces' means—

''(A) any vessel owned or operated by the Department of Defense, other than a time or voyage chartered vessel; and

''(B) any vessel owned or operated by the Department of Transportation that is designated by the Secretary of the department in which the Coast Guard is operating as a vessel equivalent to a vessel described in subparagraph (A).''.

(2) ENFORCEMENT.—The first sentence of section 312(j) of the Federal Water Pollution Control Act (33 U.S.C. 1322(j)) is amended—

(A) by striking ''of this section or'' and inserting a comma; and

(B) by striking ''of this section shall'' and inserting '', or subsection (n)(8) shall''.

(3) OTHER DEFINITIONS.—Subparagraph (A) of the second sentence of section 502(6) of the Federal Water Pollution Control Act (33 U.S.C. 1362(6)) is amended by striking ''sewage from vessels'' and inserting ''sewage from vessels or a discharge incidental to the normal operation of a vessel of the Armed Forces''.

(d) COOPERATION IN STANDARDS DEVELOPMENT.—The Administrator of the Environmental Protection Agency and the Secretary of Defense may, by mutual agreement, with or without reimbursement, provide for the use of information, reports, personnel, or other resources of the Environmental Protection Agency or the Department of Defense to carry out section 312(n) of the Federal Water Pollution Control Act (as added by subsection (b)), including the use of the resources to—

(1) determine—

(A) the nature and environmental effect of discharges incidental to the normal operation of a vessel of the Armed Forces;

(B) the practicability of using marine pollution control devices on vessels of the Armed Forces; and

(C) the effect that installation or use of marine pollution control devices on vessels of the Armed Forces would have on the operation or operational capability of the vessels; and

(2) establish performance standards for marine pollution control devices on vessels of the Armed Forces.

SEC. 323. REVISION OF AUTHORITIES RELATING TO RESTORATION ADVISORY BOARDS.

(a) REGULATIONS.—Paragraph (2) of subsection (d) of section 2705 of title 10, United States Code, is amended to read as follows:

''(2)(A) The Secretary shall prescribe regulations regarding the establishment of restoration advisory boards pursuant to this subsection.

''(B) The regulations shall set forth the following matters:

''(i) The functions of the boards.

''(ii) Funding for the boards.

''(iii) Accountability of the boards for expenditures of funds.

''(iv) The routine administrative expenses that may be paid pursuant to paragraph (3).

''(C) The issuance of regulations under subparagraph (A) shall not be a precondition to the establishment of restoration advisory boards under this subsection.''.

(b) FUNDING FOR ADMINISTRATIVE EXPENSES.—Paragraph (3) of such subsection is amended to read as follows:

''(3) The Secretary may authorize the commander of an installation to pay routine administrative expenses of a restoration advisory board established for that installation. Such payments shall be made from funds available under subsection (g).''.

(c) TECHNICAL ASSISTANCE.—Such section is further amended by striking out subsection (e) and inserting in lieu thereof the following new subsection (e):

''(e) TECHNICAL ASSISTANCE.—(1) The Secretary may authorize the commander of an installation, upon the request of the technical review committee or restoration advisory board for the installation, to obtain for the committee or advisory board, as the case may be, from private sector sources technical assistance for interpreting scientific and engineering issues with regard to the nature of environmental hazards at the installation and the restoration activities proposed for or conducted at the installation. The commander of an installation shall use funds made available under subsection (g) for obtaining assistance under this paragraph.

''(2) The commander of an installation may obtain technical assistance under paragraph (1) for a technical review committee or restoration advisory board only if—

''(A) the technical review committee or restoration advisory board demonstrates that the Federal, State, and local agencies responsible for overseeing environmental restoration at the installation, and available Department of Defense personnel, do not have the technical expertise necessary for achieving the objective for which the technical assistance is to be obtained;

''(B) the technical assistance is likely to contribute to the efficiency, effectiveness, or timeliness of environmental restoration activities at the installation; and

''(C) the technical assistance is likely to contribute to community acceptance of environmental restoration activities at the installation.''.

(d) FUNDING.—(1) Such section is further amended by adding at the end the following:

''(g) FUNDING.—The Secretary shall, to the extent provided in appropriations Acts, make funds available under subsections (d)(3) and (e)(1) using funds in the following accounts:

''(1) In the case of a military installation not approved for closure pursuant to a base closure law, the Defense Environmental Restoration Account established under section 2703(a) of this title.

''(2) In the case of an installation approved for closure pursuant to such a law, the Department of Defense Base Closure Account 1990 established under section 2906(a) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).''.

(2)(A) Subject to subparagraph (B), the total amount of funds made available under section 2705(g) of title 10, United States Code, as added by paragraph (1), for fiscal year 1996 may not exceed $4,000,000.

(B) Amounts may not be made available under subsection (g) of such section 2705 after March 1, 1996, unless the Secretary of Defense prescribes the regulations required under subsection (d) of such section, as amended by subsection (a).

(e) DEFINITION.—Such section is further amended by adding at the end the following:

''(h) DEFINITION.—In this section, the term 'base closure law' means the following:

''(1) Title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).

''(2) The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

''(3) Section 2687 of this title.''.

(f) REPORTS ON ACTIVITIES OF TECHNICAL REVIEW COMMITTEES AND RESTORATION ADVISORY BOARDS.—Section 2706(a)(2) of title 10, United States Code, is amended by adding at the end the following:

''(J) A statement of the activities, if any, of the technical review committee or restoration advisory board established for the installation under section 2705 of this title during the preceding fiscal year.''.

Subtitle D—Civilian Employees

SEC. 331. MINIMUM NUMBER OF MILITARY RESERVE TECHNICIANS.

For each of fiscal years 1996 and 1997, the minimum number of personnel employed as military reserve technicians (as defined in section 8401(30) of title 5, United States Code) for reserve components as of the last day of such fiscal year shall be as follows:

(1) For the Army National Guard, 25,750.

(2) For the Army Reserve, 7,000.

(3) For the Air National Guard, 23,250.

(4) For the Air Force Reserve, 10,000.

SEC. 332. EXEMPTION OF DEPARTMENT OF DEFENSE FROM PERSONNEL CEILINGS FOR CIVILIAN PERSONNEL.

Section 129 of title 10, United States Code, is amended—

(1) in subsection (a), by striking out ''man-year constraint or limitation'' and inserting in lieu thereof ''constraint or limitation in terms of man years, end strength, full-time equivalent (FTE) employees, or maximum number of employees''; and

(2) in subsection (b)(2), by striking out ''any end-strength'' and inserting in lieu thereof ''any constraint or limitation in terms of man years, end strength, full-time equivalent (FTE) employees, or maximum number of employees''.

SEC. 333. WEARING OF UNIFORM BY NATIONAL GUARD TECHNICIANS.

(a) REQUIREMENT.—Section 709(b) of title 32, United States Code, is amended to read as follows:

''(b) Except as prescribed by the Secretary concerned, a technician employed under subsection (a) shall, while so employed—

''(1) be a member of the National Guard;

''(2) hold the military grade specified by the Secretary concerned for that position; and

''(3) wear the uniform appropriate for the member's grade and component of the armed forces while performing duties as a technician.''.

(b) UNIFORM ALLOWANCES FOR OFFICERS.—Section 417 of title 37, United States Code, is amended by adding at the end the following:

''(d)(1) For purposes of sections 415 and 416 of this title, a period for which an officer of an armed force, while employed as a National Guard technician, is required to wear a uniform under section 709(b) of title 32 shall be treated as a period of active duty (other than for training).

''(2) A uniform allowance may not be paid, and uniforms may not be furnished, to an officer under section 1593 of title 10 or section 5901 of title 5 for a period of employment referred to in paragraph (1) for which an officer is paid a uniform allowance under section 415 or 416 of this title.''.

(c) CLOTHING OR ALLOWANCES FOR ENLISTED MEMBERS.—Section 418 of title 37, United States Code, is amended—

(1) by inserting ''(a)'' before ''The President''; and

(2) by adding at the end the following:

''(b) In determining the quantity and kind of clothing or allowances to be furnished pursuant to regulations prescribed under this section to persons employed as National Guard technicians under section 709 of title 32, the President shall take into account the requirement under subsection (b) of such section for such persons to wear a uniform.

''(c) A uniform allowance may not be paid, and uniforms may not be furnished, under section 1593 of title 10 or section 5901 of title 5 to a person referred to in subsection (b) for a period of employment referred to in that subsection for which a uniform allowance is paid under section 415 or 416 of this title.''.

SEC. 334. EXTENSION OF TEMPORARY AUTHORITY TO PAY CIVILIAN EMPLOYEES WITH RESPECT TO THE EVACUATION FROM GUANTANAMO, CUBA.

(a) EXTENSION FOR 120 Days.—The authority provided in section 103 of Public Law 104–6 (109 Stat.79) shall be effective until the end of January 31, 1996.

(b) MONTHLY REPORT.—On the first day of each month, the Secretary of the Navy shall transmit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report regarding the employees being paid pursuant to section 103 of Public Law 104–6. The report shall include the number of the employees, their positions of employment, the number and location of the employees' dependents, and the actions that the Secretary is taking to eliminate the conditions making the payments necessary.

SEC. 335. SHARING OF PERSONNEL OF DEPARTMENT OF DEFENSE DOMESTIC DEPENDENT SCHOOLS AND DEFENSE DEPENDENTS' EDUCATION SYSTEM.

Section 2164(e) of title 10, United States Code, is amended by adding at the end the following:

''(4)(A) The Secretary may, without regard to the provisions of any law relating to the number, classification, or compensation of employees—

''(i) transfer civilian employees in schools established under this section to schools in the defense dependents' education system in order to provide the services referred to in subparagraph (B) to such system; and

''(ii) transfer employees in such system to such schools in order to provide such services to such schools.

''(B) The services referred to in subparagraph (A) are the following:

''(i) Administrative services.

''(ii) Logistical services.

''(iii) Personnel services.

''(iv) Such other services as the Secretary considers appropriate.

''(C) Transfers under this paragraph shall extend for such periods as the Secretary considers appropriate. The Secretary shall provide appropriate compensation for employees so transferred.

''(D) The Secretary may provide that the transfer of any employee under this paragraph occur without reimbursement of the school or system concerned.

''(E) In this paragraph, the term 'defense dependents' education system' means the program established and operated under section 1402(a) of the Defense Dependents' Education Act of 1978 (20 U.S.C. 921(a)).''.

SEC. 336. REVISION OF AUTHORITY FOR APPOINTMENTS OF INVOLUNTARILY SEPARATED MILITARY RESERVE TECHNICIANS.

(a) REVISION OF AUTHORITY.—Section 3329 of title 5, United States Code, as added by section 544 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2415), is amended—

(1) in subsection (b), by striking out ''be offered'' and inserting in lieu thereof ''be provided

placement consideration in a position described in subsection (c) through a priority placement program of the Department of Defense''; and

(2) by striking out subsection (c) and inserting in lieu thereof the following new subsection (c):

''(c)(1) The position to be offered a former military technician under subsection (b) shall be a position—

''(A) in either the competitive service or the excepted service;

''(B) within the Department of Defense; and

''(C) in which the person is qualified to serve, taking into consideration whether the employee in that position is required to be a member of a reserve component of the armed forces as a condition of employment.

''(2) To the maximum extent practicable, the position shall also be in a pay grade or other pay classification sufficient to ensure that the rate of basic pay of the former military technician, upon appointment to the position, is not less than the rate of basic pay last received by the former military technician for technician service before separation.''.

(b) TECHNICAL AND CLERICAL AMENDMENTS.—(1) The section 3329 of title 5, United States Code, that was added by section 4431 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2719) is redesignated as section 3330 of such title.

(2) The table of sections at the beginning of chapter 33 of such title is amended by striking out the item relating to section 3329, as added by section 4431(b) of such Act (106 Stat. 2720), and inserting in lieu thereof the following new item:

''3330. Government-wide list of vacant positions.''.

SEC. 337. COST OF CONTINUING HEALTH INSURANCE COVERAGE FOR EMPLOYEES VOLUNTARILY SEPARATED FROM POSITIONS TO BE ELIMINATED IN A REDUCTION IN FORCE.

Section 8905a(d)(4) of title 5, United States Code, is amended—

(1) in subparagraph (A)—

(A) by striking out ''from a position'' and inserting in lieu thereof ''or voluntary separation from a surplus position''; and

(B) by striking out ''force—'' and inserting in lieu thereof ''force or a closure or realignment of a military installation pursuant to a base closure law—''; and

(2) by adding at the end the following new subparagraph:

''(C) In this paragraph:

''(i) The term 'surplus position' means a position that, as determined under regulations prescribed by the Secretary of Defense, is identified during planning for a reduction in force as being no longer required and is designated for elimination during the reduction in force.

''(ii) The term 'base closure law' means the following:

''(I) Section 2687 of title 10.

''(II) Title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).

''(III) The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

''(iii) The term 'military installation'—

''(I) in the case of an installation covered by section 2687 of title 10, has the meaning given such term in subsection (e)(1) of such section;

''(II) in the case of an installation covered by the Act referred to in subclause (II) of clause (ii), has the meaning given such term in section 209(6) of such Act;

''(III) in the case of an installation covered by the Act referred to in subclause (III) of that clause, has the meaning given such term in section 2910(4) of such Act.''.

SEC. 338. ELIMINATION OF 120-DAY LIMITATION ON DETAILS OF CERTAIN EMPLOYEES.

Subsection (b) of section 3341 of title 5, United States Code, is amended—

(1) by inserting ''(1)'' after ''(b)''; and

(2) by adding at the end the following:

''(2) Details of employees of the Department of Defense under subsection (a) of this section may be made only by written order of the Secretary of the military department concerned (or by the Secretary of Defense, in the case of an employee of the Department of Defense who is not an employee of a military department) or a designee of the Secretary. Paragraph (1) does not apply to the Department of Defense.''.

SEC. 339. REPEAL OF REQUIREMENT FOR PART-TIME CAREER OPPORTUNITY EMPLOYMENT REPORTS.

Section 3407 of title 5, United States Code, is amended by adding at the end the following:

''(c) This section does not apply to the Department of Defense.''.

SEC. 340. AUTHORITY OF CIVILIAN EMPLOYEES OF DEPARTMENT OF DEFENSE TO PARTICIPATE VOLUNTARILY IN REDUCTIONS IN FORCE.

Section 3502 of title 5, United States Code, is amended by adding at the end the following:

''(f)(1) The Secretary of Defense or the Secretary of a military department may—

''(A) release in a reduction in force an employee who volunteers for the release even though the employee is not otherwise subject to release in the reduction in force under the criteria applicable under the other provisions of this section; and

''(B) for each employee voluntarily released in the reduction in force under subparagraph (A), retain an employee who would otherwise be released in the reduction in force under such criteria.

''(2) A voluntary release of an employee in a reduction in force pursuant to paragraph (1) shall be treated as an involuntary release in the reduction in force.

''(3) The regulations prescribed under this section shall incorporate the authority provided in this subsection.

''(4) The authority under paragraph (1) may not be exercised after September 30, 1996.''.

SEC. 341. AUTHORITY TO PAY SEVERANCE PAYMENTS IN LUMP SUMS.

Section 5595 of title 5, United States Code, is amended by adding at the end the following:

''(i)(1) In the case of an employee of the Department of Defense who is entitled to severance pay under this section, the Secretary of Defense or the Secretary of the military department concerned may, upon application by the employee, pay the total amount of the severance pay to the employee in one lump sum.

''(2)(A) If an employee paid severance pay in a lump sum under this subsection is reemployed by the Government of the United States or the government of the District of Columbia at such time that, had the employee been paid severance pay in regular pay periods under subsection (b), the payments of such pay would have been discontinued under subsection (d) upon such reemployment, the employee shall refund to the Department of Defense (for the military department that formerly employed the employee, if applicable) an amount equal to the amount of severance pay to which the employee was entitled under this section that would not have been paid to the employee under subsection (d) by reason of such reemployment.

''(B) The period of service represented by an amount of severance pay refunded by an employee under subparagraph (A) shall be considered service for which severance pay has not been received by the employee under this section.

''(C) Amounts refunded to an agency under this paragraph shall be credited to the appropriation available for the pay of employees of the agency for the fiscal year in which received. Amounts so credited shall be merged with, and shall be available for the same purposes and the same period as, the other funds in that appropriation.

''(3) This subsection applies with respect to severance payable under this section for separations taking effect on or after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996 and before October 1, 1999.''.

SEC. 342. HOLIDAYS FOR EMPLOYEES WHOSE BASIC WORKWEEK IS OTHER THAN MONDAY THROUGH FRIDAY.

Section 6103(b) of title 5, United States Code, is amended—

(1) in paragraph (2), by striking out ''Instead'' and inserting in lieu thereof ''Except as provided in paragraph (3), instead''; and

(2) by adding at the end the following:

''(3)(A) In the case of an employee of a military department or any other employee of the Department of Defense, subject to the discretion of the Secretary concerned, instead of a holiday that occurs on a regular weekly non-workday of an employee whose basic workweek is other than Monday through Friday, the legal holiday for the employee is—

''(i) the workday of the employee immediately before the regular weekly non-workday; or

''(ii) if the holiday occurs on a regular weekly non-workday administratively scheduled for the employee instead of Sunday, the next immediately following workday of the employee.

''(B) For purposes of subparagraph (A), the term 'Secretary concerned' has the meaning given that term in subparagraphs (A), (B), and (C) of section 101(a)(9) of title 10 and includes the Secretary of Defense with respect to an employee of the Department of Defense who is not an employee of a military department.''.

SEC. 343. COVERAGE OF NONAPPROPRIATED FUND EMPLOYEES UNDER AUTHORITY FOR FLEXIBLE AND COMPRESSED WORK SCHEDULES.

Paragraph (2) of section 6121 of title 5, United States Code, is amended to read as follows:

''(2) 'employee' has the meaning given the term in subsection (a) of section 2105 of this title, except that such term also includes an employee described in subsection (c) of that section;''.

Subtitle E—Defense Financial Management

SEC. 351. FINANCIAL MANAGEMENT TRAINING.

(a) LIMITATION.—Funds authorized by this Act to be appropriated for the Department of Defense may not be obligated for a capital lease for the establishment of a Department of Defense financial management training center before the date that is 90 days after the date on which the Secretary of Defense submits, in accordance with subsection (b), a certification of the need for such a center and a report on financial management training for Department of Defense personnel.

(b) CERTIFICATION AND REPORT.—(1) Before obligating funds for a Department of Defense financial management training center, the Secretary of Defense shall—

(A) certify to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives the need for such a center; and

(B) submit to such committees, with the certification, a report on financial management training for Department of Defense personnel.

(2) Any report under paragraph (1) shall contain the following:

(A) The Secretary's analysis of the requirements for providing financial management training for employees of the Department of Defense.

(B) The alternatives considered by the Secretary for meeting those requirements.

(C) A detailed plan for meeting those requirements.

(D) A financial analysis of the estimated short-term and long-term costs of carrying out the plan.

(E) If, after the analysis referred to in subparagraph (A) and after considering alternatives as described in subparagraph (B), the Secretary determines to meet the requirements through a financial management training center—

(i) the determination of the Secretary regarding the location for the university; and

(ii) a description of the process used by the Secretary for selecting that location.

SEC. 352. LIMITATION ON OPENING OF NEW CENTERS FOR DEFENSE FINANCE AND ACCOUNTING SERVICE.

(a) LIMITATION.—During fiscal year 1996, the Secretary of Defense may not establish any center for the Defense Finance and Accounting Service that is not operating on the date of the enactment of this Act.

(b) EXCEPTION.—If the Secretary submits to Congress not later than March 31, 1996, a report containing a discussion of the need for establishing a new center prohibited by subsection (a), the prohibition in such subsection shall not apply to the center effective 30 days after the date on which Congress receives the report.

(c) REEXAMINATION OF NEED REQUIRED.—Before submitting a report regarding a new center that the Secretary planned before the date of the enactment of this Act to establish on or after that date, the Secretary shall reconsider the need for establishing that center.

Subtitle F—Miscellaneous Assistance

SEC. 361. DEPARTMENT OF DEFENSE FUNDING FOR NATIONAL GUARD PARTICIPATION IN JOINT DISASTER AND EMERGENCY ASSISTANCE EXERCISES.

Section 503(a) of title 32, United States Code, is amended—

(1) by inserting ''(1)'' after ''(a)''; and

(2) by adding at the end the following:

''(2) Paragraph (1) includes authority to provide for participation of the National Guard in conjunction with the Army or the Air Force, or both, in joint exercises for instruction to prepare the National Guard for response to civil emergencies and disasters.''.

SEC. 362. OFFICE OF CIVIL-MILITARY PROGRAMS.

None of the funds authorized to be appropriated by this or any other Act may be obligated or expended for the Office of Civil-Military Programs within the Office of the Assistant Secretary of Defense for Reserve Affairs.

SEC. 363. REVISION OF AUTHORITY FOR CIVIL-MILITARY COOPERATIVE ACTION PROGRAM.

(a) RESERVE COMPONENTS TO BE USED FOR COOPERATIVE ACTION.—Section 410 of title 10, United States Code, is amended in the second sentence of subsection (a) by inserting ''of the reserve components and of the combat support and combat service support elements of the regular components'' after ''resources''.

(b) PROGRAM OBJECTIVES.—Subsection (b) of such section is amended by striking out paragraphs (1), (2), (3), (4), (5), and (6) and inserting in lieu thereof the following:

''(1) To enhance individual and unit training and morale in the armed forces.

''(2) To encourage cooperation between civilian and military sectors of society.''.

(c) REGULATIONS.—Subsection (d) of such section is amended by striking out paragraphs (5) and (6) and inserting in lieu thereof the following:

''(5) Procedures to ensure that Department of Defense resources are not applied exclusively to the program.

''(6) A requirement that a commander of a unit of the armed forces involved in providing assistance certify that the assistance is consistent with the military missions of the unit.''.

SEC. 364. OFFICE OF HUMANITARIAN AND REFUGEE AFFAIRS.

None of the funds authorized to be appropriated by this or any other Act may be obligated or expended for the Office of Humanitarian and Refugee Affairs within the Office of the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict.

SEC. 365. OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID PROGRAMS.

(a) GAO REPORT.—Not later than December 15, 1995, the Comptroller General of the United States shall provide to the congressional defense committees a report on—

(1) existing funding mechanisms available to cover the costs associated with the Overseas Humanitarian, Disaster, and Civic Assistance activities through funds provided to the Department of State or the Agency for International Development, and

(2) if such mechanisms do not exist, actions necessary to institute such mechanisms, including any changes in existing law or regulations.

Subtitle G—Operation of Morale, Welfare, and Recreation Activities

SEC. 371. DISPOSITION OF EXCESS MORALE, WELFARE, AND RECREATION FUNDS.

Section 2219 of title 10, United States Code, is amended—

(1) in the first sentence, by striking out ''a military department'' and inserting in lieu thereof ''an armed force'';

(2) in the second sentence—

(A) by striking out '', department-wide''; and

(B) by striking out ''of the military department'' and inserting in lieu thereof ''for that armed force''; and

(3) by adding at the end the following: ''This section does not apply to the Coast Guard.''.

SEC. 372. ELIMINATION OF CERTAIN RESTRICTIONS ON PURCHASES AND SALES OF ITEMS BY EXCHANGE STORES AND OTHER MORALE, WELFARE, AND RECREATION FACILITIES.

(a) RESTRICTIONS ELIMINATED.—(1) Subchapter II of chapter 134 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2255. Military exchange stores and other morale, welfare, and recreation facilities: sale of items

''(a) AUTHORITY.—The MWR retail facilities may sell items in accordance with regulations prescribed by the Secretary of Defense.

''(b) CERTAIN RESTRICTIONS PROHIBITED.—The regulations may not include any of the following restrictions on the sale of items:

''(1) A restriction on the prices of items offered for sale, including any requirement to establish prices on the basis of a specific relationship between the prices charged for the merchandise and the cost of the merchandise to the MWR retail facilities concerned.

''(2) A restriction on price of purchase of an item.

''(3) A restriction on the categories of items that may be offered for sale.

''(4) A restriction on the size of items that may be offered for sale.

''(5) A restriction on the basis of—

''(A) whether the item was manufactured, produced, or mined in the United States; or

''(B) the extent to which the merchandise contains components or materials manufactured, produced, or mined in the United States.

''(c) MWR RETAIL FACILITY DEFINED.—In this section, the term 'MWR retail facilities' means exchange stores and other revenue generating facilities operated by nonappropriated fund activities of the Department of Defense for the morale, welfare, and recreation of members of the armed forces.''.

(2) The table of sections at the beginning of subchapter II of chapter 134 of such title is amended by adding at the end the following:

''2255. Military exchange stores and other morale, welfare, and recreation facilities: sale of items.''.

(b) REPORT.—Not later than June 1, 1996, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report that identifies each restriction in effect immediately before the date of the enactment of this Act that is terminated or made inapplicable by section 2255 of title 10, United States Code (as added by subsection (a)), to exchange stores and other revenue generating facilities operated by nonappropriated fund activities of the Department of Defense for the morale, welfare, and recreation of members of the Armed Forces.

SEC. 373. REPEAL OF REQUIREMENT TO CONVERT SHIPS' STORES TO NONAPPROPRIATED FUND INSTRUMENTALITIES.

(a) REPEAL.—Section 371 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1634; 10 U.S.C. 7604 note) is amended by striking out subsections (a), (b), and (d).

(b) REPEAL OF RELATED CODIFIED PROVISIONS.—Section 7604 of title 10, United States Code, is amended—

(1) in subsection (a), by striking out ''(a) IN GENERAL.—''; and

(2) by striking out subsections (b) and (c).

Subtitle H—Other Matters

SEC. 381. NATIONAL DEFENSE SEALIFT FUND: AVAILABILITY FOR THE NATIONAL DEFENSE RESERVE FLEET.

Section 2218 of title 10, United States Code is amended—

(1) in subsection (c)(1)—

(A) by striking out ''and'' at the end of subparagraph (C);

(B) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof ''; and''; and

(C) by adding at the end the following:

''(E) expenses of the National Defense Reserve Fleet, as established by section 11 of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1744).''; and

(2) in subsection (i), by striking out ''Nothing'' and inserting in lieu thereof ''Except as provided in subsection (c)(1)(E), nothing''.

SEC. 382. AVAILABILITY OF RECOVERED LOSSES RESULTING FROM CONTRACTOR FRAUD.

(a) DEPARTMENT OF DEFENSE TO RECEIVE 3 PERCENT.—Subchapter I of chapter 134 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2250. Recoveries of losses and expenses resulting from contractor fraud

''(a) RETENTION OF PART OF RECOVERY.—(1) Notwithstanding any other provision of law, a portion of the amount recovered by the Government in a fiscal year for losses and expenses incurred by the Department of Defense as a result of contractor fraud at military installations shall be credited to appropriations accounts of the Department of Defense for that fiscal year in accordance with allocations made pursuant to subsection (b).

''(2) The total amount credited to appropriations accounts for a fiscal year pursuant to paragraph (1) shall be the lesser of—

''(A) the amount equal to three percent of the amount referred to in such paragraph that is recovered in that fiscal year; or

''(B) $500,000.

''(b) ALLOCATION OF RECOVERED FUNDS.—The Secretary of Defense shall allocate amounts recovered in a contractor fraud case through the Secretary of the military department concerned to each installation that incurred a loss or expense as a result of the fraud.

''(c) USE BY MILITARY DEPARTMENTS.—The Secretary of a military department receiving an allocation under subsection (b) in a fiscal year with respect to a contractor fraud case—

''(1) shall credit (for use by each installation concerned) the amount equal to the costs incurred by the military department in carrying out or supporting an investigation or litigation of the contractor fraud case to appropriations accounts of the department for such fiscal year that are used for paying the costs of carrying out or supporting investigations or litigation of contractor fraud cases; and

''(2) may credit to any appropriation account of the department for that fiscal year (for use by each installation concerned) the amount, if any, that exceeds the amount credited to appropriations accounts under paragraph (1).

''(d) RECOVERIES INCLUDED.—(1) Subject to paragraph (2)(B), subsection (a) applies to amounts recovered in civil or administrative actions (including settlements) as actual damages, restitution, and investigative costs.

''(2) Subsection (a) does not apply to—

''(A) criminal fines, forfeitures, civil penalties, and damages in excess of actual damages; or

''(B) recoveries of losses or expenses incurred by working-capital funds managed through the Defense Business Operations Fund.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter I of such chapter is amended by adding at the end the following:

''2248. Recoveries of losses and expenses resulting from contractor fraud.''.

SEC. 383. PERMANENT AUTHORITY FOR USE OF PROCEEDS FROM THE SALE OF CERTAIN LOST, ABANDONED, OR UNCLAIMED PROPERTY.

(a) PERMANENT AUTHORITY.—Section 2575 of title 10 is amended—

(1) by striking out subsection (b) and inserting in lieu thereof the following:

''(b)(1) In the case of property found on a military installation, the proceeds from the sale of the property under this section shall be credited to the operation and maintenance account of that installation and used—

''(A) to reimburse the installation for any costs incurred by the installation to collect, transport, store, protect, or sell the property; and

''(B) if all such costs are reimbursed, to support morale, welfare, and recreation activities under the jurisdiction of the armed forces conducted for the comfort, pleasure, contentment, or physical or mental improvement of members of the armed forces at that installation.

''(2) The net proceeds from the sale of other property under this section shall be covered into the Treasury as miscellaneous receipts.''; and

(2) by adding at the end the following:

''(d)(1) The owner (or heirs, next of kin, or legal representative of the owner) of personal property the proceeds of which are credited to a military installation under subsection (b)(1) may file a claim with the Secretary of Defense for the amount equal to the proceeds (less costs referred to in subparagraph (A) of such subsection). Amounts to pay the claim shall be drawn from the morale, welfare, and recreation account for the installation that received the proceeds.

''(2) The owner (or heirs, next of kin, or legal representative of the owner) may file a claim with the General Accounting Office for proceeds covered into the Treasury under subsection (b)(2).

''(3) Unless a claim is filed under this subsection within 5 years after the date of the disposal of the property to which the claim relates, the claim may not be considered by a court, the Secretary of Defense (in the case of a claim filed under paragraph (1)), or the General Accounting Office (in the case of a claim filed under paragraph (2)).''.

(b) REPEAL OF AUTHORITY FOR DEMONSTRATION PROGRAM.—Section 343 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1343) is repealed.

SEC. 384. SALE OF MILITARY CLOTHING AND SUBSISTENCE AND OTHER SUPPLIES OF THE NAVY AND MARINE CORPS.

(a) IN GENERAL.—Chapter 651 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 7606. Subsistence and other supplies: members of armed forces; veterans; executive or military departments and employees; prices

''(a) The Secretary of the Navy shall procure and sell, for cash or credit—

''(1) articles designated by the Secretary to members of the Navy and Marine Corps; and

''(2) items of individual clothing and equipment to members of the Navy and Marine Corps, under such restrictions as the Secretary may prescribe.

An account of sales on credit shall be kept and the amount due reported to the Secretary. Except for articles and items acquired through the use of working capital funds under section 2208 of this title, sales of articles shall be at cost, and sales of individual clothing and equipment shall be at average current prices, including overhead, as determined by the Secretary.

''(b) The Secretary shall sell subsistence supplies to members of other armed forces at the prices at which like property is sold to members of the Navy and Marine Corps.

''(c) The Secretary may sell serviceable supplies, other than subsistence supplies, to members of other armed forces for the buyers' use in the service. The prices at which the supplies are sold shall be the same prices at which like property is sold to members of the Navy and Marine Corps.

''(d) A person who has been discharged honorably or under honorable conditions from the Army, Navy, Air Force or Marine Corps and who is receiving care and medical treatment from the Public Health Service or the Department of Veterans Affairs may buy subsistence supplies and other supplies, except articles of uniform, at the prices at which like property is sold to members of the Navy and Marine Corps.

''(e) Under such conditions as the Secretary may prescribe, exterior articles of uniform may be sold to a person who has been discharged from the Navy or Marine Corps honorably or under honorable conditions, at the prices at which like articles are sold to members of the Navy or Marine Corps. This subsection does not modify sections 772 or 773 of this title.

''(f) Payment for subsistence supplies sold under this section shall be made in cash.

''(g)(1) The Secretary may provide for the procurement and sale of stores designated by the Secretary to such civilian officers and employees of the United States, and such other persons, as the Secretary considers proper—

''(A) at military installations outside the United States; and

''(B) subject to paragraph (2), at military installations inside the United States where the Secretary determines that it is impracticable for those civilian officers, employees, and persons to obtain such stores from commercial enterprises without impairing the efficient operation of military activities.

''(2) Sales to civilian officers and employees inside the United States may be made under paragraph (1) only to those residing within military installations.

''(h) Appropriations for subsistence of the Navy or Marine Corps may be applied to the purchase of subsistence supplies for sale to members of the Navy and Marine Corps on active duty for the use of themselves and their families.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 651 of such title is amended by adding at the end the following:

''7606. Subsistence and other supplies: members of armed forces; veterans; executive or military departments and employees; prices.''.

SEC. 385. CONVERSION OF CIVILIAN MARKSMANSHIP PROGRAM TO NONAPPROPRIATED FUND INSTRUMENTALITY AND ACTIVITIES UNDER PROGRAM.

(a) CONVERSION.—Section 4307 of title 10, United States Code, is amended to read as follows:

''§ 4307. Promotion of rifle practice and firearms safety: administration

''(a) NONAPPROPRIATED FUND INSTRUMENTALITY.—On and after October 1, 1995, the Civilian Marksmanship Program shall be operated as a nonappropriated fund instrumentality of the United States within the Department of Defense for the benefit of members of the armed forces and for the promotion of rifle practice and firearms safety among civilians.

''(b) ADVISORY COMMITTEE.—(1) The Civilian Marksmanship Program shall be under the general supervision of an Advisory Committee for the Promotion of Rifle Practice and Firearms Safety, which shall replace the National Board for the Promotion of Rifle Practice. The Advisory Committee shall be appointed by the Secretary of the Army.

''(2) Members of the Advisory Committee shall serve without compensation, except that members shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, while away from their homes or regular places of business in the performance of Advisory Committee services.

''(c) DIRECTOR.—The Secretary of the Army shall appoint a person to serve as Director of the Civilian Marksmanship Program.

''(d) FUNDING.—(1) The Advisory Committee and the Director may solicit, accept, hold, use, and dispose of, in furtherance of the activities of the Civilian Marksmanship Program, donations of money, property, and services received by gift, devise, bequest, or otherwise. Donations may be accepted notwithstanding any legal restrictions otherwise arising from procurement relationships of the donors with the United States.

''(2) All amounts collected under the Civilian Marksmanship Program, including the proceeds from the sale of arms, ammunition, targets, and other supplies and appliances under section 4308 of this title, shall be credited to the Civilian Marksmanship Program and shall be available to carry out the Civilian Marksmanship Program. Amounts collected by, and available to, the National Board for the Promotion of Rifle Practice before the date of the enactment of this section from sales programs and from fees in connection with competitions sponsored by that Board shall be transferred to the nonappropriated funds account established for the Civilian Marksmanship Program and shall be available to carry out the Civilian Marksmanship Program.

''(3) Funds held on behalf of the Civilian Marksmanship Program shall not be construed to be Government or public funds or appropriated funds and shall not be available to support other nonappropriated fund instrumentalities of the Department of Defense. Expenditures on behalf of the Civilian Marksmanship Program, including compensation and benefits for civilian employees, may not exceed $5,000,000 during any fiscal year. The approval of the Advisory Committee shall be required for any expenditure in excess of $50,000. Notwithstanding any other provision of law, funds held on behalf of the Civilian Marksmanship Program shall remain available until expended.

''(e) INAPPLICABILITY OF ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) does not apply to the Advisory Committee.

''(f) DEFINITIONS.—In this section and sections 4308 through 4313 of this title:

''(1) The term 'Civilian Marksmanship Program' means the rifle practice and firearms safety program carried out under section 4308 of this title and includes the National Matches and small-arms firing schools referred to in section 4312 of this title.

''(2) The term 'Advisory Committee' means the Advisory Committee for the Promotion of Rifle Practice and Firearms Safety.

''(3) The term 'Director' means the Director of the Civilian Marksmanship Program.''.

(b) ACTIVITIES.—Section 4308 of such title is amended to read as follows:

''§ 4308. Promotion of rifle practice and firearms safety: activities

''(a) INSTRUCTION, SAFETY, AND COMPETITION PROGRAMS.—(1) The Civilian Marksmanship Program shall provide for—

''(A) the operation and maintenance of indoor and outdoor rifle ranges and their accessories and appliances;

''(B) the instruction of citizens of the United States in marksmanship, and the employment of necessary instructors for that purpose;

''(C) the promotion of safe and responsible practice in the use of rifled arms and the maintenance and management of matches or competitions in the use of those arms; and

''(D) the award to competitors of trophies, prizes, badges, and other insignia.

''(2) In carrying out this subsection, the Civilian Marksmanship Program shall give priority to activities that benefit firearms safety training and competition for youth and reach as many youth participants as possible.

''(3) Before a person may participate in any activity sponsored or supported by the Civilian Marksmanship Program under this subsection, the person shall be required to certify that the person has not violated any Federal or State firearms laws.

''(b) SALE AND ISSUANCE OF ARMS AND AMMUNITION.—(1) The Civilian Marksmanship Program may issue, without cost, the arms, ammunition (including caliber .22 and caliber .30 ammunition), targets, and other supplies and appliances necessary for activities conducted under subsection (a). Issuance shall be made only to gun clubs under the direction of the Director of the program that provide training in the use of rifled arms to youth, the Junior Reserve Officers' Training Corps, the Boy Scouts of America, 4–H Clubs, Future Farmers of America, and other youth-oriented organizations for training and competition.

''(2) The Director of the Civilian Marksmanship Program may sell at fair market value caliber .30 rifles and accoutrements, caliber .22 rifles, and air rifles, and ammunition for such rifles, to gun clubs that are under the direction of the Director and provide training in the use of rifled arms. In lieu of sales, the Director may loan such rifles to such gun clubs.

''(3) The Director of the Civilian Marksmanship Program may sell at fair market value small arms, ammunition, targets, and other supplies and appliances necessary for target practice to citizens of the United States over 18 years of age who are members of a gun club under the direction of the Director.

''(4) Before conveying any weapon or ammunition to a person, whether by sale or lease, the Director shall provide for a criminal records check of the person with appropriate Federal and State law enforcement agencies.

''(c) OTHER AUTHORITIES.—The Director shall provide for—

''(1) the procurement of necessary supplies, appliances, trophies, prizes, badges, and other insignia, clerical and other services, and labor to carry out the Civilian Marksmanship Program; and

''(2) the transportation of employees, instructors, and civilians to give or to receive instruction or to assist or engage in practice in the use of rifled arms, and the transportation and subsistence, or an allowance instead of subsistence, of members of teams authorized by the Advisory Committee to participate in matches or competitions in the use of rifled arms.

''(d) FEES.—The Director, in consultation with the Advisory Committee, may impose reasonable fees for persons and gun clubs participating in any program or competition conducted under the Civilian Marksmanship Program for the promotion of rifle practice and firearms safety among civilians.

''(e) RECEIPT OF EXCESS ARMS AND AMMUNITION.—(1) The Secretary of the Army shall reserve for the Civilian Marksmanship Program all remaining M–1 Garand rifles, accoutrements, and ammunition for such rifles, still held by the Army. After the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996, the Secretary of the Army shall cease demilitarization of remaining M–1 Garand rifles in the Army inventory unless such rifles are determined to be irreparable.

''(2) Transfers under this subsection shall be made without cost to the Civilian Marksmanship Program, except for the costs of transportation for the transferred small arms and ammunition.

''(f) PARTICIPATION CONDITIONS.—(1) All participants in the Civilian Marksmanship Program and activities sponsored or supported by the Advisory Committee shall be required, as a condition of participation, to sign affidavits stating that—

''(A) they have never been convicted of a firearms violation under State or Federal law; and

''(B) they are not members of any organization which advocates the violent overthrow of the United States Government.

''(2) Any person found to have violated this subsection shall be ineligible to participate in the Civilian Marksmanship Program and future activities.''.

(c) PARTICIPATION OF MEMBERS OF THE ARMED FORCES IN INSTRUCTION AND COMPETITION.—Section 4310 of such title is amended to read as follows:

''§ 4310. Rifle instruction and competitions: participation of members

''The commander of a major command of the armed forces may pay the personnel costs and travel and per diem expenses of members of an active or reserve component of the armed forces who participate in a competition sponsored by the Civilian Marksmanship Program or who provide instruction or other services in support of the Civilian Marksmanship Program.''.

(d) CONFORMING AMENDMENTS.—(1) Section 4312(a) of such title is amended by striking out ''as prescribed by the Secretary of the Army'' and inserting in lieu thereof ''as part of the Civilian Marksmanship Program''.

(2) Section 4313 of such title is amended—

(A) in subsection (a), by striking out ''Secretary of the Army'' both places it appears and inserting in lieu thereof ''Advisory Committee''; and

(B) in subsection (b), by striking out ''Appropriated funds available for the Civilian Marksmanship Program (as defined in section 4308(e) of this title) may'' and inserting in lieu thereof ''Nonappropriated funds available to the Civilian Marksmanship Program shall''.

(e) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 401 of such title is amended by striking out the items relating to sections 4307, 4308, 4309, and 4310 and inserting in lieu thereof the following new items:

''4307. Promotion of rifle practice and firearms safety: administration.

''4308. Promotion of rifle practice and firearms safety: activities.

''4309. Rifle ranges: availability for use by members and civilians.

''4310. Rifle instruction and competitions: participation of members.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1995.

SEC. 386. REPORT ON EFFORTS TO CONTRACT OUT CERTAIN FUNCTIONS OF DEPARTMENT OF DEFENSE.

Not later than March 1, 1996, the Secretary of Defense shall submit to Congress a report describing the advantages and disadvantages of using contractor personnel, rather than civilian employees of the Department of Defense, to perform functions of the Department that are not essential to the warfighting mission of the Armed Forces. The report shall specify all legislative and regulatory impediments to contracting those functions for private performance.

SEC. 387. IMPACT AID.

(a) SPECIAL RULE FOR 1994 PAYMENTS.—The Secretary of Education shall not consider any payment to a local educational agency by the Department of Defense, that is available to such agency for current expenditures and used for capital expenses, as funds available to such agency for purposes of making a determination for fiscal year 1994 under section 3(d)(2)(B)(i) of the Act of September 30, 1950 (Public Law 874, 81st Congress) (as such Act was in effect on September 30, 1994).

(b) PAYMENTS FOR ELIGIBLE FEDERALLY CONNECTED CHILDREN.—Subsection (f) of section 8003 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703) is amended—

(1) in paragraph (2)—

(A) in the matter preceding clause (i) of subparagraph (A), by striking ''only if such agency'' and inserting ''if such agency is eligible for a supplementary payment in accordance with subparagraph (B) or such agency''; and

(B) by adding at the end the following new subparagraph:

''(C) A local educational agency shall only be eligible to receive additional assistance under this subsection if the Secretary determines that—

''(i) such agency is exercising due diligence in availing itself of State and other financial assistance; and

''(ii) the eligibility of such agency under State law for State aid with respect to the free public education of children described in subsection (a)(1) and the amount of such aid are determined on a basis no less favorable to such agency than the basis used in determining the eligibility of local educational agencies for State aid, and the amount of such aid, with respect to the free public education of other children in the State.''; and

(2) in paragraph (3)—

(A) in subparagraph (A)—

(i) in the matter preceding clause (i), by inserting ''(other than any amount received under paragraph (2)(B))'' after ''subsection'';

(ii) in subclause (I) of clause (i), by striking ''or the average per-pupil expenditure of all the States'';

(iii) by amending clause (ii) to read as follows:

''(ii) The Secretary shall next multiply the amount determined under clause (i) by the total number of students in average daily attendance at the schools of the local educational agency.''; and

(iv) by amending clause (iii) to read as follows:

''(iii) The Secretary shall next subtract from the amount determined under clause (ii) all funds available to the local educational agency for current expenditures, but shall not so subtract funds provided—

''(I) under this Act; or

''(II) by any department or agency of the Federal Government (other than the Department) that are used for capital expenses.''; and

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

''(B) SPECIAL RULE.—With respect to payments under this subsection for a fiscal year for a local educational agency described in clause (ii) or (iii) of paragraph (2)(A), the maximum amount of payments under this subsection shall be equal to—

''(i) the product of—

''(I) the average per-pupil expenditure in all States multiplied by 0.7, except that such amount may not exceed 125 percent of the average per-pupil expenditure in all local educational agencies in the State; multiplied by

''(II) the number of students described in subparagraph (A) or (B) of subsection (a)(1) for such agency; minus

''(ii) the amount of payments such agency receives under subsections (b) and (d) for such year.''.

(c) CURRENT YEAR DATA.—Paragraph (4) of section 8003(f) of such Act (20 U.S.C. 7703(f)) is amended to read as follows:

''(4) CURRENT YEAR DATA.—For purposes of providing assistance under this subsection the Secretary—

''(A) shall use student and revenue data from the fiscal year for which the local educational

agency is applying for assistance under this subsection; and

''(B) shall derive the per pupil expenditure amount for such year for the local educational agency's comparable school districts by increasing or decreasing the per pupil expenditure data for the second fiscal year preceding the fiscal year for which the determination is made by the same percentage increase or decrease reflected between the per pupil expenditure data for the fourth fiscal year preceding the fiscal year for which the determination is made and the per pupil expenditure data for such second year.''.

SEC. 388. FUNDING FOR TROOPS TO TEACHERS PROGRAM AND TROOPS TO COPS PROGRAM.

(a) FUNDING.—Of the amount authorized to be appropriated under section 431—

(1) $42,000,000 shall be available for the Troops-to-Teachers program; and

(2) $10,000,000 shall be available for the Troops-to-Cops program.

(b) DEFINITION.—In this section:

(1) The term ''Troops-to-Cops program'' means the program of assistance to separated members and former members of the Armed Forces to obtain employment with law enforcement agencies established, or carried out, under section 1152 of title 10, United States Code.

(2) The term ''Troops-to-Teachers program'' means the program of assistance to separated members of the Armed Forces to obtain certification and employment as teachers or employment as teachers' aides established under section 1151 of such title.

SEC. 389. AUTHORIZING THE AMOUNTS REQUESTED IN THE BUDGET FOR JUNIOR ROTC.

(a) There is hereby authorized to be appropriated $12,295,000 to fully fund the budget request for the Junior Reserve Officer Training Corps programs of the Army, Navy, Air Force, and Marine Corps. Such amount is in addition to the amount otherwise available for such programs under section 301.

(b) The amount authorized to be appropriated by section 101(4) is hereby reduced by $12,295,000.

SEC. 390. REPORT ON PRIVATE PERFORMANCE OF CERTAIN FUNCTIONS PERFORMED BY MILITARY AIRCRAFT.

(a) REPORT REQUIRED.—Not later than May 1, 1996, the Secretary of Defense shall submit to Congress a report on the feasibility, including the costs and benefits, of using private sources for satisfying, in whole or in part, the requirements of the Department of Defense for VIP transportation by air, airlift for other personnel and for cargo, in-flight refueling of aircraft, and performance of such other military aircraft functions as the Secretary considers appropriate to discuss in the report.

(b) CONTENT OF REPORT.—The report shall include a discussion of the following:

(1) Contracting for the performance of the functions referred to in subsection (a).

(2) Converting to private ownership and operation the Department of Defense VIP air fleets, personnel and cargo aircraft, and in-flight refueling aircraft, and other Department of Defense aircraft.

(3) The wartime requirements for the various VIP and transport fleets.

(4) The assumptions used in the cost-benefit analysis.

(5) The effect on military personnel and facilities of using private sources, as described in paragraphs (1) and (2), for the purposes described in subsection (a).

SEC. 391. ALLEGANY BALLISTICS LABORATORY.

Of the amount authorized to be appropriated under section 301(2), $2,000,000 shall be available for the Allegany Ballistics Laboratory for essential safety functions.

SEC. 392. ENCOURAGEMENT OF USE OF LEASING AUTHORITY.

(a) IN GENERAL.—(1) Chapter 137 of title 10, United States Code, is amended by inserting after section 2316 the following new section:

''§ 2317. Equipment Leasing

''The Secretary of Defense is authorized to use leasing in the acquisition of commercial vehicles when such leasing is practicable and efficient.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''2317. Equipment leasing.''.

(b) REPORT.—Not later than 90 days after the date of enactment of this Act, the Secretary of Defense shall submit a report to the congressional defense committees setting forth changes in legislation that would be required to facilitate the use of leases by the Department of Defense in the acquisition of equipment.

(c) PILOT PROGRAM.—The Secretary of the Army may conduct a pilot program for leasing of commercial utility cargo vehicles as follows:

(1) Existing commercial utility cargo vehicles may be traded in for credit against new replacement commercial utility cargo vehicle lease costs;

(2) Quantities of commercial utility cargo vehicles to be traded in and their value to be credited shall be subject to negotiation between the parties;

(3) New commercial utility cargo vehicle lease agreements may be executed with or without options to purchase at the end of each lease period;

(4) New commercial utility cargo vehicle lease periods may not exceed five years;

(5) Such leasing pilot program shall consist of replacing no more than forty percent of the validated requirement for commercial utility cargo vehicles , but may include an option or options for the remaining validated requirement which may be executed subject to the requirements of subsection (c)(7);

(6) The Army shall enter into such pilot program only if the Secretary—

(A) awards such program in accordance with the provisions of section 2304 of title 10, United States Code;

(B) has notified the congressional defense committees of his plans to execute the pilot program;

(C) has provided a report detailing the expected savings in operating and support costs from retiring older commercial utility cargo vehicles compared to the expected costs of leasing newer commercial utility cargo vehicles; and

(D) has allowed 30 calendar days to elapse after such notification.

(7) One year after the date of execution of an initial leasing contract, the Secretary of the Army shall submit a report setting forth the status of the pilot program. Such report shall be based upon at least six months of operating experience. The Secretary may exercise an option or options for subsequent commercial utility cargo vehicles only after he has allowed 60 calendar days to elapse after submitting this report.

(8) EXPIRATION OF AUTHORITY.—No lease of commercial utility cargo vehicles may be entered into under the pilot program after September 30, 2000.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

(a) FISCAL YEAR 1996.—The Armed Forces are authorized strengths for active duty personnel as of September 30, 1996, as follows:

(1) The Army, 495,000, of which not more than 81,300 may be commissioned officers.

(2) The Navy, 428,340, of which not more than 58,870 may be commissioned officers.

(3) The Marine Corps, 174,000, of which not more than 17,978 may be commissioned officers.

(4) The Air Force, 388,200, of which not more than 75,928 may be commissioned officers.

(b) FISCAL YEAR 1997.—The Armed Forces are authorized strengths for active duty personnel as of September 30, 1997, as follows:

(1) The Army, 495,000, of which not more than 80,312 may be commissioned officers.

(2) The Navy, 409,740, of which not more than 56,615 may be commissioned officers.

(3) The Marine Corps, 174,000, of which not more than 17,978 may be commissioned officers.

(4) The Air Force, 385,400, of which not more than 76,494 may be commissioned officers.

SEC. 402. TEMPORARY VARIATION IN DOPMA AUTHORIZED END STRENGTH LIMITATIONS FOR ACTIVE DUTY AIR FORCE AND NAVY OFFICERS IN CERTAIN GRADES.

(a) AIR FORCE OFFICERS.—(1) In the administration of the limitation under section 523(a)(1) of title 10, United States Code, for fiscal years 1996 and 1997, the numbers applicable to officers of the Air Force serving on active duty in the grades of major, lieutenant colonel, and colonel shall be the numbers set forth for that fiscal year in paragraph (2) (rather than the numbers determined in accordance with the table in that section).

(2) The numbers referred to in paragraph (1) are as follows:

Fiscal year:	Number of officers who may be serving on active duty in the grade of:		
	Major	Lieutenant colonel	Colonel
1996	15,566	9,876	3,609
1997	15,645	9,913	3,627

(b) NAVY OFFICERS.—(1) In the administration of the limitation under section 523(a)(2) of title 10, United States Code, for fiscal years 1996 and 1997, the numbers applicable to officers of the Navy serving on active duty in the grades of lieutenant commander, commander, and captain shall be the numbers set forth for that fiscal year in paragraph (2) (rather than the numbers determined in accordance with the table in that section).

(2) The numbers referred to in paragraph (1) are as follows:

Fiscal year:	Number of officers who may be serving on active duty in the grade of:		
	Lieutenant commander	Commander	Captain
1996	11,924	7,390	3,234
1997	11,732	7,297	3,188

SEC. 403. CERTAIN GENERAL AND FLAG OFFICERS AWAITING RETIREMENT NOT TO BE COUNTED.

(a) DISTRIBUTION OF OFFICERS ON ACTIVE DUTY IN GENERAL AND FLAG OFFICER GRADES.—Section 525 of title 10, United States Code, is amended by adding at the end the following:

''(d) An officer continuing to hold the grade of general or admiral under section 601(b)(4) of this title after relief from the position of Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps shall not be counted for purposes of this section.''.

(b) NUMBER OF OFFICERS ON ACTIVE DUTY IN GRADE OF GENERAL OR ADMIRAL.—Section 528(b) of title 10, United States Code, is amended—

(1) by inserting ''(1)'' after ''(b)''; and

(2) by adding at the end the following:

''(2) An officer continuing to hold the grade of general or admiral under section 601(b)(4) of this title after relief from the position of Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps shall not be counted for purposes of this section.''.

Subtitle B—Reserve Forces

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

(a) FISCAL YEAR 1996.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 1996, as follows:

(1) The Army National Guard of the United States, 373,000.

(2) The Army Reserve, 230,000.

(3) The Naval Reserve, 98,894.

(4) The Marine Corps Reserve, 42,274.

(5) The Air National Guard of the United States, 112,707.

(6) The Air Force Reserve, 73,969.

(7) The Coast Guard Reserve, 8,000.

(b) FISCAL YEAR 1997.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 1997, as follows:

(1) The Army National Guard of the United States, 367,000.

(2) The Army Reserve, 215,000.

(3) The Naval Reserve, 96,694.

(4) The Marine Corps Reserve, 42,682.

(5) The Air National Guard of the United States, 107,151.

(6) The Air Force Reserve, 73,160.

(7) The Coast Guard Reserve, 8,000.

(c) WAIVER AUTHORITY.—The Secretary of Defense may vary the end strength authorized by subsection (a) or subsection (b) by not more than 2 percent.

(d) ADJUSTMENTS.—The end strengths prescribed by subsection (a) or (b) for the Selected Reserve of any reserve component for a fiscal year shall be proportionately reduced by—

(1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at the end of the fiscal year, and

(2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at the end of the fiscal year.

Whenever such units or such individual members are released from active duty during any fiscal year, the end strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be proportionately increased by the total authorized strengths of such units and by the total number of such individual members.

SEC. 412. END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.

(a) FISCAL YEAR 1996.—Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 1996, the following number of Reserves to be serving on full-time active duty or, in the case of members of the National Guard, full-time National Guard duty for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 23,390.

(2) The Army Reserve, 11,575.

(3) The Naval Reserve, 17,587.

(4) The Marine Corps Reserve, 2,559.

(5) The Air National Guard of the United States, 10,066.

(6) The Air Force Reserve, 628.

(b) FISCAL YEAR 1997.—Within the end strengths prescribed in section 411(b), the reserve components of the Armed Forces are authorized, as of September 30, 1997, the following number of Reserves to be serving on full-time active duty or, in the case of members of the National Guard, full-time National Guard duty for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 23,040.

(2) The Army Reserve, 11,550.

(3) The Naval Reserve, 17,171.

(4) The Marine Corps Reserve, 2,976.

(5) The Air National Guard of the United States, 9,824.

(6) The Air Force Reserve, 625.

SEC. 413. INCREASE IN NUMBER OF MEMBERS IN CERTAIN GRADES AUTHORIZED TO SERVE ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.

(a) OFFICERS.—The table at the end of section 12011(a) of title 10, United States Code, is amended to read as follows:

''Grade	Army	Navy	Air Force	Marine Corps
Major or Lieutenant Commander	3,219	1,071	643	140
Lieutenant Colonel or Commander	1,524	520	672	90
Colonel or Navy Captain	412	188	274	30''.

(b) SENIOR ENLISTED MEMBERS.—The table at the end of section 12012(a) of such title is amended to read as follows:

''Grade	Army	Navy	Air Force	Marine Corps
E–9	603	202	366	20
E–8	2,585	429	890	94''.

SEC. 414. RESERVES ON ACTIVE DUTY IN SUPPORT OF COOPERATIVE THREAT REDUCTION PROGRAMS NOT TO BE COUNTED.

Section 115(d) of title 10, United States Code, is amended by adding at the end the following:

''(8) Members of the Selected Reserve of the Ready Reserve on active duty for more that 180 days to support programs described in section 1203(b) of the Cooperative Threat Reduction Act of 1993 (title XII of Public Law 103–160; 107 Stat. 1778; 22 U.S.C. 5952(b)).''.

SEC. 415. RESERVES ON ACTIVE DUTY FOR MILITARY-TO-MILITARY CONTACTS AND COMPARABLE ACTIVITIES NOT TO BE COUNTED.

Section 168 of title 10, United States Code, is amended—

(1) by redesignating subsection (f) as subsection (g); and

(2) by inserting after subsection (e) the following new subsection (f):

''(f) ACTIVE DUTY END STRENGTHS.—(1) A member of a reserve component referred to in paragraph (2) shall not be counted for purposes of the following personnel strength limitations:

''(A) The end strength for active-duty personnel authorized pursuant to section 115(a)(1) of this title for the fiscal year in which the member carries out the activities referred to in paragraph (2).

''(B) The authorized daily average for members in pay grades E–8 and E–9 under section 517 of this title for the calendar year in which the member carries out such activities.

''(C) The authorized strengths for commissioned officers under section 523 of this title for the fiscal year in which the member carries out such activities.

''(2) A member of a reserve component referred to in paragraph (1) is any member on active duty under an order to active duty for 180 days or more who is engaged in activities authorized under this section.''.

Subtitle C—Military Training Student Loads

SEC. 421. AUTHORIZATION OF TRAINING STUDENT LOADS.

(a) FISCAL YEAR 1996.—For fiscal year 1996, the Armed Forces are authorized average military training student loads as follows:

(1) The Army, 75,013.

(2) The Navy, 44,238.

(3) The Marine Corps, 26,095.

(4) The Air Force, 33,232.

(b) FISCAL YEAR 1997.—For fiscal year 1997, the Armed Forces are authorized average military training student loads as follows:

(1) The Army, 79,275.

(2) The Navy, 44,121.

(3) The Marine Corps, 27,255.

(4) The Air Force, 35,522.

(c) SCOPE.—The average military training student load authorized for an armed force for a fiscal year under subsection (a) or (b) applies to the active and reserve components of that armed force for that fiscal year.

(d) ADJUSTMENTS.—The average military training student load authorized for a fiscal year in subsection (a) or (b) shall be adjusted consistent with the end strengths authorized for that fiscal year in subtitles A and B. The Secretary of Defense shall prescribe the manner in which such adjustments shall be apportioned.

Subtitle D—Authorization of Appropriations

SEC. 431. AUTHORIZATION OF APPROPRIATIONS FOR MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel for fiscal year 1996 a total of $68,896,863,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 1996.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

SEC. 501. JOINT OFFICER MANAGEMENT.

(a) CRITICAL JOINT DUTY ASSIGNMENT POSITIONS.—Section 661(d)(2)(A) of title 10, United States Code, is amended by striking out ''1,000'' and inserting in lieu thereof ''500''.

(b) ADDITIONAL QUALIFYING JOINT SERVICE.—Section 664 of such title is amended by adding at the end the following:

''(i) JOINT DUTY CREDIT FOR CERTAIN JOINT TASK FORCE ASSIGNMENTS.—(1) The Secretary of Defense, in consultation with the Chairman of the Joint Chiefs of Staff, may credit an officer with having completed a full tour of duty in a joint duty assignment upon the officer's completion of service described in paragraph (2) or may grant credit for such service for purposes of determining the cumulative service of the officer in joint duty assignments. The credit for such service may be granted without regard to the length of the service (except as provided in regulations pursuant to subparagraphs (A) and (B) of paragraph (4)) and without regard to whether the assignment in which the service was performed is a joint duty assignment as defined in regulations pursuant to section 668 of this title.

''(2) Service performed by an officer in a temporary assignment on a joint task force or a multinational force headquarters staff may be considered for credit under paragraph (1) if—

''(A) the Secretary of Defense determines that the service in that assignment provided significant experience in joint matters;

''(B) any portion of the service in that assignment was performed on or after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996; and

''(C) the officer is recommended for such credit by the Chief of Staff of the Army (for an officer in the Army), the Chief of Naval Operations (for an officer in the Navy), the Chief of Staff of the Air Force (for an officer in the Air Force), or the Commandant of the Marine Corps (for an officer in the Marine Corps).

''(3) Credit shall be granted under paragraph (1) on a case-by-case basis.

''(4) The Secretary of Defense shall prescribe uniform criteria for determining whether to grant an officer credit under paragraph (1). The criteria shall include the following:

''(A) For an officer to be credited as having completed a full tour of duty in a joint duty assignment, the officer accumulated at least 24

months of service in a temporary assignment referred to in paragraph (2).

''(B) For an officer to be credited with service in a joint duty assignment for purposes of determining cumulative service in joint duty assignments, the officer accumulated at least 30 consecutive days of service or 60 days of total service in a temporary assignment referred to in paragraph (2).

''(C) The service was performed in support of a mission that was directed by the President or was assigned by the President to United States forces in the joint task force or multinational force involved.

''(D) The joint task force or multinational force involved was constituted or designated by the Secretary of Defense, by a commander of a combatant command or of another force, or by a multinational or United Nations command authority.

''(E) The joint task force or multinational force involved conducted military combat or combat-related operations or military operations other than war in a unified action under joint, multinational, or United Nations command and control.

''(5) Officers for whom joint duty credit is granted pursuant to this subsection shall not be taken into account for the purposes of section 661(d)(1) of this title, subsections (a)(3) and (b) of section 662 of this title, section 664(a) of this title, or paragraph (7), (8), (9), (11), or (12) of section 667 of this title.

''(6) In the case of an officer credited with having completed a full tour of duty in a joint duty assignment pursuant to this subsection, the Secretary of Defense may waive the requirement in paragraph (1)(B) of section 661(c) of this title that the tour of duty in a joint duty assignment be performed after the officer completes a program of education referred to in paragraph (1)(A) of that section.''.

(c) INFORMATION IN ANNUAL REPORT.—Section 667 of such title is amended—

(1) by redesignating paragraph (18) as paragraph (19); and

(2) by inserting after paragraph (17) the following new paragraph (18):

''(18) The number of officers granted credit for service in joint duty assignments under section 664(i) of this title and—

''(A) of those officers—

''(i) the number of officers credited with having completed a tour of duty in a joint duty assignment; and

''(ii) the number of officers granted credit for purposes of determining cumulative service in joint duty assignments; and

''(B) the identity of each operation for which an officer has been granted credit pursuant to section 664(i) of this title and a brief description of the mission of the operation.''.

(d) GENERAL AND FLAG OFFICER EXEMPTION FROM WAIVER LIMITS.—Section 661(c)(3)(D) of such title is amended by inserting '', other than for general or flag officers,'' in the third sentence after ''during any fiscal year''.

(e) LENGTH OF SECOND JOINT TOUR.—Section 664 of such title is amended—

(1) in subsection (e)(2), by inserting after subparagraph (B) the following:

''(C) Service described in subsection (f)(6), except that no more than 10 percent of all joint duty assignments shown on the list published pursuant to section 668(b)(2)(A) of this title may be so excluded in any year.''; and

(2) in subsection (f)—

(A) by striking out ''or'' at the end of paragraph (4);

(B) by striking out the period at the end of paragraph (5) and inserting in lieu thereof ''; or''; and

(C) by adding at the end the following:

''(6) a second joint duty assignment that is less than the period required under subsection (a), but not less than 2 years, without regard to whether a waiver was granted for such assignment under subsection (b).''.

SEC. 502. REVISION OF SERVICE OBLIGATION FOR GRADUATES OF THE SERVICE ACADEMIES.

(a) MILITARY ACADEMY.—Section 4348(a)(2)(B) of such title is amended by striking out ''six years'' and inserting in lieu thereof ''five years''.

(b) NAVAL ACADEMY.—Section 6959(a)(2)(B) of such title is amended by striking out ''six years'' and inserting in lieu thereof ''five years''.

(c) AIR FORCE ACADEMY.—Section 9348(a)(2)(B) of such title is amended by striking out ''six years'' and inserting in lieu thereof ''five years''.

(d) REQUIREMENT FOR REVIEW AND REPORT.—Not later than April 1, 1996, the Secretary of Defense shall—

(1) review the effects that each of various periods of obligated active duty service for graduates of the United States Military Academy, the United States Naval Academy, and the United States Air Force Academy would have on the number and quality of the eligible and qualified applicants seeking appointment to such academies; and

(2) submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the Secretary's findings together with any recommended legislation regarding the minimum periods of obligated active duty service for graduates of the United States Military Academy, the United States Naval Academy, and the United States Air Force Academy.

(e) EFFECTIVE DATE.—(1) The amendments made by this section shall apply to persons who are first admitted to military service academies after December 31, 1991.

(2) Section 511(e) of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1439; 10 U.S.C. 2114 note) is amended—

(A) by striking out ''amendments made by this section'' and inserting in lieu thereof ''amendment made by subsection (a)''; and

(B) by striking out ''or one of the service academies''.

SEC. 503. QUALIFICATIONS FOR APPOINTMENT AS SURGEON GENERAL OF AN ARMED FORCE.

(a) SURGEON GENERAL OF THE ARMY.—Section 3036 of title 10, United States Code, is amended—

(1) in subsection (b), by inserting after the third sentence the following: ''The Surgeon General shall be appointed as prescribed in subsection (f).''; and

(2) by adding at the end the following new subsection (f):

''(f) The President shall appoint the Surgeon General from among commissioned officers in any corps of the Army Medical Department who are educationally and professionally qualified to furnish health care to other persons, including doctors of medicine, dentistry, and osteopathy, nurses, and clinical psychologists.''.

(b) SURGEON GENERAL OF THE NAVY.—Section 5137 of title 10, United States Code, is amended—

(1) in the first sentence of subsection (a), by striking out ''in the Medical Corps'' and inserting in lieu thereof ''who are educationally and professionally qualified to furnish health care to other persons, including doctors of medicine, dentistry, and osteopathy, nurses, and clinical psychologists''; and

(2) in subsection (b), by striking out ''in the Medical Corps'' and inserting in lieu thereof ''who is qualified to be the Chief of the Bureau of Medicine and Surgery''.

(c) SURGEON GENERAL OF THE AIR FORCE.—The first sentence of section 8036 of title 10, United States Code, is amended by striking out ''designated as medical officers under section 8067(a) of this title'' and inserting in lieu thereof ''educationally and professionally qualified to furnish health care to other persons, including doctors of medicine, dentistry, and osteopathy, nurses, and clinical psychologists''.

SEC. 504. DEPUTY JUDGE ADVOCATE GENERAL OF THE AIR FORCE.

(a) TENURE AND GRADE OF DEPUTY JUDGE ADVOCATE GENERAL.—Section 8037(d)(1) of such title is amended—

(1) by striking out ''two years'' in the second sentence and inserting in lieu thereof ''four years'', and

(2) by striking out the last sentence and inserting in lieu thereof the following: ''An officer appointed as Deputy Judge Advocate General who holds a lower regular grade shall be appointed in the regular grade of major general.''.

(b) SAVINGS PROVISION.—The amendments made by this section shall not apply to a person serving pursuant to appointment in the position of Deputy Judge Advocate General of the Air Force while such person is serving the term for which the person was appointed to such position before the date of the enactment of this Act and any extension of such term.

SEC. 505. RETIRING GENERAL AND FLAG OFFICERS: APPLICABILITY OF UNIFORM CRITERIA AND PROCEDURES FOR RETIRING IN HIGHEST GRADE IN WHICH SERVED.

(a) APPLICABILITY OF TIME-IN-GRADE REQUIREMENTS.—Section 1370 of title 10, United States Code, is amended—

(1) in subsection (a)(2)(A), by striking out ''and below lieutenant general or vice admiral''; and

(2) in the first sentence of subsection (d)(2)(B), as added by section 1641 of the Reserve Officer Personnel Management Act (title XVI of Public Law 103–337; 108 Stat. 2968), by striking out ''and below lieutenant general or vice admiral''.

(b) RETIREMENT IN HIGHEST GRADE UPON CERTIFICATION OF SATISFACTORY SERVICE.—Section 1370(c) of title 10, United States Code, is amended—

(1) by striking out ''Upon retirement an officer'' and inserting in lieu thereof ''An officer''; and

(2) by striking out ''may, in the discretion'' and all that follows and inserting in lieu thereof ''may be retired in the higher grade under subsection (a) only after the Secretary of Defense certifies in writing to the President and the Senate that the officer served on active duty satisfactorily in that grade. The 3-year time-in-grade requirement in paragraph (2)(A) of subsection (a) may not be reduced or waived under such subsection in the case of such an officer while the officer is under investigation for alleged misconduct or while disposition of an adverse personnel action is pending against the officer for alleged misconduct.''.

(c) CONFORMING AMENDMENTS.—Sections 3962(a), 5034, and 8962(a) of title 10, United States Code, are repealed.

(d) TECHNICAL AND CLERICAL AMENDMENTS.—(1) Sections 3962(b) and 8962(b) of such title are amended by striking out ''(b) Upon'' and inserting in lieu thereof ''Upon''.

(2) The table of sections at the beginning of chapter 505 of such title is amended by striking out the item relating to section 5034.

(e) EFFECTIVE DATE FOR AMENDMENTS TO PROVISION TAKING EFFECT IN 1996.—The amendment made by subsection (a)(2) shall take effect on October 1, 1996, immediately after subsection (d) of section 1370 of title 10, United States Code, takes effect under section 1691(b)(1) of the Reserve Officer Personnel Management Act (108 Stat. 3026).

SEC. 506. EXTENSION OF CERTAIN RESERVE OFFICER MANAGEMENT AUTHORITIES.

(a) GRADE DETERMINATION AUTHORITY FOR CERTAIN RESERVE MEDICAL OFFICERS.—Section 3359(b) and 8359(b) of title 10, United States Code, are each amended by striking out ''September 30, 1995'' and inserting in lieu thereof ''September 30, 1996''.

(b) PROMOTION AUTHORITY FOR CERTAIN RESERVE OFFICERS SERVING ON ACTIVE DUTY.—Sections 3380(d) and 8380(d) of title 10, United States Code, are each amended by striking out

''September 30, 1995'' and inserting in lieu thereof ''September 30, 1996''.

(c) YEARS OF SERVICE FOR MANDATORY TRANSFER TO THE RETIRED RESERVE.—Section 1016(d) of the Department of Defense Authorization Act, 1984 (10 U.S.C. 3360) is amended by striking out ''September 30, 1995'' and inserting in lieu thereof ''September 30, 1996''.

SEC. 507. RESTRICTIONS ON WEARING INSIGNIA FOR HIGHER GRADE BEFORE PROMOTION.

(a) ACTIVE-DUTY LIST.—(1) Subchapter II of chapter 36 of title 10, United States Code, is amended by inserting after section 624 the following:

''§ 624a. Restrictions on frocking

''(a) RESTRICTIONS.—An officer may not be frocked to a grade unless—

''(1) the Senate has confirmed by advice and consent a nomination of the officer for promotion to that grade; and

''(2) the officer is serving in, or has been ordered to, a position for which that grade is authorized.

''(b) BENEFITS NOT TO ACCRUE.—(1) An officer frocked to a grade may not, on the basis of the frocking—

''(A) be paid the rate of pay provided for an officer in that grade having the same number of years of service as the frocked officer; or

''(B) assume any legal authority associated with that grade.

''(2) The period for which an officer is frocked to a grade may not be taken into account for any of the following purposes:

''(A) Seniority in that grade.

''(B) Time of service in that grade.

''(c) NUMBERS OF ACTIVE-DUTY LIST OFFICERS FROCKED TO GRADE O–7.—The number of officers on the active-duty list who are authorized by frocking to wear the insignia for the grade of brigadier general or, in the Navy, rear admiral (lower half) may not exceed 35.

''(d) NUMBERS OF ACTIVE-DUTY LIST OFFICERS FROCKED TO GRADES O–4, O–5, AND O–6.—The number of officers of an armed force on the active-duty list who are authorized by frocking to wear the insignia for a grade to which a limitation on total number applies under section 523(a) of this title for a fiscal year may not exceed one percent of the total number provided for the officers in that grade in that armed force in the administration of the limitation under such section 523(a) for such fiscal year.

''(e) DEFINITION.—In this section, the term 'frock', with respect to an officer, means to authorize the officer to wear the insignia of a higher grade before being promoted to that grade.''.

(2) The table of sections at the beginning of subchapter II of chapter 36 of such title is amended by inserting after the item relating to section 624 the following:

''624a. Restrictions on frocking.''.

(b) TEMPORARY VARIATION OF LIMITATIONS ON NUMBERS OF FROCKED OFFICERS.—(1) In the administration of section 624a(c) of title 10, United States Code (as added by subsection (a)), for fiscal years 1996 and 1997, the maximum number applicable to officers on the active-duty list who are authorized by frocking to wear the insignia for the grade of brigadier general or, in the Navy, rear admiral (lower half) is as follows:

(A) During fiscal year 1996, 75 officers.

(B) During fiscal year 1997, 55 officers.

(2) In the administration of section 624a(d) of title 10, United States Code (as added by subsection (a)), for fiscal year 1996, the percent limitation applied under that section shall be two percent instead of one percent.

(c) DEFINITION.—In this section, the term ''frock'', with respect to an officer, means to authorize the officer to wear the insignia of a higher grade before being promoted to that grade.

SEC. 508. DIRECTOR OF ADMISSIONS, UNITED STATES MILITARY ACADEMY: RETIREMENT FOR YEARS OF SERVICE.

(a) AUTHORITY TO DIRECT RETIREMENT.—Section 3920 of title 10, United States Code, is amended to read as follows:

''§ 3920. More than thirty years: permanent professors and the Director of Admissions of United States Military Academy

''(a) AUTHORITY TO DIRECT RETIREMENT.—The Secretary of the Army may retire any of the personnel of the United States Military Academy described in subsection (b) who has more than 30 years of service as a commissioned officer.

''(b) APPLICABILITY.—The authority under subsection (a) may be exercised in the case of the following personnel:

''(1) A permanent professor.

''(2) The Director of Admissions.''.

(b) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of chapter 367 of such title is amended to read as follows:

''3920. More than thirty years: permanent professors and the Director of Admissions of United States Military Academy.''.

Subtitle B—Matters Relating to Reserve Components

SEC. 511. MOBILIZATION INCOME INSURANCE PROGRAM FOR MEMBERS OF READY RESERVE.

(a) ESTABLISHMENT OF PROGRAM.—(1) Subtitle E of title 10, United States Code, is amended by inserting after chapter 1213 the following new chapter:

''CHAPTER 1214—READY RESERVE INCOME INSURANCE

''Sec.
''12521. Definitions.
''12522. Establishment of insurance program.
''12523. Risk insured.
''12524. Enrollment and election of benefits.
''12525. Benefit amounts.
''12526. Premiums.
''12527. Payment of premiums.
''12528. Department of Defense Ready Reserve Income Insurance Fund.
''12529. Board of Actuaries.
''12530. Payment of benefits.
''12531. Purchase of insurance.
''12532. Termination for nonpayment of premiums; forfeiture.

''§ 12521. Definitions

''In this chapter:

''(1) The term 'insurance program' means the Department of Defense Ready Reserve Income Insurance Program established under section 12522 of this title.

''(2) The term 'covered service' means active duty performed by a member of a reserve component under an order to active duty for a period of more than 30 days which specifies that the member's service—

''(A) is in support of an operational mission for which members of the reserve components have been ordered to active duty without their consent; or

''(B) is in support of forces activated during a period of war declared by Congress or a period of national emergency declared by the President or Congress.

''(3) The term 'insured member' means a member of the Ready Reserve who is enrolled for coverage under the insurance program in accordance with section 12524 of this title.

''(4) The term 'Secretary' means the Secretary of Defense.

''(5) The term 'Department' means the Department of Defense.

''(6) The term 'Board of Actuaries' means the Department of Defense Education Benefits Board of Actuaries referred to in section 2006(e)(1) of this title.

''(7) The term 'Fund' means the Department of Defense Ready Reserve Income Insurance Fund established by section 12528(a) of this title.

''§ 12522. Establishment of insurance program

''(a) ESTABLISHMENT.—The Secretary shall establish for members of the Ready Reserve an insurance program to be known as the 'Department of Defense Ready Reserve Income Insurance Program'.

''(b) ADMINISTRATION.—The insurance program shall be administered by the Secretary. The Secretary may prescribe in regulations such rules, procedures, and policies as the Secretary considers necessary or appropriate to carry out the insurance program.

''§ 12523. Risk insured

''(a) IN GENERAL.—The insurance program shall insure members of the Ready Reserve against the risk of being ordered into covered service.

''(b) ENTITLEMENT TO BENEFITS.—(1) An insured member ordered into covered service shall be entitled to payment of a benefit for each month (and fraction thereof) of covered service that exceeds 30 days of covered service, except that no member may be paid under the insurance program for more than 12 months of covered service served during any period of 18 consecutive months.

''(2) Payment shall be based solely on the insured status of a member and on the period of covered service served by the member. Proof of loss of income or of expenses incurred as a result of covered service may not be required.

''§ 12524. Enrollment and election of benefits

''(a) ENROLLMENT.—(1) Except as provided in subsection (f), upon first becoming a member of the Ready Reserve, a member shall be automatically enrolled for coverage under the insurance program. An automatic enrollment of a member shall be void if within 30 days after first becoming a member of the Ready Reserve the member declines insurance under the program in accordance with the regulations prescribed by the Secretary.

''(2) Promptly after the insurance program is established, the Secretary shall offer to members of the reserve components who are then members of the Ready Reserve (other than members ineligible under subsection (f)) an opportunity to enroll for coverage under the insurance program. A member who fails to enroll within 30 days after being offered the opportunity shall be considered as having declined to be insured under the program.

''(3) A member of the Ready Reserve ineligible to enroll under subsection (f) shall be afforded an opportunity to enroll upon being released from active duty if the member has not previously had the opportunity to be enrolled under paragraph (1) or (2). A member who fails to enroll within 30 days after being afforded that opportunity shall be considered as having declined to be insured under the program.

''(b) ELECTION OF BENEFIT AMOUNT.—The amount of a member's monthly benefit under an enrollment shall be the basic benefit under subsection (a) of section 12525 of this title unless the member elects a different benefit under subsection (b) of such section within 30 days after first becoming a member of the Ready Reserve or within 30 days after being offered the opportunity to enroll, as the case may be.

''(c) ELECTIONS IRREVOCABLE.—(1) An election to decline insurance pursuant to paragraph (1) or (2) of subsection (a) is irrevocable.

''(2) Subject to subsection (d), the amount of coverage may not be changed after enrollment.

''(d) ELECTION TO TERMINATE.—A member may terminate an enrollment at any time.

''(e) INFORMATION TO BE FURNISHED.—The Secretary shall ensure that members referred to in subsection (a) are given a written explanation of the insurance program and are advised that they have the right to decline to be insured and, if not declined, to elect coverage for a reduced benefit or an enhanced benefit under subsection (b).

''(f) MEMBERS INELIGIBLE TO ENROLL.—Members of the Ready Reserve serving on active duty

(or full-time National Guard duty) are not eligible to enroll for coverage under the insurance program. The Secretary may define any additional category of members of the Ready Reserve to be excluded from eligibility to purchase insurance under this chapter.

"§ 12525. Benefit amounts

''(a) BASIC BENEFIT.—The basic benefit for an insured member under the insurance program is $1,000 per month (as adjusted under subsection (d)).

''(b) REDUCED AND ENHANCED BENEFITS.—Under the regulations prescribed by the Secretary, a person enrolled for coverage under the insurance program may elect—

''(1) a reduced coverage benefit equal to one-half the amount of the basic benefit; or

''(2) an enhanced benefit in the amount of $1,500, $2,000, $2,500, $3,000, $3,500, $4,000, $4,500, or $5,000 per month (as adjusted under subsection (d)).

''(c) AMOUNT FOR PARTIAL MONTH.—The amount of insurance payable to an insured member for any period of covered service that is less than one month shall be determined by multiplying 1/30 of the monthly benefit rate for the member by the number of days of the covered service served by the member during such period.

''(d) ADJUSTMENT OF AMOUNTS.—(1) The Secretary shall determine annually the effect of inflation on benefits and shall adjust the amounts set forth in subsections (a) and (b)(2) to maintain the constant dollar value of the benefit.

''(2) If the amount of a benefit as adjusted under paragraph (1) is not evenly divisible by $10, the amount shall be rounded to the nearest multiple of $10, except that an amount evenly divisible by $5 but not by $10 shall be rounded to the next lower amount that is evenly divisible by $10.

"§ 12526. Premiums

''(a) ESTABLISHMENT OF RATES.—(1) The Secretary, in consultation with the Board of Actuaries, shall prescribe the premium rates for insurance under the insurance program.

''(2) The Secretary shall prescribe a fixed premium rate for each $1,000 of monthly insurance benefit. The premium amount shall be equal to the share of the cost attributable to insuring the member and shall be the same for all members of the Ready Reserve who are insured under the insurance program for the same benefit amount. The Secretary shall prescribe the rate on the basis of the best available estimate of risk and financial exposure, levels of subscription by members, and other relevant factors.

''(b) LEVEL PREMIUMS.—The premium rate prescribed for the first year of insurance coverage of an insured member shall be continued without change for subsequent years of insurance coverage, except that the Secretary, after consultation with the Board of Actuaries, may adjust the premium rate in order to fund inflation-adjusted benefit increases on an actuarially sound basis.

"§ 12527. Payment of premiums

''(a) METHODS OF PAYMENT.—(1) The monthly premium for coverage of a member under the insurance program shall be deducted and withheld from the insured member's basic pay for inactive duty training each month.

''(2) An insured member who does not receive pay on a monthly basis shall pay the Secretary directly the premium amount applicable for the level of benefits for which the member is insured.

''(b) ADVANCE PAY FOR PREMIUM.—The Secretary concerned may advance to an insured member the amount equal to the first insurance premium payment due under this chapter. The advance may be paid out of appropriations for military pay. An advance to a member shall be collected from the member either by deducting and withholding the amount from basic pay payable for the member or by collecting it from the member directly. No disbursing or certifying officer shall be responsible for any loss resulting from an advance under this subsection.

''(c) PREMIUMS TO BE DEPOSITED IN FUND.—Premium amounts deducted and withheld from the basic pay of insured members and premium amounts paid directly to the Secretary shall be credited to the Fund.

"§ 12528. Department of Defense Ready Reserve Income Insurance Fund

''(a) ESTABLISHMENT.—There is established on the books of the Treasury a fund to be known as the 'Department of Defense Ready Reserve Income Insurance Fund', which shall be administered by the Secretary of the Treasury. The Fund shall be used for the accumulation of funds in order to finance the liabilities of the insurance program on an actuarially sound basis.

''(b) ASSETS OF FUND.—There shall be deposited into the Fund the following:

''(1) Premiums paid under section 12527 of this title.

''(2) Any amount appropriated to the Fund.

''(3) Any return on investment of the assets of the Fund.

''(c) AVAILABILITY.—Amounts in the Fund shall be available for paying insurance benefits under the insurance program.

''(d) INVESTMENT OF ASSETS OF FUND.—The Secretary of the Treasury shall invest such portion of the Fund as is not in the judgment of the Secretary of Defense required to meet current liabilities. Such investments shall be in public debt securities with maturities suitable to the needs of the Fund, as determined by the Secretary of Defense, and bearing interest at rates determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities. The income on such investments shall be credited to the Fund.

''(e) ANNUAL ACCOUNTING.—At the beginning of each fiscal year, the Secretary, in consultation with the Board of Actuaries and the Secretary of the Treasury, shall determine the following:

''(1) The projected amount of the premiums to be collected, investment earnings to be received, and any transfers or appropriations to be made for the Fund for that fiscal year.

''(2) The amount for that fiscal year of any cumulative unfunded liability (including any negative amount or any gain to the Fund) resulting from payments of benefits.

''(3) The amount for that fiscal year (including any negative amount) of any cumulative actuarial gain or loss to the Fund.

"§ 12529. Board of Actuaries

''(a) ACTUARIAL RESPONSIBILITY.—The Board of Actuaries shall have the actuarial responsibility for the insurance program.

''(b) VALUATIONS AND PREMIUM RECOMMENDATIONS.—The Board of Actuaries shall carry out periodic actuarial valuations of the benefits under the insurance program and determine a premium rate methodology for the Secretary to use in setting premium rates for the insurance program. The Board shall conduct the first valuation and determine a premium rate methodology not later than six months after the insurance program is established.

''(c) EFFECTS OF CHANGED BENEFITS.—If at the time of any actuarial valuation under subsection (b) there has been a change in benefits under the insurance program that has been made since the last such valuation and such change in benefits increases or decreases the present value of amounts payable from the Fund, the Board of Actuaries shall determine a premium rate methodology, and recommend to the Secretary a premium schedule, for the liquidation of any liability (or actuarial gain to the Fund) resulting from such change and any previous such changes so that the present value of the sum of the scheduled premium payments (or reduction in payments that would otherwise be made) equals the cumulative increase (or decrease) in the present value of such benefits.

''(d) ACTUARIAL GAINS OR LOSSES.—If at the time of any such valuation the Board of Actuaries determines that there has been an actuarial gain or loss to the Fund as a result of changes in actuarial assumptions since the last valuation or as a result of any differences, between actual and expected experience since the last valuation, the Board shall recommend to the Secretary a premium rate schedule for the amortization of the cumulative gain or loss to the Fund resulting from such changes in assumptions and any previous such changes in assumptions or from the differences in actual and expected experience, respectively, through an increase or decrease in the payments that would otherwise be made to the Fund.

''(e) INSUFFICIENT ASSETS.—If at any time liabilities of the Fund exceed assets of the Fund as a result of members of the Ready Reserve being ordered to active duty as described in section 12521(2) of this title, and funds are unavailable to pay benefits completely, the Secretary shall request the President to submit to Congress a request for a special appropriation to cover the unfunded liability. If appropriations are not made to cover an unfunded liability in any fiscal year, the Secretary shall reduce the amount of the benefits paid under the insurance program to a total amount that does not exceed the assets of the Fund expected to accrue by the end of such fiscal year. Benefits that cannot be paid because of such a reduction shall be deferred and may be paid only after and to the extent that additional funds become available.

''(f) DEFINITION OF PRESENT VALUE.—The Board of Actuaries shall define the term 'present value' for purposes of this subsection.

"§ 12530. Payment of benefits

''(a) COMMENCEMENT OF PAYMENT.—An insured member who serves in excess of 30 days of covered service shall be paid the amount to which such member is entitled on a monthly basis beginning not later than one month after the 30th day of covered service.

''(b) METHOD OF PAYMENT.—The Secretary shall prescribe in the regulations the manner in which payments shall be made to the member or to a person designated in accordance with subsection (c).

''(c) DESIGNATED RECIPIENTS.—(1) A member may designate in writing another person (including a spouse, parent, or other person with an insurable interest, as determined in accordance with the regulations prescribed by the Secretary) to receive payments of insurance benefits under the insurance program.

''(2) A member may direct that payments of insurance benefits for a person designated under paragraph (1) be deposited with a bank or other financial institution to the credit of the designated person.

''(d) RECIPIENTS IN EVENT OF DEATH OF INSURED MEMBER.—Any insurance payable under the insurance program on account of a deceased member's period of covered service shall be paid, upon the establishment of a valid claim, to the beneficiary or beneficiaries which the deceased member designated in writing. If no such designation has been made, the amount shall be payable in accordance with the laws of the State of the member's domicile.

"§ 12531. Purchase of insurance

''(a) PURCHASE AUTHORIZED.—The Secretary may, instead of or in addition to underwriting the insurance program through the Fund, purchase from one or more insurance companies a policy or policies of group insurance in order to provide the benefits required under this chapter. The Secretary may waive any requirement for full and open competition in order to purchase an insurance policy under this subsection.

''(b) ELIGIBLE INSURERS.—In order to be eligible to sell insurance to the Secretary for purposes of subsection (a), an insurance company shall—

''(1) be licensed to issue insurance in each of the 50 States and in the District of Columbia; and

''(2) as of the most recent December 31 for which information is available to the Secretary, have in effect at least one percent of the total amount of insurance that all such insurance companies have in effect in the United States.

''(c) ADMINISTRATIVE PROVISIONS.—(1) An insurance company that issues a policy for purposes of subsection (a) shall establish an administrative office at a place and under a name designated by the Secretary.

''(2) For the purposes of carrying out this chapter, the Secretary may use the facilities and services of any insurance company issuing any policy for purposes of subsection (a), may designate one such company as the representative of the other companies for such purposes, and may contract to pay a reasonable fee to the designated company for its services.

''(d) REINSURANCE.—The Secretary shall arrange with each insurance company issuing any policy for purposes of subsection (a) to reinsure, under conditions approved by the Secretary, portions of the total amount of the insurance under such policy or policies with such other insurance companies (which meet qualifying criteria prescribed by the Secretary) as may elect to participate in such reinsurance.

''(e) TERMINATION.—The Secretary may at any time terminate any policy purchased under this section.

''§ 12532. Termination for nonpayment of premiums; forfeiture

''(a) TERMINATION FOR NONPAYMENT.—The coverage of a member under the insurance program shall terminate without prior notice upon a failure of the member to make required monthly payments of premiums for two consecutive months. The Secretary may provide in the regulations for reinstatement of insurance coverage terminated under this subsection.

''(b) FORFEITURE.—Any person convicted of mutiny, treason, spying, or desertion, or who refuses to perform service in the armed forces or refuses to wear the uniform of any of the armed forces shall forfeit all rights to insurance under this chapter.''.

(2) The tables of chapters at the beginning of subtitle E, and at the beginning of part II of subtitle E, of title 10, United States Code, are amended by inserting after the item relating to chapter 1213 the following new item:

''1214. Ready Reserve Income Insurance 12521''.

(b) EFFECTIVE DATE.—The insurance program provided for in chapter 1214 of title 10, United States Code, as added by subsection (a), and the requirement for deductions and contributions for that program shall take effect on September 30, 1996, or on any earlier date declared by the Secretary and published in the Federal Register.

SEC. 512. ELIGIBILITY OF DENTISTS TO RECEIVE ASSISTANCE UNDER THE FINANCIAL ASSISTANCE PROGRAM FOR HEALTH CARE PROFESSIONALS IN RESERVE COMPONENTS.

Section 16201(b) of title 10, United States Code, is amended—

(1) by striking out ''(b) PHYSICIANS IN CRITICAL SPECIALTIES.—'' and inserting in lieu thereof ''(b) PHYSICIANS AND DENTISTS IN CRITICAL SPECIALTIES.—'';

(2) in paragraph (1)—

(A) by inserting ''or dental school'' in subparagraph (A) after ''medical school'';

(B) by inserting ''or as a dental officer'' in subparagraph (B) after ''medical officer''; and

(C) by striking out ''physicians in a medical specialty designated'' and inserting in lieu thereof ''physicians or dentists in a medical specialty or dental specialty, respectively, that is designated''; and

(3) in paragraph (2)(B), by inserting ''or dental officer'' after ''medical officer''.

SEC. 513. LEAVE FOR MEMBERS OF RESERVE COMPONENTS PERFORMING PUBLIC SAFETY DUTY.

(a) ELECTION OF LEAVE TO BE CHARGED.—Subsection (b) of section 6323 of title 5, United States Code, is amended by adding at the end the following: ''Upon the request of an employee, the period for which an employee is absent to perform service described in paragraph (2) may be charged to the employee's accrued annual leave or to compensatory time available to the employee instead of being charged as leave to which the employee is entitled under this subsection. The period of absence may not be charged to sick leave.''.

(b) PAY FOR PERIOD OF ABSENCE.—Section 5519 of such title is amended by striking out ''entitled to leave'' and inserting in lieu thereof ''granted military leave''.

Subtitle C—Uniform Code of Military Justice

SEC. 521. REFERENCES TO UNIFORM CODE OF MILITARY JUSTICE.

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of chapter 47 of title 10, United States Code (the Uniform Code of Military Justice).

SEC. 522. DEFINITIONS.

Section 801 (article 1) is amended by inserting after paragraph (14) the following new paragraphs:

''(15) The term 'classified information' means any information or material that has been determined by an official of the United States pursuant to law, an Executive order, or regulation to require protection against unauthorized disclosure for reasons of national security, and any restricted data, as defined in section 11(y) of the Atomic Energy Act of 1954 (42 U.S.C. 2014(y)).

''(16) The term 'national security' means the national defense and foreign relations of the United States.''.

SEC. 523. ARTICLE 32 INVESTIGATIONS.

Section 832 (article 32) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following new subsection (d):

''(d) If evidence adduced in an investigation under this article indicates that the accused committed an uncharged offense, the investigating officer is authorized to investigate the subject matter of such offense without the accused having first been charged with the offense. If the accused was present at such investigation, was informed of the nature of each uncharged offense investigated, and was afforded the opportunities for representation, cross-examination, and presentation prescribed in subsection (b), no further investigation of such offense or offenses is necessary under this article.''.

SEC. 524. REFUSAL TO TESTIFY BEFORE COURT-MARTIAL.

Section 847(b) (article 47(b)) is amended—

(1) by inserting ''indictment or'' in the first sentence after ''shall be tried on''; and

(2) in the second sentence, by striking out ''shall be'' and all that follows and inserting in lieu thereof ''shall be fined or imprisoned, or both, at the court's discretion.''.

SEC. 525. COMMITMENT OF ACCUSED TO TREATMENT FACILITY BY REASON OF LACK OF MENTAL CAPACITY OR MENTAL RESPONSIBILITY.

(a) APPLICABLE PROCEDURES.—(1) Chapter 47 is amended by inserting after section 850a (article 50a) the following:

''§ 850b. Art. 50b. Lack of mental capacity or mental responsibility: commitment of accused for examination and treatment

''(a) PERSONS INCOMPETENT TO STAND TRIAL.—(1) In the case of a person determined under this chapter to be presently suffering from a mental disease or defect rendering the person mentally incompetent to the extent that the person is unable to understand the nature of the proceedings against that person or to conduct or cooperate intelligently in the defense of the case, the general court-martial convening authority for that person shall commit the person to the custody of the Attorney General.

''(2) The Attorney General shall take action in accordance with section 4241(d) of title 18.

''(3) If at the end of the period for hospitalization provided for in section 4241(d) of title 18, it is determined that the committed person's mental condition has not so improved as to permit the trial to proceed, action shall be taken in accordance with section 4246 of such title.

''(4)(A) When the director of a facility in which a person is hospitalized pursuant to paragraph (2) determines that the person has recovered to such an extent that the person is able to understand the nature of the proceedings against the person and to conduct or cooperate intelligently in the defense of the case, the director shall promptly transmit a notification of that determination to the Attorney General and to the general court-martial convening authority for the person. The director shall send a copy of the notification to the person's counsel.

''(B) Upon receipt of a notification, the general court-martial convening authority shall promptly take custody of the person unless the person covered by the notification is no longer subject to this chapter. If the person is no longer subject to this chapter, the Attorney General shall take any action within the authority of the Attorney General that the Attorney General considers appropriate regarding the person.

''(C) The director of the facility may retain custody of the person for not more than 30 days after transmitting the notifications required by subparagraph (A).

''(5) In the application of section 4246 of title 18 to a case under this subsection, references to the court that ordered the commitment of a person, and to the clerk of such court, shall be deemed to refer to the general court-martial convening authority for that person. However, if the person is no longer subject to this chapter at a time relevant to the application of such section to the person, the United States district court for the district where the person is hospitalized or otherwise may be found shall be considered as the court that ordered the commitment of the person.

''(b) PERSONS FOUND NOT GUILTY BY REASON OF LACK OF MENTAL RESPONSIBILITY.—(1) If a person is found by a court-martial not guilty only by reason of lack of mental responsibility, the person shall be committed to a suitable facility until the person is eligible for release in accordance with this section.

''(2) The court-martial shall conduct a hearing on the mental condition in accordance with subsection (c) of section 4243 of title 18. Subsections (b) and (d) of that section shall apply with respect to the hearing.

''(3) A report of the results of the hearing shall be made to the general court-martial convening authority for the person.

''(4) If the court-martial fails to find by the standard specified in subsection (d) of section 4243 of title 18 that the person's release would not create a substantial risk of bodily injury to another person or serious damage of property of another due to a present mental disease or defect—

''(A) the general court-martial convening authority may commit the person to the custody of the Attorney General; and

''(B) the Attorney General shall take action in accordance with subsection (e) of section 4243 of title 18.

''(5) Subsections (f), (g), and (h) of section 4243 of title 18 shall apply in the case of a person hospitalized pursuant to paragraph (4)(B), except that the United States district court for the district where the person is hospitalized shall be considered as the court that ordered the person's commitment.

''(c) GENERAL PROVISIONS.—(1) Except as otherwise provided in this subsection and subsection (d)(1), the provisions of section 4247 of title 18 apply in the administration of this section.

''(2) In the application of section 4247(d) of title 18 to hearings conducted by a court-martial under this section or by (or by order of) a general court-martial convening authority under this section, the reference in that section to section 3006A of such title does not apply.

''(d) APPLICABILITY.—(1) The provisions of chapter 313 of title 18 referred to in this section apply according to the provisions of this section notwithstanding section 4247(j) of title 18.

''(2) If the status of a person as described in section 802 of this title (article 2) terminates while the person is, pursuant to this section, in the custody of the Attorney General, hospitalized, or on conditional release under a prescribed regimen of medical, psychiatric, or psychological care or treatment, the provisions of this section establishing requirements and procedures regarding a person no longer subject to this chapter shall continue to apply to that person notwithstanding the change of status.''.

(2) The table of sections at the beginning of subchapter VII of such chapter is amended by inserting after the item relating to section 850a (article 50a) the following:

''850b. 50b. Lack of mental capacity or mental responsibility: commitment of accused for examination and treatment.''.

(b) CONFORMING AMENDMENT.—Section 802 of title 10, United States Code (article 2 of the Uniform Code of Military Justice), is amended by adding at the end the following:

''(e) The provisions of this section are subject to section 850b(d)(2) of this title (article 50b(d)(2)).''.

(c) EFFECTIVE DATE.—Section 850b of title 10, United States Code (article 50b of the Uniform Code of Military Justice), as added by subsection (a), shall take effect 180 days after the date of the enactment of this Act and shall apply with respect to charges referred to courts-martial on or after that effective date.

SEC. 526. FORFEITURE OF PAY AND ALLOWANCES AND REDUCTION IN GRADE.

(a) EFFECTIVE DATE OF PUNISHMENTS.—Section 857(a) (article 57(a)) is amended to read as follows:

''(a)(1) Any forfeiture of pay, forfeiture of allowances, or reduction in grade included in a sentence of a court-martial takes effect on the earlier of—

''(A) the date that is 14 days after the date on which the sentence is adjudged; or

''(B) the date on which the sentence is approved by the convening authority.

''(2) On application by an accused, the convening authority may defer any forfeiture of pay, forfeiture of allowances, or reduction in grade that would otherwise become effective under paragraph (1)(A) until the date on which the sentence is approved by the convening authority. The deferment may be rescinded at any time by the convening authority.

''(3) A forfeiture of pay or allowances shall be collected from pay accruing on and after the date on which the sentence takes effect under paragraph (1). Periods during which a sentence to forfeiture of pay or forfeiture of allowances is suspended or deferred shall be excluded in computing the duration of the forfeiture.

''(4) In this subsection, the term 'convening authority', with respect to a sentence of a court-martial, means any person authorized to act on the sentence under section 860 of this title (article 60).''.

(b) EFFECT OF PUNITIVE SEPARATION OR CONFINEMENT FOR ONE YEAR OR MORE.—(1) Subchapter VIII is amended by inserting after section 858a (article 58a) the following new section (article):

''§ 858b. Art. 58b. Sentences: forfeiture of pay and allowances

''(a) A sentence adjudged by a court-martial that includes confinement for one year or more, death, dishonorable discharge, bad-conduct discharge, or dismissal shall result in the forfeiture of all pay and allowances due that member during any period of confinement or parole. The forfeiture required by this section shall take effect on the date determined under section 857(a) of this title (article 57(a)) and may be deferred in accordance with that section.

''(b) In a case involving an accused who has dependents, the convening authority or other person acting under section 860 of this title (article 60) may waive any or all of the forfeitures of pay and allowances required by subsection (a) for a period not to exceed six months. Any amount of pay or allowances that, except for a waiver under this subsection, would be forfeited shall be paid, as the convening authority or other person taking action directs, to the dependents of the accused.

''(c) If the sentence of a member who forfeits pay and allowances under subsection (a) is set aside or disapproved or, as finally approved, does not provide for a punishment referred to in subsection (a), the member shall be paid the pay and allowances which the member would have been paid, except for the forfeiture, for the period during which the forfeiture was in effect.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter VIII of such chapter is amended by adding at the end the following new item:

''858b. 58b. Sentences: forfeiture of pay and allowances.''.

(c) APPLICABILITY.—The amendments made by this section shall apply to a case in which a sentence is adjudged by a court-martial on or after the first day of the first month that begins at least 30 days after the date of the enactment of this Act.

SEC. 527. DEFERMENT OF CONFINEMENT.

Section 857 (article 57) is amended by striking out subsection (e) and inserting in lieu thereof the following:

''(e)(1) When an accused in the custody of a State or foreign country is returned temporarily to military authorities for trial by court-martial and is later returned to that State or foreign country under the authority of a mutual agreement or treaty, the convening authority of the court-martial may defer the service of the sentence to confinement without the consent of the accused. The deferment shall terminate when the accused is released permanently to military authorities by the State or foreign country having custody of the accused.

''(2) In this subsection, the term 'State' includes the District of Columbia and any commonwealth, territory, or possession of the United States.

''(f) While a review of a case under section 867(a)(2) of this title (article 67(a)(2)) is pending, the Secretary concerned or, when designated by the Secretary, an Under Secretary, an Assistant Secretary, the Judge Advocate General, or a commanding officer may defer further service of a sentence to confinement which has been ordered executed in such case.''.

SEC. 528. SUBMISSION OF MATTERS TO THE CONVENING AUTHORITY FOR CONSIDERATION.

Section 860(b)(1) (article 60(b)(1)) is amended by inserting after the first sentence the following: ''Any such submission shall be in writing.''.

SEC. 529. PROCEEDINGS IN REVISION.

Section 860(e)(2) (article 60(e)(2)) is amended by striking out the first sentence and inserting in lieu thereof the following: ''A proceeding in revision may be ordered before authentication of the record of trial in order to correct a clerical mistake in a judgment, order, or other part of the record or any error in the record arising from oversight or omission.''.

SEC. 530. APPEAL BY THE UNITED STATES.

Section 862(a)(1) (article 62(a)(1)) is amended to read as follows:

''(a)(1)(A) In a trial by court-martial in which a military judge presides and in which a punitive discharge may be adjudged, the United States may appeal the following:

''(i) An order or ruling of the military judge which terminates the proceedings with respect to a charge or specification.

''(ii) An order or ruling which excludes evidence that is substantial proof of a fact material in the proceeding.

''(iii) An order or ruling which directs the disclosure of classified information.

''(iv) An order or ruling which imposes sanctions for nondisclosure of classified information.

''(v) A refusal of the military judge to issue a protective order sought by the United States to prevent the disclosure of classified information.

''(vi) A refusal by the military judge to enforce an order described in clause (v) that has previously been issued by appropriate authority.

''(B) The United States may not appeal an order or ruling that is or that amounts to, a finding of not guilty with respect to the charge or specification.''.

SEC. 531. FLIGHT FROM APPREHENSION.

(a) IN GENERAL.—Section 895 (article 95) is amended to read as follows:

''§ 895. Art. 95. Resistance, flight, breach of arrest, and escape

''Any person subject to this chapter who—

''(1) resists apprehension;

''(2) flees from apprehension;

''(3) breaks arrest; or

''(4) escapes from custody or confinement;

shall be punished as a court-martial may direct.''.

(b) CLERICAL AMENDMENT.—The item relating to section 895 (article 95) in the table of sections at the beginning of subchapter X is amended to read as follows:

''895. Art. 95. Resistance, flight, breach of arrest, and escape.''.

SEC. 532. CARNAL KNOWLEDGE.

(a) GENDER NEUTRALITY.—Subsection (b) of section 920 (article 120) is amended to read as follows:

''(b) Any person subject to this chapter who, under circumstances not amounting to rape, commits an act of sexual intercourse with a person—

''(1) who is not that person's spouse; and

''(2) who has not attained the age of sixteen years;

is guilty of carnal knowledge and shall be punished as a court-martial may direct.''.

(b) MISTAKE OF FACT.—Such section (article) is further amended by adding at the end the following new subsection:

''(d)(1) In a prosecution under subsection (b), it is an affirmative defense that—

''(A) the person with whom the accused committed the act of sexual intercourse had at the time of the alleged offense attained the age of twelve years; and

''(B) the accused reasonably believed that that person had at the time of the alleged offense attained the age of sixteen years.

''(2) The accused has the burden of proving a defense under paragraph (1) by a preponderance of the evidence.''.

SEC. 533. TIME AFTER ACCESSION FOR INITIAL INSTRUCTION IN THE UNIFORM CODE OF MILITARY JUSTICE.

Section 937(a)(1) (article 137(a)(1)) is amended by striking out ''within six days'' and inserting in lieu thereof ''within fourteen days''.

SEC. 534. TECHNICAL AMENDMENT.

Section 866(f) (article 66(f)) is amended by striking out ''Courts of Military Review'' both places it appears and inserting in lieu thereof ''Courts of Criminal Appeals''.

SEC. 535. PERMANENT AUTHORITY CONCERNING TEMPORARY VACANCIES ON THE COURT OF APPEALS FOR THE ARMED FORCES.

Section 1301 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1569; 10 U.S.C. 942 note) is amended by striking out subsection (i).

SEC. 536. ADVISORY PANEL ON UCMJ JURISDICTION OVER CIVILIANS ACCOMPANYING THE ARMED FORCES IN TIME OF ARMED CONFLICT.

(a) ESTABLISHMENT.—Not later than December 15, 1996, the Secretary of Defense and the Attorney General shall jointly establish an advisory panel to review and make recommendations on jurisdiction over civilians accompanying the Armed Forces in time of armed conflict.

(b) MEMBERSHIP.—The panel shall be composed of at least 5 individuals, including experts in military law, international law, and federal civilian criminal law. In making appointments to the panel, the Secretary and the Attorney General shall ensure that the members of the panel reflect diverse experiences in the conduct of prosecution and defense functions.

(c) DUTIES.—The panel shall—

(1) review historical experiences and current practices concerning the employment, training, discipline, and functions of civilians accompanying the Armed Forces in the field;

(2) make specific recommendations (in accordance with subsection (d)) concerning—

(A) establishing court-martial jurisdiction over civilians accompanying the Armed Forces in the field during time of armed conflict not involving a war declared by Congress;

(B) revisions to the jurisdiction of the Article III courts over such persons; and

(C) establishment of Article I courts to exercise jurisdiction over such persons; and

(3) make such additional recommendations (in accordance with subsection (d)) as the panel considers appropriate as a result of the review.

(d) REPORT.—(1) Not later than December 15, 1996, the advisory panel shall transmit a report on the findings and recommendations of the panel to the Secretary of Defense and the Attorney General.

(2) Not later than January 15, 1997, the Secretary of Defense and the Attorney General shall jointly transmit the report of the advisory panel to Congress. The Secretary and the Attorney General may include in the transmittal any joint comments on the report that they consider appropriate, and either such official may include in the transmittal any separate comments on the report that such official considers appropriate.

(e) DEFINITIONS.—In this section:

(1) The term ''Article I court'' means a court established under Article I of the Constitution.

(2) The term ''Article III court'' means a court established under Article III of the Constitution.

(f) TERMINATION OF PANEL.—The panel shall terminate 30 days after the date of submission of the report to the Secretary of Defense and the Attorney General under subsection (d).

Subtitle D—Decorations and Awards

SEC. 541. AWARD OF PURPLE HEART TO CERTAIN FORMER PRISONERS OF WAR.

(a) AUTHORITY TO MAKE AWARD.—The President may award the Purple Heart to a person who, while serving in the Armed Forces of the United States before April 25, 1962—

(1) was taken prisoner or held captive—

(A) in an action against an enemy of the United States;

(B) in military operations involving conflict with an opposing foreign force;

(C) during service with friendly forces engaged in an armed conflict against an opposing armed force in which the United States was not a belligerent party;

(D) as the result of an action of any such enemy or opposing armed force; or

(E) as the result of an act of any foreign hostile force; and

(2) was wounded while being taken prisoner or held captive.

(b) STANDARDS.—An award of the Purple Heart may be made under subsection (a) only in accordance with the standards in effect on the date of the enactment of this Act for the award of the Purple Heart to a member of the Armed Forces who, on or after April 25, 1962, has been taken prisoner and held captive under circumstances described in that subsection.

(c) EXCEPTION FOR AIDING THE ENEMY.—An award of a Purple Heart may not be made under this section to any person convicted by a court of competent jurisdiction of rendering assistance to any enemy of the United States.

(d) COVERED WOUNDS.—A wound determined by the Secretary of Veterans Affairs as being a service-connected injury arising from being taken prisoner or held captive under circumstances described in subsection (a) satisfies the condition set forth in paragraph (2) of that subsection.

(e) RELATIONSHIP TO OTHER AUTHORITY TO AWARD THE PURPLE HEART.—The authority under this section is in addition to any other authority of the President to award the Purple Heart.

SEC. 542. MERITORIOUS AND VALOROUS SERVICE DURING VIETNAM ERA: REVIEW AND AWARDS.

(a) FINDINGS.—Congress makes the following findings:

(1) The Ia Drang Valley (Pleiku) campaign, carried out by the Armed Forces of the United States in the Ia Drang Valley of Vietnam from October 23, 1965, to November 26, 1965, is illustrative of the many battles which pitted forces of the United States against North Vietnamese Army regulars and Viet Cong in vicious fighting in which many members of the Armed Forces displayed extraordinary heroism, sacrifice, and bravery which has not yet been officially recognized through award of appropriate decorations.

(2) Accounts of these battles published since the war ended authoritatively document repeated acts of extraordinary heroism, sacrifice, and bravery on the part of many members of the Armed Forces who were engaged in these battles, many of whom have never been officially recognized for those acts.

(3) In some of the battles United States military units suffered substantial losses, in some cases a majority of the strength of the units.

(4) The incidence of heavy casualties throughout the war inhibited the timely collection of comprehensive and detailed information to support recommendations for awards for the acts of heroism, sacrifice, and bravery performed.

(5) Requests to the Secretaries of the military departments for review of award recommendations for those acts have been denied because of restrictions in law and regulations that require timely filing of recommendations and documented justification.

(6) Acts of heroism, sacrifice, and bravery performed in combat by members of the Armed Forces of the United States deserve appropriate and timely recognition by the people of the United States.

(7) It is appropriate to recognize military personnel for acts of extraordinary heroism, sacrifice, or bravery that are belatedly, but properly, documented by persons who witnessed those acts.

(b) WAIVER OF RESTRICTIONS ON AWARDS.—(1) Notwithstanding any other provision of law, the Secretary of Defense or the Secretary of the military department concerned may award or upgrade a decoration to any person for an act, an achievement, or service that the person performed in a campaign while serving on active duty during the Vietnam era.

(2) Paragraph (1) applies to any decoration (including any device in lieu of a decoration) that, during or after the Vietnam era and before the date of the enactment of this Act, was authorized by law or under regulations of the Department of Defense or the military department concerned to be awarded to a person for an act, an achievement, or service performed by that person while serving on active duty.

(c) REVIEW OF AWARD RECOMMENDATIONS.—(1) The Secretary of each military department shall review all recommendations for awards for acts, achievements, or service described in subsection (b)(1) that have been received by the Secretary during the period of the review.

(2) The Secretaries shall begin the review within 30 days after the date of the enactment of this Act and shall complete the review within one year after such date.

(3) The Secretary may use the same process for carrying out the review as the Secretary uses for reviewing other recommendations for awarding decorations to members of the armed force or armed forces under the Secretary's jurisdiction for acts, achievements, or service.

(4)(A) Upon completing the review, the Secretary shall submit a report on the review to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives.

(B) The report shall contain the following information on each recommendation for award reviewed:

(i) A summary of the recommendation.

(ii) The findings resulting from the review.

(iii) The final action taken on the recommendation.

(d) DEFINITIONS.—In this section:

(1) The term ''Vietnam era'' has the meaning given that term in section 101(29) of title 38, United States Code.

(2) The term ''active duty'' has the meaning given such term in section 101(d)(1) of title 10, United States Code.

SEC. 543. MILITARY INTELLIGENCE PERSONNEL PREVENTED BY SECRECY FROM BEING CONSIDERED FOR DECORATIONS AND AWARDS.

(a) WAIVER ON RESTRICTIONS OF AWARDS.—(1) Notwithstanding any other provision of law, the President, the Secretary of Defense, or the Secretary of the military department concerned may award a decoration to any person for an act, achievement, or service that the person performed in carrying out military intelligence duties during the period January 1, 1940, through December 31, 1990.

(2) Paragraph (1) applies to any decoration (including any device in lieu of a decoration) that, during or after the period described in paragraph (1) and before the date of the enactment of this Act, was authorized by law or under the regulations of the Department of Defense or the military department concerned to be awarded to a person for an act, achievement, or service performed by that person while serving on active duty.

(b) REVIEW OF AWARD RECOMMENDATIONS.—(1) The Secretary of each military department shall review all recommendations for awards of decorations for acts, achievements, or service described in subsection (a)(1) that have been received by the Secretary during the period of the review.

(2) The Secretary shall begin the review within 30 days after the date of the enactment of this Act and shall complete the review within one year after such date.

(3) The Secretary may use the same process for carrying out the review as the Secretary uses for reviewing other recommendations for awarding decorations to members of the armed force or armed forces under the Secretary's jurisdiction for acts, achievements, or service.

(4) The Secretary may reject a recommendation if the Secretary determines that there is a justifiable basis for concluding that the recommendation is specious.

(5) The Secretary shall take reasonable actions to publicize widely the opportunity to recommend awards of decorations under this section.

(6)(A) Upon completing the review, the Secretary shall submit a report on the review to the

Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives.

(B) The report shall contain the following information on each recommendation for an award reviewed:

(i) A summary of the recommendation.

(ii) The findings resulting from the review.

(iii) The final action taken on the recommendation.

(iv) Administrative or legislative recommendations to improve award procedures with respect to military intelligence personnel.

(c) DEFINITION.—In this section, the term ''active duty'' has the meaning given such term in section 101(d)(1) of title 10, United States Code.

SEC. 544. REVIEW REGARDING AWARDS OF DISTINGUISHED-SERVICE CROSS TO ASIAN-AMERICANS AND PACIFIC ISLANDERS FOR CERTAIN WORLD WAR II SERVICE.

(a) REVIEW REQUIRED.—The Secretary of the Army shall—

(1) review the records relating to the award of the Distinguished-Service Cross to Asian-Americans and Native American Pacific Islanders for service as members of the Army during World War II in order to determine whether the award should be upgraded to the Medal of Honor; and

(2) submit to the President a recommendation that the President award a Medal of Honor to each such person for whom the Secretary determines an upgrade to be appropriate.

(b) WAIVER OF TIME LIMITATIONS.—The President is authorized to award a Medal of Honor to any person referred to in subsection (a) in accordance with a recommendation of the Secretary of the Army submitted under that subsection. The following restrictions do not apply in the case of any such person:

(1) Sections 3744 and 8744 of title 10, United States Code.

(2) Any regulation or other administrative restriction on—

(A) the time for awarding a Medal of Honor; or

(B) the awarding of a Medal of Honor for service for which a Distinguished-Service Cross has been awarded.

(c) DEFINITIONS.—In this section:

(1) The term ''Native American Pacific Islander'' means a Native Hawaiian and any other Native American Pacific Islander within the meaning of the Native American Programs Act of 1974 (42 U.S.C. 2991 et seq.).

(2) The term ''World War II'' has the meaning given that term in section 101(8) of title 38, United States Code.

Subtitle E—Other Matters

SEC. 551. DETERMINATION OF WHEREABOUTS AND STATUS OF MISSING PERSONS.

(a) PURPOSE.—The purpose of this section is to ensure that any member of the Armed Forces is accounted for by the United States (by the return of such person alive, by the return of the remains of such person, or by the decision that credible evidence exists to support another determination of the status of such person) and, as a general rule, is not declared dead solely because of the passage of time.

(b) IN GENERAL.—(1) Part II of subtitle A of title 10, United States Code, is amended by inserting after chapter 75 the following new chapter:

''CHAPTER 76—MISSING PERSONS

''Sec.
''1501. System for accounting for missing persons.
''1502. Missing persons: initial report.
''1503. Actions of Secretary concerned; initial board inquiry.
''1504. Subsequent board of inquiry.
''1505. Further review.
''1506. Personnel files.
''1507. Recommendation of status of death.
''1508. Return alive of person declared missing or dead.
''1509. Effect on State law.
''1510. Definitions.

''§ 1501. System for accounting for missing persons

''(a) OFFICE FOR MISSING PERSONNEL.—(1) The Secretary of Defense shall establish within the Office of the Secretary of Defense an office to have responsibility for Department of Defense policy relating to missing persons. Subject to the authority, direction, and control of the Secretary of Defense, the responsibilities of the office shall include—

''(A) policy, control, and oversight within the Department of Defense of the entire process for investigation and recovery related to missing persons; and

''(B) coordination for the Department of Defense with other departments and agencies of the United States on all matters concerning missing persons.

''(2) In carrying out the responsibilities of the office established under this subsection, the head of the office shall coordinate the efforts of that office with those of other departments and agencies and other elements of the Department of Defense for such purposes and shall be responsible for the coordination for such purposes within the Department of Defense among the military departments, the Joint Staff, and the commanders of the combatant commands.

''(3) The office shall establish policies, which shall apply uniformly throughout the Department of Defense, for personnel recovery.

''(4) The office shall establish procedures to be followed by Department of Defense boards of inquiry, and by officials reviewing the reports of such boards, under this chapter.

''(b) SEARCH AND RESCUE.—Notwithstanding subsection (a), responsibility for search and rescue policies within the Department of Defense shall be established by the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict.

''(c) UNIFORM DOD PROCEDURES.—(1) The Secretary of Defense shall prescribe procedures, to apply uniformly throughout the Department of Defense, for—

''(A) the determination of the status of persons described in subsection (e); and

''(B) for the systematic, comprehensive, and timely collection, analysis, review, dissemination, and periodic update of information related to such persons.

''(2) Such procedures may provide for the delegation by the Secretary of Defense of any responsibility of the Secretary under this chapter to the Secretary of a military department.

''(3) Such procedures shall be prescribed in a single directive applicable to all elements of the Department of Defense, other than the elements carrying out activities relating to search and rescue.

''(4) As part of such procedures, the Secretary may provide for the extension, on a case by-case basis, of any time limit specified in section 1503 or 1504 of this title. Any such extension may not be for a period in excess of the period with respect to which the extension is provided. Subsequent extensions may be provided on the same basis.

''(d) COAST GUARD.—(1) The Secretary of Transportation shall designate an officer of the Department of Transportation to have responsibility within the Department of Transportation for matters relating to missing persons who are Coast Guard personnel.

''(2) The Secretary of Transportation shall prescribe procedures for the determination of the status of persons described in subsection (e) who are personnel of the Coast Guard and for the collection, analysis, review, and update of information on such persons. To the maximum extent practicable, the procedures prescribed under this paragraph shall be similar to the procedures prescribed by the Secretary of Defense under subsection (c).

''(e) COVERED PERSONS.—Section 1502 of this title applies in the case of any member of the armed forces on active duty who becomes involuntarily absent as a result of a hostile action, or under circumstances suggesting that the involuntary absence is a result of a hostile action, and whose status is undetermined or who is unaccounted for.

''(f) PRIMARY NEXT OF KIN.—The individual who is primary next of kin of any person prescribed in subsection (e) may for purposes of this chapter designate another individual to act on behalf of that individual as primary next of kin. The Secretary concerned shall treat an individual so designated as if the individual designated were the primary next of kin for purposes of this chapter. A designation under this subsection may be revoked at any time by the person who made the designation.

''(g) TERMINATION OF APPLICABILITY OF PROCEDURES WHEN MISSING PERSON IS ACCOUNTED FOR.—The provisions of this chapter relating to boards of inquiry and to the actions by the Secretary concerned on the reports of those boards shall cease to apply in the case of a missing person upon the person becoming accounted for or otherwise being determined to be in a status other than missing.

''§ 1502. Missing persons: initial report

''(a) PRELIMINARY ASSESSMENT AND RECOMMENDATION BY COMMANDER.—After receiving information that the whereabouts or status of a person described in section 1501(e) of this title is uncertain and that the absence of the person may be involuntary, the commander of the unit, facility, or area to or in which the person is assigned shall make a preliminary assessment of the circumstances. If, as a result of that assessment, the commander concludes that the person is missing, the commander shall—

''(1) recommend that the person be placed in a missing status; and

''(2) transmit that recommendation to the Secretary of Defense or the Secretary having jurisdiction over the missing person in accordance with procedures prescribed under section 1501 of this title.

''(b) FORWARDING OF RECORDS.—The commander making the initial assessment shall (in accordance with procedures prescribed under section 1501 of this title) safeguard and forward for official use any information relating to the whereabouts or status of a missing person that result from the preliminary assessment or from actions taken to locate the person.

''§ 1503. Actions of Secretary concerned; initial board inquiry

''(a) DETERMINATION BY SECRETARY.—(1) Upon receiving a recommendation on the status of a person under section 1502(a)(2) of this title, the Secretary receiving the recommendation shall review the recommendation.

''(2) After reviewing the recommendation on the status of a person, the Secretary shall—

''(A) make a determination whether the person shall be declared missing; or

''(B) if the Secretary determines that a status other than missing may be warranted for the person, appoint a board under this section to carry out an inquiry into the whereabouts or status of the person.

''(b) INQUIRIES INVOLVING MORE THAN ONE MISSING PERSON.—If it appears to the Secretary who appoints a board under this section that the absence or missing status of two or more persons is factually related, the Secretary may appoint a single board under this section to conduct the inquiry into the whereabouts or status of such persons.

''(c) COMPOSITION.—(1) A board appointed under this section to inquire into the whereabouts or status of a person shall consist of at least one military officer who has experience with and understanding of military operations or activities similar to the operation or activity in which the person disappeared.

''(2) An individual may be appointed as a member of a board under this section only if the individual has a security clearance that affords

the individual access to all information relating to the whereabouts and status of the missing persons covered by the inquiry.

''(3) The Secretary who appoints a board under this subsection shall, for purposes of providing legal counsel to the board, assign to the board a judge advocate, or appoint to the board an attorney, who has expertise in the law relating to missing persons, the determination of death of such persons, and the rights of family members and dependents of such persons.

''(d) DUTIES OF BOARD.—A board appointed to conduct an inquiry into the whereabouts or status of a missing person under this section shall—

''(1) collect, develop, and investigate all facts and evidence relating to the disappearance, whereabouts, or status of the person;

''(2) collect appropriate documentation of the facts and evidence covered by the investigation;

''(3) analyze the facts and evidence, make findings based on that analysis, and draw conclusions as to the current whereabouts and status of the person; and

''(4) with respect to each person covered by the inquiry, recommend to the Secretary who appointed the board that—

''(A) the person be placed in a missing status; or

''(B) the person be declared to have deserted, to be absent without leave, or to be dead.

''(e) BOARD PROCEEDINGS.—During the proceedings of an inquiry under this section, a board shall—

''(1) collect, record, and safeguard all facts, documents, statements, photographs, tapes, messages, maps, sketches, reports, and other information (whether classified or unclassified) relating to the whereabouts or status of each person covered by the inquiry;

''(2) gather information relating to actions taken to find the person, including any evidence of the whereabouts or status of the person arising from such actions; and

''(3) maintain a record of its proceedings.

''(f) ACCESS TO PROCEEDINGS.—The proceedings of a board during an inquiry under this section shall be closed to the public (including, with respect to the person covered by the inquiry, the primary next of kin, other members of the immediate family, and any other previously designated person of the person).

''(g) RECOMMENDATION ON STATUS OF MISSING PERSONS.—(1) Upon completion of its inquiry, a board appointed under this section shall make a recommendation to the Secretary who appointed the board as to the appropriate determination of the current whereabouts or status of each person whose whereabouts and status were covered by the inquiry.

''(2)(A) A board may not recommend under paragraph (1) that a person be declared dead unless the board determines that the evidence before it established conclusive proof of the death of the person.

''(B) In this paragraph, the term 'conclusive proof of death' means credible evidence establishing that death is the only credible explanation for the absence of the person.

''(h) REPORT.—(1) A board appointed under this section shall submit to the Secretary who appointed the board a report on the inquiry carried out by the board. The report shall include—

''(A) a discussion of the facts and evidence considered by the board in the inquiry;

''(B) the recommendation of the board under subsection (g) with respect to each person covered by the report; and

''(C) disclosure of whether classified documents and information were reviewed by the board or were otherwise used by the board in forming recommendations under subparagraph (B).

''(2) A board shall submit a report under this subsection with respect to the inquiry carried out by the board not later than 30 days after the date of the appointment of the board to carry out the inquiry.

''(3) A report submitted under this subsection with respect to a missing person may not be made public until one year after the date on which the report is submitted, and not without the approval of the primary next of kin of the person.

''(i) DETERMINATION BY SECRETARY.—(1) Not later than 30 days after the receipt of a report from a board under subsection (j), the Secretary receiving the report shall review the report.

''(2) In reviewing a report under paragraph (1) the Secretary shall determine whether or not the report is complete and free of administrative error. If the Secretary determines that the report is incomplete, or that the report is not free of administrative error, the Secretary may return the report to the board for further action on the report by the board.

''(3) Upon a determination by the Secretary that a report reviewed under this subsection is complete and free of administrative error, the Secretary shall make a determination concerning the status of each person covered by the report, including whether the person shall—

''(A) be declared missing;

''(B) be declared to have deserted;

''(C) be declared to be absent without leave; or

''(D) be declared to be dead.

''(j) REPORT TO FAMILY MEMBERS AND OTHER INTERESTED PERSONS.—Not later than 30 days after the date on which the Secretary concerned makes a determination of the status of a person under subsection (a)(2) or (i), the Secretary shall take reasonable actions to—

''(1) provide to the primary next of kin, the other members of the immediate family, and any other previously designated person of the person—

''(A) an unclassified summary of the unit commander's report with respect to the person under section 1502(a) of this title; and

''(B) if a board was appointed to carry out an inquiry into the person under this section, the report of the board (including the names of the members of the board) under subsection (h); and

''(2) inform each individual referred to in paragraph (1) that the United States will conduct a subsequent inquiry into the whereabouts or status of the person on or about one year after the date of the first official notice of the disappearance of the person, unless information becomes available sooner that may result in a change in status of the person.

''(k) TREATMENT OF DETERMINATION.—Any determination of the status of a missing person under subsection (a)(2) or (i) shall be treated as the determination of the status of the person by all departments and agencies of the United States.

"§ 1504. Subsequent board of inquiry

''(a) ADDITIONAL BOARD.—If information that may result in a change of status of a person covered by a determination under subsection (a)(2) or (i) of section 1503 of this title becomes available within one year after the date of the transmission of a report with respect to the person under section 1502(a)(2) of this title, the Secretary concerned shall appoint a board under this section to conduct an inquiry into the information.

''(b) DATE OF APPOINTMENT.—The Secretary concerned shall appoint a board under this section to conduct an inquiry into the whereabouts and status of a missing person on or about one year after the date of the transmission of a report concerning the person under section 1502(a)(2) of this title.

''(c) COMBINED INQUIRIES.—If it appears to the Secretary concerned that the absence or status of two or more persons is factually related, the Secretary may appoint one board under this section to conduct the inquiry into the whereabouts or status of such persons.

''(d) COMPOSITION.—(1) Subject to paragraphs (2) and (3), a board appointed under this section shall consist of not less than three officers having the grade of major or lieutenant commander or above.

''(2) The Secretary concerned shall designate one member of a board appointed under this section as president of the board. The president of the board shall have a security clearance that affords the president access to all information relating to the whereabouts and status of each person covered by the inquiry.

''(3) One member of each board appointed under this subsection shall be an individual who—

''(A) has a occupational specialty similar to that of one or more of the persons covered by the inquiry; and

''(B) has an understanding of and expertise in the type of official activities that one or more such persons were engaged in at the time such person or persons disappeared.

''(4) The Secretary who appoints a board under this subsection shall, for purposes of providing legal counsel to the board, assign to the board a judge advocate, or appoint to the board an attorney, who has expertise in the law relating to missing persons, the determination of death of such persons, and the rights of family members and dependents of such persons.

''(e) DUTIES OF BOARD.—A board appointed under this section to conduct an inquiry into the whereabouts or status of a person shall—

''(1) review the report with respect to the person transmitted under section 1502(a)(2) of this title, and the report, if any, submitted under subsection (h) of section 1503 of this title by the board appointed to conduct inquiry into the status of the person under such section 1503;

''(2) collect and evaluate any document, fact, or other evidence with respect to the whereabouts or status of the person that has become available since the determination of the status of the person under section 1503 of this title;

''(3) draw conclusions as to the whereabouts or status of the person;

''(4) determine on the basis of the activities under paragraphs (1) and (2) whether the status of the person should be continued or changed; and

''(5) submit to the Secretary concerned a report describing the findings and conclusions of the board, together with a recommendation for a determination by the Secretary concerning the whereabouts or status of the person.

''(f) ATTENDANCE OF FAMILY MEMBERS AND CERTAIN OTHER INTERESTED PERSONS AT PROCEEDINGS.—(1) With respect to any person covered by a inquiry under this section, the primary next of kin, other members of the immediate family, and any other previously designated person of the person may attend the proceedings of the board during the inquiry.

''(2) The Secretary concerned shall take reasonable actions to notify each individual referred to in paragraph (1) of the opportunity to attend the proceedings of a board. Such notice shall be provided not less than 60 days before the first meeting of the board.

''(3) An individual who receives notice under paragraph (2) shall notify the Secretary of the intent, if any, of that individual to attend the proceedings of the board not later than 21 days after the date on which the individual receives the notice.

''(4) Each individual who notifies the Secretary under paragraph (3) of the individual's intent to attend the proceedings of the board—

''(A) in the case of a individual who is the primary next of kin or other member of the immediate family of a missing person whose status is a subject of the inquiry and whose receipt of the pay or allowances (including allotments) of the person could be reduced or terminated as a result of a revision in the status of the person, may attend the proceedings of the board with private counsel;

''(B) shall have access to the personnel file of the missing person, to unclassified reports, if any, of the board appointed under section 1503 of this title to conduct the inquiry into the whereabouts and status of the person, and to any other unclassified information or documents

relating to the whereabouts and status of the person;

''(C) shall be afforded the opportunity to present information at the proceedings of the board that such individual considers to be relevant to those proceedings; and

''(D) subject to paragraph (5), shall be given the opportunity to submit in writing an objection to any recommendation of the board under subsection (h) as to the status of the missing person.

''(5)(A) Individuals who wish to file objections under paragraph (4)(D) to any recommendation of the board shall—

''(i) submit a letter of intent to the president of the board not later than 2 days after the date on which the recommendations are made; and

''(ii) submit to the president of the board the objections in writing not later than 15 days after the date on which the recommendations are made.

''(B) The president of a board shall include any objections to a recommendation of the board that are submitted to the president of the board under subparagraph (A) in the report of the board containing the recommendation under subsection (h).

''(6) An individual referred to in paragraph (1) who attends the proceedings of a board under this subsection shall not be entitled to reimbursement by the United States for any costs (including travel, lodging, meals, local transportation, legal fees, transcription costs, witness expenses, and other expenses) incurred by that individual in attending such proceedings.

''(g) AVAILABILITY OF INFORMATION TO BOARDS.—(1) In conducting proceedings in an inquiry under this section, a board may secure directly from any department or agency of the United States any information that the board considers necessary in order to conduct the proceedings.

''(2) Upon written request from the president of a board, the head of a department or agency of the United States shall release information covered by the request to the board. In releasing such information, the head of the department or agency shall—

''(A) declassify to an appropriate degree classified information; or

''(B) release the information in a manner not requiring the removal of markings indicating the classified nature of the information.

''(3)(A) If a request for information under paragraph (2) covers classified information that cannot be declassified, cannot be removed before release from the information covered by the request, or cannot be summarized in a manner that prevents the release of classified information, the classified information shall be made available only to the president of the board making the request.

''(B) The president of a board shall close to persons who do not have appropriate security clearances the proceeding of the board at which classified information is discussed. Participants at a proceeding of a board at which classified information is discussed shall comply with all applicable laws and regulations relating to the disclosure of classified information. The Secretary concerned shall assist the president of a board in ensuring that classified information is not compromised through board proceedings.

''(h) RECOMMENDATION ON STATUS.—(1) Upon completion of an inquiry under this subsection, a board shall make a recommendation as to the current whereabouts or status of each missing person covered by the inquiry.

''(2) A board may not recommend under paragraph (1) that a person be declared dead unless—

''(A) proof of death is established by the board; or

''(B) in making the recommendation, the board complies with section 1507 of this title.

''(i) REPORT.—A board appointed under this section shall submit to the Secretary concerned a report on the inquiry carried out by the board, together with the evidence considered by the board during the inquiry. The report may include a classified annex.

''(j) ACTIONS BY SECRETARY CONCERNED.—(1) Not later than 30 days after the receipt of a report from a board under subsection (i), the Secretary shall review—

''(A) the report; and

''(B) the objections, if any, to the report submitted to the president of the board under subsection (f)(5).

''(2) In reviewing a report under paragraph (1) (including the objections described in subparagraph (B) of that paragraph), the Secretary concerned shall determine whether or not the report is complete and free of administrative error. If the Secretary determines that the report is incomplete, or that the report is not free of administrative error, the Secretary may return the report to the board for further action on the report by the board.

''(3) Upon a determination by the Secretary that a report reviewed under this subsection is complete and free of administrative error, the Secretary shall make a determination concerning the status of each person covered by the report.

''(k) REPORT TO FAMILY MEMBERS AND OTHER INTERESTED PERSONS.—Not later than 60 days after the date on which the Secretary concerned makes a determination with respect to a missing person under subsection (j), the Secretary shall—

''(1) provide an unclassified summary of the report reviewed by the Secretary in making the determination to the primary next of kin, the other members of the immediate family, and any other previously designated person of the person; and

''(2) in the case of a person who continues to be in a missing status, inform each individual referred to in paragraph (1) that the United States will conduct subsequent inquiries into the whereabouts or status of the person upon obtaining credible information that may result in a change in the status of the person.

''(l) TREATMENT OF DETERMINATION.—Any determination of the status of a missing person under subsection (j) shall supersede the determination of the status of the person under section 1503 of this title and shall be treated as the determination of the status of the person by all departments and agencies of the United States.

''§ 1505. Further review

''(a) SUBSEQUENT REVIEW.—(1) The Secretary concerned shall conduct subsequent inquiries into the whereabouts or status of any person determined by the Secretary under section 1504 of this title to be in a missing status.

''(2) The Secretary concerned shall appoint a board to conduct an inquiry with respect to a person under this subsection upon obtaining credible information that may result in a change of status of the person.

''(b) CONDUCT OF PROCEEDINGS.—The appointment of, and activities before, a board appointed under this section shall be governed by the provisions of section 1504 of this title with respect to a board appointed under that section.

''§ 1506. Personnel files

''(a) INFORMATION IN FILES.—Except as provided in subsections (b), (c), and (d), the Secretary of the department having jurisdiction over a missing person at the time of the person's disappearance shall, to the maximum extent practicable, ensure that the personnel file of the person contains all information in the possession of the United States relating to the disappearance and whereabouts or status of the person.

''(b) CLASSIFIED INFORMATION.—(1) The Secretary concerned may withhold classified information from a personnel file under this section.

''(2) If the Secretary concerned withholds classified information from a personnel file, the Secretary shall ensure that the file contains the following:

''(A) A notice that the withheld information exists.

''(B) A notice of the date of the most recent review of the classification of the withheld information.

''(c) PROTECTION OF PRIVACY.—The Secretary concerned shall maintain personnel files under this section, and shall permit disclosure of or access to such files, in accordance with the provisions of section 552a of title 5 and with other applicable laws and regulations pertaining to the privacy of the persons covered by the files.

''(d) PRIVILEGED INFORMATION.—The Secretary concerned shall withhold reports obtained as privileged information from the personnel files under this section. If the Secretary withholds a report from a personnel file under this subsection, the Secretary shall ensure that the file contains a notice that the withheld information exists.

''(e) WRONGFUL WITHHOLDING.—Except as otherwise provided by law, any person who knowingly and willfully withholds from the personnel file of a missing person any information relating to the disappearance or whereabouts or status of a missing person shall be fined as provided in title 18 or imprisoned not more than one year, or both.

''(f) AVAILABILITY OF INFORMATION.—The Secretary concerned shall, upon request, make available the contents of the personnel file of a missing person to the primary next of kin, the other members of the immediate family, or any other previously designated person of the person.

''§ 1507. Recommendation of status of death

''(a) REQUIREMENTS RELATING TO RECOMMENDATION.—A board appointed under section 1504 or 1505 of this title may not recommend that a person be declared dead unless—

''(1) credible evidence exists to suggest that the person is dead;

''(2) the United States possesses no credible evidence that suggests that the person is alive;

''(3) representatives of the United States have made a complete search of the area where the person was last seen (unless, after making a good faith effort to obtain access to such area, such representatives are not granted such access); and

''(4) representatives of the United States have examined the records of the government or entity having control over the area where the person was last seen (unless, after making a good faith effort to obtain access to such records, such representatives are not granted such access).

''(b) SUBMITTAL OF INFORMATION ON DEATH.—If a board appointed under section 1504 or 1505 of this title makes a recommendation that a missing person be declared dead, the board shall, to the maximum extent practicable, include in the report of the board with respect to the person under such section the following:

''(1) A detailed description of the location where the death occurred.

''(2) A statement of the date on which the death occurred.

''(3) A description of the location of the body, if recovered.

''(4) If the body has been recovered and is not identifiable through visual means, a certification by a practitioner of an appropriate forensic science that the body recovered is that of the missing person.

''§ 1508. Return alive of person declared missing or dead

''(a) PAY AND ALLOWANCES.—Any person (except for a person subsequently determined to have been absent without leave or a deserter) in a missing status or declared dead under the Missing Persons Act of 1942 (56 Stat. 143) or chapter 10 of title 37 or by a board appointed under this chapter who is found alive and returned to the control of the United States shall be paid for the full time of the absence of the person while given that status or declared dead

under the law and regulations relating to the pay and allowances of persons returning from a missing status.

''(b) EFFECT ON GRATUITIES PAID AS A RESULT OF STATUS.—Subsection (a) shall not be interpreted to invalidate or otherwise affect the receipt by any person of a death gratuity or other payment from the United States on behalf of a person referred to in subsection (a) before the date of the enactment of this chapter.

''§ 1509. Effect on State law

''Nothing in this chapter shall be construed to invalidate or limit the power of any State court or administrative entity, or the power of any court or administrative entity of any political subdivision thereof, to find or declare a person dead for purposes of such State or political subdivision.

''§ 1510. Definitions

''In this chapter:

''(1) The term 'missing person' means a member of the armed forces on active duty who is in a missing status.

''(2) The term 'missing status' means the status of a missing person who is determined to be absent in a category of—

''(A) missing;

''(B) missing in action;

''(C) interned in a foreign country;

''(D) captured;

''(E) beleaguered;

''(F) besieged; or

''(G) detained.

''(3) The term 'accounted for', with respect to a person in a missing status, means that—

''(A) the person is returned to United States control alive;

''(B) the remains of the person are identified by competent authority; or

''(C) credible evidence exists to support another determination of the person's status.

''(4) The term 'primary next of kin', in the case of a missing person, means the individual authorized to direct disposition of the remains of the person under section 1482(c) of this title.

''(5) The term 'member of the immediate family', in the case of a missing person, means the following:

''(A) The spouse of the person.

''(B) A natural child, adopted child, step child, or illegitimate child (if acknowledged by the person or parenthood has been established by a court of competent jurisdiction) of the person, except that if such child has not attained the age of 18 years, the term means a surviving parent or legal guardian of such child.

''(C) A biological parent of the person, unless legal custody of the person by the parent has been previously terminated by reason of a court decree or otherwise under law and not restored.

''(D) A brother or sister of the person, if such brother or sister has attained the age of 18 years.

''(E) Any other blood relative or adoptive relative of the person, if such relative was given sole legal custody of the person by a court decree or otherwise under law before the person attained the age of 18 years and such custody was not subsequently terminated before that time.

''(6) The term 'previously designated person', in the case of a missing person, means an individual designated by the person under section 655 of this title for purposes of this chapter.

''(7) The term 'classified information' means any information determined as such under applicable laws and regulations of the United States.

''(8) The term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

''(9) The term 'Secretary concerned' includes the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Department of the Navy.

''(10) The term 'armed forces' includes Coast Guard personnel operating in conjunction with, in support of, or under the command of a unified combatant command (as that term is used in section 6 of this title).''.

(2) The tables of chapters at the beginning of subtitle A, and at the beginning of part II of subtitle A, of title 10, United States Code, are amended by inserting after the item relating to chapter 75 the following new item:

''76. Missing Persons ..... 1501''.

(c) CONFORMING AMENDMENTS.—Chapter 10 of title 37, United States Code, is amended as follows:

(1) Section 555 is amended—

(A) in subsection (a), by striking out ''when a member'' and inserting in lieu thereof ''except as provided in subsection (d), when a member''; and

(B) by adding at the end the following new subsection:

''(d) This section does not apply in a case to which section 1502 of title 10 applies.''.

(2) Section 552 is amended—

(A) in subsection (a), by striking out ''for all purposes,'' in the second sentence of the matter following paragraph (2) and all that follows through the end of the sentence and inserting in lieu thereof ''for all purposes.'';

(B) in subsection (b), by inserting ''or under chapter 76 of title 10'' before the period at the end; and

(C) in subsection (e), by inserting ''or under chapter 76 of title 10'' after ''section 555 of this title'' after ''section 555 of this title''.

(3) Section 553 is amended—

(A) in subsection (f), by striking out ''the date the Secretary concerned receives evidence that'' and inserting in lieu thereof ''the date on which, in a case covered by section 555 of this title, the Secretary concerned receives evidence, or, in a case covered by chapter 76 of title 10, the Secretary concerned determines pursuant to that chapter that''; and

(B) in subsection (g), by inserting ''or under chapter 76 of title 10'' after section 555 of this title''.

(4) Section 556 is amended—

(A) in subsection (a), by inserting after paragraph (7) the following: ''Paragraphs (1), (5), (6), and (7) shall only apply with respect to a case to which section 555 of this title applies.'';

(B) in subsection (b), by inserting '', in a case to which section 555 of this title applies,'' after ''When the Secretary concerned''; and

(C) In subsection (h)—

(i) in the first sentence, by striking out ''status'' and inserting in lieu thereof ''pay''; and

(ii) in the second sentence, by inserting ''in a case to which section 555 of this title applies'' after ''under this section''.

(d) DESIGNATION OF INDIVIDUALS HAVING INTEREST IN STATUS OF SERVICE MEMBERS.—(1) Chapter 37 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 655. Designation of persons having interest in status of a missing member

''(a) The Secretary concerned shall, upon the enlistment or appointment of a person in the armed forces, require that the person specify in writing the person or persons, if any, other than that person's primary next of kin or immediate family, to whom information on the whereabouts or status of the member shall be provided if such whereabouts or status are investigated under chapter 76 of this title. The Secretary shall periodically, and whenever the member is deployed as part of a contingency operation or in other circumstances specified by the Secretary, require that such designation be reconfirmed, or modified, by the member.

''(b) The Secretary concerned shall, upon the request of a member, permit the member to revise the person or persons specified by the member under subsection (a) at any time. Any such revision shall be in writing.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''655. Designation of persons having interest in status of a missing member.''.

(e) ACCOUNTING FOR CIVILIAN EMPLOYEE AND CONTRACTORS OF THE UNITED STATES.—(1) The Secretary of State shall carry out a comprehensive study of the Missing Persons Act of 1942 (56 Stat. 143), and any other laws and regulations establishing procedures for the accounting for of civilian employees of the United States or contractors of the United States who serve with or accompany the Armed Forces in the field. The purpose of the study is to determine the means, if any, by which such procedures may be improved.

(2) The Secretary of State shall carry out the study required under paragraph (1) in consultation with the Secretary of Defense, the Secretary of Transportation, the Director of Central Intelligence, and the heads of such other departments and agencies of the Federal Government as the President shall designate for that purpose.

(3) In carrying out the study, the Secretary of State shall examine the procedures undertaken when a civilian employee referred to in paragraph (1) becomes involuntarily absent as a result of a hostile action, or under circumstances suggesting that the involuntary absence is a result of a hostile action, and whose status is undetermined or who is unaccounted for, including procedures for—

(A) search and rescue for the employee;

(B) determining the status of the employee;

(C) reviewing and changing the status of the employee;

(D) determining the rights and benefits accorded to the family of the employee; and

(E) maintaining and providing appropriate access to the records of the employee and the investigation into the status of the employee.

(4) Not later than one year after the date of the enactment of this Act, the Secretary of State shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the study carried out by the Secretary under this subsection. The report shall include the recommendations, if any, of the Secretary for legislation to improve the procedures covered by the study.

SEC. 552. SERVICE NOT CREDITABLE FOR PERIODS OF UNAVAILABILITY OR INCAPACITY DUE TO MISCONDUCT.

(a) ENLISTED SERVICE CREDIT.—Section 972 of title 10, United States Code, is amended—

(1) by striking out paragraphs (3) and (4) and inserting in lieu thereof the following:

''(3) is confined by military or civilian authorities for more than one day in connection with a trial, whether before, during, or after the trial; or''; and

(2) by redesignating paragraph (5) paragraph (4).

(b) OFFICER SERVICE CREDIT.—Chapter 49 of title 10, United States Code, is amended by inserting after section 972 the following new section:

''§ 972a. Officers: service not creditable

''(a) IN GENERAL.—Except as provided in subsection (b), an officer of an armed force may not receive credit for service in the armed forces for any purpose for a period for which the officer—

''(1) deserts;

''(2) is absent from the officer's organization, station, or duty for more than one day without proper authority, as determined by competent authority;

''(3) is confined by military or civilian authorities for more than one day in connection with a trial, whether before, during, or after the trial; or

''(4) is unable for more than one day, as determined by competent authority, to perform the officer's duties because of intemperate use of

drugs or alcoholic liquor, or because of disease or injury resulting from the officer's misconduct.

''(b) INAPPLICABILITY TO COMPUTATION OF BASIC PAY.—Subsection (a) does not apply to a determination of the amount of basic pay of the officer under section 205 of title 37.''.

(c) ARMY COMPUTATION OF YEARS OF SERVICE.—Section 3926 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(e) A period for which service credit is denied under section 972a(a) of this title may not be counted for purposes of computing years of service under this section.''.

(d) NAVY COMPUTATION OF YEARS OF SERVICE.—Chapter 571 of title 10, United States Code, is amended by inserting after section 6327 the following new section:

''§ 6328. Computation of years of service: service not creditable

''(a) ENLISTED MEMBERS.—Years of service computed under this chapter may not include a period of unavailability or incapacity to perform duties that is required under section 972 of this title to be made up by performance of service for an additional period.

''(b) OFFICERS.—A period for which service credit is denied under section 972a(a) of this title may not be counted for purposes of computing years of service under this chapter.''.

(e) AIR FORCE COMPUTATION OF YEARS OF SERVICE.—Section 8926 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(d) A period for which service credit is denied under section 972a(a) of this title may not be counted for purposes of computing years of service under this section.''.

(f) CLERICAL AMENDMENTS.—(1) The table of sections at the beginning of chapter 49 of title 10, United States Code, is amended by inserting after the item relating to section 972 the following:

''972a. Officers: service not creditable.''.

(2) The table of sections at the beginning of chapter 571 of title 10, United States Code, is amended by inserting after the item relating to section 6327 the following new item:

''6328. Computation of years of service: service not creditable.''.

(g) EFFECTIVE DATE AND APPLICABILITY.—The amendments made by this section shall take effect on October 1, 1995, and shall apply to occurrences on or after that date of unavailability or incapacity to perform duties as described in section 972 or 972a of title 10, United States Code, as the case may be.

SEC. 553. SEPARATION IN CASES INVOLVING EXTENDED CONFINEMENT.

(a) SEPARATION.—(1)(A) Chapter 59 of title 10, United States Code, is amended by adding at the end the following:

''§ 1178. Persons under confinement for one year or more

''Except as otherwise provided in regulations prescribed by the Secretary of Defense, a person sentenced by a court-martial to a period of confinement for one year or more may be separated from the person's armed force at any time after the sentence to confinement has become final under chapter 47 of this title and the person has served in confinement for a period of one year.''.

(B) The table of sections at the beginning of chapter 59 of such title is amended by inserting at the end thereof the following new item:

''1178. Persons under confinement for one year or more.''.

(2)(A) Chapter 1221 of title 10, United States Code, is amended by adding at the end the following:

''§ 12687. Persons under confinement for one year or more

''Except as otherwise provided in regulations prescribed by the Secretary of Defense, a Reserve sentenced by a court-martial to a period of confinement for one year or more may be separated from the person's armed force at any time after the sentence to confinement has become final under chapter 47 of this title and the person has served in confinement for a period of one year.''.

(B) The table of sections at the beginning of chapter 1221 of such title is amended by inserting at the end thereof the following new item:

''12687. Persons under confinement for one year or more.''.

(b) DROP FROM ROLLS.—(1) Section 1161(b) of title 10, United States Code, is amended by striking out ''or (2)'' and inserting in lieu thereof ''(2) who may be separated under section 1178 of this title by reason of a sentence to confinement adjudged by a court-martial, or (3)''.

(2) Section 12684 of such title is amended—

(A) by striking out ''or'' at the end of paragraph (1);

(B) by redesignating paragraph (2) as paragraph (3); and

(C) by inserting after paragraph (1) the following new paragraph (2):

''(2) who may be separated under section 12687 of this title by reason of a sentence to confinement adjudged by a court-martial; or''.

SEC. 554. DURATION OF FIELD TRAINING OR PRACTICE CRUISE REQUIRED UNDER THE SENIOR RESERVE OFFICERS' TRAINING CORPS PROGRAM.

Section 2104(b)(6)(A)(ii) of title 10, United States Code, is amended by striking out ''not less than six weeks' duration'' and inserting in lieu thereof ''a duration''.

SEC. 555. CORRECTION OF MILITARY RECORDS.

(a) REVIEW OF PROCEDURES.—The Secretary of each military department shall review the system and procedures used by the Secretary in the exercise of authority under section 1552 of title 10, United States Code, in order to identify potential improvements that could be made in the process for correcting military records to ensure fairness, equity, and, consistent with appropriate service to applicants, maximum efficiency.

(b) ISSUES REVIEWED.—In conducting the review, the Secretary shall consider the following issues:

(1) The composition of the board for correction of military records and of the support staff for the board.

(2) Timeliness of final action.

(3) Independence of deliberations by the civilian board for the correction of military records.

(4) The authority of the Secretary to modify the recommendations of the board.

(5) Burden of proof and other evidentiary standards.

(6) Alternative methods for correcting military records.

(c) REPORT.—(1) Not later than April 1, 1996, the Secretary of each military department shall submit a report on the results of the Secretary's review under this section to the Secretary of Defense. The report shall contain the recommendations of the Secretary of the military department for improving the process for correcting military records in order to achieve the objectives referred to in subsection (a).

(2) The Secretary of Defense shall immediately transmit a copy of the report to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives.

SEC. 556. LIMITATION ON REDUCTIONS IN MEDICAL PERSONNEL.

(a) LIMITATION ON REDUCTIONS.—Unless the Secretary of Defense makes the certification described in subsection (b) for a fiscal year, the Secretary may not reduce the number of medical personnel of the Department of Defense—

(1) in fiscal year 1996, to a number that is less than—

(A) 95 percent of the number of such personnel at the end of fiscal year 1994; or

(B) 90 percent of the number of such personnel at the end of fiscal year 1993; and

(2) in any fiscal year beginning after September 30, 1996, to a number that is less than—

(A) 95 percent of the number of such personnel at the end of the immediately preceding fiscal year; or

(B) 90 percent of the number of such personnel at the end of the third fiscal year preceding the fiscal year.

(b) CERTIFICATION.—The Secretary may make a reduction described in subsection (a) if the Secretary certifies to Congress that—

(1) the number of medical personnel of the Department that is being reduced is excess to the current and projected needs of the military departments; and

(2) such reduction will not result in an increase in the cost of health care services provided under the Civilian Health and Medical Program of the Uniformed Services.

(c) REPORT ON PLANNED REDUCTIONS.—Not later than March 1, 1996, the Assistant Secretary of Defense having responsibility for health affairs, in consultation with Surgeon General of the Army, the Surgeon General of the Navy, and the Surgeon General of the Air Force, shall submit to the congressional defense committees a plan for the reduction of the number of medical personnel of the Department of Defense over the 5-year period beginning on October 1, 1996.

(d) REPEAL OF OBSOLETE PROVISIONS OF LAW.—(1) Section 711 of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 115 note) is repealed.

(2) Section 718 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1404; 10 U.S.C. 115 note) is amended by striking out subsection (b).

(3) Section 518 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2407) is repealed.

(e) DEFINITION.—For purposes of this section, the term ''medical personnel'' has the meaning given such term in section 115a(g)(2) of title 10, United States Code, except that such term includes civilian personnel of the Department of Defense assigned to military medical facilities.

SEC. 557. REPEAL OF REQUIREMENT FOR ATHLETIC DIRECTOR AND NONAPPROPRIATED FUND ACCOUNT FOR THE ATHLETICS PROGRAMS AT THE SERVICE ACADEMIES.

(a) UNITED STATES MILITARY ACADEMY.—(1) Section 4357 of title 10, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 403 of such title is amended by striking out the item relating to section 4357.

(b) UNITED STATES NAVAL ACADEMY.—Section 556 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2774) is amended by striking out subsections (b), (d), and (e).

(c) UNITED STATES AIR FORCE ACADEMY.—(1) Section 9356 of title 10, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 903 of such title is amended by striking out the item relating to section 9356.

SEC. 558. PROHIBITION ON USE OF FUNDS FOR SERVICE ACADEMY PREPARATORY SCHOOL TEST PROGRAM.

Notwithstanding any other provision of law, none of the funds authorized to be appropriated by this Act, or otherwise made available, to the Department of Defense may be obligated to carry out a test program for determining the cost effectiveness of transferring to the private sector the mission of operating one or more preparatory schools for the United States Military Academy, the United States Naval Academy, and the United States Air Force Academy.

SEC. 559. CENTRALIZED JUDICIAL REVIEW OF DEPARTMENT OF DEFENSE PERSONNEL ACTIONS.

(a) ESTABLISHMENT.—The Secretary of Defense and the Attorney General shall jointly establish an advisory panel on centralized review of Department of Defense administrative personnel actions.

(b) MEMBERSHIP.—(1) The panel shall be composed of five members appointed as follows:

(A) One member appointed by the Chief Justice of the United States.

(B) Three members appointed by the Secretary of Defense.

(C) One member appointed by the Attorney General.

(2) The Secretary of Defense shall designate one of the members appointed under paragraph (1)(B) to serve as chairman of the panel.

(3) All members shall be appointed not later than 30 days after the date of the enactment of this Act.

(4) The panel shall meet at the call of the chairman. The panel shall hold its first meeting not later than 30 days after the date on which all members have been appointed.

(c) DUTIES.—The panel shall review, and provide findings and recommendations in accordance with subsection (d) regarding, the following matters:

(1) Whether the existing practices with regard to judicial review of administrative personnel actions of the Department of Defense are appropriate and adequate.

(2) Whether a centralized judicial review of administrative personnel actions should be established.

(3) Whether the United States Court of Appeals for the Armed Forces should conduct such reviews.

(d) REPORT.—(1) Not later than December 15, 1996, the panel shall submit a report on the findings and recommendations of the panel to the Secretary of Defense and the Attorney General.

(2) Not later than January 1, 1997, the Secretary of Defense and the Attorney General shall jointly transmit the panel's report to Congress. The Secretary and the Attorney General may include in the transmittal any joint comments on the report that they consider appropriate, and either such official may include in the transmittal any separate comments on the report that such official considers appropriate.

(e) TERMINATION OF PANEL.—The panel shall terminate 30 days after the date of submission of the report to the Secretary of Defense and the Attorney General under subsection (d).

SEC. 560. DELAY IN REORGANIZATION OF ARMY ROTC REGIONAL HEADQUARTERS STRUCTURE.

(a) DELAY.—The Secretary of the Army may not take any action to reorganize the regional headquarters and basic camp structure of the Reserve Officers Training Corps program of the Army until six months after the date on which the report required by subsection (d) is submitted.

(b) COST-BENEFIT ANALYSIS.—The Secretary of the Army shall conduct a comparative cost-benefit analysis of various options for the reorganization of the regional headquarters and basic camp structure of the Army ROTC program. As part of such analysis, the Secretary shall measure each reorganization option considered against a common set of criteria.

(c) SELECTION OF REORGANIZATION OPTION FOR IMPLEMENTATION.—Based on the findings resulting from the cost-benefit analysis under subsection (b) and such other factors as the Secretary considers appropriate, the Secretary shall select one reorganization option for implementation. The Secretary may select an option for implementation only if the Secretary finds that the cost-benefit analysis and other factors considered clearly demonstrate that such option, better than any other option considered—

(1) provides the structure to meet projected mission requirements;

(2) achieves the most significant personnel and cost savings;

(3) uses existing basic and advanced camp facilities to the maximum extent possible;

(4) minimizes additional military construction costs; and

(5) makes maximum use of the reserve components to support basic and advanced camp operations, thereby minimizing the effect of those operations on active duty units.

(d) REPORT.—Not later than 60 days after the date of the enactment of this Act, the Secretary of the Army shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report describing the reorganization option selected under subsection (c). The report shall include the results of the cost-benefit analysis under subsection (b) and a detailed rationale for the reorganization option selected.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

SEC. 601. MILITARY PAY RAISE FOR FISCAL YEAR 1996.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—Any adjustment required by section 1009 of title 37, United States Code, in elements of compensation of members of the uniformed services to become effective during fiscal year 1996 shall not be made.

(b) INCREASE IN BASIC PAY AND BAS.—Effective on January 1, 1996, the rates of basic pay and basic allowance for subsistence of members of the uniformed services are increased by 2.4 percent.

(c) INCREASE IN BAQ.—Effective on January 1, 1996, the rates of basic allowance for quarters of members of the uniformed services are increased by 5.2 percent.

SEC. 602. ELECTION OF BASIC ALLOWANCE FOR QUARTERS INSTEAD OF ASSIGNMENT TO INADEQUATE QUARTERS.

(a) ELECTION AUTHORIZED.—Section 403(b) of title 37, United States Code, is amended—

(1) by inserting ''(1)'' after ''(b)'';

(2) by designating the second sentence as paragraph (2) and, as so designated, by striking out ''However, subject'' and inserting in lieu thereof ''Subject''; and

(3) by adding at the end the following:

''(3) A member without dependents who is in pay grade E–6 and who is assigned to quarters of the United States that do not meet the minimum adequacy standards established by the Department of Defense for members in such pay grade, or to a housing facility under the jurisdiction of a uniformed service that does not meet such standards, may elect not to occupy such quarters or facility and instead to receive the basic allowance for quarters prescribed for his pay grade by this section.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on July 1, 1996.

SEC. 603. PAYMENT OF BASIC ALLOWANCE FOR QUARTERS TO MEMBERS OF THE UNIFORMED SERVICES IN PAY GRADE E–6 WHO ARE ASSIGNED TO SEA DUTY.

(a) PAYMENT AUTHORIZED.—Section 403(c)(2) of title 37, United States Code, is amended—

(1) in the first sentence, by striking out ''E–7'' and inserting in lieu thereof ''E–6''; and

(2) in the second sentence, by striking out ''E–6'' and inserting in lieu thereof ''E–5''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on July 1, 1996.

SEC. 604. LIMITATION ON REDUCTION OF VARIABLE HOUSING ALLOWANCE FOR CERTAIN MEMBERS.

(a) LIMITATION ON REDUCTION IN VHA.—Subsection (c)(3) of section 403a of title 37, United States Code, is amended by adding at the end the following new sentence: ''However, on and after January 1, 1996, the monthly amount of a variable housing allowance under this section for a member of a uniformed service with respect to an area may not be reduced so long as the member retains uninterrupted eligibility to receive a variable housing allowance within that area and the member's certified housing costs are not reduced, as indicated by certifications provided by the member under subsection (b)(4).''.

(b) EFFECT ON TOTAL AMOUNT AVAILABLE FOR VHA.—Subsection (d)(3) of such section is amended by inserting after the first sentence the following new sentence: ''In addition, the total amount determined under paragraph (1) shall be adjusted to ensure that sufficient amounts are available to allow payment of any additional amounts of variable housing allowance necessary as a result of the requirements of the second sentence of subsection (c)(3).''.

(c) REPORT ON IMPLEMENTATION.—Not later than June 1, 1996, the Secretary of Defense shall submit to Congress a report describing the procedures to be used to implement the amendments made by this section and the costs of such amendments.

SEC. 605. CLARIFICATION OF LIMITATION ON ELIGIBILITY FOR FAMILY SEPARATION ALLOWANCE.

Section 427(b)(4) of title 37, United States Code, is amended by inserting ''paragraph (1)(A) of'' after ''not entitled to an allowance under'' in the first sentence.

Subtitle B—Bonuses and Special and Incentive Pays

SEC. 611. EXTENSION OF CERTAIN BONUSES FOR RESERVE FORCES.

(a) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(f) of title 37, United States Code, is amended by striking out ''September 30, 1996'' and inserting in lieu thereof ''September 30, 1997''.

(b) SELECTED RESERVE ENLISTMENT BONUS.—Section 308c(e) of title 37, United States Code, is amended by striking out ''September 30, 1996'' and inserting in lieu thereof ''September 30, 1997''.

(c) SELECTED RESERVE AFFILIATION BONUS.—Section 308e(e) of title 37, United States Code, is amended by striking out ''September 30, 1996'' and inserting in lieu thereof ''September 30, 1997''.

(d) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS.—Section 308h(g) of title 37, United States Code, is amended by striking out ''September 30, 1996'' and inserting in lieu thereof ''September 30, 1997''.

(e) PRIOR SERVICE ENLISTMENT BONUS.—Section 308i(i) of title 37, United States Code, is amended by striking out ''September 30, 1996'' and inserting in lieu thereof ''September 30, 1997''.

SEC. 612. EXTENSION OF CERTAIN BONUSES AND SPECIAL PAY FOR NURSE OFFICER CANDIDATES, REGISTERED NURSES, AND NURSE ANESTHETISTS.

(a) NURSE OFFICER CANDIDATE ACCESSION PROGRAM.—Section 2130a(a)(1) of title 10, United States Code, is amended by striking out ''September 30, 1996'' and inserting in lieu thereof ''September 30, 1997''.

(b) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of title 37, United States Code, is amended by striking out ''September 30, 1996'' and inserting in lieu thereof ''September 30, 1997''.

(c) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of title 37, United States Code, is amended by striking out ''September 30, 1996'' and inserting in lieu thereof ''September 30, 1997''.

SEC. 613. EXTENSION OF AUTHORITY RELATING TO PAYMENT OF OTHER BONUSES AND SPECIAL PAYS.

(a) AVIATION OFFICER RETENTION BONUS.—Section 301b(a) of title 37, United States Code, is amended by striking out ''September 30, 1996,'' and inserting in lieu thereof ''September 30, 1997''.

(b) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 308(g) of title 37, United States

Code, is amended by striking out ''September 30, 1996'' and inserting in lieu thereof ''September 30, 1997''.

(c) ENLISTMENT BONUSES FOR CRITICAL SKILLS.—Sections 308a(c) and 308f(c) of title 37, United States Code, are each amended by striking out ''September 30, 1996'' and inserting in lieu thereof ''September 30, 1997''.

(d) SPECIAL PAY FOR ENLISTED MEMBERS OF THE SELECTED RESERVE ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of title 37, United States Code, is amended by striking out ''September 30, 1996'' and inserting in lieu thereof ''September 30, 1997''.

(e) REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE.—Section 16302(d) of title 10, United States Code, is amended by striking out ''October 1, 1996'' and inserting in lieu thereof ''October 1, 1997''.

(f) SPECIAL PAY FOR CRITICALLY SHORT WARTIME HEALTH SPECIALISTS IN THE SELECTED RESERVES.—Section 613(d) of the National Defense Authorization Act, Fiscal Year 1989 (37 U.S.C. 302 note) is amended by striking out ''September 30, 1996'' and inserting in lieu thereof ''September 30, 1997''.

(g) SPECIAL PAY FOR NUCLEAR QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(e) of title 37, United States Code, is amended by striking out ''September 30, 1996'' and inserting in lieu thereof ''September 30, 1997''.

(h) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(c) of title 37, United States Code, is amended by striking out ''September 30, 1996'' and inserting in lieu thereof ''September 30, 1997''.

(i) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of title 37, United States Code, is amended by striking out ''October 1, 1996'' and inserting in lieu thereof ''October 1, 1997''.

SEC. 614. HAZARDOUS DUTY INCENTIVE PAY FOR WARRANT OFFICERS AND ENLISTED MEMBERS SERVING AS AIR WEAPONS CONTROLLERS.

Section 301 of title 37, United States Code, is amended—

(1) in subsection (a)(11), by striking out ''an officer (other than a warrant officer)'' and inserting in lieu thereof ''a member of a uniformed service''; and

(2) in subsection (c)(2)—

(A) by striking out ''an officer'' each place it appears and inserting in lieu thereof ''a member'';

(B) in subparagraph (A), by striking out the table and inserting in lieu thereof the following:

''Pay grade	Years of service as an air weapons controller						
	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10
''O–7 and above	$200	$200	$200	$200	$200	$200	$200
''O–6	225	250	300	325	350	350	350
''O–5	200	250	300	325	350	350	350
''O–4	175	225	275	300	350	350	350
''O–3	125	156	188	206	350	350	350
''O–2	125	156	188	206	250	300	300
''O–1	125	156	188	206	250	250	250
''W–4	200	225	275	300	325	325	325
''W–3	175	225	275	300	325	325	325
''W–2	150	200	250	275	325	325	325
''W–1	100	125	150	175	325	325	325
''E–9	200	225	250	275	300	300	300
''E–8	200	225	250	275	300	300	300
''E–7	175	200	225	250	275	275	275
''E–6	156	175	200	225	250	250	250
''E–5	125	156	175	188	200	200	200
''E–4 and below	125	156	175	188	200	200	200

	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 24	Over 25
''O–7 and above	$200	$200	$200	$200	$200	$200	$200	$110
''O–6	350	350	350	350	300	250	250	225
''O–5	350	350	350	350	300	250	250	225
''O–4	350	350	350	350	300	250	250	225
''O–3	350	350	350	300	275	250	225	200
''O–2	300	300	300	275	245	210	200	180
''O–1	250	250	250	245	210	200	180	150
''W–4	325	325	325	325	276	250	225	200
''W–3	325	325	325	325	325	250	225	200
''W–2	325	325	325	325	275	250	225	200
''W–1	325	325	325	325	275	250	225	200
''E–9	300	300	300	300	275	230	200	200
''E–8	300	300	300	300	265	230	200	200
''E–7	300	300	300	300	265	230	200	200
''E–6	300	300	300	300	265	230	200	200
''E–5	250	250	250	250	225	200	175	150
''E–4 and below	200	200	200	200	175	150	125	125'';

and

(C) in subparagraph (B), by striking out ''the officer'' each place it appears and inserting in lieu thereof ''the member''.

SEC. 615. AVIATION CAREER INCENTIVE PAY.

(a) YEARS OF OPERATIONAL FLYING DUTIES REQUIRED.—Paragraph (4) of section 301a(a) of title 37, United States Code, is amended in the first sentence by striking out ''9'' and inserting in lieu thereof ''8''.

(b) EXERCISE OF WAIVER AUTHORITY.—Paragraph (5) of such section is amended by inserting after the second sentence the following new sentence: ''The Secretary concerned may not delegate the authority in the preceding sentence to permit the payment of incentive pay under this subsection.''.

SEC. 616. CLARIFICATION OF AUTHORITY TO PROVIDE SPECIAL PAY FOR NURSES.

Section 302c(d)(1) of title 37, United States Code, is amended—

(1) by striking out ''or an officer'' and inserting in lieu thereof ''an officer''; and

(2) by inserting before the semicolon the following: '', an officer of the Nurse Corps of the Army or Navy, or an officer of the Air Force designated as a nurse''.

SEC. 617. CONTINUOUS ENTITLEMENT TO CAREER SEA PAY FOR CREW MEMBERS OF SHIPS DESIGNATED AS TENDERS.

Section 305a(d)(1) of title 37, United States Code, is amended by striking out subparagraph (A) and inserting in lieu thereof the following:

''(A) while permanently or temporarily assigned to a ship, ship-based staff, or ship-based aviation unit and—

''(i) while serving on a ship the primary mission of which is accomplished while under way;

''(ii) while serving as a member of the off-crew of a two-crewed submarine; or

''(iii) while serving as a member of a tender-class ship (with the hull classification of submarine or destroyer); or''.

SEC. 618. INCREASE IN MAXIMUM RATE OF SPECIAL DUTY ASSIGNMENT PAY FOR ENLISTED MEMBERS SERVING AS RECRUITERS.

(a) SPECIAL MAXIMUM RATE FOR RECRUITERS.—Section 307(a) of title 37, United States Code, is amended by adding at the end the following new sentence: ''In the case of a member who is serving as a military recruiter and is eligible for special duty assignment pay under this subsection by reason of such duty, the Secretary concerned may increase the monthly rate of special duty assignment pay for the member to not more than $375.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 1996.

Subtitle C—Travel and Transportation Allowances

SEC. 621. CALCULATION ON BASIS OF MILEAGE TABLES OF SECRETARY OF DEFENSE: REPEAL OF REQUIREMENT.

Section 404(d)(1)(A) of title 37, United States Code, is amended by striking out '', based on distances established over the shortest usually traveled route, under mileage tables prepared under the direction of the Secretary of Defense''.

SEC. 622. DEPARTURE ALLOWANCES.

(a) ELIGIBILITY WHEN EVACUATION AUTHORIZED BUT NOT ORDERED.—Section 405a(a) of title 37, United States Code, is amended by striking out ''ordered'' each place it appears and inserting in lieu thereof ''authorized or ordered''.

(b) EFFECTIVE DATE AND APPLICABILITY.—The amendment made by subsection (a) shall take effect on October 1, 1995, and shall apply to persons authorized or ordered to depart as described in section 405a(a) of title 37, United States Code, on or after such date.

SEC. 623. DISLOCATION ALLOWANCE FOR MOVES RESULTING FROM A BASE CLOSURE OR REALIGNMENT.

Section 407(a) of title 37, United States Code, is amended by—

(1) by striking out ''or'' at the end of paragraph (3);

(2) by striking out the period at the end of paragraph (4) and inserting in lieu thereof ''; or''; and

(3) by adding at the end the following:

''(5) the member is ordered to move in connection with the closure or realignment of a military installation and, as a result, the member's dependents actually move or, in the case of a member without dependents, the member actually moves.''.

SEC. 624. TRANSPORTATION OF NONDEPENDENT CHILD FROM SPONSOR'S STATION OVERSEAS AFTER LOSS OF DEPENDENT STATUS WHILE OVERSEAS.

Section 406(h)(1) of title 37, United States Code, is amended by striking out the last sentence and inserting in lieu thereof the following new sentence: ''If a member receives for an unmarried child of the member transportation in kind to the member's station outside the United States or in Hawaii or Alaska, reimbursement therefor, or a monetary allowance in place thereof and, while the member is serving at that station, the child ceases to be a dependent of the member by reason of ceasing to satisfy an age requirement in section 401(a)(2) of this title or ceasing to be enrolled in an institution of higher education as described in subparagraph (C) of such section, the child shall be treated as a dependent of the member for purposes of this subsection.''.

Subtitle D—Commissaries and Nonappropriated Fund Instrumentalities

SEC. 631. USE OF COMMISSARY STORES BY MEMBERS OF THE READY RESERVE.

(a) PERIOD OF USE.—Section 1063 of title 10, United States Code, is amended—

(1) in subsection (a)(1)—

(A) by inserting ''for a period of one year on the same basis as members on active duty'' before the period at the end of the first sentence; and

(B) by striking out the second sentence;

(2) by striking out subsection (b); and

(3) by redesignating subsection (c) as subsection (b).

(b) CONFORMING AND CLERICAL AMENDMENTS.—(1) The heading for such section is amended to read as follows:

''§ 1063. Commissary stores: use by members of the Ready Reserve''.

(2) The item relating to such section in the table of sections at the beginning of chapter 54 of title 10, United State Code, is amended to read as follows:

''1063. Commissary stores: use by members of the Ready Reserve.''.

SEC. 632. USE OF COMMISSARY STORES BY RETIRED RESERVES UNDER AGE 60 AND THEIR SURVIVORS.

(a) ELIGIBILITY.—Section 1064 of title 10, United States Code, is amended to read as follows:

''§ 1064. Commissary stores: use by retired Reserves under age 60 and their survivors

''(a) RETIRED RESERVES UNDER AGE 60.—Members of the reserve components under 60 years of age who, but for age, would be eligible for retired pay under chapter 1223 of this title (or under chapter 67 of this title as in effect before December 1, 1994) shall be authorized to use commissary stores of the Department of Defense on the same basis as members and former members of the armed forces who have retired entitled to retired or retainer pay under chapter 367, 571, or 867 of this title.

''(b) SURVIVORS.—If a person authorized to use commissary stores under subsection (a) dies before attaining 60 years of age, the surviving dependents of the deceased person shall be authorized to use commissary stores of the Department of Defense on the same basis as the surviving dependents of persons who die after being retired entitled to retired or retainer pay under chapter 367, 571, or 867 of this title.

''(c) USE SUBJECT TO REGULATIONS.—Use of commissary stores under this section is subject to regulations prescribed by the Secretary of Defense.''.

(b) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of chapter 54 of title 10, United States Code, is amended to read as follows:

''1064. Commissary stores: use by retired Reserves under age 60 and their survivors.''.

SEC. 633. USE OF MORALE, WELFARE, AND RECREATION FACILITIES BY MEMBERS OF RESERVE COMPONENTS AND DEPENDENTS: CLARIFICATION OF ENTITLEMENT.

Section 1065 of title 10, United States Code, is amended to read as follows:

''§ 1065. Use of certain morale, welfare, and recreation facilities by members of reserve components and dependents

''(a) MEMBERS OF THE SELECTED RESERVE.—Members of the Selected Reserve in good standing (as determined by the Secretary concerned) shall be permitted to use MWR retail facilities on the same basis as members on active duty.

''(b) MEMBERS OF READY RESERVE NOT IN SELECTED RESERVE.—Subject to such regulations as the Secretary of Defense may prescribe, members of the Ready Reserve (other than members of the Selected Reserve) may be permitted to use MWR retail facilities on the same basis as members serving on active duty.

''(c) RETIREES UNDER AGE 60.—Members of the reserve components under 60 years of age who, but for age, would be eligible for retired pay under chapter 1223 of this title (or under chapter 67 of this title as in effect before December 1, 1994) shall be permitted to use MWR retail facilities on the same basis as members and former members of the armed forces who have retired entitled to retired or retainer pay under chapter 367, 571, or 867 of this title.

''(d) DEPENDENTS.—(1) Dependents of members referred to in subsection (a) shall be permitted to use MWR retail facilities on the same basis as dependents of members on active duty.

''(2) Dependents of members referred to in subsection (c) shall be permitted to use MWR retail facilities on the same basis as dependents of members and former members of the armed forces who have retired entitled to retired or retainer pay under chapter 367, 571, or 867 of this title.

''(e) MWR RETAIL FACILITY DEFINED.—In this section, the term 'MWR retail facilities' means exchange stores and other revenue generating facilities operated by nonappropriated fund activities of the Department of Defense for the morale, welfare, and recreation of members of the armed forces.''.

Subtitle E—Other Matters

SEC. 641. COST-OF-LIVING INCREASES FOR RETIRED PAY.

(a) MODIFICATION OF DELAYS.—Clause (ii) of section 1401a(b)(2)(B) of title 10, United States Code, is amended—

(1) by striking out ''1994, 1995, 1996, or 1997'' and inserting in lieu thereof ''1994 or 1995''; and

(2) by striking out ''September'' and inserting in lieu thereof ''March''.

(b) CONFORMING AMENDMENT.—The captions for such section 1401a(2)(B) and for clause (ii) of such section are amended by striking out ''THROUGH 1998'' and inserting in lieu thereof ''THROUGH 1996''.

(c) REPEAL OF SUPERSEDED PROVISION.—Section 8114A of Public Law 103–335 (108 Stat. 2648) is repealed.

SEC. 642. ELIGIBILITY FOR RETIRED PAY FOR NON-REGULAR SERVICE DENIED FOR MEMBERS RECEIVING CERTAIN SENTENCES IN COURTS-MARTIAL.

Section 12731 of title 10, United States Code, is amended—

(1) by redesignating subsections (d), (e), and (f) as subsections (e), (f), and (g), respectively; and

(2) by inserting after subsection (c) the following new subsection:

''(d) A person who is convicted of an offense under the Uniform Code of Military Justice (chapter 47 of this title), and whose executed sentence includes death, a dishonorable discharge, a bad conduct discharge, or (in the case of an officer) a dismissal is not eligible for retired pay under this chapter.''.

SEC. 643. RECOUPMENT OF ADMINISTRATIVE EXPENSES IN GARNISHMENT ACTIONS.

(a) IN GENERAL.—Subsection (j) of section 5520a of title 5, United States Code, is amended by striking out paragraph (2) and inserting in lieu thereof the following new paragraph (2):

''(2) Such regulations shall provide that an agency's administrative costs in executing legal process to which the agency is subject under this section shall be deducted from the amount withheld from the pay of the employee concerned pursuant to the legal process.''.

(b) INVOLUNTARY ALLOTMENTS OF PAY OF MEMBERS OF THE UNIFORMED SERVICES.—Subsection (k) of such section is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by inserting after paragraph (2) the following new paragraph (3):

''(3) Regulations under this subsection may also provide that the administrative costs in establishing and maintaining an involuntary allotment be deducted from the amount withheld from the pay of the member of the uniformed services concerned pursuant to such regulations.''.

(c) DISPOSITION OF AMOUNTS WITHHELD FOR ADMINISTRATIVE EXPENSES.—Such section is further amended by adding at the end the following:

''(l) The amount of an agency's administrative costs deducted under regulations prescribed pursuant to subsection (j)(2) or (k)(2) shall be credited to the appropriation, fund, or account from which such administrative costs were paid.''.

SEC. 644. AUTOMATIC MAXIMUM COVERAGE UNDER SERVICEMEN'S GROUP LIFE INSURANCE.

Section 1967 of title 38, United States Code, is amended—

(1) in subsections (a) and (c), by striking out ''$100,000'' each place it appears and inserting in lieu thereof in each instance ''$200,000'';

(2) by striking out subsection (e); and

(3) by redesignating subsection (f) as subsection (e).

SEC. 645. TERMINATION OF SERVICEMEN'S GROUP LIFE INSURANCE FOR MEMBERS OF THE READY RESERVE WHO FAIL TO PAY PREMIUMS.

Section 1968(a)(4) of title 38, United States Code, is amended—

(1) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof a semicolon; and

(2) by adding at the end the following:

''except that, if the member fails to make a direct remittance of a premium for the insurance to the Secretary when required to do so, the insurance shall cease with respect to the member 120 days after the date on which the Secretary transmits a notification of the termination by mail addressed to the member at the member's last known address, unless the Secretary accepts from the member full payment of the premiums in arrears within such 120-day period.''.

SEC. 646. REPORT ON EXTENDING TO JUNIOR NONCOMMISSIONED OFFICERS PRIVILEGES PROVIDED FOR SENIOR NONCOMMISSIONED OFFICERS.

(a) REPORT REQUIRED.—Not later than February 1, 1996, the Secretary of Defense shall

submit to Congress a report containing the determinations of the Secretary regarding whether, in order to improve the working conditions of noncommissioned officers in pay grades E–5 and E–6, any of the privileges afforded noncommissioned officers in any of the pay grades above E–6 should be extended to noncommissioned officers in pay grades E–5 and E–6.

(b) SPECIFIC RECOMMENDATION REGARDING ELECTION OF BAS.—The Secretary shall include in the report a determination on whether noncommissioned officers in pay grades E–5 and E–6 should be afforded the same privilege as noncommissioned officers in pay grades above E–6 to elect to mess separately and receive the basic allowance for subsistence.

(c) ADDITIONAL MATTERS.—The report shall also contain a discussion of the following matters:

(1) The potential costs of extending additional privileges to noncommissioned officers in pay grades E–5 and E–6.

(2) The effects on readiness that would result from extending the additional privileges.

(3) The options for extending the privileges on an incremental basis over an extended period.

(d) RECOMMENDED LEGISLATION.—The Secretary shall include in the report any recommended legislation that the Secretary considers necessary in order to authorize extension of a privilege as determined appropriate under subsection (a).

SEC. 647. PAYMENT TO SURVIVORS OF DECEASED MEMBERS OF THE UNIFORMED SERVICES FOR ALL LEAVE ACCRUED.

(a) INAPPLICABILITY OF 60-DAY LIMITATION.—Section 501(d) of title 37, United States Code, is amended—

(1) in paragraph (1), by striking out the third sentence; and

(2) by striking out paragraph (2) and inserting in lieu thereof the following:

''(2) The limitations in the second sentence of subsection (b)(3), subsection (f), and the second sentence of subsection (g) shall not apply with respect to a payment made under this subsection.''.

(b) CONFORMING AMENDMENT.—Section 501(f) of such title is amended by striking out '', (d),'' in the first sentence.

SEC. 648. ANNUITIES FOR CERTAIN MILITARY SURVIVING SPOUSES.

(a) STUDY REQUIRED.—(1) The Secretary of Defense shall conduct a study to determine the quantitative results (described in subsection (b)) of enactment and exercise of authority for the Secretary of the military department concerned to pay an annuity to the qualified surviving spouse of each member of the Armed Forces who—

(A) died before March 21, 1974, and was entitled to retired or retainer pay on the date of death; or

(B) was a member of a reserve component of the Armed Forces during the period beginning on September 21, 1972, and ending on October 1, 1978, and at the time of his death would have been entitled to retired pay under chapter 67 of title 10, United States Code (as in effect before December 1, 1994), but for the fact that he was under 60 years of age.

(2) A qualified surviving spouse for purposes of paragraph (1) is a surviving spouse who has not remarried and who is not eligible for an annuity under section 4 of Public Law 92–425 (10 U.S.C. 1448 note).

(b) REQUIRED DETERMINATIONS.—By means of the study required under subsection (a), the Secretary shall determine the following matters:

(1) The number of unremarried surviving spouses of deceased members and deceased former members of the Armed Forces referred to in subparagraph (A) of subsection (a)(1) who would be eligible for an annuity under authority described in such subsection.

(2) The number of unremarried surviving spouses of deceased members and deceased former members of reserve components of the Armed Forces referred to in subparagraph (B) of subsection (a)(1) who would be eligible for an annuity under authority described in such subsection.

(3) The number of persons in each group of unremarried former spouses described in paragraphs (1) and (2) who are receiving a widow's insurance benefit or a widower's insurance benefit under title II of the Social Security Act on the basis of employment of a deceased member or deceased former member referred to in subsection (a)(1).

(c) REPORT.—(1) Not later than March 1, 1996, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the results of the study.

(2) The Secretary shall include in the report a recommendation on the amount of the annuity that should be authorized to be paid under any authority described in subsection (a)(1) together with a recommendation on whether the annuity should be adjusted annually to offset increases in the cost of living.

SEC. 649. TRANSITIONAL COMPENSATION FOR DEPENDENTS OF MEMBERS OF THE ARMED FORCES SEPARATED FOR DEPENDENT ABUSE.

(a) CLARIFICATION OF ENTITLEMENT.—Section 1059(d) of title 10, United States Code, is amended by striking out ''of a separation from active duty as'' in the first sentence.

(b) EFFECTIVE DATE FOR PROGRAM AUTHORITY.—Section 554(b)(1) of the National Defense Authorization Act for Fiscal Year 1994 (107 Stat. 1666; 10 U.S.C. 1059 note) is amended by striking out ''the date of the enactment of this Act—'' and inserting in lieu thereof ''April 1, 1994—''.

TITLE VII—HEALTH CARE

Subtitle A—Health Care Services

SEC. 701. MEDICAL CARE FOR SURVIVING DEPENDENTS OF RETIRED RESERVES WHO DIE BEFORE AGE 60.

Section 1076(b) of title 10, United States Code, is amended—

(1) in clause (2)—

(A) by striking out ''death (A) would'' and inserting in lieu thereof ''death would''; and

(B) by striking out '', and (B) had elected to participate in the Survivor Benefit Plan established under subchapter II of chapter 73 of this title''; and

(2) in the second sentence, by striking out ''without regard to subclause (B) of such clause''.

SEC. 702. DENTAL INSURANCE FOR MEMBERS OF THE SELECTED RESERVE.

(a) PROGRAM AUTHORIZATION.—(1) Chapter 55 of title 10, United States Code, is amended by inserting after section 1076a the following new section:

''§ 1076b. Selected Reserve dental insurance

''(a) AUTHORITY TO ESTABLISH PLAN.—The Secretary of Defense shall establish a dental insurance plan for members of the Selected Reserve of the Ready Reserve. The plan shall provide for voluntary enrollment and for premium sharing between the Department of Defense and the members enrolled in the plan. The plan shall be administered under regulations prescribed by the Secretary of Defense.

''(b) PREMIUM SHARING.—(1) A member enrolling in the dental insurance plan shall pay a share of the premium charged for the insurance coverage. The member's share may not exceed $25 per month.

''(2) The Secretary of Defense may reduce the monthly premium required to be paid by enlisted members under paragraph (1) if the Secretary determines that the reduction is appropriate in order to assist enlisted members to participate in the dental insurance plan.

''(3) A member's share of the premium for coverage by the dental insurance plan shall be deducted and withheld from the basic pay payable to the member for inactive duty training and from the basic pay payable to the member for active duty.

''(4) The Secretary of Defense shall pay the portion of the premium charged for coverage of a member under the dental insurance plan that exceeds the amount paid by the member.

''(c) BENEFITS AVAILABLE UNDER THE PLAN.—The dental insurance plan shall provide benefits for basic dental care and treatment, including diagnostic services, preventative services, basic restorative services, and emergency oral examinations.

''(d) TERMINATION OF COVERAGE.—The coverage of a member by the dental insurance plan shall terminate on the last day of the month in which the member is discharged, transfers to the Individual Ready Reserve, Standby Reserve, or Retired Reserve, or is ordered to active duty for a period of more than 30 days.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1076a the following:

''1076b. Selected Reserve dental insurance.''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Of the funds authorized to be appropriated under section 301(16), $9,000,000 shall be available to pay the Department of Defense share of the premium required for members covered by the dental insurance plan established pursuant to section 1076b of title 10, United States Code, as added by subsection (a).

SEC. 703. MODIFICATION OF REQUIREMENTS REGARDING ROUTINE PHYSICAL EXAMINATIONS AND IMMUNIZATIONS UNDER CHAMPUS.

Section 1079(a) of title 10, United States Code, is amended by striking out paragraph (2) and inserting in lieu thereof the following new paragraph:

''(2) consistent with such regulations as the Secretary of Defense may prescribe regarding the content of health promotion and disease prevention visits, the schedule of pap smears and mammograms, and the types and schedule of immunizations—

''(A) for dependents under six years of age, both health promotion and disease prevention visits and immunizations may be provided; and

''(B) for dependents six years of age or older, health promotion and disease prevention visits may be provided in connection with immunizations or with diagnostic or preventive pap smears and mammograms;''.

SEC. 704. PERMANENT AUTHORITY TO CARRY OUT SPECIALIZED TREATMENT FACILITY PROGRAM.

Section 1105 of title 10, United States Code, is amended by striking out subsection (h).

SEC. 705. WAIVER OF MEDICARE PART B LATE ENROLLMENT PENALTY AND ESTABLISHMENT OF SPECIAL ENROLLMENT PERIOD FOR CERTAIN MILITARY RETIREES AND DEPENDENTS.

Section 1837 of the Social Security Act (42 U.S.C. 1395p) is amended by adding at the end the following new subsection:

''(j)(1) The Secretary shall make special provisions for the enrollment of an individual who is a covered beneficiary under chapter 55 of title 10, United States Code, and who is affected adversely by the closure of a military medical treatment facility of the Department of Defense pursuant to a closure or realignment of a military installation.

''(2) The special enrollment provisions required by paragraph (1) shall be established in regulations issued by the Secretary. The regulations shall—

''(A) identify individuals covered by paragraph (1) in accordance with regulations providing for such identification that are prescribed by the Secretary of Defense;

''(B) provide for a special enrollment period of at least 90 days to be scheduled at some time proximate to the date on which the military medical treatment facility involved is scheduled to be closed; and

''(C) provide that, with respect to individuals who enroll pursuant to paragraph (1), the increase in premiums under section 1839(b) due to late enrollment under this part shall not apply.

''(3) For purposes of this subsection—

''(A) the term 'covered beneficiary' has the meaning given such term in section 1072(5) of title 10, United States Code;

''(B) the term 'military medical treatment facility' means a facility of a uniformed service referred to in section 1074(a) of title 10, United States Code, in which health care is provided; and

''(C) the terms 'military installation' and 'realignment' have the meanings given such terms—

''(i) in section 209 of the Defense Authorization Amendments and Base Closure and Realignment Act (10 U.S.C. 2687 note), in the case of a closure or realignment under title II of such Act;

''(ii) in section 2910 of the Defense Base Closure and Realignment Act of 1990 (title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), in the case of a closure or realignment under such Act; or

''(iii) in subsection (e) of section 2687 of title 10, United States Code, in the case of a closure or realignment under such section.''.

Subtitle B—TRICARE Program

SEC. 711. DEFINITION OF TRICARE PROGRAM AND OTHER TERMS.

In this subtitle:

(1) The term ''TRICARE program'' means the managed health care program that is established by the Secretary of Defense under the authority of chapter 55 of title 10, United States Code, principally section 1097 of such title, and includes the competitive selection of contractors to financially underwrite the delivery of health care services under the Civilian Health and Medical Program of the Uniformed Services.

(2) The term ''covered beneficiary'' means a beneficiary under chapter 55 of title 10, United States Code, including a beneficiary under section 1074(a) of such title.

(3) The term ''Uniformed Services Treatment Facility'' means a facility deemed to be a facility of the uniformed services by virtue of section 911(a) of the Military Construction Authorization Act, 1982 (42 U.S.C. 248c(a)).

(4) The term ''administering Secretaries'' has the meaning given such term in section 1072(3) of title 10, United States Code.

SEC. 712. PROVISION OF TRICARE UNIFORM BENEFITS BY UNIFORMED SERVICES TREATMENT FACILITIES.

(a) REQUIREMENT.—Subject to subsection (b), upon the implementation of the TRICARE program in the catchment area served by a Uniformed Services Treatment Facility, the facility shall provide to the covered beneficiaries enrolled in a health care plan of such facility the same health care benefits (subject to the same conditions and limitations) as are available to covered beneficiaries in that area under the TRICARE program.

(b) EFFECT ON CURRENT ENROLLEES.—(1) A covered beneficiary who has been continuously enrolled on and after October 1, 1995, in a health care plan offered by a Uniformed Services Treatment Facility pursuant to a contract between the Secretary of Defense and the facility may elect to continue to receive health care benefits in accordance with the plan instead of benefits in accordance with subsection (a).

(2) The Uniform Services Treatment Facility concerned shall continue to provide benefits to a covered beneficiary in accordance with an election of benefits by that beneficiary under paragraph (1). The requirement to do so shall terminate on the effective date of any contract between the Secretary of Defense and the facility that—

(A) is entered into on or after the date of the election; and

(B) requires the health care plan offered by the facility for covered beneficiaries to provide health care benefits in accordance with subsection (a).

SEC. 713. SENSE OF SENATE ON ACCESS OF MEDICARE ELIGIBLE BENEFICIARIES OF CHAMPUS TO HEALTH CARE UNDER TRICARE.

It is the sense of the Senate—

(1) that the Secretary of Defense should develop a program to ensure that covered beneficiaries who are eligible for medicare under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) and who reside in a region in which the TRICARE program has been implemented have adequate access to health care services after the implementation of the TRICARE program in that region; and

(2) to support strongly, as a means of ensuring such access, the reimbursement of the Department of Defense by the Secretary of Health and Human Services for health care services provided such beneficiaries at the medical treatment facilities of the Department of Defense.

SEC. 714. PILOT PROGRAM OF INDIVIDUALIZED RESIDENTIAL MENTAL HEALTH SERVICES.

(a) PROGRAM REQUIRED.—During fiscal year 1996, the Secretary of Defense, in consultation with the other administering Secretaries, shall carry out a pilot program for providing wraparound services to covered beneficiaries who are children in need of mental health services. The Secretary shall carry out the pilot program in one region in which the TRICARE program has been implemented as of the beginning of such fiscal year.

(b) WRAPAROUND SERVICES DEFINED.—For purposes of this section, wraparound services are individualized mental health services that a provider provides, principally in a residential setting but also with follow-up services, in return for payment on a case rate basis. For payment of the case rate for a patient, the provider incurs the risk that it will be necessary for the provider to provide the patient with additional mental health services intermittently or on a longer term basis after completion of the services provided on a residential basis under a treatment plan.

(c) PILOT PROGRAM AGREEMENT.—Under the pilot program the Secretary of Defense shall enter into an agreement with a provider of mental health services that requires the provider—

(1) to provide wraparound services to covered beneficiaries referred to in subsection (a);

(2) to continue to provide such services to each beneficiary as needed during the period of the agreement even if the patient relocates outside the TRICARE program region involved (but inside the United States) during that period; and

(3) to accept as payment for such services an amount not in excess of the amount of the standard CHAMPUS residential treatment clinic benefit payable with respect to the covered beneficiary concerned (as determined in accordance with section 8.1 of chapter 3 of volume II of the CHAMPUS policy manual).

(d) REPORT.—Not later than March 1, 1997, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the program carried out under this section. The report shall contain—

(1) an assessment of the effectiveness of the program; and

(2) the Secretary's views regarding whether the program should be implemented in all regions where the TRICARE program is carried out.

Subtitle C—Uniformed Services Treatment Facilities

SEC. 721. DELAY OF TERMINATION OF STATUS OF CERTAIN FACILITIES AS UNIFORMED SERVICES TREATMENT FACILITIES.

Section 1252(e) of the Department of Defense Authorization Act, 1984 (42 U.S.C. 248d(e)) is amended by striking out ''December 31, 1996'' in the first sentence and inserting in lieu thereof ''September 30, 1997''.

SEC. 722. APPLICABILITY OF FEDERAL ACQUISITION REGULATION TO PARTICIPATION AGREEMENTS WITH UNIFORMED SERVICES TREATMENT FACILITIES.

Section 718(c) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1587) is amended—

(1) in the second sentence of paragraph (1), by striking out ''A participation agreement'' and inserting in lieu thereof ''Except as provided in paragraph (4), a participation agreement'';

(2) by redesignating paragraph (4) as paragraph (5); and

(3) by inserting after paragraph (3) the following new paragraph:

''(4) APPLICABILITY OF FEDERAL ACQUISITION REGULATION.—On and after the date of enactment of the National Defense Authorization Act for Fiscal Year 1996, the Federal Acquisition Regulation issued pursuant to section 25(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(c)) shall apply to any action to modify an existing participation agreement and to any action by the Secretary of Defense and a Uniformed Services Treatment Facility to enter into a new participation agreement.''.

SEC. 723. APPLICABILITY OF CHAMPUS PAYMENT RULES IN CERTAIN CASES.

Section 1074 of title 10, United States Code, is amended by adding at the end the following:

''(d)(1) The Secretary of Defense, after consultation with the other administering Secretaries, may by regulation require a private CHAMPUS provider to apply the CHAMPUS payment rules (subject to any modifications considered appropriate by the Secretary) in imposing charges for health care that the provider provides outside the catchment area of a Uniformed Services Treatment Facility to a member of the uniformed services who is enrolled in a health care plan of the Uniformed Services Treatment Facility.

''(2) In this subsection:

''(A) The term 'private CHAMPUS provider' means a private facility or health care provider that is a health care provider under the Civilian Health and Medical Program of the Uniformed Services.

''(B) The term 'CHAMPUS payment rules' means the payment rules referred to in subsection (c).

''(C) The term 'Uniformed Services Treatment Facility' means a facility deemed to be a facility of the uniformed services under section 911(a) of the Military Construction Authorization Act, 1982 (42 U.S.C. 248c(a)).''.

Subtitle D—Other Changes to Existing Laws Regarding Health Care Management

SEC. 731. INVESTMENT INCENTIVE FOR MANAGED HEALTH CARE IN MEDICAL TREATMENT FACILITIES.

(a) AVAILABILITY OF 3 PERCENT OF APPROPRIATIONS FOR TWO FISCAL YEARS.—Chapter 55 of title 10, United States Code, is amended by inserting after section 1071 the following new section:

''§ 1071a. Availability of appropriations

''Of the total amount authorized to be appropriated for a fiscal year for programs and activities carried out under this chapter, the amount equal to three percent of such total amount is authorized to be appropriated to remain available until the end of the following fiscal year.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 55 of title 10, United States Code, is amended by inserting after the item relating to section 1071 the following:

''1071a. Availability of appropriations.''.

SEC. 732. REVISION AND CODIFICATION OF LIMITATIONS ON PHYSICIAN PAYMENTS UNDER CHAMPUS.

(a) IN GENERAL.—Section 1079(h) of title 10, United States Code, is amended to read as follows:

''(h)(1) Subject to paragraph (2), payment for a charge for services by an individual health care professional (or other noninstitutional health care provider) for which a claim is submitted under a plan contracted for under subsection (a) shall be limited to the lesser of—

''(A) the amount equivalent to the 80th percentile of billed charges, as determined by the Secretary of Defense in consultation with the other administering Secretaries, for similar services in the same locality during a 12-month base period that the Secretary shall define and may adjust as frequently as the Secretary considers appropriate; or

''(B) the amount payable for charges for such services (or similar services) under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) as determined in accordance with the reimbursement rules applicable to payments for medical and other health services under that title.

''(2) The amount to be paid to an individual health care professional (or other noninstitutional health care provider) shall be determined under regulations prescribed by the Secretary of Defense in consultation with the other administering Secretaries. Such regulations—

''(A) may provide for such exceptions from the limitation on payments set forth in paragraph (1) as the Secretary determines necessary to ensure that covered beneficiaries have adequate access to health care services, including payment of amounts greater than the amounts otherwise payable under that paragraph when enrollees in managed care programs obtain covered emergency services from nonparticipating providers; and

''(B) shall establish limitations (similar to those established under title XVIII of the Social Security Act) on beneficiary liability for charges of an individual health care professional (or other noninstitutional health care provider).''.

(b) TRANSITION.—In prescribing regulations under paragraph (2) of section 1079(h) of title 10, United States Code, as amended by subsection (a), the Secretary of Defense shall provide—

(1) for a period of transition between the payment methodology in effect under section 1079(h) of such title, as such section was in effect on the day before the date of the enactment of this Act, and the payment methodology under section 1079(h) of such title, as so amended; and

(2) that the amount payable under such section 1079(h), as so amended, for a charge for a service under a claim submitted during the period may not be less than 85 percent of the maximum amount that was payable under such section 1079(h), in effect on the day before the date of the enactment of this Act, for charges for the same service during the 1-year period (or a period of other duration that the Secretary considers appropriate) ending on the day before such date.

SEC. 733. PERSONAL SERVICES CONTRACTS FOR MEDICAL TREATMENT FACILITIES OF THE COAST GUARD.

(a) CONTRACTING AUTHORITY.—Section 1091(a) of title 10, United States Code, is amended—

(1) by inserting after ''Secretary of Defense'' the following: '', with respect to medical treatment facilities of the Department of Defense, and the Secretary of Transportation, with respect to medical treatment facilities of the Coast Guard when the Coast Guard is not operating as a service in the Navy,''; and

(2) by striking out ''medical treatment facilities of the Department of Defense'' and inserting in lieu thereof ''such facilities''.

(b) RATIFICATION OF EXISTING CONTRACTS.—Any exercise of authority under section 1091 of title 10, United States Code, to enter into a personal services contract on behalf of the Coast Guard before the effective date of the amendments made by subsection (a) is hereby ratified.

(c) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the earlier of the date of the enactment of this Act or October 1, 1995.

SEC. 734. DISCLOSURE OF INFORMATION IN MEDICARE AND MEDICAID COVERAGE DATA BANK TO IMPROVE COLLECTION FROM RESPONSIBLE PARTIES FOR HEALTH CARE SERVICES FURNISHED UNDER CHAMPUS.

(a) PURPOSE OF DATA BANK.—Subsection (a) of section 1144 of the Social Security Act (42 U.S.C. 1320b–14) is amended—

(1) by striking out ''and'' at the end of the paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof '', and''; and

(3) by adding at the end the following:

''(3) assist in the identification of, and collection from, third parties responsible for the reimbursement of the costs incurred by the United States for health care services furnished to individuals who are covered beneficiaries under chapter 55 of title 10, United States Code, upon request by the administering Secretaries.''.

(b) AUTHORITY TO DISCLOSE INFORMATION.—Subsection (b)(2) of such section is amended—

(1) by striking out ''and'' at the end of subparagraph (A);

(2) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof '', and''; and

(3) by adding at the end the following:

''(C) (subject to the restriction in subsection (c)(7) of this section) to disclose any other information in the Data Bank to the administering Secretaries for purposes described in subsection (a)(3) of this section.''.

(c) DEFINITION.—Subsection (f) of such section is amended by adding at the end the following:

''(5) ADMINISTERING SECRETARIES.—The term 'administering Secretaries' shall have the meaning given to such term by section 1072(3) of title 10, United States Code.''.

Subtitle E—Other Matters

SEC. 741. TRISERVICE NURSING RESEARCH.

(a) PROGRAM AUTHORIZED.—Chapter 104 of title 10, United States Code, is amended by adding at the end the following:

''§ 2116. Research on the furnishing of care and services by nurses of the armed forces

''(a) PROGRAM AUTHORIZED.—The Board of Regents of the University may establish at the University a program of research on the furnishing of care and services by nurses in the Armed Forces (hereafter in this section referred to as 'military nursing research'). A program carried out under this section shall be known as the 'TriService Nursing Research Program'.

''(b) TRISERVICE RESEARCH GROUP.—(1) The TriService Nursing Research Program shall be administered by a TriService Nursing Research Group composed of Army, Navy, and Air Force nurses who are involved in military nursing research and are designated by the Secretary concerned to serve as members of the group.

''(2) The TriService Nursing Research Group shall—

''(A) develop for the Department of Defense recommended guidelines for requesting, reviewing, and funding proposed military nursing research projects; and

''(B) make available to Army, Navy, and Air Force nurses and Department of Defense officials concerned with military nursing research—

''(i) information about nursing research projects that are being developed or carried out in the Army, Navy, and Air Force; and

''(ii) expertise and information beneficial to the encouragement of meaningful nursing research.

''(c) RESEARCH TOPICS.—For purposes of this section, military nursing research includes research on the following issues:

''(1) Issues regarding how to improve the results of nursing care and services provided in the armed forces in time of peace.

''(2) Issues regarding how to improve the results of nursing care and services provided in the armed forces in time of war.

''(3) Issues regarding how to prevent complications associated with battle injuries.

''(4) Issues regarding how to prevent complications associated with the transporting of patients in the military medical evacuation system.

''(5) Issues regarding how to improve methods of training nursing personnel.

''(6) Clinical nursing issues, including such issues as prevention and treatment of child abuse and spouse abuse.

''(7) Women's health issues.

''(8) Wellness issues.

''(9) Preventive medicine issues.

''(10) Home care management issues.

''(11) Case management issues.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 104 of such title is amended by adding at the end the following:

''2116. Research on the furnishing of care and services by nurses of the armed forces.''.

SEC. 742. FISHER HOUSE TRUST FUNDS.

(a) ESTABLISHMENT.—(1) Chapter 131 of title 10, United States Code, is amended by adding at the end the following:

''§ 2221. Fisher House trust funds

''(a) ESTABLISHMENT.—The following trust funds are established on the books of the Treasury:

''(1) The Fisher House Trust Fund, Department of the Army.

''(2) The Fisher House Trust Fund, Department of the Air Force.

''(b) INVESTMENT.—Funds in the trust funds may be invested in securities of the United States. Earnings and gains realized from the investment of funds in a trust fund shall be credited to the trust fund.

''(c) USE OF FUNDS.—(1) Amounts in the Fisher House Trust Fund, Department of the Army, that are attributable to earnings or gains realized from investments shall be available for operation and maintenance of Fisher houses that are located in proximity to medical treatment facilities of the Army.

''(2) Amounts in the Fisher House Trust Fund, Department of the Air Force, that are attributable to earnings or gains realized from investments shall be available for operation and maintenance of Fisher houses that are located in proximity to medical treatment facilities of the Air Force.

''(3) The use of funds under this section is subject to the requirements of section 1321(b)(2) of title 31.

''(d) FISHER HOUSES DEFINED.—For purposes of this section, Fisher houses are housing facilities that are located in proximity to medical treatment facilities of the Army or Air Force and are available for residential use on a temporary basis by patients at such facilities, members of the family of such patients, and others providing the equivalent of familial support for such patients.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following:

''2221. Fisher House trust funds.''.

(b) CORPUS OF TRUST FUNDS.—(1) The Secretary of the Treasury shall—

(A) close the accounts established with the funds that were required by section 8019 of Public Law 102–172 (105 Stat. 1175) and section 9023 of Public Law 102–396 (106 Stat. 1905) to be transferred to an appropriated trust fund; and

(B) transfer the amounts in such accounts to the Fisher House Trust Fund, Department of the Army, established by subsection (a)(1) of section 2221 of title 10, United States Code, as added by subsection (a).

(2) The Secretary of the Air Force shall transfer to the Fisher House Trust Fund, Department of the Air Force, established by subsection (a)(2) of section 2221 of title 10, United States Code (as

added by section (a)), all amounts in the accounts for Air Force installations and other facilities that, as of the date of the enactment of this Act, are available for operation and maintenance of Fisher houses (as defined in subsection (c) of such section 2221).

(c) CONFORMING AMENDMENTS.—Section 1321 of title 31, United States Code, is amended—

(1) by adding at the end of subsection (a) the following:

''(92) Fisher House Trust Fund, Department of the Army.

''(93) Fisher House Trust Fund, Department of the Air Force.''; and

(2) in subsection (b)—

(A) by inserting ''(1)'' after ''(b)'';

(B) in the second sentence, by striking out ''Amounts accruing to these funds (except to the trust fund 'Armed Forces Retirement Home Trust Fund')'' and inserting in lieu thereof ''Except as provided in paragraph (2), amounts accruing to these funds'';

(C) by striking out the third sentence; and

(D) by adding at the end the following:

''(2) Expenditures from the following trust funds shall be made only under annual appropriations and only if the appropriations are specifically authorized by law:

''(A) Armed Forces Retirement Home Trust Fund.

''(B) Fisher House Trust Fund, Department of the Army.

''(C) Fisher House Trust Fund, Department of the Air Force.''.

(d) REPEAL OF SUPERSEDED PROVISIONS.—The following provisions of law are repealed:

(1) Section 8019 of Public Law 102–172 (105 Stat. 1175).

(2) Section 9023 of Public Law 102–396 (106 Stat. 1905).

(3) Section 8019 of Public Law 103–139 (107 Stat. 1441).

(4) Section 8017 of Public Law 103–335 (108 Stat. 2620; 10 U.S.C. 1074 note).

SEC. 743. APPLICABILITY OF LIMITATION ON PRICES OF PHARMACEUTICALS PROCURED FOR COAST GUARD.

Section 8126(b) of title 38, United States Code, is amended by adding at the end the following:

''(4) The Coast Guard.''.

SEC. 744. REPORT ON EFFECT OF CLOSURE OF FITZSIMONS ARMY MEDICAL CENTER, COLORADO, ON PROVISION OF CARE TO MILITARY PERSONNEL AND DEPENDENTS EXPERIENCING HEALTH DIFFICULTIES ASSOCIATED WITH PERSIAN GULF SYNDROME.

Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report that—

(1) assesses the effects of the closure of Fitzsimons Army Medical Center, Colorado, on the capability of the Department of Defense to provide appropriate and adequate health care to members and former members of the Armed Forces and their dependents who suffer from undiagnosed illnesses (or combination of illnesses) as a result of service in the Armed Forces in the Southwest Asia theater of operations during the Persian Gulf War; and

(2) describes the plans of the Secretary of Defense and the Secretary of the Army to ensure that adequate and appropriate health care is available to such members, former members, and their dependents for such illnesses.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

Subtitle A—Acquisition Reform

SEC. 801. WAIVERS FROM CANCELLATION OF FUNDS.

Notwithstanding section 1552(a) of title 31, United States Code, funds appropriated for any fiscal year after fiscal year 1995 that are administratively reserved or committed for satellite on-orbit incentive fees shall remain available for obligation and expenditure until the fee is earned, but only if and to the extent that section 1512 of title 31, United States Code, the Impoundment Control Act (2 U.S.C. 681 et seq.), and other applicable provisions of law are complied with in the reservation and commitment of funds for that purpose

SEC. 802. PROCUREMENT NOTICE POSTING THRESHOLDS AND SUBCONTRACTS FOR OCEAN TRANSPORTATION SERVICES.

(a) PROCUREMENT NOTICE POSTING THRESHOLDS.—Section 18(a)(1)(B) of the Office of Federal Procurement Policy Act (41 U.S.C. 416(a)(1)(B)) is amended—

(1) by striking out ''subsection (f)—'' and all that follows through the end of the subparagraph and inserting in lieu thereof ''subsection (b); and''; and

(2) by inserting after ''property or services'' the following: for a price expected to exceed $10,000, but not to exceed $25,000,''.

(b) SUBCONTRACTS FOR OCEAN TRANSPORTATION SERVICES.—Notwithstanding any other provision of law, neither section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)) nor section 2631 of title 10, United States Code, shall be included prior to May 1, 1996 on any list promulgated under section 34(b) of the Office of Federal Procurement Policy Act (41 U.S.C. 430(b)).

SEC. 803. PROMPT RESOLUTION OF AUDIT RECOMMENDATIONS.

Section 6009 of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355; 108 Stat. 3367, October 14, 1994) is amended to read as follows:

''SEC. 6009. PROMPT MANAGEMENT DECISIONS AND IMPLEMENTATION OF AUDIT RECOMMENDATIONS.

''(a) MANAGEMENT DECISIONS.—(1) The head of a Federal agency shall make management decisions on all findings and recommendations set forth in an audit report of the inspector general of the agency within a maximum of six months after the issuance of the report.

''(2) The head of a Federal agency shall make management decisions on all findings and recommendations set forth in an audit report of any auditor from outside the Federal Government within a maximum of six months after the date on which the head of the agency receives the report.

''(b) COMPLETIONS OF ACTIONS.—The head of a Federal agency shall complete final action on each management decision required with regard to a recommendation in an inspector general's report under subsection (a)(1) within 12 months after the date of the inspector general's report. If the head of the agency fails to complete final action with regard to a management decision within the 12-month period, the inspector general concerned shall identify the matter in each of the inspector general's semiannual reports pursuant to section 5(a)(3) of the Inspector General Act of 1978 (5 U.S.C. App.) until final action on the management decision is completed.''.

SEC. 804. TEST PROGRAM FOR NEGOTIATION OF COMPREHENSIVE SUBCONTRACTING PLANS.

(a) REVISION OF AUTHORITY.—Subsection (a) of section 834 of National Defense Authorization Act for Fiscal Years 1990 and 1991 (15 U.S.C. 637 note) is amended by striking out paragraph (1) and inserting in lieu thereof the following:

''(1) The Secretary of Defense shall establish a test program under which contracting activities in the military departments and the Defense Agencies are authorized to undertake one or more demonstration projects to determine whether the negotiation and administration of comprehensive subcontracting plans will reduce administrative burdens on contractors while enhancing opportunities provided under Department of Defense contracts for small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals. In selecting the contracting activities to undertake demonstration projects, the Secretary shall take such action as is necessary to ensure that a broad range of the supplies and services acquired by the Department of Defense are included in the test program.''.

(b) COVERED CONTRACTORS.—Subsection (b) of such section is amended by striking out paragraph (3) and inserting in lieu thereof the following:

''(3) A Department of Defense contractor referred to in paragraph (1) is, with respect to a comprehensive subcontracting plan negotiated in any fiscal year, a business concern that, during the immediately preceding fiscal year, furnished the Department of Defense with supplies or services (including professional services, research and development services, and construction services) pursuant to at least three Department of Defense contracts having an aggregate value of at least $5,000,000.''.

(c) TECHNICAL AMENDMENTS.—Such section is amended—

(1) by striking out subsection (g); and

(2) by redesignating subsection (h) as subsection (g).

SEC. 805. NAVAL SALVAGE FACILITIES.

Chapter 637 of title 10, United States Code, is amended to read as follows:

''CHAPTER 637—SALVAGE FACILITIES

''Sec.
''7361. Authority to provide for necessary salvage facilities.
''7362. Acquisition and transfer of vessels and equipment.
''7363. Settlement of claims.
''7364. Disposition of receipts.

''§ 7361. Authority to provide for necessary salvage facilities

''(a) AUTHORITY.—The Secretary of the Navy may contract or otherwise provide for necessary salvage facilities for public and private vessels.

''(b) COORDINATION WITH SECRETARY OF TRANSPORTATION.—The Secretary shall submit to the Secretary of Transportation for comment each proposed salvage contract that affects the interests of the Department of Transportation.

''(c) LIMITATION.—The Secretary of the Navy may enter into a contract under subsection (a) only if the Secretary determines that available commercial salvage facilities are inadequate to meet the Navy's requirements and provides public notice of the intent to enter into such a contract.

''§ 7362. Acquisition and transfer of vessels and equipment

''(a) AUTHORITY.—The Secretary of the Navy may acquire or transfer such vessels and equipment for operation by private salvage companies as the Secretary considers necessary.

''(b) AGREEMENT ON USE.—A private recipient of any salvage vessel or gear shall agree in writing that such vessel or gear will be used to support organized offshore salvage facilities for as many years as the Secretary shall consider appropriate.

''§ 7363. Settlement of claims

''The Secretary of the Navy, or the Secretary's designee, may settle and receive payment for any claim by the United States for salvage services rendered by the Department of the Navy.

''§ 7364. Disposition of receipts

''Amounts received under this chapter shall be credited to appropriations for maintaining naval salvage facilities. However, any amount received in excess of naval salvage costs incurred by the Navy in that fiscal year shall be deposited into the general fund of the Treasury.''.

SEC. 806. AUTHORITY TO DELEGATE CONTRACTING AUTHORITY.

(a) REPEAL OF DUPLICATIVE AUTHORITY AND RESTRICTION.—Section 2356 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 139 of title 10, United States Code, is amended by striking out the item relating to section 2356.

SEC. 807. COORDINATION AND COMMUNICATION OF DEFENSE RESEARCH ACTIVITIES.

Section 2364 of title 10, United States Code, is amended—

(1) in subsection (b)(5), by striking out ''milestone O, milestone I, and milestone II'' and inserting in lieu thereof ''acquisition program''; and

(2) in subsection (c), by striking out paragraphs (2), (3), and (4) and inserting in lieu thereof the following:

''(2) The term 'acquisition program decision' has the meaning prescribed by the Secretary of Defense in regulations.''.

SEC. 808. PROCUREMENT OF ITEMS FOR EXPERIMENTAL OR TEST PURPOSES.

Section 2373(b) of title 10, United States Code, is amended by inserting ''only'' after ''applies''.

SEC. 809. QUALITY CONTROL IN PROCUREMENTS OF CRITICAL AIRCRAFT AND SHIP SPARE PARTS.

(a) REPEAL.—Section 2383 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 141 of such title is amended by striking out the item relating to section 2383.

SEC. 810. USE OF FUNDS FOR ACQUISITION OF DESIGNS, PROCESSES, TECHNICAL DATA, AND COMPUTER SOFTWARE.

Section 2386(3) of title 10, United States Code, is amended to read as follows:

''(3) Design and process data, technical data, and computer software.''.

SEC. 811. INDEPENDENT COST ESTIMATES FOR MAJOR DEFENSE ACQUISITION PROGRAMS.

Section 2434(b)(1)(A) of title 10, United States Code, is amended to read as follows:

''(A) be prepared—

''(i) by an office or other entity that is not under the supervision, direction, or control of the military department, Defense Agency, or other component of the Department of Defense that is directly responsible for carrying out the development or acquisition of the program; or

''(ii) if the decision authority for the program has been delegated to an official of a military department, Defense Agency, or other component of the Department of Defense, by an office or other entity that is not directly responsible for carrying out the development or acquisition of the program; and''.

SEC. 812. FEES FOR CERTAIN TESTING SERVICES.

Section 2539b(c) of title 10, United States Code, is amended by inserting ''and indirect'' after ''recoup the direct''.

SEC. 813. CONSTRUCTION, REPAIR, ALTERATION, FURNISHING, AND EQUIPPING OF NAVAL VESSELS.

(a) INAPPLICABILITY OF CERTAIN LAWS.—Chapter 633 of title 10, United States Code, is amended by inserting after section 7297 the following:

''§ 7299. Contracts: applicability of Walsh-Healey Act

''Each contract for the construction, alteration, furnishing, or equipping of a naval vessel is subject to the Walsh-Healey Act (41 U.S.C. 35 et seq.) unless the President determines that this requirement is not in the interest of national defense.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 7297 the following:

''7299. Contracts: applicability of Walsh-Healey Act.''.

SEC. 814. CIVIL RESERVE AIR FLEET.

Section 9512 of title 10, United States Code, is amended by striking out ''full Civil Reserve Air Fleet'' both places it appears in subsections (b)(2) and (e) and inserting in lieu thereof ''Civil Reserve Air Fleet''.

SEC. 815. COST AND PRICING DATA.

(a) ARMED SERVICES PROCUREMENTS.—Section 2306a(d)(2)(A)(i) of title 10, United States Code, is amended by striking out ''and the procurement is not covered by an exception in subsection (b),'' and inserting in lieu thereof ''and the offeror or contractor requests to be exempted from the requirement for submission of cost or pricing data pursuant to this subsection,''.

(b) CIVILIAN AGENCY PROCUREMENTS.—Section 304A(d)(2)(A)(i) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254b(d)(2)(A)(i)) is amended by striking out ''and the procurement is not covered by an exception in subsection (b),'' and inserting in lieu thereof ''and the offeror or contractor requests to be exempted from the requirement for submission of cost or pricing data pursuant to this subsection,''.

SEC. 816. PROCUREMENT NOTICE TECHNICAL AMENDMENTS.

Section 18(c)(1)(E) of the Office of Federal Procurement Policy Act (41 U.S.C. 416(c)(1)(E)) is amended by inserting after ''requirements contract'' the following: '', a task order contract, or a delivery order contract''.

SEC. 817. REPEAL OF DUPLICATIVE AUTHORITY FOR SIMPLIFIED ACQUISITION PURCHASES.

Section 31 of the Office of Federal Procurement Policy Act (41 U.S.C. 427) is amended—

(1) by striking out subsections (a), (b), and (c);

(2) by redesignating subsections (d), (e), and (f) as (a), (b), and (c), respectively;

(3) in subsection (b), as so redesignated, by striking out ''provided in the Federal Acquisition Regulation pursuant to this section'' each place it appears and inserting in lieu thereof ''contained in the Federal Acquisition Regulation''; and

(4) by adding at the end the following:

''(d) PROCEDURES DEFINED.—The simplified acquisition procedures referred to in this section are the simplified acquisition procedures that are provided in the Federal Acquisition Regulation pursuant to section 2304(g) of title 10, United States Code, and section 303(g) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(g)).''.

SEC. 818. MICRO-PURCHASES WITHOUT COMPETITIVE QUOTATIONS.

Section 32(d) of the Office of Federal Procurement Policy Act (41 U.S.C. 428) is amended by striking out ''the contracting officer'' and inserting in lieu thereof ''an employee of an executive agency or a member of the Armed Forces of the United States authorized to do so''.

SEC. 819. RESTRICTION ON REIMBURSEMENT OF COSTS.

(a) None of the funds authorized to be appropriated in this Act for fiscal year 1996 may be obligated for payment on new contracts on which allowable costs charged to the Government include payments for individual compensation (including bonuses and other incentives) at a rate in excess of $250,000.

(b) It is the sense of the Senate that the Congress should consider extending the restriction described in section (a) permanently.

Subtitle B—Other Matters

SEC. 821. PROCUREMENT TECHNICAL ASSISTANCE PROGRAMS.

(a) FUNDING.—Of the amount authorized to be appropriated under section 301(5), $12,000,000 shall be available for carrying out the provisions of chapter 142 of title 10, United States Code.

(b) SPECIFIC PROGRAMS.—Of the amounts made available pursuant to subsection (a), $600,000 shall be available for fiscal year 1996 for the purpose of carrying out programs sponsored by eligible entities referred to in subparagraph (D) of section 2411(1) of title 10, United States Code, that provide procurement technical assistance in distressed areas referred to in subparagraph (B) of section 2411(2) of such title. If there is an insufficient number of satisfactory proposals for cooperative agreements in such distressed areas to allow effective use of the funds made available in accordance with this subsection in such areas, the funds shall be allocated among the Defense Contract Administration Services regions in accordance with section 2415 of such title.

SEC. 822. TREATMENT OF DEPARTMENT OF DEFENSE CABLE TELEVISION FRANCHISE AGREEMENTS.

For purposes of part 49 of the Federal Acquisition Regulation, a cable television franchise agreement of the Department of Defense shall be considered a contract for telecommunications services.

SEC. 823. PRESERVATION OF AMMUNITION INDUSTRIAL BASE.

(a) REVIEW OF AMMUNITION PROCUREMENT AND MANAGEMENT PROGRAMS.—(1) Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall commence a review of the ammunition procurement and management programs of the Department of Defense, including the planning for, budgeting for, administration, and carrying out of such programs.

(2) The review under paragraph (1) shall include an assessment of the following matters:

(A) The practicability and desirability of using centralized procurement practices to procure all ammunition required by the Armed Forces.

(B) The capability of the ammunition production facilities of the United States to meet the ammunition requirements of the Armed Forces.

(C) The practicability and desirability of privatizing such ammunition production facilities.

(D) The practicability and desirability of using integrated budget planning among the Armed Forces for the procurement of ammunition.

(E) The practicability and desirability of establishing an advocate within the Department of Defense for ammunition industrial base matters who shall be responsible for—

(i) establishing the quantity and price of ammunition procured by the Armed Forces; and

(ii) establishing and implementing policy to ensure the continuing viability of the ammunition industrial base in the United States.

(F) The practicability and desirability of providing information on the ammunition procurement practices of the Armed Forces to Congress through a single source.

(b) REPORT.—Not later than April 1, 1996, the Secretary shall submit to the congressional defense committees a report containing the following:

(1) The results of the review carried out under subsection (a).

(2) A discussion of the methodologies used in carrying out the review.

(3) An assessment of various methods of ensuring the continuing viability of the ammunition industrial base of the United States.

(4) Recommendations of means (including legislation) of implementing such methods in order to ensure such viability.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

SEC. 901. REDESIGNATION OF THE POSITION OF ASSISTANT TO THE SECRETARY OF DEFENSE FOR ATOMIC ENERGY.

(a) IN GENERAL.—(1) Section 142 of title 10, United States Code, is amended—

(A) by striking out the section heading and inserting in lieu thereof the following:

''§ 142. Assistant to the Secretary of Defense for Nuclear and Chemical and Biological Defense Programs'';

(B) in subsection (a), by striking out ''Assistant to the Secretary of Defense for Atomic Energy'' and inserting in lieu thereof ''Assistant to the Secretary of Defense for Nuclear and Chemical and Biological Defense Programs''; and

(C) by striking out subsection (b) and inserting in lieu thereof the following:

''(b) The Assistant to the Secretary shall—

''(1) advise the Secretary of Defense on nuclear energy, nuclear weapons, and chemical and biological defense;

''(2) serve as the Staff Director of the Nuclear Weapons Council established by section 179 of this title; and

''(3) perform such additional duties as the Secretary may prescribe.''.

(2) The table of sections at the beginning of chapter 4 of such title is amended by striking out the item relating to section 142 and inserting in lieu thereof the following:

''142. Assistant to the Secretary of Defense for Nuclear and Chemical and Biological Defense Programs.''.

(b) CONFORMING AMENDMENTS.—(1) Section 179(c)(2) of title 10, United States Code, is amended by striking out ''The Assistant to the Secretary of Defense for Atomic Energy'' and inserting in lieu thereof ''The Assistant to the Secretary of Defense for Nuclear and Chemical and Biological Defense Programs.''.

(2) Section 5316 of title 5, United States Code, is amended by striking out ''The Assistant to the Secretary of Defense for Atomic Energy, Department of Defense.'' and inserting in lieu thereof the following:

''Assistant to the Secretary of Defense for Nuclear and Chemical and Biological Defense Programs, Department of Defense.''.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

SEC. 1001. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1) Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 1996 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary of Defense may transfer under the authority of this section may not exceed $2,000,000,000.

(b) LIMITATIONS.—The authority provided by this section to transfer authorizations—

(1) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(2) may not be used to provide authority for an item that has been denied authorization by Congress.

(c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—The Secretary shall promptly notify Congress of each transfer made under subsection (a).

SEC. 1002. DISBURSING AND CERTIFYING OFFICIALS.

(a) DISBURSING OFFICIALS.—(1) Section 3321(c) of title 31, United States Code, is amended by striking out paragraph (2) and inserting in lieu thereof the following:

''(2) The Department of Defense.''.

(2) Section 2773 of title 10, United States Code, is amended—

(A) in subsection (a)—

(i) by striking out ''With the approval of the Secretary of a military department when the Secretary considers it necessary, a disbursing official of the military department'' and inserting in lieu thereof ''Subject to paragraph (3), a disbursing official of the Department of Defense''; and

(ii) by adding at the end the following new paragraph:

''(3) A disbursing official may make a designation under paragraph (1) only with the approval of the Secretary of Defense or, in the case of a disbursing official of a military department, the Secretary of that military department.''; and

(B) in subsection (b)(1), by striking out ''any military department'' and inserting in lieu thereof ''the Department of Defense''.

(b) DESIGNATION OF MEMBERS OF THE ARMED FORCES TO HAVE AUTHORITY TO CERTIFY VOUCHERS.—Section 3325(b) of title 31, United States Code, is amended to read as follows:

''(b) In addition to officers and employees referred to in subsection (a)(1)(B) of this section as having authorization to certify vouchers, members of the armed forces under the jurisdiction of the Secretary of Defense may certify vouchers when authorized, in writing, by the Secretary to do so.''.

(c) CONFORMING AMENDMENTS.—(1) Section 1012 of title 37, United States Code, is amended by striking out ''Secretary concerned'' both places it appears and inserting in lieu thereof ''Secretary of Defense''.

(2) Section 1007(a) of title 37, United States Code, is amended by striking out ''Secretary concerned'' and inserting in lieu thereof ''Secretary of Defense, or upon the denial of relief of an officer pursuant to section 3527 of title 31''.

(3)(A) Section 7863 of title 10, United States Code, is amended—

(i) in the first sentence, by striking out ''disbursements of public moneys or'' and ''the money was paid or''; and

(ii) in the second sentence, by striking out ''disbursement or''.

(B)(i) The heading of such section is amended to read as follows:

''§ 7863. Disposal of public stores by order of commanding officer''.

(ii) The item relating to such section in the table of sections at the beginning of chapter 661 of such title is amended to read as follows:

''7863. Disposal of public stores by order of commanding officer.''.

(4) Section 3527(b)(1) of title 31, United States Code, is amended—

(A) by striking out ''a disbursing official of the armed forces'' and inserting in lieu thereof ''an official of the armed forces referred to in subsection (a)'';

(B) by striking out ''records,'' and inserting in lieu thereof ''records, or a payment described in section 3528(a)(4)(A) of this title,'';

(C) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), and realigning such clauses four ems from the left margin;

(D) by inserting before clause (i), as redesignated by subparagraph (C), the following:

''(A) in the case of a physical loss or deficiency—'';

(E) in clause (iii), as redesignated by subparagraph (C), by striking out the period at the end and inserting in lieu thereof ''; or''; and

(F) by adding at the end the following:

''(B) in the case of a payment described in section 3528(a)(4)(A) of this title, the Secretary of Defense or the appropriate Secretary of the military department of the Department of Defense, after taking a diligent collection action, finds that the criteria of section 3528(b)(1) of this title are satisfied.''.

SEC. 1003. DEFENSE MODERNIZATION ACCOUNT.

(a) ESTABLISHMENT AND USE.—(1) Chapter 131 of title 10, United States Code, is amended by adding at the end the following:

''§ 2221. Defense Modernization Account

''(a) ESTABLISHMENT.—There is established in the Treasury a special account to be known as the 'Defense Modernization Account'.

''(b) CREDITS TO ACCOUNT.—(1) Under regulations prescribed by the Secretary of Defense, and upon a determination by the Secretary concerned of the availability and source of excess funds as described in subparagraph (A) or (B), the Secretary may transfer to the Defense Modernization Account during any fiscal year—

''(A) any amount of unexpired funds available to the Secretary for procurements that, as a result of economies, efficiencies, and other savings achieved in the procurements, are excess to the funding requirements of the procurements; and

''(B) any amount of unexpired funds available to the Secretary for support of installations and facilities that, as a result of economies, efficiencies, and other savings, are excess to the funding requirements for support of installations and facilities.

''(2) Funds referred to in paragraph (1) may not be transferred to the Defense Modernization Account by a Secretary concerned if—

''(A) the funds are necessary for programs, projects, and activities that, as determined by the Secretary, have a higher priority than the purposes for which the funds would be available if transferred to that account; or

''(B) the balance of funds in the account, after transfer of funds to the account would exceed $1,000,000,000.

''(3) Amounts credited to the Defense Modernization Account shall remain available for transfer until the end of the third fiscal year that follows the fiscal year in which the amounts are credited to the account.

''(4) The period of availability of funds for expenditure provided for in sections 1551 and 1552 of title 31 shall not be extended by transfer into the Defense Modernization Account.

''(c) ATTRIBUTION OF FUNDS.—The funds transferred to the Defense Modernization Account by a military department, Defense Agency, or other element of the Department of Defense shall be available in accordance with subsections (f) and (g) only for that military department, Defense Agency, or element.

''(d) USE OF FUNDS.—Funds available from the Defense Modernization Account pursuant to subsection (f) or (g) may be used only for the following purposes:

''(1) For increasing, subject to subsection (e), the quantity of items and services procured under a procurement program in order to achieve a more efficient production or delivery rate.

''(2) For research, development, test and evaluation and procurement necessary for modernization of an existing system or of a system being procured under an ongoing procurement program.

''(e) LIMITATIONS.—(1) Funds from the Defense Modernization Account may not be used to increase the quantity of an item or services procured under a particular procurement program to the extent that doing so would—

''(A) result in procurement of a total quantity of items or services in excess of—

''(i) a specific limitation provided in law on the quantity of the items or services that may be procured; or

''(ii) the requirement for the items or services as approved by the Joint Requirements Oversight Council and reported to Congress by the Secretary of Defense; or

''(B) result in an obligation or expenditure of funds in excess of a specific limitation provided in law on the amount that may be obligated or expended, respectively, for the procurement program.

''(2) Funds from the Defense Modernization Account may not be used for a purpose or program for which Congress has not authorized appropriations.

''(3) Funds may not be transferred from the Defense Modernization Account in any year for the purpose of—

''(A) making any expenditure for which there is no corresponding obligation; or

''(B) making any expenditure that would satisfy an unliquidated or unrecorded obligation arising in a prior fiscal year.

''(f) TRANSFER OF FUNDS.—(1) Funds in the Defense Modernization Account may be transferred in any fiscal year to appropriations available for use for purposes set forth in subsection (d).

''(2) Before funds in the Defense Modernization Account are transferred under paragraph (1), the Secretary concerned shall transmit to the congressional defense committees a notification of the amount and purpose of the proposed transfer.

''(3) The total amount of the transfers from the Defense Modernization Account may not exceed $500,000,000 in any fiscal year.

''(g) AVAILABILITY OF FUNDS FOR APPROPRIATION.—Funds in the Defense Modernization Account may be appropriated for purposes set forth in subsection (d) to the extent provided in Acts authorizing appropriations for the Department of the Defense.

''(h) SECRETARY TO ACT THROUGH COMPTROLLER.—In exercising authority under this section, the Secretary of Defense shall act through the Under Secretary of Defense (Comptroller), who shall be authorized to implement this section through the issuance of any necessary regulations, policies, and procedures after consultation with the General Counsel and Inspector General of the Department of Defense.

''(i) QUARTERLY REPORT.—Not later than 15 days after the end of each calendar quarter, the Secretary of Defense shall submit to the appropriate committees of Congress a report setting forth the amount and source of each credit to the Defense Modernization Account during the quarter and the amount and purpose of each transfer from the account during the quarter.

''(j) DEFINITIONS.—In this section:

''(1) The term 'Secretary concerned' includes the Secretary of Defense.

''(2) The term 'unexpired funds' means funds appropriated for a definite period that remain available for obligation.

''(3) The term 'congressional defense committees' means—

''(A) the Committees on Armed Services and Appropriations of the Senate; and

''(B) the Committees on National Security and Appropriations of the House of Representatives.

''(4) The term 'appropriate committees of Congress' means—

''(A) the congressional defense committees;

''(B) the Committee on Governmental Affairs of the Senate; and

''(C) the Committee on Government Reform and Oversight of the House of Representatives.

''(k) INAPPLICABILITY TO COAST GUARD.—This section does not apply to the Coast Guard when it is not operating as a service in the Navy.''.

(2) The table of sections at the beginning of chapter 131 of such title is amended by adding at the end the following:

''2221. Defense Modernization Account.''.

(b) EFFECTIVE DATE.—Section 2221 of title 10, United States Code (as added by subsection (a)), shall take effect on October 1, 1995, and shall apply only to funds appropriated for fiscal years beginning on or after that date.

(c) EXPIRATION OF AUTHORITY AND ACCOUNT.—(1) The authority under section 2221(b) of title 10, United States Code (as added by subsection (a)), to transfer funds into the Defense Modernization Account shall terminate on October 1, 2003.

(2) Three years after the termination of transfer authority under paragraph (1), the Defense Modernization Account shall be closed and the remaining balance in the account shall be canceled and thereafter shall not be available for any purpose.

(3)(A) The Comptroller General of the United States shall conduct two reviews of the administration of the Defense Modernization Account. In each review, the Comptroller General shall assess the operations and benefits of the account.

(B) Not later than March 1, 2000, the Comptroller General shall—

(i) complete the first review; and

(ii) submit to the appropriate committees of Congress an initial report on the administration and benefits of the Defense Modernization Account.

(C) Not later than March 1, 2003, the Comptroller General shall—

(i) complete the second review; and

(ii) submit to the appropriate committees of Congress a final report on the administration and benefits of the Defense Modernization Account.

(D) Each report shall include any recommended legislation regarding the account that the Comptroller General considers appropriate.

(E) In this paragraph, the term ''appropriate committees of Congress'' has the meaning given such term in section 2221(j)(4) of title 10, United States Code, as added by subsection (a).

SEC. 1004. AUTHORIZATION OF PRIOR EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1995.

(a) ADJUSTMENT TO PREVIOUS AUTHORIZATIONS.—Amounts authorized to be appropriated to the Department of Defense for fiscal year 1995 in the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337) are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization were increased (by a supplemental appropriation) or decreased (by a rescission), or both, in title I of the Emergency Supplemental Appropriations and Rescissions for the Department of Defense to Preserve and Enhance Military Readiness Act of 1995 (Public Law 104–6).

(b) NEW AUTHORIZATION.—The appropriation provided in section 104 of such Act is hereby authorized.

SEC. 1005. LIMITATION ON USE OF AUTHORITY TO PAY FOR EMERGENCY AND EXTRAORDINARY EXPENSES.

Section 127 of title 10, United States Code, is amended—

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

(2) by inserting after subsection (b) the following new subsection (c):

''(c)(1) Funds may not be obligated or expended in an amount in excess of $500,000 under the authority of subsection (a) or (b) until the Secretary of Defense has notified the Committees on Armed Services and Appropriations of the Senate and the Committees on National Security and Appropriations of the House of Representatives of the intent to obligate or expend the funds, and—

''(A) in the case of an obligation or expenditure in excess of $1,000,000, 15 days have elapsed since the date of the notification; or

''(B) in the case of an obligation or expenditure in excess of $500,000, but not in excess of $1,000,000, 5 days have elapsed since the date of the notification.

''(2) Subparagraph (A) or (B) of paragraph (1) shall not apply to an obligation or expenditure of funds otherwise covered by such subparagraph if the Secretary of Defense determines that the national security objectives of the United States will be compromised by the application of the subparagraph to the obligation or expenditure. If the Secretary makes a determination with respect to an expenditure under the preceding sentence, the Secretary shall notify the committees referred to in paragraph (1) not later than the later of—

''(A) 30 days after the date of the expenditure; or

''(B) the date on which the activity for which the expenditure is made is completed.

''(3) A notification under this subsection shall include the amount to be obligated or expended, as the case may be, and the purpose of the obligation or expenditure.''.

SEC. 1006. TRANSFER AUTHORITY REGARDING FUNDS AVAILABLE FOR FOREIGN CURRENCY FLUCTUATIONS.

(a) TRANSFERS TO MILITARY PERSONNEL ACCOUNTS AUTHORIZED.—Section 2779 of title 10, United States Code, is amended by adding at the end the following:

''(c) TRANSFERS TO MILITARY PERSONNEL ACCOUNTS.—(1) The Secretary of Defense may transfer funds to military personnel appropriations for a fiscal year out of funds available to the Department of Defense for that fiscal year under the appropriation 'Foreign Currency Fluctuations, Defense'.

''(2) This subsection applies with respect to appropriations for fiscal years beginning after September 30, 1995.''.

(b) REVISION AND CODIFICATION OF AUTHORITY FOR TRANSFERS TO FOREIGN CURRENCY FLUCTUATIONS ACCOUNT.—Section 2779 of such title, as amended by subsection (a), is further amended by adding at the end the following:

''(d) TRANSFERS TO FOREIGN CURRENCY FLUCTUATIONS ACCOUNT.—(1) The Secretary of Defense may transfer to the appropriation 'Foreign Currency Fluctuations, Defense' unobligated amounts of funds appropriated for operation and maintenance and unobligated amounts of funds appropriated for military personnel.

''(2) Any transfer from an appropriation under paragraph (1) shall be made not later than the end of the second fiscal year following the fiscal year for which the appropriation is provided.

''(3) Any transfer made pursuant to the authority provided in this subsection shall be limited so that the amount in the appropriation 'Foreign Currency Fluctuations, Defense' does not exceed $970,000,000 at the time such transfer is made.

''(4) This subsection applies with respect to appropriations for fiscal years beginning after September 30, 1995.''.

(c) CONDITIONS OF AVAILABILITY FOR TRANSFERRED FUNDS.—Section 2779 of such title, as amended by subsection (b), is further amended by adding at the end the following:

''(e) CONDITIONS OF AVAILABILITY FOR TRANSFERRED FUNDS.—Amounts transferred under subsection (c) or (d) shall be merged with and be available for the same purposes and for the same period as the appropriations to which transferred.''.

(d) CONFORMING AND TECHNICAL AMENDMENTS.—(1) Section 767A of Public Law 96–527 (94 Stat. 3093) is repealed.

(2) Section 791 of the Department of Defense Appropriation Act, 1983 (enacted in section 101(c) of Public Law 97–377; 96 Stat. 1865) is repealed.

(3) Section 2779 of title 10, United States Code, is amended—

(A) in subsection (a), by striking out ''(a)(1)'' and inserting in lieu thereof ''(a) TRANSFERS BACK TO FOREIGN CURRENCY FLUCTUATIONS APPROPRIATION.—(1) ''; and

(B) in subsection (b), by striking out ''(b)(1)'' and inserting in lieu thereof ''(b) FUNDING FOR LOSSES IN MILITARY CONSTRUCTION AND FAMILY HOUSING.—(1)''.

SEC. 1007. REPORT ON BUDGET SUBMISSION REGARDING RESERVE COMPONENTS.

(a) SPECIAL REPORT.—The Secretary of Defense shall submit to the congressional defense committees, at the same time that the President submits the budget for fiscal year 1997 under section 1105(a) of title 31, United States Code, a special report on funding for the reserve components of the Armed Forces.

(b) CONTENT.—The report shall contain the following:

(1) The actions taken by the Department of Defense to enhance the Army National Guard, the Air National Guard, and each of the other reserve components.

(2) A separate listing, with respect to the Army National Guard, the Air National Guard, and each of the other reserve components, of each of the following:

(A) The specific amount requested for each major weapon system.

(B) The specific amount requested for each item of equipment.

(C) The specific amount requested for each military construction project, together with the location of each such project.

(3) If the total amount reported in accordance with paragraph (2) is less than $1,080,000,000, an additional separate listing described in paragraph (2) in a total amount equal to $1,080,000,000.

Subtitle B—Naval Vessels

SEC. 1011. IOWA CLASS BATTLESHIPS.

(a) RETURN TO NAVAL VESSEL REGISTER.—The Secretary of the Navy shall list on the Naval Vessel Register, and maintain on such register, at least two of the Iowa class battleships that were stricken from the register in February 1995.

(b) SELECTION OF SHIPS.—The Secretary shall select for listing on the register under subsection (a) the Iowa class battleships that are in the best material condition. In determining which battleships are in the best material condition, the Secretary shall take into consideration the findings of the Board of Inspection and Survey of the Navy, the extent to which each battleship has been modernized during the last period of active service of the battleship, and the military utility of each battleship after the modernization.

(c) SUPPORT.—The Secretary shall retain the existing logistical support necessary for support of at least two operational Iowa class battleships in active service, including technical manuals, repair and replacement parts, and ordnance.

(d) REPLACEMENT CAPABILITY.—The requirements of this section shall cease to be effective 60 days after the Secretary certifies in writing to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives that the Navy has within the fleet an operational surface fire support capability that equals or exceeds the fire support capability that the Iowa class battleships listed on the Naval Vessel Register pursuant to subsection (a) would, if in active service, be able to provide for Marine Corps amphibious assaults and operations ashore.

SEC. 1012. TRANSFER OF NAVAL VESSELS TO CERTAIN FOREIGN COUNTRIES.

(a) AUTHORITY.—The Secretary of the Navy is authorized to transfer—

(1) to the Government of Bahrain the Oliver Hazard Perry class guided missile frigate Jack Williams (FFG 24);

(2) to the Government of Egypt the Oliver Hazard Perry class frigates Duncan (FFG 10) and Copeland (FFG 25);

(3) to the Government of Oman the Oliver Hazard Perry class guided missile frigate Mahlon S. Tisdale (FFG 27);

(4) to the Government of Turkey the Oliver Hazard Perry class frigates Clifton Sprague (FFG 16), Antrim (FFG 20), and Flatley (FFG 21); and

(5) to the Government of the United Arab Emirates the Oliver Hazard Perry class guided missile frigate Gallery (FFG 26).

(b) FORMS OF TRANSFER.—(1) A transfer under paragraph (1), (2), (3), or (4) of subsection (a) shall be on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j).

(2) A transfer under paragraph (5) of subsection (a) shall be on a lease basis under section 61 of the Arms Export Control Act (22 U.S.C. 2796).

(c) COSTS OF TRANSFERS.—Any expense incurred by the United States in connection with a transfer authorized by subsection (a) shall be charged to the recipient.

(d) EXPIRATION OF AUTHORITY.—The authority to transfer a vessel under subsection (a) shall expire at the end of the 2-year period beginning on the date of the enactment of this Act, except that a lease entered into during that period under subsection (b)(2) may be renewed.

SEC. 1013. NAMING AMPHIBIOUS SHIPS.

(a) FINDINGS.—The Senate finds that:

(1) This year is the fiftieth anniversary of the battle of Iwo Jima, one of the great victories in all of the Marine Corps' illustrious history.

(2) The Navy has recently retired the ship that honored that battle, the U.S.S. IWO JIMA (LPH–2), the first ship in a class of amphibious assault ships.

(3) This Act authorizes the LHD–7, the final ship of the Wasp class of amphibious assault ships that will replace the Iwo Jima class of ships.

(4) The Navy is planning to start building a new class of amphibious transport docks, now called the LPD–17 class. This Act also authorizes funds that will lead to procurement of these vessels.

(5) There has been some confusion in the rationale behind naming new naval vessels with traditional naming conventions frequently violated.

(6) Although there have been good and sufficient reasons to depart from naming conventions in the past, the rationale for such departures has not always been clear.

(b) SENSE OF THE SENATE.—In light of these findings, expressed in subsection (a), it is the sense of the Senate that the Secretary of the Navy should:

(1) Name the LHD–7 the U.S.S. IWO JIMA.

(2) Name the LPD–17 and all future ships of the LPD–17 class after famous Marine Corps battles or famous Marine Corps heroes.

Subtitle C—Counter-Drug Activities

SEC. 1021. REVISION AND CLARIFICATION OF AUTHORITY FOR FEDERAL SUPPORT OF DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES OF THE NATIONAL GUARD.

(a) FUNDING ASSISTANCE.—Subsection (a) of section 112 of title 32, United States Code, is amended—

(1) by striking out ''submits a plan to the Secretary under subsection (b)'' in the matter above paragraph (1) and inserting in lieu thereof ''submits to the Secretary a State drug interdiction and counter-drug activities plan satisfying the requirements of subsection (c)'';

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by striking out paragraph (1) and inserting in lieu thereof the following:

''(1) the pay, allowances, clothing, subsistence, gratuities, travel, and related expenses, as authorized by State law, of personnel of the National Guard of that State used, while not in Federal service, for the purpose of drug interdiction and counter-drug activities;

''(2) the operation and maintenance of the equipment and facilities of the National Guard of that State used for the purpose of drug interdiction and counter-drug activities; and''.

(b) USE OF PERSONNEL PERFORMING FULL-TIME NATIONAL GUARD DUTY.—Section 112 of such title is amended—

(1) by striking out subsection (e);

(2) by redesignating subsections (b), (c), (d), and (f) as subsections (c), (d), (f), and (g), respectively; and

(3) by inserting after subsection (a) the following new subsection (b):

''(b) USE OF PERSONNEL PERFORMING FULL TIME NATIONAL GUARD DUTY.—(1) Subject to subsection (e), personnel of the National Guard of a State may be ordered to perform full-time National Guard duty under section 502(f) of this title for the purpose of carrying out drug interdiction and counter-drug activities.

''(2) Under regulations prescribed by the Secretary of Defense, the Governor of a State may, in accordance with the State drug interdiction and counter-drug activities plan referred to in subsection (c), request that personnel of the National Guard of the State be ordered to perform full-time National Guard duty under section 502(f) of this title for the purpose of carrying out drug interdiction and counter-drug activities.''.

(c) STATE PLAN.—Subsection (c) of such section, as redesignated by subsection (b)(2), is amended—

(1) in the matter above paragraph (1), by striking out ''A plan'' and inserting in lieu thereof ''A State drug interdiction and counter-drug activities plan'';

(2) by striking out ''and'' at the end of paragraph (2); and

(3) in paragraph (3)—

(A) by striking out ''annual training'' and inserting in lieu thereof ''training'';

(B) by striking out the period at the end and inserting in lieu thereof a semicolon; and

(C) by adding at the end the following:

''(4) include a certification by the Attorney General of the State (or, in the case of a State with no position of Attorney General, a civilian official of the State equivalent to a State attorney general) that the use of the National Guard of the State for the activities proposed under the plan is authorized by, and is consistent with, State law; and

''(5) certify that the Governor of the State or a civilian law enforcement official of the State designated by the Governor has determined that any activities included in the plan that are carried out in conjunction with Federal law enforcement agencies serve a State law enforcement purpose.''.

(d) EXAMINATION OF STATE PLAN.—Subsection (d) of such section, as redesignated by subsection (b)(2), is amended—

(1) in paragraph (1)—

(A) by inserting after ''Before funds are provided to the Governor of a State under this section'' the following: ''and before members of the National Guard of that State are ordered to full-time National Guard duty as authorized in subsection (b)(1)''; and

(B) by striking out ''subsection (b)'' and inserting in lieu thereof ''subsection (c)''; and

(2) in paragraph (3)—

(A) by striking out ''subsection (b)'' in subparagraph (A) and inserting in lieu thereof ''subsection (c)''; and

(B) by striking out subparagraph (B) and inserting in lieu thereof the following:

''(B) pursuant to the plan submitted for a previous fiscal year, funds were provided to the State in accordance with subsection (a) or personnel of the National Guard of the State were ordered to perform full-time National Guard duty in accordance with subsection (b).''.

(e) END STRENGTH LIMITATION.—Such section is amended by inserting after subsection (d), as redesignated by subsection (b)(2), the following new subsection (e):

''(e) END STRENGTH LIMITATION.—(1) Except as provided in paragraph (2), at the end of a fiscal year there may not be more than 4000 members of the National Guard—

''(A) on full-time National Guard duty under section 502(f) of this title to perform drug interdiction or counter-drug activities pursuant to an order to duty for a period of more than 180 days; or

''(B) on duty under State authority to perform drug interdiction or counter-drug activities pursuant to an order to duty for a period of more than 180 days with State pay and allowances being reimbursed with funds provided under subsection (a)(1).

''(2) The Secretary of Defense may increase the end strength authorized under paragraph (1) by not more than 20 percent for any fiscal year if the Secretary determines that such an increase is necessary in the national security interests of the United States.''.

(f) DEFINITIONS.—Subsection (g) of such section, as redesignated by subsection (b)(2), is amended by striking out paragraph (1) and inserting in lieu thereof the following:

''(1) The term 'drug interdiction and counter-drug activities', with respect to the National Guard of a State, means the use of National Guard personnel in drug interdiction and counter-drug law enforcement activities authorized by the law of the State and requested by the Governor of the State.''.

SEC. 1022. NATIONAL DRUG INTELLIGENCE CENTER.

(a) LIMITATION ON USE OF FUNDS.—Except as provided in subsection (b), funds appropriated or otherwise made available for the Department of Defense pursuant to this or any other Act may not be obligated or expended for the National Drug Intelligence Center, Johnstown, Pennsylvania.

(b) EXCEPTION.—If the Attorney General operates the National Drug Intelligence Center using

funds available for the Department of Justice, the Secretary of Defense may continue to provide Department of Defense intelligence personnel to support intelligence activities at the Center. The number of such personnel providing support to the Center after the date of the enactment of this Act may not exceed the number of the Department of Defense intelligence personnel who are supporting intelligence activities at the Center on the day before such date.

SEC. 1023. ASSISTANCE TO CUSTOMS SERVICE.

(a) NONINTRUSIVE INSPECTION SYSTEMS.—The Secretary of Defense shall, using funds available pursuant to subsection (b), either—

(1) procure nonintrusive inspection systems and transfer the systems to the United States Customs Service; or

(2) transfer the funds to the Secretary of the Treasury for use to procure nonintrusive inspection systems for the United States Customs Service.

(b) FUNDING.—Of the amounts authorized to be appropriated under section 301(15), $25,000,000 shall be available for carrying out subsection (a).

Subtitle D—Department of Defense Education Programs

SEC. 1031. CONTINUATION OF THE UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES.

(a) POLICY.—Congress reaffirms—

(1) the prohibition set forth in subsection (a) of section 922 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2829; 10 U.S.C. 2112 note) regarding closure of the Uniformed Services University of the Health Sciences; and

(2) the expression of the sense of Congress set forth in subsection (b) of such section regarding the budgetary commitment to continuation of the university.

(b) PERSONNEL STRENGTH.—During the 5-year period beginning on October 1, 1995, the personnel staffing levels for the Uniformed Services University of the Health Services may not be reduced below the personnel staffing levels for the university as of October 1, 1993.

SEC. 1032. ADDITIONAL GRADUATE SCHOOLS AND PROGRAMS AT THE UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES.

Section 2113 of title 10, United States Code, is amended by striking out subsection (h) and inserting in lieu thereof the following:

''(h) The Board may establish the following educational programs:

''(1) Postdoctoral, postgraduate, and technological institutes.

''(2) A graduate school of nursing.

''(3) Other schools or programs that the Board determines necessary in order to operate the University in a cost-effective manner.''.

SEC. 1033. FUNDING FOR BASIC ADULT EDUCATION PROGRAMS FOR MILITARY PERSONNEL AND DEPENDENTS OUTSIDE THE UNITED STATES.

Of the amounts authorized to be appropriated pursuant to section 301, $600,000 shall be available to carry out adult education programs, consistent with the Adult Education Act (20 U.S.C. 1201 et seq.), for—

(1) members of the Armed Forces who are serving in locations that are outside the United States and not described in subsection (b) of such section 313; and

(2) the dependents of such members.

SEC. 1034. SCOPE OF EDUCATION PROGRAMS OF COMMUNITY COLLEGE OF THE AIR FORCE.

Section 9315(a)(1) of title 10, United States Code, is amended by striking out ''for enlisted members of the armed forces'' and inserting in lieu thereof ''for enlisted members of the Air Force''.

SEC. 1035. DATE FOR ANNUAL REPORT ON SELECTED RESERVE EDUCATIONAL ASSISTANCE PROGRAM.

Section 16137 of title 10, United States Code, is amended by striking out ''December 15 of each year'' and inserting in lieu thereof ''March 1 of each year''.

SEC. 1036. ESTABLISHMENT OF JUNIOR R.O.T.C. UNITS IN INDIAN RESERVATION SCHOOLS.

It is the sense of Congress that the Secretary of Defense should ensure that secondary educational institutions on Indian reservations are afforded a full opportunity along with other secondary educational institutions to be selected as locations for establishment of new Junior Reserve Officers' Training Corps units.

Subtitle E—Cooperative Threat Reduction With States of the Former Soviet Union

SEC. 1041. COOPERATIVE THREAT REDUCTION PROGRAMS DEFINED.

For purposes of this subtitle, Cooperative Threat Reduction programs are the programs described in section 1203(b) of the Cooperative Threat Reduction Act of 1993 (title XII of Public Law 103–160; 107 Stat. 1778; 22 U.S.C. 5952(b)).

SEC. 1042. FUNDING MATTERS.

(a) LIMITATION.—Funds authorized to be appropriated under section 301(18) may not be obligated for any program established primarily to assist nuclear weapons scientists in States of the former Soviet Union until 30 days after the date on which the Secretary of Defense certifies in writing to Congress that the funds to be obligated will not be used to contribute to the modernization of the strategic nuclear forces of such States or for research, development, or production of weapons of mass destruction.

(b) REIMBURSEMENT OF PAY ACCOUNTS.—Funds authorized to be appropriated under section 301(18) may be transferred to military personnel accounts for reimbursement of those accounts for the pay and allowances paid to reserve component personnel for service while engaged in any activity under a Cooperative Threat Reduction program.

SEC. 1043. LIMITATION RELATING TO OFFENSIVE BIOLOGICAL WARFARE PROGRAM OF RUSSIA.

(a) FINDINGS.—Congress makes the following findings:

(1) Even though the President of Russia and other senior leaders of the Russian government have committed Russia to comply with the Biological Weapons Convention, a June 1995 United States Government report asserts that official United States concern remains about the Russian biological warfare program.

(2) In reviewing the President's budget request for fiscal year 1996 for Cooperative Threat Reduction, and consistent with the finding in section 1207(a)(5) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2884), the Senate has taken into consideration the questions and concerns about Russia's biological warfare program and Russia's compliance with the obligations under the Biological Weapons Convention.

(b) LIMITATION ON USE OF FUNDS FOR COOPERATIVE THREAT REDUCTION.—Of the amount available under section 301(18) for Cooperative Threat Reduction programs, $50,000,000 shall be reserved and not obligated until the President certifies to Congress that Russia is in compliance with the obligations under the Biological Weapons Convention.

SEC. 1044. LIMITATION ON USE OF FUNDS FOR COOPERATIVE THREAT REDUCTION.

(a) LIMITATION.—Of the funds appropriated or otherwise made available for fiscal year 1996 under the heading ''FORMER SOVIET UNION THREAT REDUCTION'' for dismantlement and destruction of chemical weapons, not more than $52,000,000 may be obligated or expended for that purpose until the President certifies to Congress the following:

(1) That the United States and Russia have completed a joint laboratory study evaluating the proposal of Russia to neutralize its chemical weapons and the United States agrees with the proposal.

(2) That Russia is in the process of preparing, with the assistance of the United States (if necessary), a comprehensive plan to manage the dismantlement and destruction of the Russia chemical weapons stockpile.

(3) That the United States and Russia are committed to resolving outstanding issues under the 1989 Wyoming Memorandum of Understanding and the 1990 Bilateral Destruction Agreement.

(b) DEFINITIONS.—In this section:

(1) The term ''1989 Wyoming Memorandum of Understanding'' means the Memorandum of Understanding between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics Regarding a Bilateral Verification Experiment and Data Exchange Related to Prohibition on Chemical Weapons, signed at Jackson Hole, Wyoming, on September 23, 1989.

(2) The term ''1990 Bilateral Destruction Agreement'' means the Agreement between the United States of America and the Union of Soviet Socialist Republics on destruction and nonproduction of chemical weapons and on measures to facilitate the multilateral convention on banning chemical weapons signed on June 1, 1990.

Subtitle F—Matters Relating to Other Nations

SEC. 1051. COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS WITH NATO ORGANIZATIONS.

Section 2350b(e) of title 10, United States Code, is amended—

(1) in paragraph (1), by inserting ''or a NATO organization'' after ''a participant (other than the United States)''; and

(2) in paragraph (2), by inserting ''or a NATO organization'' after ''a cooperative project''.

SEC. 1052. NATIONAL SECURITY IMPLICATIONS OF UNITED STATES EXPORT CONTROL POLICY.

(a) FINDINGS.—Congress makes the following findings:

(1) Export controls remain an important element of the national security policy of the United States.

(2) It is in the national interest that United States export control policy prevent the transfer, to potential adversaries or combatants of the United States, of technology that threatens the national security or defense of the United States.

(3) It is in the national interest that the United States monitor aggressively the export of technology in order to prevent its diversion to potential adversaries or combatants of the United States.

(4) The Department of Defense relies increasingly on commercial and dual-use technologies, products, and processes to support United States military capabilities and economic strength.

(5) The Department of Defense evaluates license applications for the export of commodities whose export is controlled for national security reasons if such commodities are exported to certain countries, but the Department does not evaluate license applications for the export of such commodities if such commodities are exported to other countries.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the maintenance of the military advantage of the United States depends on effective export controls on dual-use items and technologies that are critical to the military capabilities of the Armed Forces;

(2) the Government should identify the dual-use items and technologies that are critical to the military capabilities of the Armed Forces, including the military use made of such items and technologies, and should reevaluate the export control policy of the United States in light of such identification; and

(3) the Government should utilize unilateral export controls on dual-use items and technologies that are critical to the military capabilities of the Armed Forces (regardless of the availability of such items or technologies overseas) with respect to the countries that—

(A) pose a threat to the national security interests of the United States; and

(B) are not members in good standing of bilateral or multilateral agreements to which the United States is a party on the use of such items and technologies.

(c) REPORT REQUIRED.—(1) Not later than December 1, 1995, the Secretary of Defense shall submit to the Committees on Armed Services and on Foreign Relations of the Senate and the Committees on National Security and on International Relations of the House of Representatives a report on the effect of the export control policy of the United States on the national security interests of the United States.

(2) The report shall include the following:

(A) A list setting forth each country determined to be a rogue nation or potential adversary or combatant of the United States.

(B) For each country so listed, a list of—

(i) the categories of items that should be prohibited for export to the country;

(ii) the categories of items that should be exported to the country only under an individual license with conditions; and

(iii) the categories of items that may be exported to the country under a general distribution license.

(C) For each category of items listed under clauses (ii) and (iii) of subparagraph (B)—

(i) a statement whether export controls on the category of items are to be imposed under a multilateral international agreement or a unilateral decision of the United States; and

(ii) a justification for the decision not to prohibit the export of the items to the country.

(D) A description of United States policy on sharing satellite imagery that has military significance and a discussion of the criteria for determining the imagery that has that significance.

(E) A description of the relationship between United States policy on the export of space launch vehicle technology and the Missile Technology Control Regime.

(F) An assessment of United States efforts to support the inclusion of additional countries in the Missile Technology Control Regime.

(G) An assessment of the on-going efforts made by potential participant countries in the Missile Technology Control Regime to meet the guidelines established by the Missile Technology Control Regime.

(H) A brief discussion of the history of the space launch vehicle programs of other countries, including a discussion of the military origins and purposes of such programs and the current level of military involvement in such programs.

(3) The Secretary shall submit the report in unclassified form but may include a classified annex.

(4) In this subsection, the term ''Missile Technology Control Regime'' means the policy statement between the United States , the United Kingdom, the Federal Republic of Germany, France, Italy, Canada, and Japan, announced on April 16, 1987, to restrict sensitive missile-relevant transfers based on the Missile Technology Control Regime Annex, and any amendments thereto.

(d) DEPARTMENT OF DEFENSE REVIEW OF EXPORT LICENSES FOR CERTAIN BIOLOGICAL PATHOGENS.—(1) Notwithstanding any other provision of law, the Secretary of Defense shall, in consultation with appropriate elements of the intelligence community, review each application that is submitted to the Secretary of Commerce for an individual validated license for the export of a class 2, class 3, or class 4 biological pathogen to a country known or suspected to have an offensive biological weapons program. The purpose of the review is to determine if the export of the pathogen pursuant to the license would be contrary to the national security interests of the United States.

(2) The Secretary of Defense, in consultation with the Secretary of State and the intelligence community, shall periodically inform the Secretary of Commerce as to the countries known or suspected to have an offensive biological weapons program.

(3) In order to facilitate the review of an application for an export license by appropriate elements of the intelligence committee under paragraph (1), the Secretary of Defense shall submit a copy of the application to such appropriate elements.

(4) The Secretary of Defense shall carry out the review of an application under this subsection not later than 30 days after the date on which the Secretary of Commerce forwards a copy of the application to the Secretary of Defense for review.

(5) Upon completion of the review of an application for an export license under this subsection, the Secretary of Defense shall notify the Secretary of Commerce if the export of a biological pathogen pursuant to the license would be contrary to the national security interests of the United States.

(6) Notwithstanding any other provision of law, upon receipt of a notification with respect to an application for an export license under paragraph (5), the Secretary of Commerce shall deny the application.

(7) In this subsection:

(A) The term ''class 2, class 3, or class 4 biological pathogen'' means any biological pathogen characterized as a class 2, class 3, or class 4 biological pathogen by the Centers for Disease Control.

(B) The term ''intelligence community'' has the meaning given such term in section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4).

SEC. 1053. DEFENSE EXPORT LOAN GUARANTEES.

(a) ESTABLISHMENT OF PROGRAM.—(1) Chapter 148 of title 10, United States Code, is amended by adding at the end the following new subchapter:

''SUBCHAPTER VI—DEFENSE EXPORT LOAN GUARANTEES

''Sec.
''2540. Establishment of loan guarantee program.
''2540a. Transferability.
''2540b. Limitations.
''2540c. Fees charged and collected.
''2540d. Definitions.

''§ 2540. Establishment of loan guarantee program

''(a) ESTABLISHMENT.—In order to meet the national security objectives in section 2501(a) of this title, the Secretary of Defense shall establish a program under which the Secretary may issue guarantees assuring a lender against losses of principal or interest, or both principal and interest, arising out of the financing of the sale or long-term lease of defense articles, defense services, or design and construction services to a country referred to in subsection (b).

''(b) COVERED COUNTRIES.—The authority under subsection (a) applies with respect to the following countries:

''(1) A member nation of the North Atlantic Treaty Organization (NATO).

''(2) A country designated as of March 31, 1995, as a major non-NATO ally pursuant to section 2350a(i)(3) of this title.

''(3) A country in Central Europe that, as determined by the Secretary of State—

''(A) has changed its form of national government from a nondemocratic form of government to a democratic form of government since October 1, 1989; or

''(B) is in the processing of changing its form of national government from a nondemocratic form of government to a democratic form of government.

''(4) A noncommunist country that was a member nation of the Asia Pacific Economic Cooperation (APEC) as of October 31, 1993.

''(c) AUTHORITY SUBJECT TO PROVISIONS OF APPROPRIATIONS.—The Secretary may guarantee a loan under this subchapter only as provided in appropriations Acts.

''§ 2540a. Transferability

''A guarantee issued under this subchapter shall be fully and freely transferable.

''§ 2540b. Limitations

''(a) TERMS AND CONDITIONS OF LOAN GUARANTEES.—In issuing a guarantee under this subchapter for a medium-term or long-term loan, the Secretary may not offer terms and conditions more beneficial than those that would be provided to the recipient by the Export-Import Bank of the United States under similar circumstances in conjunction with the provision of guarantees for nondefense articles and services.

''(b) LOSSES ARISING FROM FRAUD OR MISREPRESENTATION.—No payment may be made under a guarantee issued under this subchapter for a loss arising out of fraud or misrepresentation for which the party seeking payment is responsible.

''(c) NO RIGHT OF ACCELERATION.—The Secretary of Defense may not accelerate any guaranteed loan or increment, and may not pay any amount, in respect of a guarantee issued under this subchapter, other than in accordance with the original payment terms of the loan.

''§ 2540c. Fees charged and collected

''(a) IN GENERAL.—The Secretary of Defense shall charge a fee (known as 'exposure fee') for each guarantee issued under this subchapter.

''(b) AMOUNT.—To the extent that the cost of the loan guarantees under this subchapter is not otherwise provided for in appropriations Acts, the fee imposed under this section with respect to a loan guarantee shall be fixed in an amount determined by the Secretary to be sufficient to meet potential liabilities of the United States under the loan guarantee.

''(c) PAYMENT TERMS.—The fee for each guarantee shall become due as the guarantee is issued. In the case of a guarantee for a loan which is disbursed incrementally, and for which the guarantee is correspondingly issued incrementally as portions of the loan are disbursed, the fee shall be paid incrementally in proportion to the amount of the guarantee that is issued.

''§ 2540d. Definitions

''In this subchapter:

''(1) The terms 'defense article', 'defense services', and 'design and construction services' have the meanings given those terms in section 47 of the Arms Export Control Act (22 U.S.C. 2794).

''(2) The term 'cost', with respect to a loan guarantee, has the meaning given that term in section 502 of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 661a).''.

(2) The table of subchapters at the beginning of such chapter is amended by adding at the end the following new item:

''VI. Defense Export Loan Guarantees .. 2540''.

(b) REPORT.—(1) Not later than two years after the date of the enactment of this Act, the President shall submit to Congress a report on the loan guarantee program established pursuant to section 2540 of title 10, United States Code, as added by subsection (a).

(2) The report shall include—

(A) an analysis of the costs and benefits of the loan guarantee program; and

(B) any recommendations for modification of the program that the President considers appropriate, including—

(i) any recommended addition to the list of countries for which a guarantee may be issued under the program; and

(ii) any proposed legislation necessary to authorize a recommended modification.

SEC. 1054. LANDMINE CLEARING ASSISTANCE PROGRAM.

(a) REVISION OF AUTHORITY.—Section 1413 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat.

2913; 10 U.S.C. 401 note) is amended by adding at the end the following:

''(f) SPECIAL REQUIREMENTS FOR FISCAL YEAR 1996.—Funds available for fiscal year 1996 for the program under subsection (a) may not be obligated for involvement of members of the Armed Forces in an activity under the program until the date that is 30 days after the date on which the Secretary of Defense certifies to Congress, in writing, that the involvement of such personnel in the activity satisfies military training requirements for such personnel.

''(g) TERMINATION OF AUTHORITY.—The Secretary of Defense may not provide assistance under subsection (a) after September 30, 1996.''.

(b) REVISION OF DEFINITION OF LANDMINE.—Section 1423(d)(3) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1831) is amended by striking out ''by remote control or''.

(c) FISCAL YEAR 1996 FUNDING.—Of the amount authorized to be appropriated by section 301 for Overseas Humanitarian, Disaster, and Civic Aid (OHDACA) programs of the Department of Defense, not more than $20,000,000 shall be available for the program of assistance under section 1413 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2913; 10 U.S.C. 401 note).

SEC. 1055. STRATEGIC COOPERATION BETWEEN THE UNITED STATES AND ISRAEL.

(a) FINDINGS.—Congress makes the following findings:

(1) The President and Congress have repeatedly declared the long-standing United States commitment to maintaining the qualitative superiority of the Israel Defense Forces over any combination of potential adversaries.

(2) Congress continues to recognize the many benefits to the United States from its strategic relationship with Israel, including that of enhanced regional stability and technical cooperation.

(3) Despite the historic peace effort in which Israel and its neighbors are engaged, Israel continues to face severe potential threats to its national security that are compounded by terrorism and by the proliferation of weapons of mass destruction and ballistic missiles.

(4) Congress supports enhanced United States cooperation with Israel in all fields and, especially, in finding new ways to deter or counter mutual threats.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the President should ensure that any conventional defense system or technology offered by the United States for sale to any member nation of the North Atlantic Treaty Organization (NATO) or to any major non-NATO ally is concurrently made available for purchase by Israel unless the President determines that it would not be in the national security interests of the United States to do so; and

(2) the President should make available to Israel, within existing technology transfer laws, regulations, and policies, advanced United States technology necessary for achieving continued progress in cooperative United States-Israel research and development of theater missile defenses.

SEC. 1056. SUPPORT SERVICES FOR THE NAVY AT THE PORT OF HAIFA, ISRAEL.

It is the sense of Congress that the Secretary of the Navy should promptly undertake such actions as are necessary—

(1) to improve the services available to the Navy at the Port of Haifa, Israel; and

(2) to ensure that the continuing increase in commercial activities at the Port of Haifa does not adversely affect the availability to the Navy of the services required by the Navy at the port.

SEC. 1057. PROHIBITION ON ASSISTANCE TO TERRORIST COUNTRIES.

(a) PROHIBITION.—Subchapter I of chapter 134 of title 10, United States Code, is amended by adding at the end the following:

''§ 2249a. Prohibition on assistance to terrorist countries

''(a) PROHIBITION.—Funds available to the Department of Defense may not be obligated or expended to provide financial assistance to—

''(1) any country with respect to which the Secretary of State has made a determination under section 6(j)(1)(A) of the Export Administration Act of 1979 (50 App. 2405(j));

''(2) any country identified in the latest report submitted to Congress under section 140 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (22 U.S.C. 2656f), as providing significant support for international terrorism; or

''(3) any other country that, as determined by the President—

''(A) grants sanctuary from prosecution to any individual or group that has committed an act of international terrorism; or

''(B) otherwise supports international terrorism.

''(b) WAIVER.—(1) The President may waive the application of subsection (a) to a country if the President determines that it is in the national security interests of the United States to do so or that the waiver should be granted for humanitarian reasons.

''(2) The President shall—

''(A) notify the Committees on Armed Services and Foreign Relations of the Senate and the Committees on National Security and on International Relations of the House of Representatives at least 15 days before the waiver takes effect; and

''(B) publish a notice of the waiver in the Federal Register.

''(c) DEFINITION.—In this section, the term 'international terrorism' has the meaning given that term in section 140(d) of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (22 U.S.C. 2656f(d)).''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter I of such chapter is amended by adding at the end the following:

''2249a. Prohibition on assistance to terrorist countries.''.

SEC. 1058. INTERNATIONAL MILITARY EDUCATION AND TRAINING.

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) it is in the national security interest of the United States to promote military professionalism (including an understanding of and respect for the proper role of the military in a civilian-led democratic society), the effective management of defense resources, the recognition of internationally recognized human rights, and an effective military justice system within the armed forces of allies of the United States and of countries friendly to the United States;

(2) it is in the national security interest of the United States to foster rapport, understanding, and cooperation between the Armed Forces of the United States and the armed forces of allies of the United States and of countries friendly to the United States;

(3) the international military education and training program is a low-cost method of promoting military professionalism within the armed forces of allies of the United States and of countries friendly to the United States and fostering better relations between the Armed Forces of the United States and those armed forces;

(4) the dissolution of the Soviet Union and the Warsaw Pact alliance and the spread of democracy in the Western Hemisphere have created an opportunity to promote the military professionalism of the armed forces of the affected nations;

(5) funding for the international military education and training program of the United States has decreased dramatically in recent years;

(6) the decrease in funding for the international military education and training program has resulted in a major decrease in the participation of personnel from Asia, Latin America, and Africa in the program;

(7) the Chairman of the Joint Chiefs of Staff and the commanders in chief of the regional combatant commands have consistently testified before congressional committees that the international military education and training program fosters cooperation with and improves military management, civilian control over the military forces, and respect for human rights within foreign military forces; and

(8) the delegation by the President to the Secretary of Defense of authority to perform functions relating to the international military education and training program is appropriate and should be continued.

(b) ACTIVITIES AUTHORIZED.—(1) Part I of subtitle A of title 10, United States Code, is amended by adding at the end the following:

''CHAPTER 23—CONTACTS UNDER PROGRAMS IN SUPPORT OF FOREIGN MILITARY FORCES

''Sec.

''461. Military-to-military contacts and comparable activities.

''462. International military education and training.

''§ 462. International military education and training

''(a) PROGRAM AUTHORITY.—Subject to the provisions of chapter 5 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.), the Secretary of Defense, upon the recommendation of a commander of a combatant command, or, with respect to a geographic area or areas not within the area of responsibility of a commander of a combatant command, upon the recommendation of the Chairman of the Joint Chiefs of Staff, may pay a portion of the costs of providing international military education and training to military personnel of foreign countries and to civilian personnel of foreign countries who perform national defense functions.

''(b) RELATIONSHIP TO OTHER FUNDING.—Any amount provided pursuant to subsection (a) shall be in addition to amounts otherwise available for international military education and training for that fiscal year.''.

(2) Section 168 of title 10, United States Code, is redesignated as section 461, is transferred to chapter 23 (as added by paragraph (1)), and is inserted after the table of sections at the beginning of such chapter.

(3)(A) The tables of chapters at the beginning of subtitle A of such title and the beginning of part I of such subtitle are amended by inserting after the item relating to chapter 22 the following:

''23. Contacts Under Programs in Support of Foreign Military Forces ..... 461''.

(B) The table of sections at the beginning of chapter 6 of title 10, United States Code, is amended by striking out the item relating to section 168.

(c) FISCAL YEAR 1996 FUNDING.—Of the amount authorized to be appropriated under section 301(5), $20,000,000 shall be available to the Secretary of Defense for the purposes of carrying out activities under section 462 of title 10, United States Code, as added by subsection (b).

(d) RELATIONSHIP TO AUTHORITY OF SECRETARY OF STATE.—Nothing in this section or section 462 of title 10, United States Code (as added by subsection (b)(1)), shall impair the authority or ability of the Secretary of State to coordinate policy regarding international military education and training programs.

SEC. 1059. REPEAL OF LIMITATION REGARDING AMERICAN DIPLOMATIC FACILITIES IN GERMANY.

Section 1432 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1833) is repealed.

SEC. 1060. IMPLEMENTATION OF ARMS CONTROL AGREEMENTS.

(a) FUNDING.—Of the amounts authorized to be appropriated under sections 102, 103, 104, 201, and 301, $228,900,000 shall be available for implementing arms control agreements to which the United States is a party.

(b) LIMITATION.—(1) Except as provided in paragraph (2), none of the funds authorized to be appropriated under subsection (a) for the costs of implementing an arms control agreement may be used to reimburse expenses incurred by any other party to the agreement for which, without regard to any executive agreement or any policy not part of an arms control agreement—

(A) the other party is responsible under the terms of the arms control agreement; and

(B) the United States has no responsibility under the agreement.

(2) The limitation in paragraph (1) does not apply to a use of funds to fulfill a policy of the United States to reimburse expenses incurred by another party to an arms control agreement if—

(A) the policy does not modify any obligation imposed by the arms control agreement;

(B) the President—

(i) issued or approved the policy before the date of the enactment of this Act; or

(ii) has entered into an agreement on the policy with the government of another country or has approved an agreement on the policy entered into by an official of the United States and the government of another country; and

(C) the President has notified the congressional defense committees, the Committee on Foreign Relations of the Senate, and the Committee on International Relations of the House of Representatives of the policy or the policy agreement (as the case may be), in writing, at least 30 days before the date on which the President issued or approved the policy or has entered into or approved the policy agreement.

(c) DEFINITIONS.—In this section:

(1) The term ''arms control agreement'' means an arms control treaty or other form of international arms control agreement.

(2) The term ''executive agreement'' is an international agreement entered into by the President that is not authorized by statute or approved by the Senate under Article II, section 2, clause 2 of the Constitution.

SEC. 1061. SENSE OF CONGRESS ON LIMITING THE PLACING OF UNITED STATES FORCES UNDER UNITED NATIONS COMMAND OR CONTROL.

(a) FINDINGS.—Congress finds that—

(1) the President has made United Nations peace operations a major component of the foreign and security policies of the United States;

(2) the President has committed United States military personnel under United Nations operational control to missions in Haiti, Croatia, and Macedonia that could endanger those personnel;

(3) the President has committed the United States to deploy as many as 25,000 military personnel to Bosnia-Herzegovina as peacekeepers under United Nations command and control in the event that the parties to that conflict reach a peace agreement;

(4) although the President has insisted that he will retain command of United States forces at all times, in the past this has meant administrative control of United States forces only, while operational control has been ceded to United Nations commanders, some of whom were foreign nationals;

(5) the experience of United States forces participating in combined United States-United Nations operations in Somalia, and in combined United Nations-NATO operations in the former Yugoslavia, demonstrate that prerequisites for effective military operations such as unity of command and clarity of mission have not been met by United Nations command and control arrangements; and

(6) despite the many deficiencies in the conduct of United Nations peace operations, there may be occasions when it is in the national security interests of the United States to participate in such operations.

(b) POLICY.—It is the sense of Congress that—

(1) the President should consult closely with Congress regarding any United Nations peace operation that could involve United States combat forces, and that such consultations should continue throughout the duration of such activities;

(2) the President should consult with Congress prior to a vote within the United Nations Security Council on any resolution which would authorize, extend, or revise the mandates for such activities;

(3) in view of the complexity of United Nations peace operations and the difficulty of achieving unity of command and expeditious decisionmaking, the United States should participate in such operations only when it is clearly in the national security interest to do so;

(4) United States combat forces should be under the operational control of qualified commanders and should have clear and effective command and control arrangements and rules of engagement (which do not restrict their self-defense in any way) and clear and unambiguous mission statements; and

(5) none of the Armed Forces of the United States should be under the operational control of foreign nationals in United Nations peace enforcement operations except in the most extraordinary circumstances.

(c) DEFINITIONS.—For purposes of this section—

(1) the term ''United Nations peace enforcement operations'' means any international peace enforcement or similar activity that is authorized by the United Nations Security Council under chapter VII of the Charter of the United Nations; and

(2) the term ''United Nations peace operations'' means any international peacekeeping, peacemaking, peace enforcement, or similar activity that is authorized by the United Nations Security Council under chapter VI or VII of the Charter of the United Nations.

SEC. 1062. SENSE OF SENATE ON PROTECTION OF UNITED STATES FROM BALLISTIC MISSILE ATTACK.

(a) FINDINGS.—The Senate makes the following findings:

(1) The proliferation of weapons of mass destruction and ballistic missiles presents a threat to the entire World.

(2) This threat was recognized by Secretary of Defense William J. Perry in February 1995 in the Annual Report to the President and the Congress which states that ''[b]eyond the five declared nuclear weapons states, at least 20 other nations have acquired or are attempting to acquire weapons of mass destruction—nuclear, biological, or chemical weapons—and the means to deliver them. In fact, in most areas where United States forces could potentially be engaged on a large scale, many of the most likely adversaries already possess chemical and biological weapons. Moreover, some of these same states appear determined to acquire nuclear weapons.''.

(3) At a summit in Moscow in May 1995, President Clinton and President Yeltsin commented on this threat in a Joint Statement which recognizes '' . . . the threat posed by worldwide proliferation of missiles and missile technology and the necessity of counteracting this threat . . . ''.

(4) At least 25 countries may be developing weapons of mass destruction and the delivery systems for such weapons.

(5) At least 24 countries have chemical weapons programs in various stages of research and development.

(6) Approximately 10 countries are believed to have biological weapons programs in various stages of development.

(7) At least 10 countries are reportedly interested in the development of nuclear weapons.

(8) Several countries recognize that weapons of mass destruction and missiles increase their ability to deter, coerce, or otherwise threaten the United States. Saddam Hussein recognized this when he stated, on May 8, 1990, that ''[o]ur missiles cannot reach Washington. If they could reach Washington, we would strike it if the need arose.''.

(9) International regimes like the Non-Proliferation Treaty, the Biological Weapons Convention, and the Missile Technology Control Regime, while effective, cannot by themselves halt the spread of weapons and technology. On January 10, 1995, Director of Central Intelligence, James Woolsey, said with regard to Russia that '' . . . we are particularly concerned with the safety of nuclear, chemical, and biological materials as well as highly enriched uranium or plutonium, although I want to stress that this is a global problem. For example, highly enriched uranium was recently stolen from South Africa, and last month Czech authorities recovered three kilograms of 87.8 percent-enriched HEU in the Czech Republic—the largest seizure of near-weapons grade material to date outside the Former Soviet Union.''.

(10) The possession of weapons of mass destruction and missiles by developing countries threatens our friends, allies, and forces abroad and will ultimately threaten the United States directly. On August 11, 1994, Deputy Secretary of Defense John Deutch said that ''[i]f the North Koreans field the Taepo Dong 2 missile, Guam, Alaska, and parts of Hawaii would potentially be at risk.''.

(11) The end of the Cold War has changed the strategic environment facing and between the United States and Russia. That the Clinton Administration believes the environment to have changed was made clear by Secretary of Defense William J. Perry on September 20, 1994, when he stated that ''[w]e now have the opportunity to create a new relationship, based not on MAD, not on Mutual Assured Destruction, but rather on another acronym, MAS, or Mutual Assured Safety.''.

(12) The United States and Russia have the opportunity to create a relationship based on trust rather than fear.

(b) SENSE OF SENATE.—It is the sense of the Senate that all Americans should be protected from accidental, intentional, or limited ballistic missile attack. It is the further sense of the Senate that front-line troops of the United States Armed Forces should be protected from missile attacks.

(c) FUNDING FOR CORPS SAM AND BOOST-PHASE INTERCEPTOR PROGRAMS.—

(1) Notwithstanding any other provision in this Act, of the funds authorized to be appropriated by section 201(4), $35,000,000 shall be available for the Corps SAM/MEADS program.

(2) With a portion of the funds authorized in paragraph (1) for the Corps SAM/MEADS program, the Secretary of Defense shall conduct a study to determine whether a Theater Missile Defense system derived from Patriot technologies could fulfill the Corps SAM/MEADS requirements at a lower estimated life-cycle cost than is estimated for the cost of the United States portion of the Corps SAM/MEADS program.

(3) The Secretary shall provide a report on the study required under paragraph (2) to the congressional defense committees not later than March 1, 1996.

(4) Of the funds authorized to be appropriated by section 201(4), not more than $3,403,413,000 shall be available for missile defense programs within the Ballistic Missile Defense Organization.

(d) OBLIGATION OF FUNDS.—Of the amounts referred to in section (c)(1), $10,000,000 may not be obligated until the report referred to in subsection (c)(2) is submitted to the congressional defense committees.

SEC. 1063. IRAN AND IRAQ ARMS NONPROLIFERATION.

(a) SANCTIONS AGAINST TRANSFERS OF PERSONS.—Section 1604(a) of the Iran–Iraq Arms Non-Proliferation Act of 1992 (title XVI of Public Law 102–484; 50 U.S.C. 1701 note) is amended by inserting ''to acquire chemical, biological, or nuclear weapons or'' before ''to acquire''.

(b) SANCTIONS AGAINST TRANSFERS OF FOREIGN COUNTRIES.—Section 1605(a) of such Act is amended by inserting ''to acquire chemical, biological, or nuclear weapons or'' before ''to acquire''.

(c) CLARIFICATION OF UNITED STATES ASSISTANCE.—Subparagraph (A) of section 1608(7) of such Act is amended to read as follows:

''(A) any assistance under the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.), other than urgent humanitarian assistance or medicine;''.

SEC. 1064. REPORTS ON ARMS EXPORT CONTROL AND MILITARY ASSISTANCE.

(a) REPORTS BY SECRETARY OF STATE.—Not later than 180 days after the date of the enactment of this Act and every year thereafter until 1998, the Secretary of State shall submit to Congress a report setting forth—

(1) an organizational plan to include those firms on the Department of State licensing watch-lists that—

(A) engage in the exportation of potentially sensitive or dual-use technologies; and

(B) have been identified or tracked by similar systems maintained by the Department of Defense, Department of Commerce, or the United States Customs Service; and

(2) further measures to be taken to strengthen United States export-control mechanisms.

(b) REPORTS BY INSPECTOR GENERAL.—(1) Not later than 180 days after the date of the enactment of this Act and 1 year thereafter, the Inspector General of the Department of State and the Foreign Service shall submit to Congress a report on the evaluation by the Inspector General of the effectiveness of the watch-list screening process at the Department of State during the preceding year. The report shall be submitted in both a classified and unclassified version.

(2) Each report under paragraph (1) shall—

(A) set forth the number of licenses granted to parties on the watch-list;

(B) set forth the number of end-use checks performed by the Department;

(C) assess the screening process used by the Department in granting a license when an applicant is on a watch-list; and

(D) assess the extent to which the watch-list contains all relevant information and parties required by statute or regulation.

(c) ANNUAL MILITARY ASSISTANCE REPORT.—The Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended by inserting after section 654 the following new section:

''SEC. 655 ANNUAL MILITARY ASSISTANCE REPORT.

''(a) IN GENERAL.—Not later than February 1 of 1996 and 1997, the President shall transmit to Congress an annual report for the fiscal year ending the previous September 30, showing the aggregate dollar value and quantity of defense articles (including excess defense articles) and defense services, and of military education and training, furnished by the United States to each foreign country and international organization, by category, specifying whether they were furnished by grant under chapter 2 or chapter 5 of part II of this Act or by sale under chapter 2 of the Arms Control Export Control Act or authorized by commercial sale license under section 38 of that Act.

''(b) ADDITIONAL CONTENTS OF REPORTS.—Each report shall also include the total amount of military items of non-United States manufacture being imported into the United States. The report should contain the country of origin, the type of item being imported, and the total amount of items.''.

Subtitle G—Repeal of Certain Reporting Requirements

SEC. 1071. REPORTS REQUIRED BY TITLE 10, UNITED STATES CODE.

(a) ANNUAL REPORT ON RELOCATION ASSISTANCE PROGRAMS.—Section 1056 of title 10, United States Code, is amended—

(1) by striking out subsection (f); and

(2) by redesignating subsection (g) as subsection (f).

(b) NOTICE OF SALARY INCREASES FOR FOREIGN NATIONAL EMPLOYEES.—Section 1584 of such title is amended—

(1) by striking out subsection (b); and

(2) in subsection (a), by striking out ''(a) WAIVER OF EMPLOYMENT RESTRICTIONS FOR CERTAIN PERSONNEL.—''.

(c) NOTICE OF INVOLUNTARY REDUCTIONS OF CIVILIAN POSITIONS.—Section 1597 of such title is amended by striking out subsection (e).

(d) NOTIFICATION OF REQUIREMENT FOR AWARD OF CONTRACTS TO COMPLY WITH COOPERATIVE AGREEMENTS.—Section 2350b(d) of such title is amended—

(1) by striking out paragraph (1);

(2) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively; and

(3) in paragraph (1), as so redesignated, by striking out ''shall also notify'' and inserting in lieu thereof ''shall notify''.

(e) NOTICE REGARDING CONTRACTS PERFORMED FOR PERIODS EXCEEDING 10 YEARS.—(1) Section 2352 of such title is repealed.

(2) The table of sections at the beginning of chapter 139 of such title is amended by striking out the item relating to section 2352.

(f) ANNUAL REPORT ON BIOLOGICAL DEFENSE RESEARCH PROGRAM.—(1) Section 2370 of such title is repealed.

(2) The table of sections at the beginning of chapter 139 of such title is amended by striking out the item relating to section 2370.

(g) ANNUAL REPORT ON MILITARY BASE REUSE STUDIES AND PLANNING ASSISTANCE.—Section 2391 of such title is amended—

(1) by striking out subsection (c); and

(2) by redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

(h) COMPILATION OF REPORTS FILED BY EMPLOYEES OR FORMER EMPLOYEES OF DEFENSE CONTRACTORS.—Section 2397 of such title is amended—

(1) by striking out subsection (e); and

(2) by redesignating subsection (f) as subsection (e).

(i) REPORT ON LOW-RATE PRODUCTION UNDER NAVAL VESSEL AND MILITARY SATELLITE PROGRAMS.—Section 2400(c) of such title is amended—

(1) by striking out paragraph (2); and

(2) in paragraph (1)—

(A) by striking out ''(1)''; and

(B) by redesignating clauses (A) and (B) as clauses (1) and (2), respectively.

(j) REPORT ON WAIVERS OF PROHIBITION ON EMPLOYMENT OF FELONS.—Section 2408(a)(3) of such title is amended by striking out the second sentence.

(k) REPORT ON DETERMINATION NOT TO DEBAR FOR FRAUDULENT USE OF LABELS.—Section 2410f(a) of such title is amended by striking out the second sentence.

(l) ANNUAL REPORT ON WAIVERS OF PROHIBITION RELATING TO SECONDARY ARAB BOYCOTT.—Section 2410i(c) of such title is amended by striking out the second sentence.

(m) REPORT ON ADJUSTMENT OF AMOUNTS DEFINING MAJOR DEFENSE ACQUISITION PROGRAMS.—Section 2430(b) of such title is amended by striking out the second sentence.

(n) BUDGET DOCUMENTS ON WEAPONS DEVELOPMENT AND PROCUREMENT SCHEDULES.—(1) Section 2431 of such title is repealed.

(2) The table of sections at the beginning of chapter 144 of such title is amended by striking out the item relating to section 2431.

(o) NOTICE OF WAIVER OF LIMITATION ON PERFORMANCE OF DEPOT-LEVEL MAINTENANCE.—Section 2466(c) of such title is amended by striking out ''and notifies Congress regarding the reasons for the waiver''.

(p) ANNUAL REPORT ON INFORMATION ON FOREIGN-CONTROLLED CONTRACTORS.—Section 2537 of such title is amended—

(1) by striking out subsection (b); and

(2) by redesignating subsection (c) as subsection (b).

(q) ANNUAL REPORT ON REAL PROPERTY TRANSACTIONS.—Section 2662 of such title is amended—

(1) by striking out subsection (b); and

(2) by redesignating subsections (c), (d), (e), and (f) as subsections (b), (c), (d), and (e), respectively.

(r) NOTIFICATIONS AND REPORTS ON ARCHITECTURAL AND ENGINEERING SERVICES AND CONSTRUCTION DESIGN.—Section 2807 of such title is amended—

(1) by striking out subsections (b) and (c); and

(2) by redesignating subsection (d) as subsection (c).

(s) REPORT ON CONSTRUCTION PROJECTS FOR ENVIRONMENTAL RESPONSE ACTIONS.—Section 2810 of such title is amended—

(1) in subsection (a), by striking out ''Subject to subsection (b), the Secretary'' and inserting in lieu thereof ''The Secretary'';

(2) by striking out subsection (b); and

(3) by redesignating subsection (c) as subsection (b).

(t) NOTICE OF MILITARY CONSTRUCTION CONTRACTS ON GUAM.—Section 2864(b) of such title is amended by striking out ''after the 21-day period'' and all that follows through the period at the end and inserting in lieu thereof a period.

(u) ANNUAL REPORT ON ENERGY SAVINGS AT MILITARY INSTALLATIONS.—Section 2865 of such title is amended by striking out subsection (f).

SEC. 1072. REPORTS REQUIRED BY TITLE 37, UNITED STATES CODE, AND RELATED PROVISIONS OF DEFENSE AUTHORIZATION ACTS.

(a) ANNUAL REPORT ON TRAVEL AND TRANSPORTATION ALLOWANCES FOR DEPENDENTS.—Section 406 of title 37, United States Code, is amended by striking out subsection (i).

(b) REPORT ON ANNUAL REVIEW OF PAY AND ALLOWANCES.—Section 1008(a) of such title is amended by striking out the second sentence.

(c) REPORT ON QUADRENNIAL REVIEW OF ADJUSTMENTS IN COMPENSATION.—Section 1009(f) of such title is amended by striking out ''of this title,'' and all that follows through the period at the end and inserting in lieu thereof ''of this title.''.

(d) PUBLIC LAW 101–189 REQUIREMENT FOR REPORT REGARDING SPECIAL PAY FOR ARMY, NAVY, AND AIR FORCE PSYCHOLOGISTS.—Section 704 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1471; 37 U.S.C. 302c note) is amended by striking out subsection (d).

(e) PUBLIC LAW 101–510 REQUIREMENT FOR REPORT REGARDING SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 614 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1577; 37 U.S.C. 302e note) is amended by striking out subsection (c).

SEC. 1073. REPORTS REQUIRED BY OTHER DEFENSE AUTHORIZATION AND APPROPRIATIONS ACTS.

(a) PUBLIC LAW 98–94 REQUIREMENT FOR ANNUAL REPORT ON CHAMPUS AND USTF MEDICAL CARE.—Section 1252 of the Department of Defense Authorization Act, 1984 (Public Law 98–94; 42 U.S.C. 248d) is amended by striking out subsection (d).

(b) PUBLIC LAW 99–661 REQUIREMENT FOR REPORT ON FUNDING FOR NICARAGUAN DEMOCRATIC RESISTANCE.—Section 1351 of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99–661; 100 Stat. 3995; 10 U.S.C. 114 note) is amended—

(1) by striking out subsection (b); and

(2) in subsection (a), by striking out ''(a) LIMITATION.—''.

(c) PUBLIC LAW 100–180 REQUIREMENT FOR SELECTED ACQUISITION REPORTS FOR ATB, ACM, AND ATA PROGRAMS.—Section 127 of the National Defense Authorization Act for Fiscal Years 1988 and 1989 (10 U.S.C. 2432 note) is repealed.

(d) PUBLIC LAW 101–189 REQUIREMENT FOR NOTIFICATION OF CLOSURE OF MILITARY CHILD DEVELOPMENT CENTERS.—Section 1505(f) of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1594; 10 U.S.C. 113 note) is amended by striking out paragraph (3).

(e) PUBLIC LAW 101–510 REQUIREMENT FOR ANNUAL REPORT ON OVERSEAS MILITARY FACILITY INVESTMENT RECOVERY ACCOUNT.—Section 2921 of the Military Construction Authorization Act for Fiscal Year 1991 (division B of Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) by striking out subsection (f); and

(2) by redesignating subsections (g) and (h) as subsections (f) and (g), respectively.

(f) PUBLIC LAW 102–190 REQUIREMENT FOR SCIENCE, MATHEMATICS, AND ENGINEERING EDUCATION MASTER PLAN.—Section 829 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1444; 10 U.S.C. 2192 note) is repealed.

(g) PUBLIC LAW 102–484 REQUIREMENT FOR REPORT RELATING TO USE OF CLASS I OZONE-DEPLETING SUBSTANCES IN MILITARY PROCUREMENTS.—Section 326(a) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2368; 10 U.S.C. 301 note) is amended by striking out paragraphs (4) and (5).

(h) PUBLIC LAW 103–139 REQUIREMENT FOR REPORT REGARDING HEATING FACILITY MODERNIZATION AT KAISERSLAUTERN.—Section 8008 of the Department of Defense Appropriations Act, 1994 (Public Law 103–139; 107 Stat. 1438), is amended by inserting ''but without regard to the notification requirement in subsection (b)(2) of such section,'' after ''section 2690 of title 10, United States Code,''.

SEC. 1074. REPORTS REQUIRED BY OTHER NATIONAL SECURITY LAWS.

(a) ARMS EXPORT CONTROL ACT REQUIREMENT FOR QUARTERLY REPORT ON PRICE AND AVAILABILITY ESTIMATES.—Section 28 of the Arms Export Control Act (22 U.S.C. 2768) is repealed.

(b) NATIONAL SECURITY AGENCY ACT OF 1959 REQUIREMENT FOR ANNUAL REPORT ON NSA EXECUTIVE PERSONNEL.—Section 12(a) of the National Security Agency Act of 1959 (50 U.S.C. 402 note) is amended by striking out paragraph (5).

(c) PUBLIC LAW 85–804 REQUIREMENT FOR REPORT ON OMISSION OF CONTRACT CLAUSE UNDER SPECIAL NATIONAL DEFENSE CONTRACTING AUTHORITY.—Section 3(b) of the Act of August 28, 1958 (50 U.S.C. 1433(b)), is amended by striking out the matter following paragraph (2).

SEC. 1075. REPORTS REQUIRED BY OTHER PROVISIONS OF THE UNITED STATES CODE.

Section 1352(f) of title 31, United States Code, is amended—

(1) by inserting ''(1)'' after ''(f)'';

(2) by striking out the second sentence; and

(3) by adding at the end the following:

''(2) Subsections (a)(6) and (d) do not apply to the Department of Defense.''.

SEC. 1076. REPORTS REQUIRED BY OTHER PROVISIONS OF LAW.

(a) PANAMA CANAL ACT OF 1979 REQUIREMENT FOR ANNUAL REPORT REGARDING UNITED STATES TREATY RIGHTS AND OBLIGATIONS.—Section 3301 of the Panama Canal Act of 1979 (22 U.S.C. 3871) is repealed.

(b) PUBLIC LAW 91–611 REQUIREMENT FOR ANNUAL REPORT ON WATER RESOURCES PROJECT AGREEMENTS.—Section 221 of the Flood Control Act of 1970 (42 U.S.C. 1962d–5b) is amended—

(1) by striking out subsection (e); and

(2) by redesignating subsection (f) as subsection (e).

(c) PUBLIC LAW 94–587 REQUIREMENT FOR ANNUAL REPORT ON CONSTRUCTION OF TENNESSEE-TOMBIGBEE WATERWAY.—Section 185 of the Water Resources Development Act of 1976 (Public Law 94–587; 33 U.S.C. 544c) is amended by striking out the second sentence.

(d) PUBLIC LAW 100–333 REQUIREMENT FOR ANNUAL REPORT ON MONITORING OF NAVY HOME PORT WATERS.—Section 7 of the Organotin Antifouling Paint Control Act of 1988 (Public Law 100–333; 33 U.S.C. 2406) is amended—

(1) by striking out subsection (d); and

(2) by redesignating subsections (e) and (f) as subsections (d) and (e), respectively.

SEC. 1077. REPORTS REQUIRED BY JOINT COMMITTEE ON PRINTING.

Requirements for submission of the following reports imposed in the exercise of authority under section 103 of title 44, United States Code, do not apply to the Department of Defense:

(1) A notice of intent to apply new printing processes.

(2) A report on equipment acquisition or transfer.

(3) A printing plant report.

(4) A report on stored equipment.

(5) A report on jobs which exceed Joint Committee on Printing duplicating limitations.

(6) A notice of intent to contract for printing services.

(7) Research and development plans.

(8) A report on commercial printing.

(9) A report on collator acquisition.

(10) An annual plant inventory.

(11) An annual map or chart plant report.

(12) A report on activation or moving a printing plant.

(13) An equipment installation notice.

(14) A report on excess equipment.

Subtitle H—Other Matters

SEC. 1081. GLOBAL POSITIONING SYSTEM.

The Secretary of Defense shall turn off the selective availability feature of the global positioning system by May 1, 1996, unless the Secretary submits to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a plan that—

(1) provides for development and acquisition of—

(A) effective capabilities to deny hostile military forces the ability to use the global positioning system without hindering the ability of United States military forces and civil users to exploit the system; and

(B) global positioning system receivers and other techniques for weapons and weapon systems that provide substantially improved resistance to jamming and other forms of electronic interference or disruption; and

(2) includes a specific date by which the Secretary of Defense intends to complete the acquisition of the capabilities described in paragraph (1).

SEC. 1082. LIMITATION ON RETIREMENT OR DISMANTLEMENT OF STRATEGIC NUCLEAR DELIVERY SYSTEMS.

(a) SENSE OF CONGRESS.—It is the sense of Congress that, unless and until the START II Treaty enters into force, the Secretary of Defense should not take any action to retire or dismantle, or to prepare to retire or dismantle, any of the following strategic nuclear delivery systems:

(1) B-52H bomber aircraft.

(2) Trident ballistic missile submarines.

(3) Minuteman III intercontinental ballistic missiles.

(4) Peacekeeper intercontinental ballistic missiles.

(b) LIMITATION ON USE OF FUNDS.—Funds available to the Department of Defense may not be obligated or expended during fiscal year 1996 for retiring or dismantling, or for preparing to retire or dismantle, any of the strategic nuclear delivery systems specified in subsection (a).

SEC. 1083. NATIONAL GUARD CIVILIAN YOUTH OPPORTUNITIES PILOT PROGRAM.

Section 1091(a) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 32 U.S.C. 501 note) is amended by striking out ''through 1995'' and inserting in lieu thereof ''through 1997''.

SEC. 1084. REPORT ON DEPARTMENT OF DEFENSE BOARDS AND COMMISSIONS.

(a) REPORT ON BOARDS AND COMMISSIONS RECEIVING DEPARTMENT SUPPORT.—Not later than April 1, 1996, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report containing the following:

(1) A list of the boards and commissions described in subsection (b) that received support (including funds, equipment, materiel, or other assets, or personnel) from the Department of Defense in last full fiscal year preceding the date of the report.

(2) A list of the boards and commissions referred to in paragraph (1) that are determined by the Secretary to merit continued support from the Department.

(3) A description, for each board and commission listed under paragraph (2), of—

(A) the purpose of the board or commission;

(B) the nature and cost of the support provided by the Department to the board or commission in the last full fiscal year preceding the date of the report;

(C) the nature and duration of the support that the Secretary proposes to provide to the board or commission;

(D) the anticipated cost to the Department of providing such support; and

(E) a justification of the determination that the board or commission merits the support of the Department.

(4) A list of the boards and commissions referred to in paragraph (1) that are determined by the Secretary not to merit continued support from the Department.

(5) A description, for each board and commission listed under paragraph (4), of—

(A) the purpose of the board or commission;

(B) the nature and cost of the support provided by the Department to the board or commission in the last full fiscal year preceding the date of the report; and

(C) a justification of the determination that the board or commission does not merit the support of the Department.

(b) COVERED BOARDS.—Subsection (a)(1) applies to the boards and commissions, including boards and commissions authorized by law, operating within or for the Department of Defense that—

(1) provide only policy-making assistance or advisory services for the Department; or

(2) carry out activities that are not routine activities, on-going activities, or activities necessary to the routine, on-going operations of the Department.

SEC. 1085. REVISION OF AUTHORITY FOR PROVIDING ARMY SUPPORT FOR THE NATIONAL SCIENCE CENTER FOR COMMUNICATIONS AND ELECTRONICS.

(a) PURPOSE.—Subsection (b)(2) of section 1459 of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 99 Stat. 763) is amended by striking out ''to make available'' and all that follows and inserting in lieu thereof ''to provide for the management, operation, and maintenance of those areas in the national science center that are designated for use by the Army and to provide incidental support for the operation of general use areas of the center.''.

(b) AUTHORITY FOR SUPPORT.—Subsection (c) of such section is amended to read a follows:

''(c) NATIONAL SCIENCE CENTER.—(1) The Secretary may manage, operate, and maintain facilities at the center under terms and conditions prescribed by the Secretary for the purpose of conducting educational outreach programs in accordance with chapter 111 of title 10, United States Code.

''(2) The Foundation, or NSC Discovery Center, Incorporated, shall submit to the Secretary for review and approval all matters pertaining

to the acquisition, design, renovation, equipping, and furnishing of the center, including all plans, specifications, contracts, sites, and materials for the center.''.

(c) AUTHORITY FOR ACCEPTANCE OF GIFTS AND FUNDRAISING.—Subsection (d) of such section is amended to read as follows:

''(d) GIFTS AND FUNDRAISING.—(1) Subject to paragraph (3), the Secretary may accept a conditional donation of money or property that is made for the benefit of, or in connection with, the center.

''(2) Notwithstanding any other provision of law, the Secretary may endorse, promote, and assist the efforts of the Foundation and NSC Discovery Center, Incorporated, to obtain—

''(A) funds for the management, operation, and maintenance of the center; and

''(B) donations of exhibits, equipment, and other property for use in the center.

''(3) The Secretary may not accept a donation under this subsection that is made subject to—

''(A) any condition that is inconsistent with an applicable law or regulation; or

''(B) except to the extent provided in appropriations Acts, any condition that would necessitate an expenditure of appropriated funds.

''(4) The Secretary shall prescribe in regulations the criteria to be used in determining whether to accept a donation. The Secretary shall include criteria to ensure that acceptance of a donation does not establish an unfavorable appearance regarding the fairness and objectivity with which the Secretary or any other officer or employee of the Department of Defense performs official responsibilities and does not compromise or appear to compromise the integrity of a Government program or any official involved in that program.''.

(d) AUTHORIZED USES.—Such section is amended—

(1) by striking out subsection (f);

(2) by redesignating subsection (g) as subsection (f); and

(3) in subsection (f), as redesignated by paragraph (2), by inserting ''areas designated for Army use in'' after ''The Secretary may make''.

(e) ALTERNATIVE OF ADDITIONAL DEVELOPMENT AND MANAGEMENT.—Such section, as amended by subsection (d), is further amended by adding at the end the following:

''(g) ALTERNATIVE OR ADDITIONAL DEVELOPMENT AND MANAGEMENT OF THE CENTER.—(1) The Secretary may enter into an agreement with NSC Discovery Center, Incorporated, a nonprofit corporation of the State of Georgia, to develop, manage, and maintain a national science center under this section. In entering into an agreement with NSC Discovery Center, Incorporated, the Secretary may agree to any term or condition to which the Secretary is authorized under this section to agree for purposes of entering into an agreement with the Foundation.

''(2) The Secretary may exercise the authority under paragraph (1) in addition to, or instead of, exercising the authority provided under this section to enter into an agreement with the Foundation.''.

SEC. 1086. AUTHORITY TO SUSPEND OR TERMINATE COLLECTION ACTIONS AGAINST DECEASED MEMBERS.

Section 3711 of title 31, United States Code, is amended by adding at the end the following:

''(g)(1) The Secretary of Defense may suspend or terminate an action by the Department of Defense under this section to collect a claim against the estate of a person who died while serving on active duty as a member of the armed forces if the Secretary determines that, under the circumstances applicable with respect to the deceased person, it is appropriate to do so.

''(2) For purposes of this subsection, the terms 'armed forces' and 'active duty' have the meanings given such terms in section 101 of title 10.''.

SEC. 1087. DAMAGE OR LOSS TO PERSONAL PROPERTY DUE TO EMERGENCY EVACUATION OR EXTRAORDINARY CIRCUMSTANCES.

(a) SETTLEMENT OF CLAIMS OF PERSONNEL.—Section 3721(b)(1) of title 31, United States Code, is amended by inserting after the first sentence the following: ''If, however, the claim arose from an emergency evacuation or from extraordinary circumstances, the amount settled and paid under the authority of the preceding sentence may exceed $40,000, but may not exceed $100,000.''.

(b) RETROACTIVE EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as of June 1, 1991, and shall apply with respect to claims arising on or after that date.

SEC. 1088. CHECK CASHING AND EXCHANGE TRANSACTIONS FOR DEPENDENTS OF UNITED STATES GOVERNMENT PERSONNEL.

(a) AUTHORITY TO CARRY OUT TRANSACTIONS.—Subsection (b) of section 3342 of title 31, United States Code, is amended—

(1) by redesignating paragraphs (3), (4), and (5) as paragraphs (4), (5), and (6), respectively; and

(2) by inserting after paragraph (2) the following new paragraph:

''(3) a dependent of personnel of the Government, but only—

''(A) at a United States installation at which adequate banking facilities are not available; and

''(B) in the case of negotiation of negotiable instruments, if the dependent's sponsor authorizes, in writing, the presentation of negotiable instruments to the disbursing official for negotiation.''.

(b) PAY OFFSET.—Subsection (c) of such section is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by inserting after paragraph (2) the following new paragraph (3):

''(3) The amount of any deficiency resulting from cashing a check for a dependent under subsection (b)(3), including any charges assessed against the disbursing official by a financial institution for insufficient funds to pay the check, may be offset from the pay of the dependent's sponsor.''.

(c) DEFINITIONS.—Such section is further amended by adding at the end the following:

''(e) The Secretary of Defense shall define in regulations the terms 'dependent' and 'sponsor' for the purposes of this section. In the regulations, the term 'dependent', with respect to a member of a uniformed service, shall have the meaning given that term in section 401 of title 37.''.

SEC. 1089. TRAVEL OF DISABLED VETERANS ON MILITARY AIRCRAFT.

(a) LIMITED ENTITLEMENT.—Chapter 157 of title 10, United States Code, is amended by inserting after section 2641 the following new section:

''§ 2641a. Travel of disabled veterans on military aircraft

''(a) LIMITED ENTITLEMENT.—A veteran entitled under laws administered by the Secretary of Veterans Affairs to receive compensation for a service-connected disability rated as total by the Secretary is entitled, in the same manner and to the same extent as retired members of the armed forces, to transportation (on a space-available basis) on unscheduled military flights within the continental United States and on scheduled overseas flights operated by the Military Airlift Command.

''(b) DEFINITIONS.—In this section, the terms 'veteran', 'compensation', and 'service-connected' have the meanings given such terms in section 101 of title 38.''.

(b) CLERICAL AMENDMENT.—The table of sections, at the beginning of such chapter, is amended by inserting after the item relating to section 2641 the following new item:

''2641a. Travel of disabled veterans on military aircraft.''.

SEC. 1090. TRANSPORTATION OF CRIPPLED CHILDREN IN PACIFIC RIM REGION TO HAWAII FOR MEDICAL CARE.

(a) TRANSPORTATION AUTHORIZED.—Chapter 157 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2643. Transportation of crippled children in Pacific Rim region to Hawaii for medical care

''(a) TRANSPORTATION AUTHORIZED.—Subject to subsection (c), the Secretary of Defense may provide persons eligible under subsection (b) with round trip transportation in an aircraft of the Department of Defense, on a space-available basis, between an airport in the Pacific Rim region and the State of Hawaii. No charge may be imposed for transportation provided under this section.

''(b) PERSONS COVERED.—Persons eligible to be provided transportation under this section are as follows:

''(1) A child under 18 years of age who (A) resides in the Pacific Rim region, (B) is a crippled child in need of specialized medical care for the child's condition as a crippled child, which may include any associated or related condition, (C) upon arrival in Hawaii, is to be admitted to receive such medical care, at no cost to the patient, at a medical facility in Honolulu, Hawaii, that specializes in providing such medical care, and (D) is unable to afford the costs of transportation to Hawaii.

''(2) One adult attendant accompanying a child transported under this section.

''(c) CONDITIONS.—The Secretary may provide transportation under subsection (a) only if the Secretary determines that—

''(1) it is not inconsistent with the foreign policy of the United States to do so;

''(2) the transportation is for humanitarian purposes;

''(3) the health of the child to be transported is sufficient for the child to endure safely the stress of travel for the necessary distance in the Department of Defense aircraft involved;

''(4) all authorizations, permits, and other documents necessary for admission of the child at the medical treatment facility referred to in subsection (b)(1)(C) are in order;

''(5) all necessary passports and visas necessary for departure from the residences of the persons to be transported and from the airport of departure, for entry into the United States, for reentry into the country of departure, and for return to the persons' residences are in proper order; and

''(6) arrangements have been made to ensure that—

''(A) the persons to be transported will board the aircraft on the schedule established by the Secretary; and

''(B) the persons—

''(i) will be met and escorted to the medical treatment facility by appropriate personnel of the facility upon the arrival of the aircraft in Hawaii; and

''(ii) will be returned to the airport in Hawaii for transportation (on the schedule established by the Secretary) back to the country of departure.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''2643. Transportation of crippled children in Pacific Rim region to Hawaii for medical care.''.

SEC. 1091. STUDENT INFORMATION FOR RECRUITING PURPOSES.

(a) SENSE OF SENATE.—It is the sense of the Senate that—

(1) educational institutions, including secondary schools, should not have a policy of denying, or otherwise effectively preventing, the Secretary of Defense from obtaining for military recruiting purposes—

(A) entry to any campus or access to students on any campus equal to that of other employers; or

(B) access to directory information pertaining to students (other than in a case in which an objection has been raised as described in paragraph (2));

(2) an educational institution that releases directory information should—

(A) give public notice of the categories of such information to be released; and

(B) allow a reasonable period after such notice has been given for a student or (in the case of an individual younger than 18 years of age) a parent to inform the institution that any or all of such information should not be released without obtaining prior consent from the student or the parent, as the case may be; and

(3) the Secretary of Defense should prescribe regulations that contain procedures for determining if and when an educational institution has denied or prevented access to students or information as described in paragraph (1).

(b) DEFINITIONS.—In this section:

(1) The term ''directory information'' means, with respect to a student, the student's name, address, telephone listing, date and place of birth, level of education, degrees received, and (if available) the most recent previous educational program enrolled in by the student.

(2) The term ''student'' means an individual enrolled in any program of education who is 17 years of age or older.

SEC. 1092. STATE RECOGNITION OF MILITARY ADVANCE MEDICAL DIRECTIVES.

(a) IN GENERAL.—(1) Chapter 53 of title 10, United States Code, is amended by inserting after section 1044b the following new section:

''§ 1044c. Advance medical directives of armed forces personnel and dependents: requirement for recognition by States

''(a) INSTRUMENTS TO BE GIVEN LEGAL EFFECT WITHOUT REGARD TO STATE LAW.—An advance medical directive executed by a person eligible for legal assistance—

''(1) is exempt from any requirement of form, substance, formality, or recording that is provided for advance medical directives under the laws of a State; and

''(2) shall be given the same legal effect as an advance medical directive prepared and executed in accordance with the laws of the State concerned.

''(b) ADVANCE MEDICAL DIRECTIVES COVERED.—For purposes of this section, an advance medical directive is any written declaration that—

''(1) sets forth directions regarding the provision, withdrawal, or withholding of life-prolonging procedures, including hydration and sustenance, for the declarant whenever the declarant has a terminal physical condition or is in a persistent vegetative state; or

''(2) authorizes another person to make health care decisions for the declarant, under circumstances stated in the declaration, whenever the declarant is incapable of making informed health care decisions.

''(c) STATEMENT TO BE INCLUDED.—(1) Under regulations prescribed by the Secretary concerned, each advance medical directive prepared by an attorney authorized to provide legal assistance shall contain a statement that sets forth the provisions of subsection (a).

''(2) Paragraph (1) shall not be construed to make inapplicable the provisions of subsection (a) to an advance medical directive that does not include a statement described in that paragraph.

''(d) STATES NOT RECOGNIZING ADVANCE MEDICAL DIRECTIVES.—Subsection (a) does not make an advance medical directive enforceable in a State that does not otherwise recognize and enforce advance medical directives under the laws of the State.

''(e) DEFINITIONS.—In this section:

''(1) The term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, and a possession of the United States.

''(2) The term 'person eligible for legal assistance' means a person who is eligible for legal assistance under section 1044 of this title.

''(3) The term 'legal assistance' means legal services authorized under section 1044 of this title.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1044b the following:

''1044c. Advance medical directives of armed forces personnel and dependents: requirement for recognition by States.''.

(b) EFFECTIVE DATE.—Section 1044c of title 10, United States Code, shall take effect on the date of the enactment of this Act and shall apply to advance medical directives referred to in such section that are executed before, on, or after that date.

SEC. 1093. REPORT ON PERSONNEL REQUIREMENTS FOR CONTROL OF TRANSFER OF CERTAIN WEAPONS.

Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense and the Secretary of Energy shall submit to the committees of Congress referred to in subsection (c) of section 1154 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1761) the report required under subsection (a) of that section. The Secretary of Defense and the Secretary of Energy shall include with the report an explanation of the failure of such Secretaries to submit the report in accordance with such subsection (a) and with all other previous requirements for the submittal of the report.

SEC. 1094. SENSE OF SENATE REGARDING ETHICS COMMITTEE INVESTIGATION.

(a) The Senate finds that—

(1) the Senate Select Committee on Ethics has a thirty-one year tradition of handling investigations of official misconduct in a bipartisan, fair and professional manner;

(2) the Ethics Committee, to ensure fairness to all parties in any investigation, must conduct its responsibilities strictly according to established procedure and free from outside interference;

(3) the rights of all parties to bring an ethics complaint against a member, officer, or employee of the Senate are protected by the official rules and precedents of the Senate and the Ethics Committee;

(4) any Senator responding to a complaint before the Ethics Committee deserves a fair and non-partisan hearing according to the rules of the Ethics Committee;

(5) the rights of all parties in an investigation—both the individuals who bring a complaint or testify against a Senator, and any Senator charged with an ethics violation—can only be protected by strict adherence to the established rules and procedures of the ethics process;

(6) the integrity of the Senate and the integrity of the Ethics Committee rest on the continued adherence to precedents and rules, derived from the Constitution; and,

(7) the Senate as a whole has never intervened in any ongoing Senate Ethics Committee investigation, and has considered matters before that Committee only after the Committee has submitted a report and recommendations to the Senate;

(b) Therefore, it is the Sense of the Senate that the Select committee on Ethics should not, in the case of Senator Robert Packwood of Oregon, deviate from its customary and standard procedure, and should, prior to the Senate's final resolution of the case, follow whatever procedures it deems necessary and appropriate to provide a full and complete public record of the relevant evidence in this case.

SEC. 1095. SENSE OF SENATE REGARDING FEDERAL SPENDING.

It is the sense of the Senate that in pursuit of a balanced Federal budget, Congress should exercise fiscal restraint, particularly in authorizing spending not requested by the Executive Branch and in proposing new programs.

SEC. 1096. ASSOCIATE DIRECTOR OF CENTRAL INTELLIGENCE FOR MILITARY SUPPORT.

Section 102 of the National Security Act of 1947 (50 U.S.C. 403) is amended by adding at the end the following:

''(e) In the event that neither the Director nor Deputy Director of Central Intelligence is a commissioned officer of the Armed Forces, a commissioned officer of the Armed Forces appointed to the position of Associate Director of Central Intelligence for Military Support, while serving in such position, shall not be counted against the numbers and percentages of commissioned officers of the rank and grade of such officer authorized for the armed force of which such officer is a member.''.

SEC. 1097. REVIEW OF NATIONAL POLICY ON PROTECTING THE NATIONAL INFORMATION INFRASTRUCTURE AGAINST STRATEGIC ATTACKS.

Not later than 120 days after the date of the enactment of this Act, the President shall submit to Congress a report setting forth the following:

(1) The national policy and architecture governing the plans for establishing procedures, capabilities, systems, and processes necessary to perform indications, warning, and assessment functions regarding strategic attacks by foreign nations, groups, or individuals, or any other entity against the national information infrastructure.

(2) The future of the National Communications System (NCS), which has performed the central role in ensuring national security and emergency preparedness communications for essential United States Government and private sector users, including, specifically, a discussion of—

(A) whether there is a Federal interest in expanding or modernizing the National Communications System in light of the changing strategic national security environment and the revolution in information technologies; and

(B) the best use of the National Communications System and the assets and experience it represents as an integral part of a larger national strategy to protect the United States against a strategic attack on the national information infrastructure.

SEC. 1098. JUDICIAL ASSISTANCE TO THE INTERNATIONAL TRIBUNAL FOR YUGOSLAVIA AND TO THE INTERNATIONAL TRIBUNAL FOR RWANDA.

(a) SURRENDER OF PERSONS.—

(1) APPLICATION OF UNITED STATES EXTRADITION LAWS.—Except as provided in paragraphs (2) and (3), the provisions of chapter 209 of title 18, United States Code, relating to the extradition of persons to a foreign country pursuant to a treaty or convention for extradition between the United States and a foreign government, shall apply in the same manner and extent to the surrender of persons, including United States citizens, to—

(A) the International Tribunal for Yugoslavia, pursuant to the Agreement Between the United States and the International Tribunal for Yugoslavia; and

(B) the International Tribunal for Rwanda, pursuant to the Agreement Between the United States and the International Tribunal for Rwanda.

(2) EVIDENCE ON HEARINGS.—For purposes of applying section 3190 of title 18, United States Code, in accordance with paragraph (1), the certification referred to in the section may be made by the principal diplomatic or consular officer of the United States resident in such foreign countries where the International Tribunal for Yugoslavia or the International Tribunal for Rwanda may be permanently or temporarily situated.

(3) PAYMENT OF FEES AND COSTS.—(A) The provisions of the Agreement Between the United States and the International Tribunal for Yugoslavia and of the Agreement Between the United

States and the International Tribunal for Rwanda shall apply in lieu of the provisions of section 3195 of title 18, United States Code, with respect to the payment of expenses arising from the surrender by the United States of a person to the International Tribunal for Yugoslavia or the International Tribunal for Rwanda, respectively, or from any proceedings in the United States relating to such surrender.

(B) The authority of subparagraph (A) may be exercised only to the extent and in the amounts provided in advance in appropriations Acts.

(4) NONAPPLICABILITY OF THE FEDERAL RULES.—The Federal Rules of Evidence and the Federal Rules of Criminal Procedure do not apply to proceedings for the surrender of persons to the International Tribunal for Yugoslavia or the International Tribunal for Rwanda.

(b) ASSISTANCE TO FOREIGN AND INTERNATIONAL TRIBUNALS AND TO LITIGANTS BEFORE SUCH TRIBUNALS.—Section 1782(a) of title 28, United States Code, is amended by inserting in the first sentence after ''foreign or international tribunal'' the following: '', including criminal investigations conducted prior to formal accusation''.

(c) DEFINITIONS.—As used in this section:

(1) INTERNATIONAL TRIBUNAL FOR YUGOSLAVIA.—The term ''International Tribunal for Yugoslavia'' means the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law in the Territory of the Former Yugoslavia, as established by United Nations Security Council Resolution 827 of May 25, 1993.

(2) INTERNATIONAL TRIBUNAL FOR RWANDA.—The term ''International Tribunal for Rwanda'' means the International Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighboring States, as established by United Nations Security Council Resolution 955 of November 8, 1994.

(3) AGREEMENT BETWEEN THE UNITED STATES AND THE INTERNATIONAL TRIBUNAL FOR YUGOSLAVIA.—The term ''Agreement Between the United States and the International Tribunal for Yugoslavia'' means the Agreement on Surrender of Persons Between the Government of the United States and the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Law in the Territory of the Former Yugoslavia, signed at The Hague, October 5, 1994.

(4) AGREEMENT BETWEEN THE UNITED STATES AND THE INTERNATIONAL TRIBUNAL FOR RWANDA.—The term ''Agreement between the United States and the International Tribunal for Rwanda'' means the Agreement on Surrender of Persons Between the Government of the United States and the International Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighboring States, signed at The Hague, January 24, 1995.

SEC. 1099. LANDMINE USE MORATORIUM.

(a) FINDINGS.—The Congress makes the following findings:

(1) On September 26, 1994, the President declared that it is a goal of the United States to eventually eliminate antipersonnel landmines.

(2) On December 15, 1994, the United Nations General Assembly adopted a resolution sponsored by the United States which called for international efforts to eliminate antipersonnel landmines.

(3) According to the Department of State, there are an estimated 80,000,000 to 110,000,000 unexploded landmines in 62 countries.

(4) Antipersonnel landmines are routinely used against civilian populations and kill and maim an estimated 70 people each day, or 26,000 people each year.

(5) The Secretary of State has noted that landmines are ''slow-motion weapons of mass destruction''.

(6) There are hundreds of varieties of antipersonnel landmines, from a simple type available at a cost of only two dollars to the more complex self-destructing type, and all landmines of whatever variety kill and maim civilians, as well as combatants, indiscriminately.

(b) CONVENTIONAL WEAPONS CONVENTION REVIEW.—It is the sense of Congress that, at the United Nations conference to review the 1980 Conventional Weapons Convention, including Protocol II on landmines, that is to be held from September 25 to October 13, 1995, the President should actively support proposals to modify Protocol II that would implement as rapidly as possible the United States goal of eventually eliminating antipersonnel landmines.

(c) MORATORIUM ON USE OF ANTIPERSONNEL LANDMINES.—

(1) UNITED STATES MORATORIUM.—(A) For a period of one year beginning three years after the date of the enactment of this Act, the United States shall not use antipersonnel landmines except along internationally recognized national borders or in demilitarized zones within a perimeter marked area that is monitored by military personnel and protected by adequate means to ensure the exclusion of civilians.

(B) If the President determines, before the end of the period of the United States moratorium under subparagraph (A), that the governments of other nations are implementing moratoria on use of antipersonnel landmines similar to the United States moratorium, the President may extend the period of the United States moratorium for such additional period as the President considers appropriate.

(2) OTHER NATIONS.—It is the sense of Congress that the President should actively encourage the governments of other nations to join the United States in solving the global landmine crisis by implementing moratoria on use of antipersonnel landmines similar to the United States moratorium as a step toward the elimination of antipersonnel landmines.

(d) ANTIPERSONNEL LANDMINE EXPORTS.—It is the sense of Congress that, consistent with the United States moratorium on exports of antipersonnel landmines and in order to further discourage the global proliferation of antipersonnel landmines, the United States Government should not sell, license for export, or otherwise transfer defense articles and services to any foreign government which, as determined by the President, sells, exports, or otherwise transfers antipersonnel landmines.

(e) DEFINITIONS.—

For purposes of this Act:

(1) ANTIPERSONNEL LANDMINE.—The term ''antipersonnel landmine'' means any munition placed under, on, or near the ground or other surface area, delivered by artillery, rocket, mortar, or similar means, or dropped from an aircraft and which is designed, constructed, or adapted to be detonated or exploded by the presence, proximity, or contact of a person.

(2) 1980 CONVENTIONAL WEAPONS CONVENTION.—The term ''1980 Conventional Weapons Convention'' means the Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed To Be Excessively Injurious or To Have Indiscriminate Effects, together with the protocols relating thereto, done at Geneva on October 10, 1980.

SEC. 1099A. EXTENSION OF PILOT OUTREACH PROGRAM.

Section 1045(d) of the National Defense Authorization Act for Fiscal Year 1993 is amended by striking out ''three'' and inserting ''five'' in lieu thereof.

SEC. 1099B. SENSE OF SENATE ON MIDWAY ISLANDS.

(a) FINDINGS.—The Senate makes the following findings:

(1) September 2, 1995, marks the 50th anniversary of the United States victory over Japan in World War II.

(2) The Battle of Midway proved to be the turning point in the war in the Pacific, as United States Navy forces inflicted such severe losses on the Imperial Japanese Navy during the battle that the Imperial Japanese Navy never again took the offensive against United States or allied forces.

(3) During the Battle of Midway, an outnumbered force of the United States Navy, consisting of 29 ships and other units of the Armed Forces under the command of Admiral Nimitz and Admiral Spruance, out-maneuvered and out-fought 350 ships of the Imperial Japanese Navy.

(4) It is in the public interest to erect a memorial to the Battle of Midway that is suitable to express the enduring gratitude of the American people for victory in the battle and to inspire future generations of Americans with the heroism and sacrifice of the members of the Armed Forces who achieved that victory.

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) the Midway Islands and the surrounding seas deserve to be memorialized;

(2) the historic structures related to the Battle of Midway should be maintained, in accordance with the National Historic Preservation Act, and subject to the availability of appropriations for that purpose.

(3) appropriate access to the Midway Islands by survivors of the Battle of Midway, their families, and other visitors should be provided in a manner that ensures the public health and safety on the Midway Islands and the conservation and natural resources of those islands in accordance with existing Federal law.

SEC. 1099C. STUDY ON CHEMICAL WEAPONS STOCKPILE.

(a) STUDY.—(1) The Secretary of Defense shall conduct a study to assess the risk associated with the transportation of the unitary stockpile, any portion of the stockpile to include drained agents from munitions and munitions, from one location to another within the continental United States. Also, the Secretary shall include a study of the assistance available to communities in the vicinity if the Department of Defense facilities co-located with continuing chemical stockpile and chemical demilitarization operations which facilities are subject to closure, realignment, or reutilization.

(2) The review shall include an analysis of—

(A) the results of the physical and chemical integrity report conducted by the Army on existing stockpile;

(B) a determination of the viability of transportation of any portion of the stockpile, to include drained agent from munitions and the munitions;

(C) the safety, cost-effectiveness, and public acceptability of transporting the stockpile, in its current configuration, or in alternative configurations;

(D) the economic effects of closure, realignment, or reutilization of the facilities referred to in paragraph (1) on the communities referred to in that paragraph; and

(E) the unique problems that such communities face with respect to the reuse of such facilities as a result of the operations referred to in paragraph (1).

(b) REPORT.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the study carried out under subsection (a). The report shall include recommendations of the Secretary on methods for ensuring the expeditious and cost-effective transfer or lease of facilities referred to in paragraph (1) of subsection (a) to communities referred to in paragraph (1) for reuse by such communities.

SEC. 1099D. DESIGNATION OF NATIONAL MARITIME CENTER.

(a) DESIGNATION OF NATIONAL MARITIME CENTER.—The NAUTICUS building, located at one

Waterside Drive, Norfolk, Virginia, shall be known and designated as the ''National Maritime Center''.

(b) REFERENCE TO NATIONAL MARITIME CENTER.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the building referred to in subsection (a) shall be deemed to be a reference to the ''National Maritime Center''.

SEC. 1099E. OPERATIONAL SUPPORT AIRLIFT AIRCRAFT FLEET.

(a) SUBMITTAL OF JCS REPORT ON AIRCRAFT.—Not later than February 1, 1996, the Secretary of Defense shall submit to Congress the report on aircraft designated as Operational Support Airlift Aircraft that is currently in preparation by the Joint Chiefs of Staff.

(b) CONTENT OF REPORT.—(1) The report shall contain findings and recommendations regarding the following:

(A) Modernization and safety requirements for the Operational Support Airlift Aircraft fleet.

(B) Standardization plans and requirements of that fleet.

(C) The disposition of aircraft considered excess to that fleet in light of the requirements set forth under subparagraph (A).

(D) The need for helicopter support in the National Capital Region.

(E) The acceptable uses of helicopter support in the National Capital Region.

(2) In preparing the report, the Joint Chiefs of Staff shall take into account the recommendation of the Commission on Roles and Missions of the Armed Forces to reduce the size of the Operational Support Airlift Aircraft fleet.

(c) REGULATIONS.—(1) Upon completion of the report referred to in subsection (a), the Secretary shall prescribe regulations, consistent with the findings and recommendations set forth in the report, for the operation, maintenance, disposition, and use of aircraft designated as Operational Support Airlift Aircraft.

(2) The regulations shall, to the maximum extent practicable, provide for, and encourage the use of, commercial airlines in lieu of the use of aircraft designated as Operational Support Airlift Aircraft.

(3) The regulations shall apply uniformly throughout the Department of Defense.

(4) The regulations should not require exclusive use of the aircraft designated as Operational Support Airlift Aircraft for any particular class of government personnel.

(d) REDUCTIONS IN FLYING HOURS.—(1) The Secretary shall ensure that the number of hours flown in fiscal year 1996 by aircraft designated as Operational Support Airlift Aircraft does not exceed the number equal to 85 percent of the number of hours flown in fiscal year 1995 by such aircraft.

(2) The Secretary should ensure that the number of hours flown in fiscal year 1996 for helicopter support in the National Capital Region does not exceed the number equal to 85 percent of the number of hours flown in fiscal year 1995 for such helicopter support.

(e) RESTRICTION ON AVAILABILITY OF FUNDS.—Of the funds authorized to be appropriated under title III for the operation and use of aircraft designated as Operational Support Airlift Aircraft, not more than 50 percent of such funds shall be available for that purpose until the submittal of the report referred to in subsection (a).

SEC. 1099F. SENSE OF THE SENATE ON CHEMICAL WEAPONS CONVENTION AND START II TREATY RATIFICATION.

(a) FINDINGS.—The Senate makes the following findings:

(1) Proliferation of chemical or nuclear weapons materials poses a danger to United States national security, and the threat or use of such materials by terrorists would directly threaten United States citizens at home and abroad.

(2) The Chemical Weapons Convention negotiated and signed by President Bush would make it more difficult for would-be proliferators, including terrorists, to acquire or use chemical weapons, if ratified and fully implemented as signed, by all signatories.

(3) The START II Treaty negotiated and signed by President Bush would help reduce the danger of potential proliferators, including terrorists, acquiring nuclear warheads and materials, and would contribute to United States-Russian bilateral efforts to secure and dismantle nuclear warheads, if ratified and fully implemented as signed by both parties.

(4) It is in the national security interest of the United States to take effective steps to make it harder for proliferators or would-be terrorists to obtain chemical or nuclear materials for use in weapons.

(5) The President has urged prompt Senate action on, and advice and consent to ratification of, the START II Treaty and the Chemical Weapons Convention.

(6) The Chairman of the Joint Chiefs of Staff has testified to Congress that ratification and full implementation of both treaties by all parties is in the United States national interest, and has strongly urged prompt Senate advice and consent to their ratification.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the United States and all other parties to the START II and Chemical Weapons Convention should promptly ratify and fully implement, as negotiated, both treaties.

TITLE XI—TECHNICAL AND CLERICAL AMENDMENTS

SEC. 1101. AMENDMENTS RELATED TO RESERVE OFFICER PERSONNEL MANAGEMENT ACT.

(a) PUBLIC LAW 103–337.—The Reserve Officer Personnel Management Act (title XVI of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337)) is amended as follows:

(1) Section 1624 (108 Stat. 2961) is amended—

(A) by striking out ''641'' and all that follows through ''(2)'' and inserting in lieu thereof ''620 is amended''; and

(B) by redesignating as subsection (d) the subsection added by the amendment made by that section.

(2) Section 1625 (108 Stat. 2962) is amended by striking out ''Section 689'' and inserting in lieu thereof ''Section 12320''.

(3) Section 1626(1) (108 Stat. 2962) is amended by striking out ''(W–5)'' in the second quoted matter therein and inserting in lieu thereof '', W–5,''.

(4) Section 1627 (108 Stat. 2962) is amended by striking out ''Section 1005(b)'' and inserting in lieu thereof ''Section 12645(b)''.

(5) Section 1631 (108 Stat. 2964) is amended—

(A) in subsection (a), by striking out ''Section 510'' and inserting in lieu thereof ''Section 12102''; and

(B) in subsection (b), by striking out ''Section 591'' and inserting in lieu thereof ''Section 12201''.

(6) Section 1632 (108 Stat. 2965) is amended by striking out ''Section 593(a)'' and inserting in lieu thereof ''Section 12203(a)''.

(7) Section 1635(a) (108 Stat. 2968) is amended by striking out ''section 1291'' and inserting in lieu thereof ''section 1691(b)''.

(8) Section 1671 (108 Stat. 3013) is amended—

(A) in subsection (b)(3), by striking out ''512, and 517'' and inserting in lieu thereof ''and 512''; and

(B) in subsection (c)(2), by striking out the comma after ''861'' in the first quoted matter therein.

(9) Section 1684(b) (108 Stat. 3024) is amended by striking out ''section 14110(d)'' and inserting in lieu thereof ''section 14111(c)''.

(b) SUBTITLE E OF TITLE 10.—Subtitle E of title 10, United States Code, is amended as follows:

(1) The tables of chapters preceding part I and at the beginning of part IV are amended by striking out ''Repayments'' in the item relating to chapter 1609 and inserting in lieu thereof ''Repayment Programs''.

(2)(A) The heading for section 10103 is amended to read as follows:

''§ 10103. Basic policy for order into Federal service''.

(B) The item relating to section 10103 in the table of sections at the beginning of chapter 1003 is amended to read as follows:

''10103. Basic policy for order into Federal service.''.

(3) The table of sections at the beginning of chapter 1005 is amended by striking out the third word in the item relating to section 10142.

(4) The table of sections at the beginning of chapter 1007 is amended—

(A) by striking out the third word in the item relating to section 10205; and

(B) by capitalizing the initial letter of the sixth word in the item relating to section 10211.

(5) The table of sections at the beginning of chapter 1011 is amended by inserting ''Sec.'' at the top of the column of section numbers.

(6) Section 10507 is amended—

(A) by striking out ''section 124402(b)'' and inserting in lieu thereof ''section 12402(b)''; and

(B) by striking out ''Air Forces'' and inserting in lieu thereof ''Air Force''.

(7)(A) Section 10508 is repealed.

(B) The table of sections at the beginning of chapter 1011 is amended by striking out the item relating to section 10508.

(8) Section 10542 is amended by striking out subsection (d).

(9) Section 12004(a) is amended by striking out ''active-status'' and inserting in lieu thereof ''active status''.

*(10) Section 12012 is amended by inserting ''**the**'' in the section heading before the penultimate word.*

(11)(A) The heading for section 12201 is amended to read as follows:

''§ 12201. Reserve officers: qualifications for appointment''.

(B) The item relating to section 12201 in the table of sections at the beginning of chapter 1205 is amended to read as follows:

''12201. Reserve officers: qualifications for appointment.''.

(12) The heading for section 12209 is amended to read as follows:

''§ 12209. Officer candidates: enlisted Reserves''.

(13) The heading for section 12210 is amended to read as follows:

''§ 12210. Attending Physician to the Congress: reserve grade while so serving''.

(14) Section 12213(a) is amended by striking out ''section 593'' and inserting in lieu thereof ''section 12203''.

(15) The table of sections at the beginning of chapter 1207 is amended by striking out ''promotions'' in the item relating to section 12243 and inserting in lieu thereof ''promotion''.

(16) The table of sections at the beginning of chapter 1209 is amended—

(A) in the item relating to section 12304, by striking out the colon and inserting in lieu thereof a semicolon; and

(B) in the item relating to section 12308, by striking out the second, third, and fourth words.

(17) Section 12307 is amended by striking out ''Ready Reserve'' in the second sentence and inserting in lieu thereof ''Retired Reserve''.

(18) The heading of section 12401 is amended by striking out the seventh word.

(19) Section 12407(b) is amended—

(A) by striking out ''of those jurisdictions'' and inserting in lieu thereof ''State''; and

(B) by striking out ''jurisdictions'' and inserting in lieu thereof ''States''

(20) Section 12731(f) is amended by striking out ''the date of the enactment of this subsection'' and inserting in lieu thereof ''October 5, 1994,''.

(21) Section 12731a(c)(3) is amended by inserting a comma after ''Defense Conversion''.

*(22) Section 14003 is amended by inserting "**lists**" in the section heading immediately before the colon.*

(23) The table of sections at the beginning of chapter 1403 is amended by striking out "selection board" in the item relating to section 14105 and inserting in lieu thereof "promotion board".

(24) The table of sections at the beginning of chapter 1405 is amended—

(A) in the item relating to section 14307, by striking out "Numbers" and inserting in lieu thereof "Number";

(B) in the item relating to section 14309, by striking out the colon and inserting in lieu thereof a semicolon; and

(C) in the item relating to section 14314, by capitalizing the initial letter of the antepenultimate word.

(25) Section 14315(a) is amended by striking out "a Reserve officer" and inserting in lieu thereof "a reserve officer".

(26) 14317(e) is amended—

(A) by inserting "OFFICERS ORDERED TO ACTIVE DUTY IN TIME OF WAR OR NATIONAL EMERGENCY.—" after "(e)"; and

(B) by striking out "section 10213 or 644" and inserting in lieu thereof "section 123 or 10213".

(27) The table of sections at the beginning of chapter 1407 is amended—

(A) in the item relating to section 14506, by inserting "reserve" after "Marine Corps and"; and

(B) in the item relating to section 14507, by inserting "reserve" after "Removal from the"; and

(C) in the item relating to section 14509, by inserting "in grades" after "reserve officers".

(28) Section 14501(a) is amended by inserting "OFFICERS BELOW THE GRADE OF COLONEL OR NAVY CAPTAIN.—" after "(a)".

*(29) The heading for section 14506 is amended by inserting a comma after "**Air Force**".*

(30) Section 14508 is amended by striking out "this" after "from an active status under" in subsections (c) and (d).

(31) Section 14515 is amended by striking out "inactive status" and inserting in lieu thereof "inactive-status".

(32) Section 14903(b) is amended by striking out "chapter" and inserting in lieu thereof "title".

(33) The table of sections at the beginning of chapter 1606 is amended in the item relating to section 16133 by striking out "limitations" and inserting in lieu thereof "limitation".

(34) Section 16132(c) is amended by striking out "section" and inserting in lieu thereof "sections".

(35) Section 16135(b)(1)(A) is amended by striking out "section 2131(a)" and inserting in lieu thereof "sections 16131(a)".

(36) Section 18236(b)(1) is amended by striking out "section 2233(e)" and inserting in lieu thereof "section 18233(e)".

(37) Section 18237 is amended—

(A) in subsection (a), by striking out "section 2233(a)(1)" and inserting in lieu thereof "section 18233(a)(1)"; and

(B) in subsection (b), by striking out "section 2233(a)" and inserting in lieu thereof "section 18233(a)".

(c) OTHER PROVISIONS OF TITLE 10.—Effective as of December 1, 1994 (except as otherwise expressly provided), and as if included as amendments made by the Reserve Officer Personnel Management Act (title XVI of Public Law 103–360) as originally enacted, title 10, United States Code, is amended as follows:

(1) Section 101(d)(6)(B)(i) is amended by striking out "section 175" and inserting in lieu thereof "section 10301".

(2) Section 114(b) is amended by striking out "chapter 133" and inserting in lieu thereof "chapter 1803".

(3) Section 115(d) is amended—

(A) in paragraph (1), by striking out "section 673" and inserting in lieu thereof "section 12302";

(B) in paragraph (2), by striking out "section 673b" and inserting in lieu thereof "section 12304"; and

(C) in paragraph (3), by striking out "section 3500 or 8500" and inserting in lieu thereof "section 12406".

(4) Section 123(a) is amended—

(A) by striking out "281, 592, 1002, 1005, 1006, 1007, 1374, 3217, 3218, 3219, 3220,", "5414, 5457, 5458,", and "8217, 8218, 8219,"; and

(B) by striking out "and 8855" and inserting in lieu thereof "8855, 10214, 12003, 12004, 12005, 12007, 12202, 12213, 12642, 12645, 12646, 12647, 12771, 12772, and 12773".

(5) Section 582(1) is amended by striking out "section 672(d)" in subparagraph (B) and "section 673b" in subparagraph (D) and inserting in lieu thereof "section 12301(d)" and "section 12304", respectively.

(6) Section 641(1)(B) is amended by striking out "10501" and inserting in lieu thereof "10502, 10505, 10506(a), 10506(b), 10507".

(7) The table of sections at the beginning of chapter 39 is amended by striking out the items relating to sections 687 and 690.

(8) Sections 1053(a)(1), 1064, and 1065(a) are amended by striking out "chapter 67" and inserting in lieu thereof "chapter 1223".

(9) Section 1063(a)(1) is amended by striking out "section 1332(a)(2)" and inserting in lieu thereof "section 12732(a)(2)".

(10) Section 1074b(b)(2) is amended by striking out "section 673c" and inserting in lieu thereof "section 12305".

(11) Section 1076(b)(2)(A) is amended by striking out "before the effective date of the Reserve Officer Personnel Management Act" and inserting in lieu thereof "before December 1, 1994".

(12) Section 1176(b) is amended by striking out "section 1332" in the matter preceding paragraph (1) and in paragraph (2) and inserting in lieu thereof "section 12732".

(13) Section 1208(b) is amended by striking out "section 1333" and inserting in lieu thereof "section 12733".

(14) Section 1209 is amended by striking out "section 1332", "section 1335", and "chapter 71" and inserting in lieu thereof "section 12732", "section 12735", and "section 12739", respectively.

(15) Section 1407 is amended—

(A) in subsection (c)(1) and (d)(1), by striking out "section 1331" and inserting in lieu thereof "section 12731"; and

(B) in the heading for paragraph (1) of subsection (d), by striking out "CHAPTER 67" and inserting in lieu thereof "CHAPTER 1223".

(16) Section 1408(a)(5) is amended by striking out "section 1331" and inserting in lieu thereof "section 12731"

(17) Section 1431(a)(1) is amended by striking out "section 1376(a)" and inserting in lieu thereof "section 12774(a)".

(18) Section 1463(a)(2) is amended by striking out "chapter 67" and inserting in lieu thereof "chapter 1223".

(19) Section 1482(f)(2) is amended by inserting "section" before "12731 of this title".

(20) The table of sections at the beginning of chapter 533 is amended by striking out the item relating to section 5454.

(21) Section 2006(b)(1) is amended by striking out "chapter 106 of this title" and inserting in lieu thereof "chapter 1606 of this title".

(22) Section 2121(c) is amended by striking out "section 3353, 5600, or 8353" and inserting in lieu thereof "section 12207", effective on the effective date specified in section 1691(b)(1) of Public Law 103–337.

(23) Section 2130a(b)(3) is amended by striking out "section 591" and inserting in lieu thereof "section 12201".

(24) The table of sections at the beginning of chapter 337 is amended by striking out the items relating to section 3351 and 3352.

(25) Sections 3850, 6389(c), 6391(c), and 8850 are amended by striking out "section 1332" and inserting in lieu thereof "section 12732".

(26) Section 5600 is repealed, effective on the effective date specified in section 1691(b)(1) of Public Law 103–337.

(27) Section 5892 is amended by striking out "section 5457 or section 5458" and inserting in lieu thereof "section 12004 or section 12005".

(28) Section 6410(a) is amended by striking out "section 1005" and inserting in lieu thereof "section 12645".

(29) The table of sections at the beginning of chapter 837 is amended by striking out the items relating to section 8351 and 8352.

(30) Section 8360(b) is amended by striking out "section 1002" and inserting in lieu thereof "section 12642".

(31) Section 8380 is amended by striking out "section 524" in subsections (a) and (b) and inserting in lieu thereof "section 12011".

(32) Sections 8819(a), 8846(a), and 8846(b) are amended by striking out "section 1005 and 1006" and inserting in lieu thereof "sections 12645 and 12646".

(33) Section 8819 is amended by striking out "section 1005" and "section 1006" and inserting in lieu thereof "section 12645" and "section 12646", respectively.

(d) CROSS REFERENCES IN OTHER DEFENSE LAWS.—

(1) Section 337(b) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2717) is amended by inserting before the period at the end the following: "or who after November 30, 1994, transferred to the Retired Reserve under section 10154(2) of title 10, United States Code, without having completed the years of service required under section 12731(a)(2) of such title for eligibility for retired pay under chapter 1223 of such title".

(2) Section 525 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (P.L. 102–190, 105 Stat. 1363) is amended by striking out "section 690" and inserting in lieu thereof "section 12321".

(3) Subtitle B of title XLIV of the National Defense Authorization Act for Fiscal Year 1993 (P.L. 102–484; 10 U.S.C. 12681 note) is amended—

(A) in section 4415, by striking out "section 1331a" and inserting in lieu thereof "section 12731a";

(B) in subsection 4416—

(i) in subsection (a), by striking out "section 1331" and inserting in lieu thereof "section 12731";

(ii) in subsection (b)—

(I) by inserting "or section 12732" in paragraph (1) after "under that section"; and

(II) by inserting "or 12731(a)" in paragraph (2) after "section 1331(a)";

(iii) in subsection (e)(2), by striking out "section 1332" and inserting in lieu thereof "section 12732"; and

(iv) in subsection (g), by striking out "section 1331a" and inserting in lieu thereof "section 12731a"; and

(C) in section 4418—

(i) in subsection (a), by striking out "section 1332" and inserting in lieu thereof "section 12732"; and

(ii) in subsection (b)(1)(A), by striking out "section 1333" and inserting in lieu thereof "section 12733".

(4) Title 37, United States Code, is amended—

(A) in section 302f(b), by striking out "section 673c of title 10" in paragraphs (2) and (3)(A) and inserting in lieu thereof "section 12305 of title 10"; and

(B) in section 433(a), by striking out "section 687 of title 10" and inserting in lieu thereof "section 12319 of title 10".

(e) CROSS REFERENCES IN OTHER LAWS.—

(1) Title 14, United States Code, is amended—

(A) in section 705(f), by striking out "600 of title 10" and inserting in lieu thereof "12209 of title 10"; and

(B) in section 741(c), by striking out "section 1006 of title 10" and inserting in lieu thereof "section 12646 of title 10".

(2) Title 38, United States Code, is amended—

(A) in section 3011(d)(3), by striking out "section 672, 673, 673b, 674, or 675 of title 10" and inserting in lieu thereof "section 12301, 12302, 12304, 12306, or 12307 of title 10";

(B) in sections 3012(b)(1)(B)(iii) and 3701(b)(5)(B), by striking out ''section 268(b) of title 10'' and inserting in lieu thereof ''section 10143(a) of title 10'';

(C) in section 3501(a)(3)(C), by striking out ''section 511(d) of title 10'' and inserting in lieu thereof ''section 12103(d) of title 10''; and

(D) in section 4211(4)(C), by striking out ''section 672(a), (d), or (g), 673, or 673b of title 10'' and inserting in lieu thereof ''section 12301(a), (d), or (g), 12302, or 12304 of title 10''.

(3) Section 702(a)(1) of the Soldiers' and Sailors' Civil Relief Act of 1940 (50 U.S.C. App. 592(a)(1)) is amended—

(A) by striking out ''section 672 (a) or (g), 673, 673b, 674, 675, or 688 of title 10'' and inserting in lieu thereof ''section 688, 12301(a), 12301(g), 12302, 12304, 12306, or 12307 of title 10''; and

(B) by striking out ''section 672(d) of such title'' and inserting in lieu thereof ''section 12301(d) of such title''.

(4) Section 463A of the Higher Education Act of 1965 (20 U.S.C. 1087cc–1) is amended in subsection (a)(10) by striking out ''(10 U.S.C. 2172)'' and inserting in lieu thereof ''(10 U.S.C. 16302)''.

(5) Section 179 of the National and Community Service Act of 1990 (42 U.S.C. 12639) is amended in subsection (a)(2)(C) by striking out ''section 216(a) of title 5'' and inserting in lieu thereof ''section 10101 of title 10''.

(f) EFFECTIVE DATES.—

(1) Section 1636 of the Reserve Officer Personnel Management Act shall take effect on the date of the enactment of this Act.

(2) The amendments made by sections 1672(a), 1673(a) (with respect to chapters 541 and 549), 1673(b)(2), 1673(b)(4), 1674(a), and 1674(b)(7) shall take effect on the effective date specified in section 1691(b)(1) of the Reserve Officer Personnel Management Act (notwithstanding section 1691(a) of such Act).

(3) The amendments made by this section shall take effect as if included in the Reserve Officer Personnel Management Act as enacted on October 5, 1994.

SEC. 1102. AMENDMENTS RELATED TO FEDERAL ACQUISITION STREAMLINING ACT OF 1994.

(a) PUBLIC LAW 103–355.—Effective as of October 13, 1994, and as if included therein as enacted, the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355; 108 Stat. 3243 et seq.) is amended as follows:

(1) Section 1202(a) (108 Stat. 3274) is amended by striking out the closing quotation marks and second period at the end of paragraph (2)(B) of the subsection inserted by the amendment made by that section.

(2) Section 1251(b) (108 Stat. 3284) is amended by striking out ''Office of Federal Procurement Policy Act'' and inserting in lieu thereof ''Federal Property and Administrative Services Act of 1949''.

(3) Section 2051(e) (108 Stat. 3304) is amended by striking out the closing quotation marks and second period at the end of subsection (f)(3) in the matter inserted by the amendment made by that section.

(4) Section 2101(a)(6)(B)(ii) (108 Stat. 3308) is amended by replacing ''regulation'' with ''regulations'' in the first quoted matter.

(5) The heading of section 2352(b) (108 Stat. 3322) is amended by striking out ''PROCEDURES TO SMALL BUSINESS GOVERNMENT CONTRACTORS.—'' and inserting in lieu thereof ''PROCEDURES.—''.

(6) Section 3022 (108 Stat. 3333) is amended by striking out ''each place'' and all that follows through the end of the section and inserting in lieu thereof ''in paragraph (1) and '', rent,'' after ''sell'' in paragraph (2).''.

(7) Section 5092(b) (108 Stat. 3362) is amended by inserting ''of paragraph (2)'' after ''second sentence''.

(8) Section 6005(a) (108 Stat. 3364) is amended by striking out the closing quotation marks and second period at the end of subsection (e)(2) of the matter inserted by the amendment made by that section.

(9) Section 10005(f)(4) (108 Stat. 3409) is amended in the second matter in quotation marks by striking out ''SEC. 5. This Act'' and inserting in lieu thereof ''SEC. 7. This title''.

(b) TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended as follows:

(1) Section 2220(b) is amended by striking out ''the date of the enactment of the Federal Acquisition Streamlining Act of 1994'' and inserting in lieu thereof ''October 13, 1994''.

(2)(A) The section 2247 added by section 7202(a)(1) of Public Law 103–355 (108 Stat. 3379) is redesignated as section 2249.

(B) The item relating to that section in the table of sections at the beginning of subchapter I of chapter 134 is revised to conform to the redesignation made by subparagraph (A).

(3) Section 2302(3)(K) is amended by adding a period at the end.

(4) Section 2304(h) is amended by striking out paragraph (1) and inserting in lieu thereof the following:

''(1) The Walsh-Healey Act (41 U.S.C. 35 et seq.).''.

(5)(A) The section 2304a added by section 848(a)(1) of Public Law 103–160 (107 Stat. 1724) is redesignated as section 2304e.

(B) The item relating to that section in the table of sections at the beginning of chapter 137 is revised to conform to the redesignation made by subparagraph (A).

(6) Section 2306a is amended—

(A) in subsection (d)(2)(A)(ii), by inserting ''to'' after ''The information referred'';

(B) in subsection (e)(4)(B)(ii), by striking out the second comma after ''parties''; and

(C) in subsection (i)(3), by inserting ''(41 U.S.C. 403(12))'' before the period at the end.

(7) Section 2323 is amended—

(A) in subsection (a)(1)(C), by inserting a closing parenthesis after ''1135d–5(3))'' and after ''1059c(b)(1))'';

(B) in subsection (a)(3), by inserting a closing parenthesis after ''421(c))'';

(C) in subsection (b), by inserting ''(1)'' after ''AMOUNT.—''; and

(D) in subsection (i)(3), by adding at the end a subparagraph (D) identical to the subparagraph (D) set forth in the amendment made by section 811(e) of Public Law 103–160 (107 Stat. 1702).

(8) Section 2324 is amended—

(A) in subsection (e)(2)(C)—

(i) by striking out ''awarding the contract'' at the end of the first sentence; and

(ii) by striking out ''title III'' and all that follows through ''Act)'' and inserting in lieu thereof ''the Buy American Act (41 U.S.C. 10b–1)''; and

(B) in subsection (h)(2), by inserting ''the head of the agency or'' after ''in the case of any contract if''.

(9) Section 2350b is amended—

(A) in subsection (c)(1)—

(i) by striking out ''specifically—'' and inserting in lieu thereof ''specifically prescribes—''; and

(ii) by striking out ''prescribe'' in each of subparagraphs (A), (B), (C), and (D); and

(B) in subsection (d)(1), by striking out ''subcontract to be'' and inserting in lieu thereof ''subcontract be''.

(10) Section 2356(a) is amended by striking out ''2354, or 2355'' and inserting ''or 2354''.

(11) Section 2372(i)(1) is amended by striking out ''section 2324(m)'' and inserting in lieu thereof ''section 2324(l)''.

(12) Section 2384(b) is amended—

(A) in paragraph (2)—

(i) by striking ''items, as'' and inserting in lieu thereof ''items (as''; and

(ii) by inserting a closing parenthesis after ''403(12))''; and

(B) in paragraph (3), by inserting a closing parenthesis after ''403(11))''.

(13) Section 2397(a)(1) is amended—

(A) by inserting ''as defined in section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11))'' after ''threshold''; and

(B) by striking out ''section 4(12) of the Office of Federal Procurement Policy Act'' and inserting in lieu thereof ''section 4(12) of such Act''.

(14) Section 2397b(f) is amended by inserting a period at the end of paragraph (2)(B)(iii).

(15) Section 2400(a)(5) is amended by striking out ''the preceding sentence'' and inserting in lieu thereof ''this paragraph''.

(16) Section 2405 is amended—

(A) in paragraphs (1) and (2) of subsection (a), by striking out ''the date of the enactment of the Federal Acquisition Streamlining Act of 1994'' and inserting in lieu thereof ''October 13, 1994''; and

(B) in subsection (c)(3)—

(i) by striking out ''the later of—'' and all that follows through ''(B)''; and

(ii) by redesignating clauses (i), (ii), and (iii) as subparagraphs (A), (B), and (C), respectively, and realigning those subparagraphs accordingly.

(17) Section 2410d(b) is amended by striking out paragraph (3).

(18) Section 2424(c) is amended—

(A) by inserting ''EXCEPTION FOR SOFT DRINKS.—'' after ''(c)''; and

(B) by striking out ''drink'' the first and third places it appears in the second sentence and inserting in lieu thereof ''beverage''.

(19) Section 2431 is amended—

(A) in subsection (b)—

(i) by striking out ''Any report'' in the first sentence and inserting in lieu thereof ''Any documents''; and

(ii) by striking out ''the report'' in paragraph (3) and inserting in lieu thereof ''the documents''; and

(B) in subsection (c), by striking ''reporting'' and inserting in lieu thereof ''documentation''.

(20) Section 2533(a) is amended by striking out ''title III of the Act'' and all that follows through ''such Act'' and inserting in lieu thereof ''the Buy American Act (41 U.S.C. 10a)) whether application of such Act''.

(21) Section 2662(b) is amended by striking out ''small purchase threshold'' and inserting in lieu thereof ''simplified acquisition threshold''.

(22) Section 2701(i)(1) is amended—

(A) by striking out ''Act of August 24, 1935 (40 U.S.C. 270a–270d), commonly referred to as the 'Miller Act','' and inserting in lieu thereof ''Miller Act (40 U.S.C. 270a et seq.)''; and

(B) by striking out ''such Act of August 24, 1935'' and inserting in lieu thereof ''the Miller Act''.

(c) SMALL BUSINESS ACT.—The Small Business Act (15 U.S.C. 632 et seq.) is amended as follows:

(1) Section 8(d) (15 U.S.C. 637(d)) is amended—

(A) in paragraph (1), by striking out the second comma after ''small business concerns'' the first place it appears; and

(B) in paragraph (6)(C), by striking out ''and small business concerns owned and controlled by the socially and economically disadvantaged individuals'' and inserting in lieu thereof '', small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women''.

(2) Section 8(f) (15 U.S.C. 637(f)) is amended by inserting ''and'' after the semicolon at the end of paragraph (5).

(3) Section 15(g)(2) (15 U.S.C. 644(g)(2)) is amended by striking out the second comma after the first appearance of ''small business concerns''.

(d) TITLE 31, UNITED STATES CODE.—Section 3551 of title 31, United States Code, is amended—

(1) by striking out ''subchapter—'' and inserting in lieu thereof ''subchapter:''; and

(2) in paragraph (2), by striking out ''or proposed contract'' and inserting in lieu thereof ''or a solicitation or other request for offers''.

(e) FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949.—The Federal Property and Administrative Services Act of 1949 is amended as follows:

(1) The table of contents in section 1 (40 U.S.C. 471 prec.) is amended—

(A) by striking out the item relating to section 104;

(B) by striking out the item relating to section 201 and inserting in lieu thereof the following:

''Sec. 201. Procurements, warehousing, and related activities.'';

(C) by inserting after the item relating to section 315 the following new item:

''Sec. 316. Merit-based award of grants for research and development.'';

(D) by striking out the item relating to section 603 and inserting in lieu thereof the following:

''Sec. 603. Authorizations for appropriations and transfer authority.''; and

(E) by inserting after the item relating to section 605 the following new item:

''Sec. 606. Sex discrimination.''.

(2) Section 111(b)(3) (40 U.S.C. 759(b)(3)) is amended by striking out the second period at the end of the third sentence.

(3) Section 111(f)(9) (40 U.S.C. 759(f)(9)) is amended in subparagraph (B) by striking out ''or proposed contract'' and inserting in lieu thereof ''or a solicitation or other request for offers''.

(4) The heading for paragraph (1) of section 304A(c) is amended by changing each letter that is capitalized (other than the first letter of the first word) to lower case.

(5) The heading for section 314A (41 U.S.C. 41 U.S.C. 264a) is amended to read as follows:

''SEC. 314A. DEFINITIONS RELATING TO PROCUREMENT OF COMMERCIAL ITEMS.''.

(6) The heading for section 316 (41 U.S.C. 266) is amended by inserting at the end a period.

(f) WALSH-HEALEY ACT.—

(1) The Walsh-Healey Act (41 U.S.C. 35 et seq.) is amended—

(A) by transferring the second section 11 (as added by section 7201(4) of Public Law 103–355) so as to appear after section 10; and

(B) by redesignating the three sections following such section 11 (as so transferred) as sections 12, 13, and 14.

(2) Such Act is further amended in section 10(c) by striking out the comma after ''locality'''.

(g) ANTI-KICKBACK ACT OF 1986.—Section 7 of the Anti-Kickback Act of 1986 (41 U.S.C. 57) is amended by striking out the second period at the end of subsection (d).

(h) OFFICE OF FEDERAL PROCUREMENT POLICY ACT.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is amended as follows:

(1) Section 6 (41 U.S.C. 405) is amended by transferring paragraph (12) of subsection (d) (as such paragraph was redesignated by section 5091(2) of the Federal Acquisition Streamlining Act of 1994 (P.L. 103–355; 108 Stat. 3361) to the end of that subsection.

(2) Section 18(b) (41 U.S.C. 416(b)) is amended by inserting ''and'' after the semicolon at the end of paragraph (5).

(3) Section 26(f)(3) (41 U.S.C. 422(f)(3) is amended in the first sentence by striking out ''Not later than 180 days after the date of enactment of this section, the Administrator'' and inserting in lieu thereof ''The Administrator''.

(i) OTHER LAWS.—

(1) The National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160) is amended as follows:

(A) Section 126(c) (107 Stat. 1567) is amended by striking out ''section 2401 of title 10, United States Code, or section 9081 of the Department of Defense Appropriations Act, 1990 (10 U.S.C. 2401 note).'' and inserting in lieu thereof ''section 2401 or 2401a of title 10, United States Code.''.

(B) Section 127 (107 Stat. 1568) is amended—

(i) in subsection (a), by striking out ''section 2401 of title 10, United States Code, or section 9081 of the Department of Defense Appropriations Act, 1990 (10 U.S.C. 2401 note).'' and inserting in lieu thereof ''section 2401 or 2401a of title 10, United States Code.''; and

(ii) in subsection (e), by striking out ''section 9081 of the Department of Defense Appropriations Act, 1990 (10 U.S.C. 2401 note).'' and inserting in lieu thereof ''section 2401a of title 10, United States Code.''.

(2) The National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189) is amended by striking out section 824.

(3) The National Defense Authorization Act for Fiscal Years 1988 and 1989 (Public Law 100–180) is amended by striking out section 825 (10 U.S.C. 2432 note).

(4) Section 3737(g) of the Revised Statutes (41 U.S.C. 15(g)) is amended by striking out ''rights of obligations'' and inserting in lieu thereof ''rights or obligations''.

(5) The section of the Revised Statutes (41 U.S.C. 22) amended by section 6004 of Public Law 103–355 (108 Stat. 3364) is amended by striking out ''No member'' and inserting in lieu thereof ''SEC. 3741. No Member''.

(6) Section 5152(a)(1) of the Drug-Free Workplace Act of 1988 (41 U.S.C. 701(a)(1)) is amended by striking out ''as defined in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403)'' and inserting in lieu thereof ''(as defined in section 4(12) of such Act (41 U.S.C. 403(12)))''.

SEC. 1103. AMENDMENTS TO REFLECT NAME CHANGE OF COMMITTEE ON ARMED SERVICES OF THE HOUSE OF REPRESENTATIVES.

(a) TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended as follows:

(1) Sections 503(b)(5), 520a(d), 526(d)(1), 619a(h)(2), 806a(b), 838(b)(7), 946(c)(1)(A), 1098(b)(2), 2313(b)(4), 2361(c)(1), 2371(h), 2391(c), 2430(b), 2432(b)(3)(B), 2432(c)(2), 2432(h)(1), 2667(d)(3), 2672a(b), 2687(b)(1), 2891(a), 4342(g), 7307(b)(1)(A), and 9342(g) are amended by striking out ''Committees on Armed Services of the Senate and House of Representatives'' and inserting in lieu thereof ''Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives''.

(2) Sections 178(c)(1)(A), 942(e)(5), 2350f(c), 2864(b), 7426(e), 7431(a), 7431(b)(1), 7431(c), 7438(b), 12302(b), 18235(a), and 18236(a) are amended by striking out ''Committees on Armed Services of the Senate and the House of Representatives'' and inserting in lieu thereof ''Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives''.

(3) Section 113(j)(1) is amended by striking out ''Committees on Armed Services and Committees on Appropriations of the Senate and'' and inserting in lieu thereof ''Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the''.

(4) Section 119(g) is amended by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

''(1) the Committee on Armed Services and the Committee on Appropriations, and the Defense Subcommittee of the Committee on Appropriations, of the Senate; and

''(2) the Committee on National Security and the Committee on Appropriations, and the National Security Subcommittee of the Committee on Appropriations, of the House of Representatives.''.

(5) Section 127(c) is amended by striking out ''Committees on Armed Services and Appropriations of the Senate and'' and inserting in lieu thereof ''Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of''.

(6) Section 135(e) is amended—

(A) by inserting ''(1)'' after ''(e)'';

(B) by striking out ''the Committees on Armed Services and the Committees on Appropriations of the Senate and House of Representatives are each'' and inserting in lieu thereof ''each congressional committee specified in paragraph (2) is''; and

(C) by adding at the end the following:

''(2) The committees referred to in paragraph (1) are—

''(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

''(B) the Committee on National Security and the Committee on Appropriations of the House of Representatives.''.

(7) Section 179(e) is amended by striking out ''to the Committees on Armed Services and Appropriations of the Senate and'' and inserting in lieu thereof ''to the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the''.

(8) Sections 401(d) and 402(d) are amended by striking out ''submit to the'' and all that follows through ''Foreign Affairs'' and inserting in lieu thereof ''submit to the Committee on Armed Services and the Committee on Foreign Relations of the Senate and the Committee on National Security and the Committee on International Relations''.

(9) Sections 1584(b), 2367(d)(2), and 2464(b)(3)(A) are amended by striking out ''the Committees on Armed Services and the Committees on Appropriations of the Senate and'' and inserting in lieu thereof ''the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the''.

(10) Sections 2306b(g), 2801(c)(4), and 18233a(a)(1) are amended by striking out ''the Committees on Armed Services and on Appropriations of the Senate and'' and inserting in lieu thereof ''the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the''.

(11) Section 1599(e)(2) is amended—

(A) in subparagraph (A), by striking out ''The Committees on Armed Services and Appropriations'' and inserting in lieu thereof ''The Committee on National Security, the Committee on Appropriations,''; and

(B) in subparagraph (B), by striking out ''The Committees on Armed Services and Appropriations'' and inserting in lieu thereof ''The Committee on Armed Services, the Committee on Appropriations,''.

(12) Sections 1605(c), 4355(a)(3), 6968(a)(3), and 9355(a)(3) are amended by striking out ''Armed Services'' and inserting in lieu thereof ''National Security''.

(13) Section 1060(d) is amended by striking out ''Committee on Armed Services and the Committee on Foreign Affairs'' and inserting in lieu thereof ''Committee on National Security and the Committee on International Relations''.

(14) Section 2215 is amended—

(A) by inserting ''(a) CERTIFICATION REQUIRED.—'' at the beginning of the text of the section;

(B) by striking out ''to the Committees'' and all that follows through ''House of Representatives'' and inserting in lieu thereof ''to the congressional committees specified in subsection (b)''; and

(C) by adding at the end the following:

''(b) CONGRESSIONAL COMMITTEES.—The committees referred to in subsection (a) are—

''(1) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

''(2) the Committee on National Security and the Committee on Appropriations of the House of Representatives.''.

(15) Section 2218 is amended—

(A) in subsection (j), by striking out ''the Committees on Armed Services and on Appropriations of the Senate and the House of Representatives'' and inserting in lieu thereof ''the congressional defense committees''; and

(B) by adding at the end of subsection (k) the following new paragraph:

''(4) The term 'congressional defense committees' means—

''(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

''(B) the Committee on National Security and the Committee on Appropriations of the House of Representatives.''.

(16) Section 2342(b) is amended—

(A) in the matter preceding paragraph (1), by striking out ''section—'' and inserting in lieu thereof ''section unless—'';

(B) in paragraph (1), by striking out ''unless''; and

(C) in paragraph (2), by striking out ''notifies the'' and all that follows through ''House of Representatives'' and inserting in lieu thereof ''the Secretary submits to the Committee on Armed Services and the Committee on Foreign Relations of the Senate and the Committee on National Security and the Committee on International Relations of the House of Representatives notice of the intended designation''.

(17) Section 2350a(f)(2) is amended by striking out ''submit to the Committees'' and all that follows through ''House of Representatives'' and inserting in lieu thereof ''submit to the Committee on Armed Services and the Committee on Foreign Relations of the Senate and the Committee on National Security and the Committee on International Relations of the House of Representatives''.

(18) Section 2366 is amended—

(A) in subsection (d), by striking out ''the Committees on Armed Services and on Appropriations of the Senate and House of Representatives'' and inserting in lieu thereof ''the congressional defense committees''; and

(B) by adding at the end of subsection (e) the following new paragraph:

''(7) The term 'congressional defense committees' means—

''(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

''(B) the Committee on National Security and the Committee on Appropriations of the House of Representatives.''.

(19) Section 2399(h)(2) is amended by striking out ''means'' and all the follows and inserting in lieu thereof the following: ''means—

''(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

''(B) the Committee on National Security and the Committee on Appropriations of the House of Representatives.''.

(20) Section 2401(b)(1) is amended—

(A) in subparagraph (B), by striking out ''the Committees on Armed Services and on Appropriations of the Senate and'' and inserting in lieu thereof ''the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committees on Appropriations of the''; and

(B) in subparagraph (C), by striking out ''the Committees on Armed Services and on Appropriations of the Senate and House of Representatives'' and inserting in lieu thereof ''those committees''.

(21) Section 2403(e) is amended—

(A) by inserting ''(1)'' before ''Before making'';

(B) by striking out ''shall notify the Committees on Armed Services and on Appropriations of the Senate and House of Representatives'' and inserting in lieu thereof ''shall submit to the congressional committees specified in paragraph (2) notice''; and

(C) by adding at the end the following new paragraph:

''(2) The committees referred to in paragraph (1) are—

''(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

''(B) the Committee on National Security and the Committee on Appropriations of the House of Representatives.''.

(22) Section 2515(d) is amended—

(A) by striking out ''REPORTING'' and all that follows through ''same time'' and inserting in lieu thereof ''ANNUAL REPORT.—(1) The Secretary of Defense shall submit to the congressional committees specified in paragraph (2) an annual report on the activities of the Office. The report shall be submitted each year at the same time''; and

(B) by adding at the end the following new paragraph:

''(2) The committees referred to in paragraph (1) are—

''(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

''(B) the Committee on National Security and the Committee on Appropriations of the House of Representatives.''.

(23) Section 2551 is amended—

(A) in subsection (e)(1), by striking out ''the Committees on Armed Services'' and all that follows through ''House of Representatives'' and inserting in lieu thereof ''the Committee on Armed Services and the Committee on Foreign Relations of the Senate and the Committee on National Security and the Committee on International Relations of the House of Representatives''; and

(B) in subsection (f)—

(i) by inserting ''(1)'' before ''In any case'';

(ii) by striking out ''Committees on Appropriations'' and all that follows through ''House of Representatives'' the second place it appears and inserting in lieu thereof ''congressional committees specified in paragraph (2)''; and

(iii) by adding at the end the following:

''(2) The committees referred to in paragraph (1) are—

''(A) the Committee on Armed Services, the Committee on Foreign Relations, and the Committee on Appropriations of the Senate; and

''(B) the Committee on National Security, the Committee on International Relations, and the Committee on Appropriations of the House of Representatives.''.

(24) Section 2662 is amended—

(A) in subsection (a)—

(i) in the matter preceding paragraph (1), by striking out ''the Committees on Armed Services of the Senate and House of Representatives'' and inserting in lieu thereof ''the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives''; and

(ii) in the matter following paragraph (6), by striking out ''to be submitted to the Committees on Armed Services of the Senate and House of Representatives'';

(B) in subsection (b), by striking out ''shall report annually to the Committees on Armed Services of the Senate and the House of Representatives'' and inserting in lieu thereof ''shall submit annually to the congressional committees named in subsection (a) a report'';

(C) in subsection (e), by striking out ''the Committees on Armed Services of the Senate and the House of Representatives'' and inserting in lieu thereof ''the congressional committees named in subsection (a)''; and

(D) in subsection (f), by striking out ''the Committees on Armed Services of the Senate and the House of Representatives shall'' and inserting in lieu thereof ''the congressional committees named in subsection (a) shall''.

(25) Section 2674(a) is amended—

(A) in paragraph (2), by striking out ''Committees on Armed Services of the Senate and the House of Representatives, the Committee on Environment and Public Works of the Senate, and the Committee on Public Works and Transportation of the House of Representatives'' and inserting in lieu thereof ''congressional committees specified in paragraph (3)''; and

(B) by adding at the end the following new paragraph:

''(3) The committees referred to in paragraph (1) are—

''(A) the Committee on Armed Services and the Committee on Environment and Public Works of the Senate; and

''(B) the Committee on National Security and the Committee on Transportation and Infrastructure of the House of Representatives.''.

(26) Section 2813(c) is amended by striking out ''Committees on Armed Services and the Committees on Appropriations of the Senate and House of Representatives'' and inserting in lieu thereof ''appropriate committees of Congress''.

(27) Sections 2825(b)(1) and 2832(b)(2) are amended by striking out ''Committees on Armed Services and the Committees on Appropriations of the Senate and of the House of Representatives'' and inserting in lieu thereof ''appropriate committees of Congress''.

(28) Section 2865(e)(2) and 2866(c)(2) are amended by striking out ''Committees on Armed Services and Appropriations of the Senate and House of Representatives'' and inserting in lieu thereof ''appropriate committees of Congress''.

(29)(A) Section 7434 of such title is amended to read as follows:

''§ 7434. Annual report to congressional committees

''Not later than October 31 of each year, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the production from the naval petroleum reserves during the preceding calendar year.''.

(B) The item relating to such section in the table of contents at the beginning of chapter 641 is amended to read as follows:

''7434. Annual report to congressional committees.''.

(b) TITLE 37, UNITED STATES CODE.—Title 37, United States Code, is amended—

(1) in sections 301b(i)(2) and 406(i), by striking out ''Committees on Armed Services of the Senate and House of Representatives'' and inserting in lieu thereof ''Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives''; and

(2) in section 431(d), by striking out ''Armed Services'' the first place it appears and inserting in lieu thereof ''National Security''.

(c) ANNUAL DEFENSE AUTHORIZATION ACTS.—

(1) The National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160) is amended in sections 2922(b) and 2925(b) (10 U.S.C. 2687 note) by striking out ''Committees on Armed Services of the Senate and House of Representatives'' and inserting in lieu thereof ''Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives''.

(2) The National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484) is amended—

(A) in section 326(a)(5) (10 U.S.C. 2301 note) and section 1304(a) (10 U.S.C. 113 note), by striking out ''Committees on Armed Services of the Senate and House of Representatives'' and inserting in lieu thereof ''Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives''; and

(B) in section 1505(e)(2)(B) (22 U.S.C. 5859a), by striking out ''the Committee on Armed Services, the Committee on Appropriations, the Committee on Foreign Affairs, and the Committee on Energy and Commerce'' and inserting in lieu thereof ''the Committee on National Security, the Committee on Appropriations, the Committee on International Relations, and the Committee on Commerce''.

(3) Section 1097(a)(1) of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 22 U.S.C. 2751 note) is amended by striking out ''the Committees on Armed Services and Foreign Affairs'' and inserting in lieu thereof ''the Committee on National Security and the Committee on International Relations''.

(4) The National Defense Authorization Act for Fiscal Year 1991 (P.L. 101–510) is amended as follows:

(A) Section 402(a) and section 1208(b)(3) (10 U.S.C. 1701 note) are amended by striking out ''Committees on Armed Services of the Senate

and the House of Representatives'' and inserting in lieu thereof ''Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives''.

(B) Section 1403(a) (50 U.S.C. 404b(a)) is amended—

(i) by striking out ''the Committees on'' and all that follows through ''each year'' and inserting in lieu thereof ''the Committee on Armed Services, the Committee on Appropriations, and the Select Committee on Intelligence of the Senate and the Committee on National Security, the Committee on Appropriations, and the Permanent Select Committee on Intelligence of the House of Representatives each year''.

(C) Section 1457(a) (50 U.S.C. 404c(a)) is amended by striking out ''the Committees on Armed Services and on Foreign Affairs of the House of Representatives and the Committees on Armed Services and'' and inserting in lieu thereof ''the Committee on National Security and the Committee on International Relations of the House of Representatives and the Committee on Armed Services and the Committee on''.

(D) Section 2921 (10 U.S.C. 2687 note) is amended—

(i) in subsection (e)(3)(A), by striking out ''the Committee on Armed Services, the Committee on Appropriations, and the Defense Subcommittees'' and inserting in lieu thereof ''the Committee on National Security, the Committee on Appropriations, and the National Security Subcommittee''; and

(ii) in subsection (g)(2), by striking out ''the Committees on Armed Services of the Senate and House of Representatives'' and inserting in lieu thereof ''the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives''.

(5) Section 613(h)(1) of the National Defense Authorization Act, Fiscal Year 1989 (Public Law 100–456; 37 U.S.C. 302 note), is amended by striking out ''the Committees on Armed Services of the Senate and the House of Representatives'' and inserting in lieu thereof ''the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives''.

(6) Section 1412 of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 50 U.S.C. 1521), is amended in subsections (b)(4) and (k)(2), by striking out ''Committees on Armed Services of the Senate and House of Representatives'' and inserting in lieu thereof ''Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives''.

(7) Section 1002(d) of the Department of Defense Authorization Act, 1985 (Public Law 98–525; 22 U.S.C. 1928 note), is amended by striking out ''the Committees on Armed Services of the Senate and the House of Representatives'' and inserting in lieu thereof ''the Committee on Armed Services of the Senate, the Committee on National Security of the House of Representatives''.

(8) Section 1252 of the Department of Defense Authorization Act, 1984 (42 U.S.C. 248d), is amended—

(A) in subsection (d), by striking out ''Committees on Appropriations and on Armed Services of the Senate and the House of Representatives'' and inserting in lieu thereof ''Committee on Appropriations and the Committee on Armed Services of the Senate and the Committee on Appropriations and the Committee on National Security of the House of Representatives''; and

(B) in subsection (e), by striking out ''Committees on Appropriations and on Armed Services of the Senate and the House of Representatives'' and inserting in lieu thereof ''congressional committees specified in subsection (d)''.

(d) BASE CLOSURE LAW.—The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended as follows:

(1) Sections 2902(e)(2)(B)(ii) and 2908(b) are amended by striking out ''Armed Services'' the first place it appears and inserting in lieu thereof ''National Security''.

(2) Section 2910(2) is amended by striking out ''the Committees on Armed Services and the Committees on Appropriations of the Senate and of the House of Representatives'' and inserting in lieu thereof ''the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the House of Representatives''.

(e) NATIONAL DEFENSE STOCKPILE.—The Strategic and Critical Materials Stock Piling Act is amended—

(1) in section 6(d) (50 U.S.C. 98e(d))—

(A) in paragraph (1), by striking out ''Committees on Armed Services of the Senate and House of Representatives'' and inserting in lieu thereof ''Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives''; and

(B) in paragraph (2), by striking out ''the Committees on Armed Services of the Senate and House of Representatives'' and inserting in lieu thereof ''such congressional committees''; and

(2) in section 7(b) (50 U.S.C. 98f(b)), by striking out ''Committees on Armed Services of the Senate and House of Representatives'' and inserting in lieu thereof ''Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives''.

(f) OTHER DEFENSE-RELATED PROVISIONS.—

(1) Section 8125(g)(2) of the Department of Defense Appropriations Act, 1989 (Public Law 100–463; 10 U.S.C. 113 note), is amended by striking out ''Committees on Appropriations and Armed Services of the Senate and House of Representatives'' and inserting in lieu thereof ''Committee on Appropriations and the Committees on Armed Services of the Senate and the Committee on Appropriations and the Committees on National Security of the House of Representatives''.

(2) Section 1505(f)(3) of the Military Child Care Act of 1989 (title XV of Public Law 101–189; 10 U.S.C. 113 note) is amended by striking out ''Committees on Armed Services of the Senate and House of Representatives'' and inserting in lieu thereof ''Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives''.

(3) Section 9047A of the Department of Defense Appropriations Act, 1993 (Public Law 102–396; 10 U.S.C. 2687 note), is amended by striking out ''the Committees on Appropriations and Armed Services of the House of Representatives and the Senate'' and inserting in lieu thereof ''the Committee on Appropriations and the Committee on Armed Services of the Senate and the Committee on Appropriations and the Committee on National Security of the House of Representatives''.

(4) Section 3059(c)(1) of the Defense Drug Interdiction Assistance Act (subtitle A of title III of Public Law 99–570; 10 U.S.C. 9441 note) is amended by striking out ''Committees on Appropriations and on Armed Services of the Senate and the House of Representatives'' and inserting in lieu thereof ''Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the House of Representatives''.

(5) Section 7606(b) of the Anti-Drug Abuse Act of 1988 (Public Law 100–690; 10 U.S.C. 9441 note) is amended by striking out ''Committees on Appropriations and the Committee on Armed Services of the Senate and the House of Representatives'' and inserting in lieu thereof ''Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the House of Representatives''.

(6) Section 104(d)(5) of the National Security Act of 1947 (50 U.S.C. 403–4(d)(5)) is amended by striking out ''Committees on Armed Services of the Senate and House of Representatives'' and inserting in lieu thereof ''Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives''.

(7) Section 8 of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(A) in subsection (b)(3), by striking out ''Committees on Armed Services and Government Operations'' and inserting in lieu thereof ''Committee on National Security and the Committee on Government Reform and Oversight'';

(B) in subsection (b)(4), by striking out ''Committees on Armed Services and Governmental Affairs of the Senate and the Committees on Armed Services and Government Operations of the House of Representatives'' and inserting in lieu thereof ''congressional committees specified in paragraph (3)'';

(C) in subsection (f)(1), by striking out ''Committees on Armed Services and Government Operations'' and inserting in lieu thereof ''Committee on National Security and the Committee on Government Reform and Oversight''; and

(D) in subsection (f)(2), by striking out ''Committees on Armed Services and Governmental Affairs of the Senate and the Committees on Armed Services and Government Operations of the House of Representatives'' and inserting in lieu thereof ''congressional committees specified in paragraph (1)''.

(8) Section 204(h)(3) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)(3)) is amended by striking out ''Committees on Armed Services of the Senate and of the House of Representatives'' and inserting in lieu thereof ''Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives''.

SEC. 1104. MISCELLANEOUS AMENDMENTS TO TITLE 10, UNITED STATES CODE.

(a) SUBTITLE A.—Subtitle A of title 10, United States Code, is amended as follows:

(1) Section 113(i)(2)(B) is amended by striking out ''the five years covered'' and all that follows through ''section 114(g)'' and inserting in lieu thereof ''the period covered by the future-years defense program submitted to Congress during that year pursuant to section 221''.

(2) Section 136(c) is amended by striking out ''Comptroller'' and inserting in lieu thereof ''Under Secretary of Defense (Comptroller)''.

(3) Section 227(3)(D) is amended by striking out ''for''.

(4) Effective October 1, 1995, section 526 is amended—

(A) in subsection (a), by striking out paragraphs (1), (2), and (3) and inserting in lieu thereof the following:

''(1) For the Army, 302.

''(2) For the Navy, 216.

''(3) For the Air Force, 279.'';

(B) by striking out subsection (b);

(C) by redesignating subsections (c), (d), and (e) as subsections (b), (c), and (d);

(D) in subsection (b), as so redesignated, by striking out ''that are applicable on and after October 1, 1995''; and

(E) in paragraph (2)(B) of subsection (c), as redesignated by subparagraph (C), is amended—

(i) by striking out ''the'' after ''in the'';

(ii) by inserting ''to'' after ''reserve component, or''; and

(iii) by inserting ''than'' after ''in a grade other''.

(5) Effective October 1, 1995, section 528(a) is amended by striking out ''after September 30, 1995,''

(6) Section 573(a)(2) is amended by striking out ''active duty list'' and inserting in lieu thereof ''active-duty list''.

(7) Section 661(d)(2) is amended—

(A) in subparagraph (B), by striking out ''Until January 1, 1994'' and all that follows through ''each position so designated'' and inserting in lieu thereof ''Each position designated by the Secretary under subparagraph (A)'';

(B) in subparagraph (C), by striking out ''the second sentence of''; and

(C) by striking out subparagraph (D).

(8) Section 706(c)(1) is amended by striking out ''section 4301 of title 38'' and inserting in lieu thereof ''chapter 43 of title 38''.

(9) Section 1059 is amended by striking out ''subsection (j)'' in subsections (c)(2) and (g)(3) and inserting in lieu thereof ''subsection (k)''.

(10) Section 1060a(f)(2)(B) is amended by striking out ''(as defined in section 101(a)(22) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22)))'' and inserting in lieu thereof '', as determined in accordance with the Immigration and Nationality Act (8 U.S.C. 1101 et seq.)''.

(11) Section 1151 is amended—

(A) in subsection (b), by striking out ''(20 U.S.C. 2701 et seq.)'' in paragraphs (2)(A) and (3)(A) and inserting in lieu thereof ''(20 U.S.C. 6301 et seq.)''; and

(B) in subsection (e)(1)(B), by striking out ''not later than one year after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1995'' and inserting in lieu thereof ''not later than October 5, 1995''.

(12) Section 1152(g)(2) is amended by striking out ''not later than 180 days after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1995'' and inserting in lieu thereof ''not later than April 3, 1994,''.

(13) Section 1177(b)(2) is amended by striking out ''provison of law'' and inserting in lieu thereof ''provision of law''.

(14) The heading for chapter 67 is amended by striking out ''**NONREGULAR**'' and inserting in lieu thereof ''**NON-REGULAR**''.

(15) Section 1598(a)(2)(A) is amended by striking out ''2701'' and inserting in lieu thereof ''6301''.

(16) Section 1745(a) is amended by striking out ''section 4107(d)'' both places it appears and inserting in lieu thereof ''section 4107(b)''.

(17) Section 1746(a) is amended—

(A) by striking out ''(1)'' before ''The Secretary of Defense''; and

(B) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively.

(18) Section 2006(b)(2)(B)(ii) is amended by striking out ''section 1412 of such title'' and inserting in lieu thereof ''section 3012 of such title''.

(19) Section 2011(a) is amended by striking out ''TO'' and inserting in lieu thereof ''TO''.

(20) Section 2194(e) is amended by striking out ''(20 U.S.C. 2891(12))'' and inserting in lieu thereof ''(20 U.S.C. 8801)''.

(21) Sections 2217(b) and 2220(a)(2) are amended by striking out ''Comptroller of the Department of Defense'' and inserting in lieu thereof ''Under Secretary of Defense (Comptroller)''.

(22) Section 2401(c)(2) is amended by striking out ''pursuant to'' and all that follows through ''September 24, 1983,''.

(23) Section 2410f(b) is amended by striking out ''For purposes of'' and inserting in lieu thereof ''In''.

(24) Section 2410j(a)(2)(A) is amended by striking out ''2701'' and inserting in lieu thereof ''6301''.

(25) Section 2457(e) is amended by striking out ''title III of the Act of March 3, 1933 (41 U.S.C. 10a),'' and inserting in lieu thereof ''the Buy American Act (41 U.S.C. 10a)''.

(26) Section 2465(b)(3) is amended by striking out ''under contract'' and all that follows through the period and inserting in lieu thereof ''under contract on September 24, 1983.''.

(27) Section 2471(b) is amended—

(A) in paragraph (2), by inserting ''by'' after ''as determined''; and

(B) in paragraph (3), by inserting ''of'' after ''arising out''.

(28) Section 2524(e)(4)(B) is amended by inserting a comma before ''with respect to''.

(29) The heading of section 2525 is amended by capitalizing the initial letter of the second, fourth, and fifth words.

(30) Chapter 152 is amended by striking out the table of subchapters at the beginning and the headings for subchapters I and II.

(31) Section 2534(c) is amended by capitalizing the initial letter of the third and fourth words of the subsection heading.

(32) Section 2705(d)(2) is amended by striking out ''the date of the enactment of this section'' and inserting in lieu thereof ''October 5, 1994''.

(33) The table of sections at the beginning of subchapter I of chapter 169 is amended by adding a period at the end of the item relating to section 2811.

(b) OTHER SUBTITLES.—Subtitles B, C, and D of title 10, United States Code, are amended as follows:

(1) Sections 3022(a)(1), 5025(a)(1), and 8022(a)(1) are amended by striking out ''Comptroller of the Department of Defense'' and inserting in lieu thereof ''Under Secretary of Defense (Comptroller)''.

(2) Section 6241 is amended by inserting ''or'' at the end of paragraph (2).

(3) Section 6333(a) is amended by striking out the first period after ''section 1405'' in formula C in the table under the column designated ''Column 2''.

(4) The item relating to section 7428 in the table of sections at the beginning of chapter 641 is amended by striking out ''Agreement'' and inserting in lieu thereof ''Agreements''.

(5) The item relating to section 7577 in the table of sections at the beginning of chapter 649 is amended by striking out ''Officers'' and inserting in lieu thereof ''officers''.

(6) The center heading for part IV in the table of chapters at the beginning of subtitle D is amended by inserting a comma after ''SUPPLY''.

SEC. 1105. MISCELLANEOUS AMENDMENTS TO ANNUAL DEFENSE AUTHORIZATION ACTS.

(a) PUBLIC LAW 103–337.—Effective as of October 5, 1994, and as if included therein as enacted, the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337) is amended as follows:

(1) Section 322(1) (108 Stat. 2711) is amended by striking out ''SERVICE'' in both sets of quoted matter and inserting in lieu thereof ''SERVICES''.

(2) Section 531(g)(2) (108 Stat. 2758) is amended by inserting ''item relating to section 1034 in the'' after ''The''.

(3) Section 541(c)(1) is amended—

(A) in subparagraph (B), by inserting a comma after ''chief warrant officer''; and

(B) in the matter after subparagraph (C), by striking out ''this''.

(4) Section 721(f)(2) (108 Stat. 2806) is amended by striking out ''revaluated'' and inserting in lieu thereof ''reevaluated''.

(5) Section 722(d)(2) (108 Stat. 2808) is amended by striking out ''National Academy of Science'' and inserting in lieu thereof ''National Academy of Sciences''.

(6) Section 904(d) (108 Stat. 2827) is amended by striking out ''subsection (c)'' the first place it appears and inserting in lieu thereof ''subsection (b)''.

(7) Section 1202 (108 Stat. 2882) is amended—

(A) by striking out ''(title XII of Public Law 103–60'' and inserting in lieu thereof ''(title XII of Public Law 103–160''; and

(B) in paragraph (2), by inserting ''in the first sentence'' before ''and inserting in lieu thereof''.

(8) Section 1312(a)(2) (108 Stat. 2894) is amended by striking out ''adding at the end'' and inserting in lieu thereof ''inserting after the item relating to section 123a''.

(9) Section 2813(c) (108 Stat. 3055) is amended by striking out ''above paragraph (1)'' both places it appears and inserting in lieu thereof ''preceding subparagraph (A)''.

(b) PUBLIC LAW 103–160.—The National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160) is amended in section 1603(d) (22 U.S.C. 2751 note)—

(1) in the matter preceding paragraph (1), by striking out the second comma after ''Not later than April 30 of each year'';

(2) in paragraph (4), by striking out ''contributes'' and inserting in lieu thereof ''contribute''; and

(3) in paragraph (5), by striking out ''is'' and inserting in lieu thereof ''are''.

(c) PUBLIC LAW 102–484.—The National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484) is amended as follows:

(1) Section 326(a)(5) (106 Stat. 2370; 10 U.S.C. 2301 note) is amended by inserting ''report'' after ''each''.

(2) Section 4403(a) (10 U.S.C. 1293 note) is amended by striking out ''through 1995'' and inserting in lieu thereof ''through fiscal year 1999''.

(d) PUBLIC LAW 102–190.—Section 1097(d) of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1490) is amended by striking out ''the Federal Republic of Germany, France'' and inserting in lieu thereof ''France, Germany''.

SEC. 1106. MISCELLANEOUS AMENDMENTS TO FEDERAL ACQUISITION LAWS.

(a) OFFICE OF FEDERAL PROCUREMENT POLICY ACT.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is amended as follows:

(1) Section 6(b) (41 U.S.C. 405(b)) is amended by striking out the second comma after ''under subsection (a)'' in the first sentence.

(2) Section 18(a) (41 U.S.C. 416(a)) is amended in paragraph (1)(B) by striking out ''described in subsection (f)'' and inserting in lieu thereof ''described in subsection (b)''.

(3) Section 25(b)(2) (41 U.S.C. 421(b)(2)) is amended by striking out ''Under Secretary of Defense for Acquisition'' and inserting in lieu thereof ''Under Secretary of Defense for Acquisition and Technology''.

(b) OTHER LAWS.—

(1) Section 11(2) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended by striking out the second comma after ''Community Service''.

(2) Section 908(e) of the Defense Acquisition Improvement Act of 1986 (10 U.S.C. 2326 note) is amended by striking out ''section 2325(g)'' and inserting in lieu thereof ''section 2326(g)''.

(3) Effective as of August 9, 1989, and as if included therein as enacted, Public Law 101–73 is amended in section 501(b)(1)(A) (103 Stat. 393) by striking out ''be,'' and inserting in lieu thereof ''be;'' in the second quoted matter therein.

(4) Section 3732(a) of the Revised Statutes (41 U.S.C. 11(a)) is amended by striking out the second comma after ''quarters''.

(5) Section 2 of the Contract Disputes Act of 1978 (41 U.S.C. 601) is amended in paragraphs (3), (5), (6), and (7), by striking out ''The'' and inserting in lieu thereof ''the''.

(6) Section 13 of the Contract Disputes Act of 1978 (41 U.S.C. 612) is amended—

(A) in subsection (a), by striking out ''section 1302 of the Act of July 27, 1956, (70 Stat. 694, as amended; 31 U.S.C. 724a)'' and inserting in lieu thereof ''section 1304 of title 31, United States Code''; and

(B) in subsection (c), by striking out ''section 1302 of the Act of July 27, 1956, (70 Stat. 694, as amended; 31 U.S.C. 724a)'' and inserting in lieu thereof ''section 1304 of title 31, United States Code,''.

SEC. 1107. MISCELLANEOUS AMENDMENTS TO OTHER LAWS.

(a) OFFICER PERSONNEL ACT OF 1947.—Section 437 of the Officer Personnel Act of 1947 is repealed.

(b) TITLE 5, UNITED STATES CODE.—Title 5, United States Code, is amended—

(1) in section 8171—

(A) in subsection (a), by striking out ''903(3)'' and inserting in lieu thereof ''903(a)'';

(B) in subsection (c)(1), by inserting ''section'' before ''39(b)''; and

(C) in subsection (d), by striking out ''(33 U.S.C. 18 and 21, respectively)'' and inserting in lieu thereof ''(33 U.S.C. 918 and 921)'';

(2) in sections 8172 and 8173, by striking out ''(33 U.S.C. 2(2))'' and inserting in lieu thereof ''(33 U.S.C. 902(2))''; and

(3) in section 8339(d)(7), by striking out ''Court of Military Appeals'' and inserting in

lieu thereof ''Court of Appeals for the Armed Forces''.

(c) PUBLIC LAW 90–485.—Effective as of August 13, 1968, and as if included therein as originally enacted, section 1(6) of Public Law 90–485 (82 Stat. 753) is amended—

(1) by striking out the close quotation marks after the end of clause (4) of the matter inserted by the amendment made by that section; and

(2) by adding close quotation marks at the end.

(d) TITLE 37, UNITED STATES CODE.—Section 406(b)(1)(E) of title 37, United States Code, is amended by striking out ''of this paragraph''.

(e) BASE CLOSURE ACT.—Section 2910 of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) by redesignating the second paragraph (10), as added by section 2(b) of the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (Public Law 103–421; 108 Stat. 4352), as paragraph (11); and

(2) in paragraph (11), as so redesignated, by striking out ''section 501(h)(4)'' and ''11411(h)(4)'' and inserting in lieu thereof ''501(i)(4)'' and ''11411(i)(4)'', respectively.

(f) PUBLIC LAW 103–421.—Section 2(e)(5) of Public Law 103–421 (108 Stat. 4354) is amended—

(1) by striking out ''(A)'' after ''(5)''; and

(2) by striking out ''clause'' in subparagraph (B)(iv) and inserting in lieu thereof ''clauses''.

SEC. 1108. COORDINATION WITH OTHER AMENDMENTS.

For purposes of applying amendments made by provisions of this Act other than provisions of this title, this title shall be treated as having been enacted immediately before the other provisions of this Act.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

SEC. 2001. SHORT TITLE.

This division may be cited as the ''Military Construction Authorization Act for Fiscal Year 1996''.

TITLE XXI—ARMY

SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1), the Secretary of the Army may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Army: Inside the United States

State	Installation or Location	Amount
Arizona	Fort Huachuca	$16,000,000
California	Fort Irwin	$15,500,000
	Presidio of San Francisco	$3,000,000
Colorado	Fort Carson	$10,850,000
District of Columbia	Fort McNair	$13,500,000
	Walter Reed Army Medical Center	$4,300,000
Georgia	Fort Benning	$37,900,000
	Fort Gordon	$5,750,000
	Fort Stewart	$8,400,000
Hawaii	Schofield Barracks	$35,000,000
Kansas	Fort Riley	$15,300,000
Kentucky	Fort Campbell	$10,000,000
	Fort Knox	$5,600,000
New York	Watervliet Arsenal	$680,000
North Carolina	Fort Bragg	$29,700,000
Oklahoma	Fort Sill	$6,300,000
South Carolina	Naval Weapons Station, Charleston	$25,700,000
	Fort Jackson	$32,000,000
Texas	Fort Hood	$32,500,000
	Fort Bliss	$48,000,000
Virginia	Fort Eustis	$16,400,000
Washington	Fort Lewis	$32,100,000
CONUS Classified	Classified Location	$1,900,000

(b) OUTSIDE THE UNITED STATES.—Using amount appropriated pursuant to the authorization of appropriations in section 2104(a)(2), the Secretary of the Army may acquire real property and carry out military construction projects for the installations and locations outside of the United States, and in the amounts, set forth in the following table:

Army: Outside the United States

Country	Installation or Location	Amount
Korea	Camp Casey	$4,150,000
	Camp Hovey	$13,500,000
	Camp Pelham	$5,600,000
	Camp Stanley	$6,800,000
	Yongsan	$4,500,000
Overseas Classified	Classified Location	$48,000,000
Worldwide	Host Nation Support	$20,000,000

SEC. 2102. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Army: Family Housing

State	Installations	Purpose	Amount
Alaska	Fort Wainwright	Whole neighborhood revitalization.	$7,300,000
New Mexico	White Sands Missile Range	Whole neighborhood revitalization.	$3,400,000
New York	United States Military Academy, West Point	119 Units	$16,500,000
Washington	Fort Lewis	84 Units	$10,800,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $2,340,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in sections 2104(a)(5)(A), the Secretary of the Army may improve existing military family housing units in an amount not to exceed $26,212,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1995, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $2,033,858,000 as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $406,380,000.

(2) For military construction projects outside the United States authorized by section 2101(b), $102,550,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $9,000,000.

(4) For architectural and engineering service and construction design under section 2807 of title 10, United States Code, $36,194,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $66,552,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $1,337,596,000.

(6) For the Homeowners Assistance Program as authorized by section 2832 of title 10, United States Code, $75,586,000, to remain available until expended.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2101 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

SEC. 2105. REDUCTION IN AMOUNTS AUTHORIZED TO BE APPROPRIATED FOR FISCAL YEAR 1992 MILITARY CONSTRUCTION PROJECTS.

Section 2105(a) of the Military Construction Authorization Act for Fiscal Year 1992 (division B of Public Law 102–190; 105 Stat. 1511), as amended by section 2105(b)(2)(A) of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160; 107 Stat. 1859), is further amended in the matter preceding paragraph (1) by striking out ''$2,571,974,000'' and insert in lieu thereof ''$2,565,729,000''.

TITLE XXII—NAVY

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Navy: Inside the United States

State	Installation or Location	Amount
California	Camp Pendleton Marine Corps Base	$27,584,000
	China Lake Naval Air Warfare Center Weapons Division	$3,700,000
	Lemoore Naval Air Station	$7,600,000
	North Island Naval Air Station	$99,150,000
	Point Mugu Naval Air Warfare Center Weapons Division	$1,300,000
	San Diego Naval Command, Control, and Ocean Surveillance Center	$3,170,000
	San Diego Naval Station	$19,960,000
	Twentynine Palms Marine Corps Air-Ground Combat Center	$2,490,000
Florida	Eglin Air Force Base, Naval School Explosive Ordnance Disposal	$16,150,000
	Pensacola Naval Technical Training Center, Corry Station	$2,565,000
Georgia	Kings Bay Strategic Weapons Facility, Atlantic	$2,450,000
Hawaii	Honolulu Naval Computer and Telecommunications Area, Master Station Eastern Pacific.	$1,980,000
	Pearl Harbor Intelligence Center Pacific	$2,200,000
	Pearl Harbor Naval Submarine Base	$22,500,000
Illinois	Great Lakes Naval Training Center	$12,440,000
Maryland	United States Naval Academy	$3,600,000
New Jersey	Lakehurst Naval Air Warfare Center Aircraft Division	$1,700,000
North Carolina	Camp LeJeune Marine Corps Base	$59,300,000
	Cherry Point Marine Corps Air Station	$11,430,000
	New River Marine Corps Air Station	$14,650,000
South Carolina	Beaufort Marine Corps Air Station	$15,000,000
Virginia	Henderson Hall, Arlington	$1,900,000
	Norfolk Naval Station	$10,580,000
	Portsmouth Naval Hospital	$9,500,000
	Quantico Marine Corps Combat Development Command	$3,500,000
	Williamsburg Fleet and Industrial Supply Center	$8,390,000
	Yorktown Naval Weapons Station	$1,300,000
Washington	Bremerton Puget Sound Naval Shipyard	$19,870,000
	Keyport Naval Undersea Warfare Center Division	$5,300,000
West Virginia	Naval Security Group Detachment, Sugar Grove	$7,200,000
CONUS Classified	Classified location	$1,200,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(2), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Navy: Outside the United States

Country	Installation or Location	Amount
Guam	Guam Navy Public Works Center	$16,180,000
	Naval Computer and Telecommunications Area, Master Station Western Pacific	$2,250,000
Italy	Naples Naval Support Activity	$24,950,000
	Sigonella Naval Air Station	$12,170,000
Puerto Rico	Roosevelt Roads Naval Station	$11,500,000
	Sabana Seca Naval Security Group Activity	$2,200,000

SEC. 2202. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(6)(A), the Secretary of the Navy may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Navy: Family Housing

State/Country	Installation	Purpose	Amount
California	Camp Pendleton Marine Corps Base	69 units	$10,000,000
	Camp Pendleton Marine Corps Base	Community Center	$1,438,000
	Camp Pendleton Marine Corps Base	Housing Office	$707,000
	Lemoore Naval Air Station	240 units	$34,900,000
	Point Mugu Pacific Missile Test Center	Housing Office	$1,020,000
	San Diego Public Works Center	346 units	$49,310,000
Hawaii	Oahu Naval Complex	252 units	$48,400,000
Maryland	Patuxent River Naval Air Test Center	Warehouse	$890,000
	United States Naval Academy	Housing Office	$800,000
North Carolina	Cherry Point Marine Corps Air Station	Community Center	$1,003,000
Pennsylvania	Mechanicsburg Navy Ships Parts Control Center	Housing Office	$300,000
Puerto Rico	Roosevelt Roads Naval Station	Housing Office	$710,000
Virginia	Dahlgren Naval Surface Warfare Center	Housing Office	$520,000
	Norfolk Public Works Center	320 units	$42,500,000
	Norfolk Public Works Center	Housing Office	$1,390,000
Washington	Bangor Naval Submarine Base	141 units	$4,890,000
West Virginia	Naval Security Group Detachment, Sugar Grove	23 units	$3,590,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriation in section 2204(a)(6)(A), the Secretary of the Navy may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $24,390,000.

SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(6)(A), the Secretary of the Navy may improve existing military family housing units in an amount not to exceed $259,489,000.

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(A) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1995, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $2,077,459,000 as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $399,659,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $69,250,000.

(3) For the military construction project at Newport Naval War College, Rhode Island, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3031), $18,000,000.

(4) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $7,200,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $48,774,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $486,247,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), $1,048,329,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

SEC. 2205. REVISION OF FISCAL YEAR 1995 AUTHORIZATION OF APPROPRIATIONS TO CLARIFY AVAILABILITY OF FUNDS FOR LARGE ANECHOIC CHAMBER, PATUXENT RIVER NAVAL WARFARE CENTER, MARYLAND.

Section 2204(a) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3033) is amended—

(1) in the matter preceding paragraph (1), by striking out ''$1,591,824,000'' and inserting in lieu thereof ''$1,601,824,000'' and

(2) in paragraph (1), by striking out ''$309,070,000'' and inserting in lieu thereof ''$319,070,000''.

SEC. 2206. AUTHORITY TO CARRY OUT LAND ACQUISITION PROJECT, NORFOLK NAVAL BASE, VIRGINIA.

(a) AUTHORIZATION.—The table in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2589) is amended—

(1) in the item relating to Damneck, Fleet Combat Training Center, Virginia, by striking out ''$19,427,000'' in the amount column and inserting in lieu thereof ''$14,927,000''; and

(2) by inserting after the item relating to Norfolk, Naval Air Station, Virginia, the following new item:

Norfolk, Naval Base	$4,500,000

(b) EXTENSION OF PROJECT AUTHORIZATION.—Notwithstanding section 2701(a) of the Military Construction Authorization Act for Fiscal Year 1993 (106 Stat. 2602), the authorization for the project for Norfolk Naval Base, Virginia, as provided in section 2201(a) of that Act, as amended by subsection (a), shall remain in effect until October 1, 1996, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1997, whichever is later.

SEC. 2207. ACQUISITION OF LAND, HENDERSON HALL, ARLINGTON, VIRGINIA.

(a) AUTHORITY TO ACQUIRE.—Using funds available under section 2201(a), the Secretary of the Navy may acquire all right, title, and interest of any party in and to a parcel of real property, including an abandoned mausoleum, consisting of approximately 0.75 acres and located in Arlington, Virginia, the site of Henderson Hall.

(b) DEMOLITION OF MAUSOLEUM.—Using funds available under section 2201(a), the Secretary may—

(1) demolish the mausoleum located on the parcel acquired under subsection (a); and

(2) provide for the removal and disposition in an appropriate manner of the remains contained in the mausoleum.

(c) AUTHORITY TO DESIGN PUBLIC WORKS FACILITY.—Using funds available under section 2201(a), the Secretary may obtain architectural and engineering services and construction design for a warehouse and office facility for the Marine Corps to be constructed on the property acquired under subsection (a).

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property authorized to be acquired under subsection (a) shall be determined by a survey that is satisfactory to the Secretary. The cost of the survey shall be borne by the Secretary.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the acquisition under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

TITLE XXIII—AIR FORCE

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Air Force: Inside the United States

State	Installation or Location	Amount
Alabama	Maxwell Air Force Base	$5,200,000
Alaska	Eielson Air Force Base	$7,850,000
	Elmendorf Air Force Base	$9,100,000
	Tin City Long Range Radar Site	$2,500,000
Arizona	Davis Monthan Air Force Base	$4,800,000
	Luke Air Force Base	$5,200,000
Arkansas	Little Rock Air Force Base	$2,500,000
California	Beale Air Force Base	$7,500,000
	Edwards Air Force Base	$33,800,000
	Travis Air Force Base	$26,700,000
	Vandenberg Air Force Base	$6,000,000
Colorado	Buckley Air National Guard Base	$5,500,000
	Peterson Air Force Base	$4,390,000
	United States Air Force Academy	$9,150,000
Delaware	Dover Air Force Base	$5,500,000
District of Columbia	Bolling Air Force Base	$12,100,000
Florida	Cape Canaveral Air Force Station	$1,600,000
	Eglin Air Force Base	$14,500,000
	Tyndall Air Force Base	$1,200,000
Georgia	Moody Air Force Base	$25,190,000
	Robins Air Force Base	$17,900,000
Hawaii	Hickam Air Force Base	$10,700,000
Idaho	Mountain Home Air Force Base	$25,350,000
Illinois	Scott Air Force Base	$12,700,000
Kansas	McConnell Air Force Base	$9,450,000
Louisiana	Barksdale Air Force Base	$2,500,000
Maryland	Andrews Air Force Base	$12,886,000
Mississippi	Columbus Air Force Base	$1,150,000

Air Force: Inside the United States—Continued

State	Installation or Location	Amount
	Keesler Air Force Base	$6,500,000
Missouri	Whiteman Air Force Base	$24,600,000
Nevada	Nellis Air Force Base	$20,050,000
New Jersey	McGuire Air Force Base	$16,500,000
New Mexico	Cannon Air Force Base	$10,420,000
	Holloman Air Force Base	$6,000,000
	Kirtland Air Force Base	$9,156,000
North Carolina	Pope Air Force Base	$8,250,000
	Seymour Johnson Air Force Base	$830,000
North Dakota	Grand Forks Air Force Base	$14,800,000
	Minot Air Force Base	$1,550,000
Ohio	Wright-Patterson Air Force Base	$4,100,000
Oklahoma	Altus Air Force Base	$4,800,000
	Tinker Air Force Base	$16,500,000
South Carolina	Charleston Air Force Base	$12,500,000
	Shaw Air Force Base	$1,300,000
South Dakota	Ellsworth Air Force Base	$7,800,000
Tennessee	Arnold Air Force Base	$5,000,000
Texas	Dyess Air Force Base	$5,400,000
	Kelly Air Force Base	$3,244,000
	Laughlin Air Force Base	$1,400,000
	Randolph Air Force Base	$3,100,000
	Reese Air Force Base	$1,200,000
	Sheppard Air Force Base	$1,500,000
Utah	Hill Air Force Base	$12,600,000
Virginia	Langley Air Force Base	$1,000,000
Washington	Fairchild Air Force Base	$7,500,000
	McChord Air Force Base	$9,900,000
Wyoming	F.E. Warren Air Force Base	$9,000,000
CONUS Classified	Classified Location	$700,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(2), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Air Force: Outside the United States

Country	Installation or Location	Amount
Germany	Spangdahlem Air Base	$8,380,000
	Vogelweh Annex	$2,600,000
Greece	Araxos Radio Relay Site	$1,950,000
Italy	Aviano Air Base	$2,350,000
	Ghedi Radio Relay Site	$1,450,000
Turkey	Ankara Air Station	$7,000,000
	Incirlik Air Base	$4,500,000
United Kingdom	Royal Air Force Lakenheath	$1,820,000
	Royal Air Force Mildenhall	$2,250,000
Outside the United States	Classified Location—Outside the United States	$17,100,000

SEC. 2302. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Air Force: Family Housing

State/Country	Installation	Purpose	Amount
Alaska	Elmendorf Air Force Base	Housing Office/ Maintenance Facility.	$3,000,000
Arizona	Davis Monthan Air Force Base	80 units	$9,498,000
Arkansas	Little Rock Air Force Base	Replace 1 General Officer Quarters.	$210,000
California	Beale Air Force Base	Family Housing Office.	$842,000
	Edwards Air Force Base	67 units	$11,350,000
	Vandenberg Air Force Base	Family Housing Office.	$900,000
	Vandenberg Air Force Base	143 units	$20,200,000
Colorado	Peterson Air Force Base	Family Housing Office.	$570,000
District of Columbia	Bolling Air Force Base	32 units	$4,100,000
Florida	Eglin Air Force Base	Family Housing Office.	$500,000
	Eglin Auxiliary Field 9	Family Housing Office/Maintenance Facility.	$880,000
	MacDill Air Force Base	Family Housing Office.	$646,000
	Patrick Air Force Base	70 units	$7,947,000
	Tyndall Air Force Base	52 units	$5,500,000
Georgia	Moody Air Force Base	2 Officer and 1 General Officer Quarters.	$513,000
	Robins Air Force Base	83 units	$9,800,000
Idaho	Mountain Home Air Force Base	Housing Management Facility.	$844,000
Kansas	McConnell Air Force Base	39 units	$5,193,000
Louisiana	Barksdale Air Force Base	62 units	$10,299,000
Massachusetts	Hanscom Air Force Base	32 units	$5,200,000
Mississippi	Keesler Air Force Base	98 units	$9,300,000
Missouri	Whiteman Air Force Base	72 units	$9,948,000
Nevada	Nellis Air Force Base	6 units	$1,357,000
	Nellis Air Force Base	57 units	$6,000,000
New Mexico	Holloman Air Force Base	1 General Officer Quarters.	$225,000

Air Force: Family Housing—Continued

State/Country	Installation	Purpose	Amount
	Kirtland Air Force Base	105 units	$11,000,000
North Carolina	Pope Air Force Base	104 units	$9,984,000
	Seymour Johnson Air Force Base	1 General Officer Quarters.	$204,000
Ohio	Wright-Patterson Air Force Base	66 units	$5,900,000
South Carolina	Shaw Air Force Base	Housing Maintenance Facility.	$715,000
Texas	Dyess Air Force Base	Housing Maintenance Facility.	$580,000
	Lackland Air Force Base	67 units	$6,200,000
	Sheppard Air Force Base	Family Housing Office.	$500,000
	Sheppard Air Force Base	Housing Maintenance Facility.	$600,000
Washington	McChord Air Force Base	50 units	$9,504,000
Guam	Andersen Air Force Base	Family Housing Office.	$1,700,000
Turkey	Incirlik Air Base	150 units	$10,146,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $9,039,000.

SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed $97,071,000.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1995, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $1,740,704,000 as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), $510,116,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $49,400,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $9,030,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $34,980,000.

(5) For military housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $287,965,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $849,213,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

SEC. 2305. REDUCTION IN AMOUNTS AUTHORIZED TO BE APPROPRIATED FOR FISCAL YEAR 1992 MILITARY CONSTRUCTION PROJECTS.

Section 2305(a) of the Military Construction Authorization Act for Fiscal Year 1992 (division B of Public Law 102–190; 105 Stat. 1525), as amended by section 2308(a)(2)(A) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2598) and by section 2305(a)(3)(A) of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160; 107 Stat. 1871), is further amended in the matter preceding paragraph (1) by striking out ''$2,033,833,000'' and inserting in lieu thereof ''$2,017,828,000''.

TITLE XXIV—DEFENSE AGENCIES

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to section 2405(a)(1), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Inside the United States

Agency	Installation Or Location	Amount
Ballistic Missile Defense Organization:		
	Fort Bliss, Texas	$13,600,000
Defense Finance & Accounting Service:		
	Columbus Center, Ohio	$72,403,000
Defense Intelligence Agency:		
	Bolling Air Force Base, District of Columbia	$1,743,000
Defense Logistics Agency:		
	Defense Distribution Anniston, Alabama	$3,550,000
	Defense Distribution Stockton, California	$15,000,000
	Defense Fuel Supply Center, Point Mugu, California	$750,000
	Defense Fuel Supply Center, Dover Air Force Base, Delaware	$15,554,000
	Defense Fuel Supply Center, Eglin Air Force Base, Florida	$2,400,000
	Defense Fuel Supply Center, Barksdale Air Force Base, Louisiana	$13,100,000
	Defense Fuel Supply Center, McGuire Air Force Base, New Jersey	$12,000,000
	Defense Distribution Depot, New Cumberland, Pennsylvania	$4,600,000
	Defense Distribution Depot, Norfolk, Virginia	$10,400,000
Defense Mapping Agency:		
	Defense Mapping Agency Aerospace Center, Missouri	$40,300,000
Defense Medical Facility Office:		
	Maxwell Air Force Base, Alabama	$10,000,000
	Luke Air Force Base, Arizona	$8,100,000
	Fort Irwin, California	$6,900,000
	Marine Corps Base, Camp Pendleton, California	$1,700,000
	Vandenberg Air Force Base, California	$5,700,000
	Dover Air Force Base, Delaware	$4,400,000
	Fort Benning, Georgia	$5,600,000
	Barksdale Air Force Base, Louisiana	$4,100,000
	Bethesda Naval Hospital, Maryland	$1,300,000
	Walter Reed Army Institute of Research, Maryland	$1,550,000
	Fort Hood, Texas	$5,500,000
	Lackland Air Force Base, Texas	$6,100,000
	Reese Air Force Base, Texas	$1,000,000
	Northwest Naval Security Group Activity, Virginia	$4,300,000
National Security Agency:		
	Fort Meade, Maryland	$18,733,000
Office of the Secretary of Defense:		
	Classified Location Inside the United States	$11,500,000
Department of Defense Dependents Schools:		

Defense Agencies: Inside the United States—Continued

Agency	Installation Or Location	Amount
	Maxwell Air Force Base, Alabama	$5,479,000
	Fort Benning, Georgia	$1,116,000
	Fort Jackson, South Carolina	$576,000
Special Operations Command:		
	Marine Corps Air Station, Camp Pendleton, California	$5,200,000
	Eglin Air Force Base, Florida	$2,400,000
	Eglin Auxiliary Field 9, Florida	$14,150,000
	Fort Bragg, North Carolina	$9,400,000
	Olmstead Field, Harrisburg International Airport, Pennsylvania	$1,643,000
	Damneck, Virginia	$4,500,000
	Naval Amphibious Base, Little Creek, Virginia	$6,100,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to section 2405(a)(2), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Outside the United States

Agency	Installation or Location	Amount
Defense Logistics Agency:		
	Defense Fuel Support Point, Roosevelt Roads, Puerto Rico	$6,200,000
	Defense Fuel Supply Center, Rota, Spain	$7,400,000
Defense Medical Facility Office:		
	Naval Support Activity, Naples, Italy	$5,000,000
Department of Defense Dependents Schools:		
	Ramstein Air Force Base, Germany	$19,205,000
	Naval Air Station, Sigonella, Italy	$7,595,000
National Security Agency:		
	Menwith Hill Station, United Kingdom	$677,000
Special Operations Command:		
	Naval Station, Guam	$8,800,000

SEC. 2402. MILITARY HOUSING PRIVATE INVESTMENT.

(a) AVAILABILITY OF FUNDS FOR INVESTMENT.—Of the amount authorized to be appropriated pursuant to section 2405(a)(11)(A) of this Act, $22,000,000 shall be available for crediting to the Department of Defense Housing Improvement Fund established by section 2883 of title 10, United States Code (as added by section 2811 of this Act).

(b) USE OF FUNDS.—Notwithstanding section 2883(c)(2) of title 10, United States Code (as so added), the Secretary of Defense may use funds credited to the Department of Defense Housing Improvement Fund under subsection (a) to carry out any activities authorized by subchapter IV of chapter 169 of such title (as so added).

SEC. 2403. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriation in section 2405(a)(11)(A), the Secretary of Defense may improve existing military family housing units in an amount not to exceed $3,772,000.

SEC. 2404. ENERGY CONSERVATION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(9), the Secretary of Defense may carry out energy conservation projects under section 2865 of title 10, United States Code.

SEC. 2405. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1995, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments), in the total amount of $4,493,583,000 as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $317,444,000.

(2) For military construction projects outside the United States authorized by section 2401(b), $54,877,000.

(3) For military construction projects at Portsmouth Naval Hospital, Virginia, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101–189; 103 Stat. 1640), $47,900,000.

(4) For military construction projects at Elmendorf Air Force Base, Alaska, hospital replacement, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2599), $28,100,000.

(5) For military construction projects at Walter Reed Army Institute of Research, Maryland, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2599), $27,000,000.

(6) For unspecified minor construction projects under section 2805 of title 10, United States Code, $23,007,000.

(7) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $11,037,000.

(8) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $68,837,000.

(9) For energy conservation projects authorized by section 2404, $50,000,000.

(10) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), $3,799,192,000.

(11) For military family housing functions:

(A) For construction and acquisition and improvement of military family housing and facilities, $25,772,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), $30,467,000, of which not more than $24,874,000 may be obligated or expended for the leasing of military family housing units worldwide.

(b) LIMITATION OF TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variation authorized by section 2853 of title 10, United States Code, and any other cost variations authorized by law, the total cost of all projects carried out under section 2401 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a); and

(2) $35,003,000 (the balance of the amount authorized under section 2401(a) for the construction of the Defense Finance and Accounting Service, Columbus Center, Ohio).

SEC. 2406. MODIFICATION OF AUTHORITY TO CARRY OUT FISCAL YEAR 1995 PROJECTS.

The table in section 2401 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of the Public Law 103–337; 108 Stat. 3040) is amended—

(1) in the item relating to Pine Bluff Arsenal, Arkansas, by striking out ''$3,000,000'' in the amount column and inserting in lieu thereof ''$97,000,000''; and

(2) in the item relating to Umatilla Army Depot, Oregon, by striking out ''$12,000,000'' in the amount column and inserting in lieu thereof ''$179,000,000''.

SEC. 2407. REDUCTION IN AMOUNTS AUTHORIZED TO BE APPROPRIATED FOR PRIOR YEAR MILITARY CONSTRUCTION PROJECTS.

(a) FISCAL YEAR 1991 AUTHORIZATIONS.—Section 2405(a) of the Military Construction Authorization Act for Fiscal Year 1991 (division B of Public Law 101–510; 104 Stat. 1779), as amended by section 2409(b)(1) of the Military Construction Authorization Act for Fiscal Year 1992 (division B of Public Law 102–190; 105 Stat. 1991), is further amended in the matter preceding paragraph (1) by striking out ''$1,644,478,000'' and inserting in lieu thereof ''$1,641,244,000''.

(b) FISCAL YEAR 1992 AUTHORIZATIONS.—Section 2404(a) of the Military Construction Authorization Act for Fiscal Year 1992 (105 Stat. 1531), as amended by section 2404(b)(1)(A) of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160; 107 Stat. 1877), is further amended in the matter preceding paragraph (1) by striking out ''$1,665,440,000'' and inserting in lieu thereof ''$1,658,640,000''.

(c) FISCAL YEAR 1993 AUTHORIZATIONS.—Section 2403(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2600) is amended in the matter preceding paragraph (1) by striking out ''$2,567,146,000'' and inserting in lieu thereof ''$2,558,556,000''.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Infrastructure Program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1995, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Infrastructure Program, as authorized by section 2501, in the amount of $179,000,000.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

There are authorized to be appropriated for fiscal years beginning after September 30, 1995, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefore, under chapter 133 of title 10, United State Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $148,589,000; and

(B) for the Army Reserve, $79,895,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserve, $7,920,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $167,503,000; and

(B) for the Air Force Reserve, $35,132,000.

SEC. 2602. REDUCTION IN AMOUNT AUTHORIZED TO BE APPROPRIATED FOR FISCAL YEAR 1994 AIR NATIONAL GUARD PROJECTS.

Section 2601(3)(A) of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160; 107 Stat. 1878) is amended by striking out ''$236,341,000'' and inserting in lieu thereof ''$229,641,000''.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS.—Except as provided in subsection (b), all authorizations contained in titles XXI through XXVI for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Infrastructure program (and authorizations of appropriations therefore) shall expire on the later of—

(1) October 1, 1998; or

(2) the date of the enactment of an Act authorizing funds for military construction for fiscal year 1999.

(b) EXCEPTION.—Subsection (a) shall not apply to authorizations for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Infrastructure program (and authorizations of appropriations therefor), for which appropriated funds have been obligated before the later of—

(1) October 1, 1998; or

(2) the date of the enactment of an Act authorizing funds for fiscal year 1999 for military construction projects, land acquisition, family housing projects and facilities, or contributions to the North Atlantic Treaty Organization Infrastructure program.

SEC. 2702. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1993 PROJECTS.

(a) EXTENSIONS.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2602), authorizations for the projects set forth in the tables in subsection (b), as provided in section 2101, 2102, 2103, or 2106 of that Act, shall remain in effect until October 1, 1996, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1997, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 1993 Project Authorizations

State	Installation or Location	Project	Amount
Arkansas	Pine Bluff Arsenal	Ammunition Demilitarization Support Facility.	$15,000,000
Hawaii	Schofield Barracks	Add/Alter Sewage Treatment Plant.	$17,500,000
Virginia	Fort Picket	Family Housing (26 units).	$2,300,000

Navy: Extension of 1993 Project Authorizations

State	Installation or Location	Project	Amount
California	Camp Pendleton Marine Corps Base	Sewage Treatment Plant Modifications.	$19,740,000
Maryland	Patuxent River Naval Warfare Center	Large Anechoic Chamber, Phase I.	$60,990,000
Mississippi	Meridian Naval Air Station	Child Development Center.	$1,100,000

Air Force: Extension of 1993 Project Authorizations

State	Installation or Location	Project	Amount
Arkansas	Little Rock Air Force Base	Fire Training Facility.	$710,000
District of Columbia	Bolling Air Force Base	Civil Engineer Complex.	$9,400,000
Mississippi	Keesler Air Force Base	Alter Student Dormitory.	$3,100,000
Nebraska	Offut Air Force Base	Fire Training Facility.	$840,000
North Carolina	Pope Air Force Base	Construct Bridge Road and Utilities.	$4,000,000
	Pope Air Force Base	Munitions Storage Complex.	$4,300,000
South Carolina	Shaw Air Force Base	Fire Training Facility.	$680,000
Virginia	Langley Air Force Base	Base Engineer Complex.	$5,300,000
Guam	Andersen Air Base	Landfill	$10,000,000
Portugal	Lajes Field	Water Wells	$865,000
	Lajes Field	Fire Training Facility.	$950,000

Army Reserve: Extension of 1993 Project Authorizations

State	Installation or Location	Project	Amount
West Virginia	Bluefield	United States Army Reserve Center.	$1,921,000
	Clarksburg	United States Army Reserve Center.	$5,358,000
	Grantville	United States Army Reserve Center.	$2,785,000
	Jane Lew	United States Army Reserve Center.	$1,566,000

Army Reserve: Extension of 1993 Project Authorizations—Continued

State	Installation or Location	Project	Amount
	Lewisburg	United States Army Reserve Center.	$1,631,000
	Weirton	United States Army Reserve Center.	$3,481,000

Army National Guard: Extension of 1993 Project Authorizations

State	Installation or Location	Project	Amount
Alabama	Tuscaloosa	Armory	$2,273,000
	Union Springs	Armory	$813,000
California	Los Alamitos Armed Forces Reserve Center	Fuel Facility	$1,553,000
New Jersey	Fort Dix	State Headquarters	$4,750,000
Oregon	La Grande	Organizational Maintenance Shop.	$1,220,000
	La Grande	Armory Addition	$3,049,000
Rhode Island	North Kingston	Add/Alter Armory	$3,330,000

SEC. 2703. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1992 PROJECTS.

(a) EXTENSIONS.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1992 (division B of Public Law 102–190; 105 Stat. 1535), authorizations for the projects set forth in the tables in subsection (b), as provided in section 2101 or 2601 of that Act, and extended by section 2702 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3047), shall remain in effect until October 1, 1996, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1997, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 1992 Project Authorizations

State	Installation or Location	Project	Amount
Oregon	Umatilla Army Depot	Ammunition Demilitarization Support Facility.	$3,600,000
	Umatilla Army Depot	Ammunition Demilitarization Utilities.	$7,500,000

Army National Guard: Extension of 1992 Project Authorization

State	Installation or Location	Project	Amount
Ohio	Toledo	Armory	$3,183,000

Army Reserve: Extension of 1992 Project Authorization

State	Installation or Location	Project	Amount
Tennessee	Jackson	Joint Training Facility.	$1,537,000

SEC. 2704. EFFECTIVE DATE.

Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI shall take effect on the later of—

(1) October 1, 1995; or

(2) the date of the enactment of this Act.

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

SEC. 2801. SPECIAL THRESHOLD FOR UNSPECIFIED MINOR CONSTRUCTION PROJECTS TO CORRECT LIFE, HEALTH, OR SAFETY DEFICIENCIES.

(a) SPECIAL THRESHOLD.—Section 2805 of title 10, United States Code, is amended—

(1) in subsection (a)(1), by adding at the end the following new sentence: ''However, if the military construction project is intended solely to correct a life-, health-, or safety-threatening deficiency, a minor military construction project may have an approved cost equal to or less than $3,000,000.''; and

(2) in subsection (c)(1), by striking out ''not more than $300,000.'' and inserting in lieu thereof ''not more than—

''(A) $1,000,000, in the case of an unspecified military construction project intended solely to correct a life-, health-, or safety-threatening deficiency; or

''(B) $300,000, in the case of other unspecified military construction projects.''.

(b) TECHNICAL AMENDMENT.—Section 2861(b)(6) of such title is amended by striking out ''section 2805(a)(2)'' and inserting in lieu thereof ''section 2805(a)(1)''.

SEC. 2802. CLARIFICATION OF SCOPE OF UNSPECIFIED MINOR CONSTRUCTION AUTHORITY.

Section 2805(a)(1) of title 10, United States Code, as amended by section 2801 of this Act, is further amended by striking out ''(1) that is for a single undertaking at a military installation, and (2)'' in the second sentence.

SEC. 2803. TEMPORARY WAIVER OF NET FLOOR AREA LIMITATION FOR FAMILY HOUSING ACQUIRED IN LIEU OF CONSTRUCTION.

Section 2824(c) of title 10, United States Code, is amended by adding at the end the following sentence: ''The limitation set forth in the preceding sentence does not apply to family housing units acquired under this section during the 5-year period beginning on the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996.''.

SEC. 2804. REESTABLISHMENT OF AUTHORITY TO WAIVE NET FLOOR AREA LIMITATION ON ACQUISITION BY PURCHASE OF CERTAIN MILITARY FAMILY HOUSING.

(a) REESTABLISHMENT.—Section 2826(e) of title 10, United States Code, is amended by striking out the second sentence.

(b) APPLICABILITY.—The Secretary concerned may exercise the authority provided in section 2826(e) of title 10, United States Code, as amended by subsection (a), on or after the date of the enactment of this Act.

(c) DEFINITION.—In this section, the term ''Secretary concerned'' has the meaning given such term in section 101(a)(9) of title 10, United States Code, and includes the meaning given such term in section 2801(b)(3) of such title.

SEC. 2805. TEMPORARY WAIVER OF LIMITATIONS ON SPACE BY PAY GRADE FOR MILITARY FAMILY HOUSING UNITS.

Section 2826 of title 10, United States Code, as amended by section 2804 of this Act, is further amended by adding at the end the following:

''(i)(1) This section does not apply to the construction, acquisition, or improvement of military family housing units during the 5-year period beginning on October 1, 1995.

''(2) The total number of military family housing units constructed, acquired, or improved during any fiscal year in the period referred to in paragraph (1) shall be the total number of such units authorized by law for that fiscal year.''.

SEC. 2806. INCREASE IN NUMBER OF FAMILY HOUSING UNITS SUBJECT TO FOREIGN COUNTRY MAXIMUM LEASE AMOUNT.

(a) INCREASE IN NUMBER.—(1) Paragraph (1) of section 2828(e) of title 10, United States Code, is amended by striking out ''300 units'' in the first sentence and inserting in lieu thereof ''450 units''.

(2) Paragraph (2) of such section is amended by striking out ''300 units'' and inserting in lieu thereof ''450 units''.

(b) WAIVER FOR UNITS FOR INCUMBENTS OF SPECIAL POSITIONS AND OTHER PERSONNEL.—Paragraph (1) of such section is further amended by striking out ''220 such units'' in the second sentence and inserting in lieu thereof ''350 such units''.

SEC. 2807. EXPANSION OF AUTHORITY FOR LIMITED PARTNERSHIPS FOR DEVELOPMENT OF MILITARY FAMILY HOUSING.

(a) PARTICIPATION OF OTHER MILITARY DEPARTMENTS.—(1) Subsection (a)(1) of section 2837 of title 10, United States Code, is amended by striking out ''of the naval service'' and inserting in lieu thereof ''of the Army, Navy, Air Force, and Marine Corps''.

(2) Subsection (b)(1) of such section is amended by striking out ''of the naval service'' and inserting in lieu thereof ''of the military department under the jurisdiction of such Secretary''.

(b) ADMINISTRATION.—(1) Such subsection (a)(1) is further amended by striking out ''the Secretary of the Navy'' in the first sentence and inserting in lieu thereof ''the Secretary of a military department''.

(2) Subsection (c)(2) of such section is amended by striking out ''the Secretary shall'' in the first sentence and inserting in lieu thereof ''the Secretary of the military department concerned shall''.

(3) Subsection (f) of such section is amended by striking out ''the Secretary carries out'' and inserting in lieu thereof ''the Secretary of a military department carries out''.

(4) Subsection (g) of such section is amended by striking out ''Secretary,'' and inserting in lieu thereof ''Secretary of a military department,''.

(c) ACCOUNT.—Subsection (d) of such section is amended to read as follows:

''(d) ACCOUNT.—(1) There is hereby established on the books of the Treasury an account to be known as the 'Defense Housing Investment Account'.

''(2) There shall be deposited into the account—

''(A) such funds as may be authorized for and appropriated to the account;

''(B) any proceeds received by the Secretary of a military department from the repayment of investments or profits on investments of the Secretary under subsection (a); and

''(C) any unobligated balances which remain in the Navy Housing Investment Account as of the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996.

''(3) From such amounts as is provided in advance in appropriation Acts, funds in the account shall be available to the Secretaries of the military departments in amounts determined by the Secretary of Defense for contracts, investments, and expenses necessary for the implementation of this section.

''(4) The Secretary of a military department may not enter into a contract in connection with a limited partnership under subsection (a) or a collateral incentive agreement under subsection (b) unless a sufficient amount of the unobligated balance of the funds in the account is available to the Secretary, as of the time the contract is entered into, to satisfy the total obligations to be incurred by the United States under the contract.''.

(d) TERMINATION OF NAVY HOUSING INVESTMENT BOARD.—Such section is further amended—

(1) by striking out subsection (e); and

(2) in subsection (h)—

(A) by striking out ''(1)''; and

(B) by striking out paragraph (2).

(e) EXTENSION OF AUTHORITY.—Subsection (h) of such section, as amended by subsection (d) of this section, is further amended by striking out ''September 30, 1999'' and inserting in lieu thereof ''September 30, 2000''.

(f) CONFORMING AMENDMENT.—Subsection (g) of such section is further amended by striking out ''NAVY'' in the subsection caption.

SEC. 2808. CLARIFICATION OF SCOPE OF REPORT REQUIREMENT ON COST INCREASES UNDER CONTRACTS FOR MILITARY FAMILY HOUSING CONSTRUCTION.

Subsection (d) of section 2853 of title 10, United States Code, is amended to read as follows:

''(d) The limitation on cost increases in subsection (a) does not apply to—

''(1) the settlement of a contractor claim under a contract; or

''(2) a within-scope modification to a contract, but only if—

''(A) the increase in cost is approved by the Secretary concerned; and

''(B) the Secretary concerned promptly submits written notification of the facts relating to the proposed increase in cost to the appropriate committees of Congress.''.

SEC. 2809. AUTHORITY TO CONVEY DAMAGED OR DETERIORATED MILITARY FAMILY HOUSING.

(a) AUTHORITY.—(1) Subchapter III of chapter 169 of title 10, United States Code, is amended by inserting after section 2854 the following new section:

''§ 2854a. Conveyance of damaged or deteriorated military family housing; use of proceeds

''(a) AUTHORITY TO CONVEY.—(1) Subject to paragraph (3), the Secretary concerned may convey any family housing facility, including family housing facilities located in the United States and family housing facilities located outside the United States, that, due to damage or deterioration, is in a condition that is uneconomical to repair. Any conveyance of a family housing facility under this section may include a conveyance of the real property associated with the facility conveyed.

''(2) The authority of this section does not apply to family housing facilities located at military installations approved for closure under a base closure law or family housing facilities located at installation outside the United States at which the Secretary of Defense terminates operations.

''(3) The aggregate total value of the family housing facilities conveyed by the Department of Defense under the authority in this subsection in any fiscal year may not exceed $5,000,000.

''(4) For purposes of this subsection, a family housing facility is in a condition that is uneconomical to repair if the cost of the necessary repairs for the facility would exceed the amount equal to 70 percent of the cost of constructing a family housing facility to replace such facility.

''(b) CONSIDERATION.—(1) As consideration for the conveyance of a family housing facility under subsection (a), the person to whom the facility is conveyed shall pay the United States an amount equal to the fair market value of the facility conveyed, including any real property conveyed along with the facility.

''(2) The Secretary concerned shall determine the fair market value of any family housing facility and associated real property that is conveyed under subsection (a). Such determinations shall be final.

''(c) NOTICE AND WAIT REQUIREMENTS.—The Secretary concerned may not enter into an agreement to convey a family housing facility under this section until—

''(1) the Secretary submits to the appropriate committees of Congress, in writing, a justification for the conveyance under the agreement, including—

''(A) an estimate of the consideration to be provided the United States under the agreement;

''(B) an estimate of the cost of repairing the family housing facility to be conveyed; and

''(C) an estimate of the cost of replacing the family housing facility to be conveyed; and

''(2) a period of 21 calendar days has elapsed after the date on which the justification is received by the committees.

''(d) INAPPLICABILITY OF CERTAIN PROPERTY DISPOSAL LAWS.—The following provisions of law do not apply to the conveyance of a family housing facility under this section:

''(1) The provisions of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.).

''(2) The provisions of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11301 et seq.).

''(e) USE OF PROCEEDS.—(1) The proceeds of any conveyance of a family housing facility under this section shall be credited to the Department of Defense Military Housing Improvement Fund established under section 2883 of this title and available for the purposes described in paragraph (2).

''(2) The proceeds of a conveyance of a family housing facility under this section may be used for the following purposes:

''(A) To construct family housing units to replace the family housing facility conveyed under this section, but only to the extent that the number of units constructed with such proceeds does not exceed the number of units of military family housing of the facility conveyed.

''(B) To repair or restore existing military family housing.

''(C) To reimburse the Secretary concerned for the costs incurred by the Secretary in conveying the family housing facility.

''(3) Notwithstanding section 2883(c) of this title, proceeds in the account under this subsection shall be available under paragraph (1) for purposes described in paragraph (2) without any further appropriation.

''(f) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of any family housing facility conveyed under this section, including any real property associated with such facility, shall be determined by such means as the Secretary concerned considers satisfactory, including by survey in the case of real property.

''(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary concerned may require such additional terms and conditions in connection with the conveyance of family housing facilities under this section as the Secretary considers appropriate to protect the interests of the United States.''.

(2) The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 2854 the following new item:

''Sec. 2854a. Conveyance of damaged or deteriorated military family housing; use of proceeds.''.

(b) CONFORMING AMENDMENT.—Section 204(h) of the Federal Property and Administrative Services Act 1949 (40 U.S.C. 485(h)) is amended—

(1) by redesignating paragraph (4) as paragraph (5); and

(2) by inserting after paragraph (3) the following new paragraph (4):

''(4) This subsection does not apply to family housing facilities covered by section 2854a of title 10, United States Code.''.

SEC. 2810. ENERGY AND WATER CONSERVATION SAVINGS FOR THE DEPARTMENT OF DEFENSE.

(a) INCLUSION OF WATER EFFICIENT MAINTENANCE IN ENERGY PERFORMANCE PLAN.—Paragraph (3) of section 2865(a) of title 10, United States Code, is amended by striking out ''energy efficient maintenance'' and inserting in lieu thereof ''energy efficient maintenance or water efficient maintenance''.

(b) SCOPE OF TERM.—Paragraph (4) of such section is amended—

(1) in the matter preceding subparagraph (A), by striking out '''energy efficient maintenance''' and inserting in lieu thereof '''energy efficient maintenance or water efficient maintenance''';

(2) in subparagraph (A), by striking out ''systems or industrial processes,'' in the matter preceding clause (i) and inserting in lieu thereof ''systems, industrial processes, or water efficiency applications,''; and

(3) in subparagraph (B), by inserting ''or water cost savings'' before the period at the end.

SEC. 2811. ALTERNATIVE AUTHORITY FOR CONSTRUCTION AND IMPROVEMENT OF MILITARY HOUSING.

(a) ALTERNATIVE AUTHORITY TO CONSTRUCT AND IMPROVE MILITARY HOUSING.—(1) Chapter 169 of title 10, United States Code, is amended by adding at the end the following:

''SUBCHAPTER IV—ALTERNATIVE AUTHORITY FOR ACQUISITION AND IMPROVEMENT OF MILITARY HOUSING

''Sec.

''2871. Definitions.

''2872. General authority.

''2873. Direct loans and loan guarantees.
''2874. Leasing of housing to be constructed.
''2875. Investments in nongovernmental entities.
''2876. Rental guarantees.
''2877. Differential lease payments.
''2878. Conveyance or lease of existing property and facilities.
''2879. Interim leases.
''2880. Unit size and type.
''2881. Support facilities.
''2882. Assignment of members of the armed forces to housing units.
''2883. Department of Defense Housing Improvement Fund.
''2884. Reports.
''2885. Expiration of authority.

''§ 2871. Definitions

''In this subchapter:

''(1) The term 'base closure law' means the following:

''(A) Section 2687 of this title.

''(B) Title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).

''(C) The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

''(2) The term 'Secretary concerned' includes the Secretary of Defense.

''(3) The term 'support facilities' means facilities relating to military housing units, including child care centers, day care centers, community centers, housing offices, maintenance complexes, dining facilities, unit offices, fitness centers, parks, and other similar facilities for the support of military housing.

''§ 2872. General authority

''In addition to any other authority provided under this chapter for the acquisition, construction, or improvement of military family housing or military unaccompanied housing, the Secretary concerned may exercise any authority or any combination of authorities provided under this subchapter in order to provide for the acquisition, construction, improvement, or rehabilitation by private persons of the following:

''(1) Family housing units on or near military installations within the United States and its territories and possessions.

''(2) Unaccompanied housing units on or near such military installations.

''§ 2873. Direct loans and loan guarantees

''(a) DIRECT LOANS.—(1) Subject to subsection (c), the Secretary concerned may make direct loans to persons in the private sector in order to provide funds to such persons for the acquisition, construction, improvement, or rehabilitation of housing units that the Secretary determines are suitable for use as military family housing or as military unaccompanied housing.

''(2) The Secretary concerned shall establish such terms and conditions with respect to loans made under this subsection as the Secretary considers appropriate to protect the interests of the United States, including the period and frequency for repayment of such loans and the obligations of the obligors on such loans upon default.

''(b) LOAN GUARANTEES.—(1) Subject to subsection (c), the Secretary concerned may guarantee a loan made to any person in the private sector if the proceeds of the loan are to be used by the person to acquire, construct, improve, or rehabilitate housing units that the Secretary determines are suitable for use as military family housing or as military unaccompanied housing.

''(2) The amount of a guarantee on a loan that may be provided under paragraph (1) may not exceed the amount equal to the lesser of—

''(A) the amount equal to 80 percent of the value of the project; or

''(B) the amount of the outstanding principal of the loan.

''(3) The Secretary concerned shall establish such terms and conditions with respect to guarantees of loans under this subsection as the Secretary considers appropriate to protect the interests of the United States, including the rights and obligations of obligors of such loans and the rights and obligations of the United States with respect to such guarantees.

''(c) LIMITATION ON DIRECT LOAN AND GUARANTEE AUTHORITY.—Direct loans and loan guarantees may be made under this section only to the extent that appropriations of budget authority to cover their cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5)) are made in advance, or authority is otherwise provided in appropriations Acts. If such appropriation or other authority is provided, there may be established a financing account (as defined in section 502(7) of such Act (2 U.S.C. 661a(7)) which shall be available for the disbursement of direct loans or payment of claims for payment on loan guarantees under this section and for all other cash flows to and from the Government as a result of direct loans and guarantees made under this section.

''§ 2874. Leasing of housing to be constructed

''(a) BUILD AND LEASE AUTHORIZED.—The Secretary concerned may enter into contracts for the lease of family housing units or unaccompanied housing units to be constructed, improved, or rehabilitated under this subchapter.

''(b) LEASE TERMS.—A contract under this section may be for any period that the Secretary concerned determines appropriate.

''§ 2875. Investments in nongovernmental entities

''(a) INVESTMENTS AUTHORIZED.—The Secretary concerned may make investments in nongovernmental entities carrying out projects for the acquisition, construction, improvement, or rehabilitation of housing units suitable for use as military family housing or as military unaccompanied housing.

''(b) FORMS OF INVESTMENT.—An investment under this section may take the form of a direct investment by the United States, an acquisition of a limited partnership interest by the United States, a purchase of stock or other equity instruments by the United States, a purchase of bonds or other debt instruments by the United States, or any combination of such forms of investment.

''(c) LIMITATION ON VALUE OF INVESTMENT.—(1) The cash amount of an investment under this section in a nongovernmental entity may not exceed an amount equal to 35 percent of the capital cost (as determined by the Secretary concerned) of the project or projects that the entity proposes to carry out under this section with the investment.

''(2) If the Secretary concerned conveys land or facilities to a nongovernmental entity as all or part of an investment in the entity under this section, the total value of the investment by the Secretary under this section may not exceed an amount equal to 45 percent of the capital cost (as determined by the Secretary) of the project or projects that the entity proposes to carry out under this section with the investment.

''(3) In this subsection, the term 'capital cost', with respect to a project for the acquisition, construction, improvement, or rehabilitation of housing, means the total amount of the costs included in the basis of the housing for Federal income tax purposes.

''(d) COLLATERAL INCENTIVE AGREEMENTS.—The Secretary concerned may enter into collateral incentive agreements with nongovernmental entities in which the Secretary makes an investment under this section to ensure that a suitable preference will be afforded members of the armed forces in the lease or purchase, as the case may be, of a reasonable number of the housing units covered by the investment.

''§ 2876. Rental guarantees

''The Secretary concerned may enter into agreements with private persons that acquire, construct, improve, or rehabilitate family housing units or unaccompanied housing units under this subchapter in order to assure—

''(1) the occupancy of such units at levels specified in the agreements; or

''(2) rental income derived from rental of such units at levels specified in the agreements.

''§ 2877. Differential lease payments

''The Secretary concerned, pursuant to an agreement entered into by the Secretary and a private lessor of family housing or unaccompanied housing to members of the armed forces, may pay the lessor an amount in addition to the rental payments for the housing made by the members as the Secretary determines appropriate to encourage the lessor to make the housing available to members of the armed forces as family housing or as unaccompanied housing.

''§ 2878. Conveyance or lease of existing property and facilities

''(a) CONVEYANCE OR LEASE AUTHORIZED.—The Secretary concerned may convey or lease property or facilities (including support facilities) to private persons for purposes of using the proceeds of such conveyance or lease to carry out activities under this subchapter.

''(b) INAPPLICABILITY TO PROPERTY AT INSTALLATION APPROVED FOR CLOSURE.—The authority of this section does not apply to property or facilities located on or near a military installation approved for closure under a base closure law.

''(c) TERMS AND CONDITIONS.—(1) The conveyance or lease of property or facilities under this section shall be for such consideration and upon such terms and conditions as the Secretary concerned considers appropriate for the purposes of this subchapter and to protect the interests of the United States.

''(2) As part or all of the consideration for a conveyance or lease under this section, the purchaser or lessor (as the case may be) may enter into an agreement with the Secretary to ensure that a suitable preference will be afforded members of the armed forces in the lease or sublease of a reasonable number of the housing units covered by the conveyance or lease, as the case may be, or in the lease of other suitable housing units made available by the purchaser or lessee.

''(d) INAPPLICABILITY OF CERTAIN PROPERTY MANAGEMENT LAWS.—The conveyance or lease of property or facilities under this section shall not be subject to the following provisions of law:

''(1) Section 2667 of this title.

''(2) The Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.).

''(3) Section 321 of the Act of June 30, 1932 (commonly known as the Economy Act) (47 Stat. 412, chapter 314; 40 U.S.C. 303b).

''(4) The Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11301 et seq.).

''§ 2879. Interim leases

''Pending completion of a project to acquire, construct, improve, or rehabilitate family housing units or unaccompanied housing units under this subchapter, the Secretary concerned may provide for the interim lease of such units of the project as are complete. The term of a lease under this section may not extend beyond the date of the completion of the project concerned.

''§ 2880. Unit size and type

''(a) CONFORMITY WITH SIMILAR HOUSING UNITS IN LOCALE.—The Secretary concerned shall ensure that the room patterns and floor areas of family housing units and unaccompanied housing units acquired, constructed, improved, or rehabilitated under this subchapter are generally comparable to the room patterns and floor areas of similar housing units in the locality concerned.

''(b) INAPPLICABILITY OF LIMITATIONS ON SPACE BY PAY GRADE.—(1) Section 2826 of this title does not apply to family housing units acquired, constructed, improved, or rehabilitated under this subchapter.

''(2) The regulations prescribed under section 2856 of this title do not apply to unaccompanied housing units acquired, constructed, improved, or rehabilitated under this subchapter.

"§ 2881. Support facilities

''Any project for the acquisition, construction, improvement, or rehabilitation of family housing units or unaccompanied housing units under this subchapter may include the acquisition, construction, or improvement of support facilities for the housing units concerned.

"§ 2882. Assignment of members of the armed forces to housing units

''(a) IN GENERAL.—The Secretary concerned may assign members of the armed forces to housing units acquired, constructed, improved, or rehabilitated under this subchapter.

''(b) EFFECT OF CERTAIN ASSIGNMENTS ON ENTITLEMENT TO HOUSING ALLOWANCES.—(1) Except as provided in paragraph (2), housing referred to in subsection (a) shall be considered as quarters of the United States or a housing facility under the jurisdiction of a uniformed service for purposes of section 403(b) of title 37.

''(2) A member of the armed forces who is assigned in accordance with subsection (a) to a housing unit not owned or leased by the United States shall be entitled to a basic allowance for quarters under section 403 of title 37 and, if in a high housing cost area, a variable housing allowance under section 403a of that title.

''(c) LEASE PAYMENTS THROUGH PAY ALLOTMENTS.—The Secretary concerned may require members of the armed forces who lease housing in housing units acquired, constructed, improved, or rehabilitated under this subchapter to make lease payments for such housing pursuant to allotments of the pay of such members under section 701 of title 37.

"§ 2883. Department of Defense Housing Improvement Fund

''(a) ESTABLISHMENT.—There is hereby established on the books of the Treasury an account to be known as the Department of Defense Housing Improvement Fund (in this section referred to as the 'Fund'). The Secretary of Defense shall administer the Fund as a single account.

''(b) CREDITS TO FUND.—There shall be credited to the Fund the following:

''(1) Funds appropriated to the Fund.

''(2) Any funds that the Secretary of Defense may, to the extent provided in appropriations Acts, transfer to the Fund from funds appropriated to the Department of Defense for family housing, except that such funds may be transferred only after the Secretary of Defense transmits written notice of, and justification for, such transfer to the appropriate committees of Congress.

''(3) Any funds that the Secretary of Defense may, to the extent provided in appropriations Acts, transfer to the Fund from funds appropriated to the Department of Defense for military unaccompanied housing or for the operation and maintenance of military unaccompanied housing, except that such funds may be transferred only after the Secretary of Defense transmits written notice of, and justification for, such transfer to the appropriate committees of Congress.

''(4) Proceeds from the conveyance or lease of property or facilities under section 2878 of this title.

''(5) Income from any activities under this subchapter, including interest on loans made under section 2873 of this title, income and gains realized from investments under section 2875 of this title, and any return of capital invested as part of such investments.

''(c) USE OF FUNDS.—(1) To the extent provided in appropriations Acts and except as provided in paragraphs (2) and (3), the Secretary of Defense may use amounts in the Fund to carry out activities under this subchapter (including activities required in connection with the planning, execution, and administration of contracts or agreements entered into under the authority of this subchapter) and may transfer funds to the Secretaries of the military departments to permit such Secretaries to carry out such activities.

''(2)(A) Funds in the fund that are derived from appropriations or transfers of funds for military family housing, or from income from activities under this subchapter with respect to such housing, may be used in accordance with paragraph (1) only to carry out activities under this subchapter with respect to military family housing.

''(B) Funds in the fund that are derived from appropriations or transfers of funds for military unaccompanied housing, or from income from activities under this subchapter with respect to such housing, may be used in accordance with paragraph (1) only to carry out activities under this subchapter with respect to military unaccompanied housing.

''(3) The Secretary may not enter into a contract or agreement to carry out activities under this subchapter unless the Fund contains sufficient amounts, as of the time the contract or agreement is entered into, to satisfy the total obligations to be incurred by the United States under the contract or agreement.

''(d) LIMITATION ON AMOUNT OF BUDGET AUTHORITY.—The total value in budget authority of all contracts, agreements, and investments undertaken using the authorities provided in this subchapter shall not exceed $1,000,000,000.

"§ 2884. Reports

''(a) PROJECT REPORTS.—The Secretary of Defense shall transmit to the appropriate committees of Congress a report on each contract or agreement for a project for the acquisition, construction, improvement, or rehabilitation of family housing units or unaccompanied housing units that the Secretary proposes to solicit under this subchapter. The report shall describe the project and the intended method of participation of the United States in the project and provide a justification of such method of participation.

''(b) ANNUAL REPORTS.—The Secretary of Defense shall include each year in the materials that the Secretary submits to Congress in support of the budget submitted by the President pursuant to section 1105 of title 31 the following:

''(1) A report on the expenditures and receipts during the preceding fiscal year from the Department of Defense Housing Improvement Fund established under section 2883 of this title.

''(2) A methodology for evaluating the extent and effectiveness of the use of the authorities under this subchapter during such preceding fiscal year.

''(3) A description of the objectives of the Department of Defense for providing military family housing and military unaccompanied housing for members of the armed forces.

"§ 2885. Expiration of authority

''The authority to enter into a transaction under this subchapter shall expire 5 years after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996.''.

(2) The table of subchapters at the beginning of such chapter is amended by inserting after the item relating to subchapter III the following new item:

''IV. Alternative Authority for Acquisition and Improvement of Military Housing ..... 2870''.

(b) FINAL REPORT.—Not later than March 1, 2000, the Secretary of Defense shall submit to the congressional defense committees a report on the use by the Secretary of Defense and the Secretaries of the military departments of the authorities provided by subchapter IV of chapter 169 of title 10, United States Code, as added by subsection (a). The report shall assess the effectiveness of such authority in providing for the construction and improvement of military family housing and military unaccompanied housing.

(c) CROSS REFERENCE AMENDMENT.—(1) Chapter 169 of title 10, United States Code, is further amended by inserting after section 2822 the following new section:

"§ 2822a. Additional authority relating to military housing

''For additional authority regarding the acquisition, construction, or improvement of military family housing and military unaccompanied housing, see subchapter IV of this chapter.''.

(2) The table of sections at the beginning of subchapter II of such chapter is amended by inserting after the item relating to section 2822 the following new item:

''2822a. Additional authority relating to military housing.''.

SEC. 2812. PERMANENT AUTHORITY TO ENTER INTO LEASES OF LAND FOR SPECIAL OPERATIONS ACTIVITIES.

(a) PERMANENT AUTHORITY.—Section 2680 of title 10, United States Code, is amended by striking out subsection (d).

(b) REPORTING REQUIREMENT.—Such section is further amended by adding at the end the following new subsection (d):

''(d) REPORTS.—Not later than March 1 of each year, the Secretary of Defense shall submit to the Committee on the Armed Services of the Senate and the Committee on National Security of the House of Representatives a report that—

''(1) identifies each leasehold interest acquired during the previous fiscal year under subsection (a); and

''(2) contains a discussion of each project for the construction or modification of facilities carried out pursuant to subsection (c) during such fiscal year.''.

SEC. 2813. AUTHORITY TO USE FUNDS FOR CERTAIN EDUCATIONAL PURPOSES.

Section 2008 of title 10, United States Code, is amended by striking out ''section 10'' and all that follows through the period at the end and inserting in lieu thereof ''construction, as defined in section 8013(3) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7713(3)), or to carry out section 8008 of such Act (20 U.S.C. 7708), relating to impact aid.''.

Subtitle B—Defense Base Closure and Realignment

SEC. 2821. IN-KIND CONSIDERATION FOR LEASES AT INSTALLATIONS TO BE CLOSED OR REALIGNED.

Section 2667(f) of title 10, United States Code, is amended by adding at the end the following:

''(4) The Secretary concerned may accept under subsection (b)(5) services of a lessee for an entire installation to be closed or realigned under a base closure law, or for any part of such installation, without regard to the requirement in subsection (b)(5) that a substantial part of the installation be leased.''.

SEC. 2822. CLARIFICATION OF AUTHORITY REGARDING CONTRACTS FOR COMMUNITY SERVICES AT INSTALLATIONS BEING CLOSED.

(a) 1988 LAW.—Section 204(b)(8)(A) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note) is amended—

(1) by striking out ''may contract'' and inserting in lieu thereof ''may enter into agreements (including contracts, cooperative agreements, or other arrangements)''; and

(2) by adding at the end the following new sentence: ''An agreement under the authority in the preceding sentence may provide for the reimbursement of the local government concerned by the Secretary for the cost of any services provided under the agreement by that government.''.

(b) 1990 LAW.—Section 2905(b)(8)(A) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) by striking out ''may contract'' and inserting in lieu thereof ''may enter into agreements (including contracts, cooperative agreements, or other arrangements)''; and

(2) by adding at the end the following new sentence: ''An agreement under the authority in

the preceding sentence may provide for the reimbursement of the local government concerned by the Secretary for the cost of any services provided under the agreement by that government.''.

SEC. 2823. CLARIFICATION OF FUNDING FOR ENVIRONMENTAL RESTORATION AT INSTALLATIONS APPROVED FOR CLOSURE OR REALIGNMENT IN 1995.

Subsection (e) of section 2906 of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended to read as follows:

''(e) ACCOUNT EXCLUSIVE SOURCE OF FUNDS FOR ENVIRONMENTAL RESTORATION PROJECTS.—(1) Except for funds deposited into the Account under subsection (a), and except as provided in paragraph (2), funds appropriated to the Department of Defense may not be used for purposes described in section 2905(a)(1)(C). The prohibition in this subsection shall expire upon the termination of the Secretary's authority to carry out a closure or realignment under this part.

''(2) Funds in the Defense Environmental Restoration Account established under section 2703(a) of title 10, United States Code, may be used in fiscal year 1996 for environmental restoration at installations approved for closure or realignment under this part in 1995.''.

SEC. 2824. AUTHORITY TO LEASE PROPERTY REQUIRING ENVIRONMENTAL REMEDIATION AT INSTALLATIONS APPROVED FOR CLOSURE.

Section 120(h)(3) of the Comprehensive Environmental Response Compensation and Liability Act of 1980 (42 U.S.C. 9620(h)(3)) is amended in the matter following subparagraph (C)—

(1) by striking out the first sentence; and

(2) by adding at the end, flush to the paragraph margin, the following:

''The requirements of subparagraph (B) shall not apply in any case in which the person or entity to whom the real property is transferred is a potentially responsible party with respect to such property.

''The requirements of subparagraph (B) shall not apply in any case in which the transfer of the property occurs or has occurred by means of a lease, without regard to whether the lessee has agreed to purchase the property or whether the duration of the lease is longer than 55 years. In the case of a lease entered into after September 30, 1995, with respect to real property located at an installation approved for closure or realignment under a base closure law, the agency leasing the property, in consultation with the Administrator, shall determine before leasing the property that the property is suitable for lease, that the uses contemplated for the lease are consistent with protection of human health and the environment, and that there are adequate assurances that the United States will take all remedial action referred to in subparagraph (B) that has not been taken on the date of the lease.''.

SEC. 2825. FINAL FUNDING FOR DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION.

Section 2902(k) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended by adding at the end the following:

''(3)(A) The Secretary may transfer from the account referred to in subparagraph (B) such unobligated funds in that account as may be necessary for the Commission to carry out its duties under this part during October, November, and December 1995. Funds transferred under the preceding sentence shall remain available until December 31, 1995.

''(B) The account referred to in subparagraph (A) is the Department of Defense Base Closure Account established under section 207(a) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).''.

SEC. 2826. IMPROVEMENT OF BASE CLOSURE AND REALIGNMENT PROCESS.

(a) APPLICABILITY.—Subparagraph (A) of section 2905(b)(7) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended by striking out ''Determinations of the use to assist the homeless of buildings and property located at installations approved for closure under this part'' and inserting in lieu thereof ''Procedures for the disposal of buildings and property located at installations approved for closure or realignment under this part''.

(b) REDEVELOPMENT AUTHORITIES.—Subparagraph (B) of such section is amended by adding at the end the following:

''(iii) The chief executive officer of the State in which an installation covered by this paragraph is located may assist in resolving any disputes among citizens or groups of citizens as to the individuals and groups constituting the redevelopment authority for the installation.''.

(c) AGREEMENTS UNDER REDEVELOPMENT PLANS.—Subparagraph (F)(ii)(I) of such section is amended in the second sentence by striking out ''the approval of the redevelopment plan by the Secretary of Housing and Urban Development under subparagraph (H) or (J)'' and inserting in lieu thereof ''the decision regarding the disposal of the buildings and property covered by the agreements by the Secretary of Defense under subparagraph (K) or (L)''.

(d) REVISION OF REDEVELOPMENT PLANS.—Subparagraph (I) of such section is amended by inserting ''the Secretary of Defense and'' before ''the Secretary of Housing and Urban Development'' each place it appears.

(e) DISPOSAL OF BUILDINGS AND PROPERTY.—(1) Subparagraph (K) of such section is amended to read as follows:

''(K)(i) Upon receipt of a notice under subparagraph (H)(iv) or (J)(ii) of the determination of the Secretary of Housing and Urban Development that a redevelopment plan for an installation meets the requirements set forth in subparagraph (H)(i), the Secretary of Defense shall dispose of the buildings and property at the installation.

''(ii) For purposes of carrying out an environmental assessment of the closure or realignment of an installation, the Secretary shall treat the redevelopment plan for the installation (including the aspects of the plan providing for disposal to State or local governments, representatives of the homeless, and other interested parties) as part of the proposed Federal action for the installation.

''(iii) The Secretary shall dispose of buildings and property under clause (i) in accordance with the record of decision or other decision document prepared by the Secretary in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4331 et seq.) In preparing the record of decision or other decision document, the Secretary shall give substantial deference to the redevelopment plan concerned.

''(iv) The disposal under clause (i) of buildings and property to assist the homeless shall be without consideration.

''(v) In the case of a request for a conveyance under clause (i) of buildings and property for public benefit under section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) and subchapter II of chapter 471 of title 49, United States Code, the applicant and use proposed in the request shall be determined to be eligible for the public benefit conveyance under the eligibility criteria set forth in such section or such subchapter. The determination of such eligibility should be made before the redevelopment plan concerned under subparagraph (G) ''.

(2) Subparagraph (L) of such section is amended by striking out clauses (iii) and (iv) and inserting in lieu thereof the following new clauses (iii) and (iv):

''(iii) Not later than 90 days after the date of the receipt of a revised plan for an installation under subparagraph (J), the Secretary of Housing and Urban Development shall—

''(I) notify the Secretary of Defense and the redevelopment authority concerned of the buildings and property at an installation under clause (i)(IV) that the Secretary of Housing and Urban Development determines are suitable for use to assist the homeless; and

''(II) notify the Secretary of Defense of the extent to which the revised plan meets the criteria set forth in subparagraph (H)(i).

''(iv)(I) Upon notice from the Secretary of Housing and Urban Development with respect to an installation under clause (iii), the Secretary of Defense shall, after consultation with the Secretary of Housing and Urban Development and redevelopment authority concerned, dispose of buildings and property at the installation.

''(II) For purposes of carrying out an environmental assessment of the closure or realignment of an installation, the Secretary shall treat the redevelopment plan for the installation (including the aspects of the plan providing for disposal to State or local governments, representatives of the homeless, and other interested parties) as part of the proposed Federal action for the installation.

''(III) The Secretary shall dispose of buildings and property under subclause (I) in accordance with the record of decision or other decision document prepared by the Secretary in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4331 et seq.) In preparing the record of decision or other decision document, the Secretary shall give deference to the redevelopment plan concerned.

''(IV) The disposal under subclause (I) of buildings and property to assist the homeless shall be without consideration.

''(V) In the case of a request for a conveyance under clause (i) of buildings and property for public benefit under section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) and subchapter II of chapter 471 of title 49, United States Code, the applicant and use proposed in the request shall be determined to be eligible for the public benefit conveyance under the eligibility criteria set forth in such section or such subchapter. The determination of such eligibility should be made before the redevelopment plan concerned under subparagraph (G) ''.

(f) CONFORMING AMENDMENT.—Subparagraph (M)(i) of such section is amended by inserting ''or (L)'' after ''subparagraph (K)''.

(g) CLARIFICATION OF PARTICIPANTS IN PROCESS.—Such section is further amended by adding at the end the following:

''(P) For purposes of this paragraph, the term 'other interested parties', in the case of an installation, includes any parties eligible for the conveyance of property of the installation under section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) or subchapter II of chapter 471 of title 49, United States Code, whether or not the parties assist the homeless.''.

(h) TECHNICAL AMENDMENTS.—Section 2910 of such Act is amended—

(1) by designating the paragraph (10) added by section 2(b) of the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (Public Law 103–421; 108 Stat. 4352) as paragraph (11); and

(2) in such paragraph, as so designated, by striking out ''section 501(h)(4) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411(h)(4))'' and inserting in lieu thereof ''section 501(i)(4) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411(i)(4))''.

SEC. 2827. EXERCISE OF AUTHORITY DELEGATED BY THE ADMINISTRATOR OF GENERAL SERVICES.

Section 2905(b)(2) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) in subparagraph (A)—

(A) by striking out ''Subject to subparagraph (C)'' in the matter preceding clause (i) and inserting in lieu thereof ''Subject to subparagraph (B)''; and

(B) by striking out ''in effect on the date of the enactment of this Act'' each place it appears in clauses (i) and (ii);

(2) by striking out subparagraphs (B) and (C) and inserting in lieu thereof the following new subparagraph (B):

''(B) The Secretary may, with the concurrence of the Administrator of General Services—

''(i) prescribe general policies and methods for utilizing excess property and disposing of surplus property pursuant to the authority delegated under paragraph (1); and

''(ii) issue regulations relating to such policies and methods which regulations supersede the regulations referred to in subparagraph (A) with respect to that authority.''; and

(3) by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively.

SEC. 2828. LEASE BACK OF PROPERTY DISPOSED FROM INSTALLATIONS APPROVED FOR CLOSURE OR REALIGNMENT.

(a) AUTHORITY.—Section 2905(b)(4) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (D), (E), and (F), respectively; and

(2) by inserting after subparagraph (B) the following new subparagraph (C):

''(C)(i) The Secretary may transfer real property at an installation approved for closure or realignment under this part (including property at an installation approved for realignment which property will be retained by the Department of Defense or another Federal agency after realignment) to the redevelopment authority for the installation if the redevelopment authority agrees to lease, directly upon transfer, all or a significant portion of the property transferred under this subparagraph to the Secretary or to the head of another department or agency of the Federal Government. Subparagraph (B) shall apply to a transfer under this subparagraph.

''(ii) A lease under clause (i) shall be for a term of not to exceed 50 years, but may provide for options for renewal or extension of the term by the department or agency concerned.

''(iii) A lease under clause (i) may not require rental payments by the United States.

''(iv) A lease under clause (i) shall include a provision specifying that if the department or agency concerned ceases requiring the use of the leased property before the expiration of the term of the lease, the remainder of the lease term may, upon approval by the redevelopment authority concerned, be satisfied by the same or another department or agency of the Federal Government using the property for a use similar to the use under the lease.''.

(b) USE OF FUNDS TO IMPROVE LEASED PROPERTY.—Notwithstanding any other provision of law, a department or agency of the Federal Government that enters into a lease of property under section 2905(b)(4)(C) of the such Act, as amended by subsection (a), may use funds appropriated or otherwise available to the department or agency for such purpose to improve the leased property.

SEC. 2829. PROCEEDS OF LEASES AT INSTALLATIONS APPROVED FOR CLOSURE OR REALIGNMENT.

(a) INTERIM LEASES.—Section 2667(d) of title 10, United States Code, is amended—

(1) in paragraph (1)(A)—

(A) by striking out ''and'' at the end of clause (i);

(B) by striking out the period at the end of clause (ii) and inserting in lieu thereof ''; and''; and

(C) by adding at the end the following:

''(iii) money rentals referred to in paragraph (5).''; and

(2) by adding at the end the following:

''(5) Money rentals received by the United States under subsection (f) shall be deposited in the Department of Defense Base Closure Account 1990 established under section 2906(a) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).''.

(b) DEPOSIT IN 1990 ACCOUNT.—Section 2906(a)(2) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) in subparagraph (C)—

(A) by striking out ''transfer or disposal'' and inserting in lieu thereof ''transfer, lease, or other disposal''; and

(B) by striking out ''and'' at the end;

(2) in subparagraph (D)—

(A) by striking out ''transfer or disposal'' and inserting in lieu thereof ''transfer, lease, or other disposal''; and

(B) by striking out the period at the end and inserting in lieu thereof ''; and''; and

(3) by adding at the end the following:

''(E) money rentals received by the United States under section 2667(f) of title 10, United States Code.''.

SEC. 2830. CONSOLIDATION OF DISPOSAL OF PROPERTY AND FACILITIES AT FORT HOLABIRD, MARYLAND.

(a) CONSOLIDATION.—Notwithstanding any other provision of law, the Secretary of Defense shall dispose of the property and facilities at Fort Holabird, Maryland, described in subsection (b) in accordance with subparagraph (2)(e) of the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (P.L. 103–421), treating the property described in subsection (b) as if the CEO of the State had submitted a timely request to the Secretary of Defense under subparagraph (2)(e)(1)(B)(ii) of the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (P.L. 103–421).

(b) COVERED PROPERTY AND FACILITIES.—Subsection (a) applies to the following property and facilities at Fort Holabird, Maryland:

(1) Property and facilities that were approved for closure or realignment under the 1988 base closure law that are not disposed of as of the date of the enactment of this Act, including buildings 305 and 306 and the parking lots and other property associated with such buildings.

(2) Property and facilities that are approved for closure or realignment under the 1990 base closure law in 1995.

(c) USE OF SURVEYS AND OTHER EVALUATIONS OF PROPERTY.—In carrying out the disposal of the property and facilities referred to in subsection (b)(1), the Secretary shall utilize any surveys and other evaluations of such property and facilities that are prepared by the Corps of Engineers before the date of the enactment of this Act as part of the process for the disposal of such property and facilities under the 1988 base closure law.

(d) DEFINITIONS.—In this section:

(1) The term ''1988 base closure law'' means title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).

(2) The term ''1990 base closure law'' means the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

SEC. 2830A. LAND CONVEYANCE, PROPERTY UNDERLYING CUMMINS APARTMENT COMPLEX, FORT HOLABIRD, MARYLAND.

(a) CONVEYANCE AUTHORIZED.—Notwithstanding any other provision of law, the Secretary of the Army may convey to the existing owner of the improvements thereon all right, title, and interest of the United States in and to a parcel of real property underlying the Cummins Apartment Complex at Fort Holabird, Maryland, consisting of approximately 6 acres and any interest the United States may have in the improvements thereon.

(b) CONSIDERATION.—As consideration for the conveyance under subsection (a), the owner of the improvements referred to in that subsection shall provide compensation to the United States in an amount equal to the fair market value (as determined by the Secretary) of the property interest to be conveyed.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey that is satisfactory to the Secretary.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2830B. INTERIM LEASES OF PROPERTY APPROVED FOR CLOSURE OR REALIGNMENT.

Section 2667(f) of title 10, United States Code, is amended by adding at the end the following:

''(4)(A) Notwithstanding the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), the scope of any environmental impact analysis necessary to support an interim lease of property under this subsection shall be limited to the environmental consequences of activities authorized under the proposed lease and the cumulative impacts of other past, present, and reasonably foreseeable future actions during the period of the proposed lease.

''(B) Interim leases entered into under this subsection shall be deemed not to prejudice the final property disposal decision, even if final property disposal may be delayed until completion of the interim lease term. An interim lease under this subsection shall not be entered into without prior consultation with the redevelopment authority concerned.

''(C) The provisions of subparagraphs (A) and (B) shall not apply to an interim lease under this subsection if authorized activities under the lease would—

''(i) significantly effect the quality of the human environment; or

''(ii) irreversibly alter the environment in a way that would preclude any reasonable disposal alternative of the property concerned.''.

SEC. 2830C. SENSE OF THE CONGRESS REGARDING FITZSIMONS ARMY MEDICAL CENTER, COLORADO.

(a) FINDINGS.—The Congress finds that—

(1) Fitzsimons Army Medical Center in Aurora, Colorado has been recommended for closure in 1995 under the Defense Base Closure and Realignment Act of 1990;

(2) The University of Colorado Health Sciences Center and the University of Colorado Hospital Authority are in urgent need of space to maintain their ability to deliver health care to meet the growing demand for their services;

(3) Reuse of the Fitzsimons facility at the earliest opportunity would provide significant benefit to the cities of Aurora and Denver; and

(4) Reuse of the Fitzsimons facility by the local community ensures that the property is fully utilized by providing a benefit to the community.

(b) SENSE OF CONGRESS.—Therefore, it is the sense of Congress that upon acceptance of the Base Closure list:

(1) The Federal screening process for all military installations, including Fitzsimons Army Medical Center should be accomplished at the earliest opportunity;

(2) To the extent possible, the Secretary of the military departments should consider on an expedited basis transferring appropriate facilities to Local Redevelopment Authorities while still operational to ensure continuity of use to all parties concerned, in particular, the Secretary of the Army should consider an expedited transfer of Fitzsimons Army Medical Center because of significant preparations underway by the Local Redevelopment Authority;

(3) The Secretaries should not enter into leases with Local Redevelopment Authorities

until the Secretary concerned has established that the lease falls within the categorical exclusions established by the Military Departments pursuant to the National Environmental Policy Act (42 U.S.C. 4321 et seq.);

(4) This section is in no way intended to circumvent the decisions of the 1995 BRAC or other applicable laws.

(c) REPORT.—180 days after the enactment of this Act the Secretary of the Army shall provide a report to the appropriate committees of the Congress on the Fitzsimons Army Medical Center that covers:

(1) The results of the Federal screening process for Fitzsimons and any actions that have been taken to expedite the review;

(2) Any impediments raised during the Federal screening process to the transfer or lease of Fitzsimons Army Medical Center;

(3) Any actions taken by the Secretary of the Army to lease the Fitzsimons Army Medical Center to the local redevelopment authority;

(4) The results of any environmental reviews under the National Environmental Policy Act in which such a lease would fall into the categorical exclusions established by the Secretary of the Army; and

(5) The results of the environmental baseline survey and a finding of suitability or nonsuitability.

Subtitle C—Land Conveyances

SEC. 2831. LAND ACQUISITION OR EXCHANGE, SHAW AIR FORCE BASE, SOUTH CAROLINA.

(a) LAND ACQUISITION.—The Secretary of the Air Force may, by means of an exchange of property, acceptance as a gift, or other means that does not require the use of appropriated funds, acquire all right, title, and interest in and to a parcel of real property (together with any improvements thereon) consisting of approximately 1,100 acres that is located adjacent to the eastern end of Shaw Air Force Base, South Carolina, and extends to Stamey Livestock Road in Sumter County, South Carolina.

(b) ACQUISITION THROUGH EXCHANGE OF LANDS.—For purposes of acquiring the real property described in subsection (a) by means of an exchange of lands, the Secretary may convey all right, title, and interest of the United States in and to a parcel of real property in the possession of the Air Force if—

(1) the Secretary determines that the land exchange is in the best interests of the Air Force; and

(2) the fair market value of the Air Force parcel to be conveyed does not exceed the fair market value of the parcel to be acquired.

(c) REVERSION OF GIFT CONVEYANCE.—If the Secretary acquires the real property described in subsection (a) by way of gift, the Secretary may accept in the deed of conveyance terms or conditions requiring that the land be reconveyed to the donor, or the donor's heirs, if Shaw Air Force Base ceases operations and is closed.

(d) DETERMINATIONS OF FAIR MARKET VALUE.—The Secretary shall determine the fair market value of the parcels of real property to be acquired pursuant to subsection (a) or acquired and conveyed pursuant to subsection (b). Such determinations shall be final.

(e) DESCRIPTIONS OF PROPERTY.—The exact acreage and legal descriptions of the parcels of real property to be acquired pursuant to subsection (a) or acquired and conveyed pursuant to subsection (b) shall be determined by surveys that are satisfactory to the Secretary.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the acquisition under subsection (a) or the acquisition and conveyance under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2832. AUTHORITY FOR PORT AUTHORITY OF STATE OF MISSISSIPPI TO USE CERTAIN NAVY PROPERTY IN GULFPORT, MISSISSIPPI.

(a) JOINT USE AGREEMENT AUTHORIZED.—The Secretary of the Navy may enter into an agreement with the Port Authority of the State of Mississippi (in this section referred to as the ''Port Authority''), under which the Port Authority may use up to 50 acres of real property and associated facilities located at the Naval Construction Battalion Center, Gulfport, Mississippi (in this section referred to as the ''Center'').

(b) TERM OF AGREEMENT.—The agreement authorized under subsection (a) may be for an initial period of not more than 15 years. Under the agreement, the Secretary shall provide the Port Authority with an option to extend the agreement for 3 additional periods of 5 years each and for such additional periods as the Secretary and the Port Authority mutually agree.

(c) RESTRICTIONS ON USE.—The agreement authorized under subsection (a) shall require the Port Authority—

(1) to suspend operations at the Center in the event that Navy contingency operations are conducted at the Center; and

(2) to use the property covered by the agreement in a manner consistent with the Navy operations at the Center.

(d) CONSIDERATION.—(1) As consideration for the use of the property covered by the agreement under subsection (a), the Port Authority shall pay to the Navy an amount equal to the fair market rental value of the property, as determined by the Secretary taking into consideration the nature and extent of the Port Authority's use of the property.

(2) The Secretary may include a provision in the agreement requiring the Port Authority—

(A) to pay the Navy an amount (as determined by the Secretary) to cover the costs of replacing at the Center any facilities vacated by the Navy on account of the agreement or to construct suitable replacement facilities for the Navy; and

(B) to pay the Navy an amount (as determined by the Secretary) for the costs of relocating Navy operations from the vacated facilities to the replacement facilities.

(e) CONGRESSIONAL NOTIFICATION.—The Secretary may not enter into the agreement authorized by subsection (a) until the end of the 21-day period beginning on the date on which the Secretary submits to Congress a report containing an explanation of the terms of the proposed agreement and a description of the consideration that the Secretary expects to receive under the agreement.

(f) USE OF PAYMENT.—(1) The Secretary may use amounts received under subsection (d)(1) to pay for general supervision, administration, and overhead expenses and for improvement, maintenance, repair, construction, or restoration of facilities at the Center or of the roads and railways serving the Center.

(2) The Secretary may use amounts received under subsection (d)(2) to pay for constructing new facilities, or making modifications to existing facilities, that are necessary to replace facilities vacated by the Navy on account of the agreement under subsection (a) and for relocating operations of the Navy from the vacated facilities to replacement facilities.

(g) CONSTRUCTION BY PORT AUTHORITY.—The Secretary may authorize the Port Authority to demolish existing facilities located on the property covered by the agreement under subsection (a) and, consistent with the restriction provided under subsection (c)(2), construct new facilities on the property for the joint use of the Port Authority and the Navy.

(h) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the agreement authorized under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2833. CONVEYANCE OF RESOURCE RECOVERY FACILITY, FORT DIX, NEW JERSEY.

(a) AUTHORITY TO CONVEY.—The Secretary of the Army may convey to Burlington County, New Jersey (in this section referred to as the ''County''), without consideration, all right, title, and interest of the United States in and to a parcel of real property at Fort Dix, New Jersey, consisting of approximately two acres and containing a resource recovery facility known as the Fort Dix resource recovery facility.

(b) RELATED EASEMENTS.—The Secretary may grant to the County any easement that is necessary for access to and operation of the resource recovery facility conveyed under subsection (a).

(c) REQUIREMENT RELATING TO CONVEYANCE.—The Secretary may not carry out the conveyance of the resource recovery facility authorized in subsection (a) unless the County agrees to accept the facility in its existing condition at the time of conveyance.

(d) CONDITIONS ON CONVEYANCE.—The conveyance of the resource recovery facility authorized by subsection (a) is subject to the following conditions:

(1) That the County provide refuse service and steam service to Fort Dix, New Jersey, at the rate mutually agreed upon by the Secretary and the County and approved by the appropriate Federal or State regulatory authority.

(2) That the County comply with all applicable environmental laws and regulations (including any permit or license requirements) relating to the resource recovery facility.

(3) That, consistent with its ownership of the resource recovery facility conveyed, the County assume full responsibility for operation, maintenance, and repair of the facility and for compliance of the facility with all applicable regulatory requirements.

(4) That the County not commence any expansion of the resource recovery facility without approval of such expansion by the Secretary.

(e) DESCRIPTION OF THE PROPERTY.—The exact legal description of the real property to be conveyed under subsection (a), including the resource recovery facility conveyed therewith, and any easements granted under subsection (b), shall be determined by a survey and by other means satisfactory to the Secretary. The cost of any survey or other services performed at the direction of the Secretary under the authority in the preceding sentence shall be borne by the County.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) and the grant of any easement under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2834. CONVEYANCE OF WATER AND WASTEWATER TREATMENT PLANTS, FORT GORDON, GEORGIA.

(a) AUTHORITY TO CONVEY.—The Secretary of the Army may convey to the City of Augusta, Georgia (in this section referred to as the ''City''), without consideration, all right, title, and interest of the United States in and to two parcels of real property located at Fort Gordon, Georgia, consisting of approximately seven acres each. The parcels are improved with a water filtration plant, a water distribution system with storage tanks, a sewage treatment plant, and a sewage collection system.

(b) RELATED EASEMENTS.—The Secretary may grant to the City any easement that is necessary for access to the real property conveyed under subsection (a) and operation of the conveyed facilities.

(c) REQUIREMENT RELATING TO CONVEYANCE.—The Secretary may not carry out the conveyance of the water and wastewater treatment plants and water and wastewater distribution and collection systems authorized in subsection (a) unless the City agrees to accept the

plants and systems in their existing condition at the time of conveyance.

(d) CONDITIONS ON CONVEYANCE.—The conveyance authorized by subsection (a) is subject to the following conditions:

(1) That the City provide water and sewer service to Fort Gordon, Georgia, at a rate mutually agreed upon by the Secretary and the City and approved by the appropriate Federal or State regulatory authority.

(2) That the City comply with all applicable environmental laws and regulations (including any permit or license requirements) relating to the water and wastewater treatment plants and water and wastewater distribution and collection systems conveyed under that subsection.

(3) That, consistent with its ownership of the water and wastewater treatment plants and water and wastewater distribution and collection systems conveyed, the City assume full responsibility for operation, maintenance, and repair of the plants and water and systems conveyed under that subsection and for compliance of the plants and systems with all applicable regulatory requirements.

(4) That the City not commence any expansion of the water or wastewater treatment plant or water or wastewater distribution or collection system conveyed under that subsection without approval of such expansion by the Secretary.

(e) DESCRIPTION OF PROPERTY.—The exact legal description of the real property to be conveyed under subsection (a), including the water and wastewater treatment plants and water and wastewater distribution and collection systems conveyed therewith, and of any easements granted under subsection (b), shall be determined by a survey and by other means satisfactory to the Secretary. The cost of any survey or other services performed at the direction of the Secretary under the authority in the preceding sentence shall be borne by the City.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) and the grant of any easement under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2835. CONVEYANCE OF WATER TREATMENT PLANT, FORT PICKETT, VIRGINIA.

(a) AUTHORITY TO CONVEY.—(1) The Secretary of the Army may convey to the Town of Blackstone, Virginia (in this section referred to as the ''Town''), without consideration, all right, title, and interest of the United States in and to the property described in paragraph (2).

(2) The property referred to in paragraph (1) is the following property located at Fort Pickett, Virginia:

(A) A parcel of real property consisting of approximately 10 acres, including a reservoir and improvements thereon, the site of the Fort Pickett water treatment plant.

(B) Any equipment, fixtures, structures, or other improvements (including any water transmission lines, water distribution and service lines, fire hydrants, water pumping stations, and other improvements) not located on the parcel described in subparagraph (A) that are jointly identified by the Secretary and the Town as owned and utilized by the Federal Government in order to provide water to and distribute water at Fort Pickett.

(b) RELATED EASEMENTS.—The Secretary may grant to the Town the following easements relating to the conveyance of the property authorized by subsection (a):

(1) Such easements, if any, as the Secretary and the Town jointly determine are necessary in order to provide access to the water distribution system referred to in paragraph (2) of such subsection for maintenance, safety, and other purposes.

(2) Such easements, if any, as the Secretary and the Town jointly determine are necessary in order to provide access to the finished water lines from the system to the Town.

(3) Such rights of way appurtenant, if any, as the Secretary and the Town jointly determine are necessary in order to satisfy requirements imposed by any Federal, State, or municipal agency relating to the maintenance of a buffer zone around the water distribution system.

(c) WATER RIGHTS.—The Secretary shall grant to the Town as part of the conveyance under subsection (a) all right, title, and interest of the United States in and to any water of the Nottoway River, Virginia, that is connected with the reservoir referred to in paragraph (2)(A) of such subsection.

(d) REQUIREMENTS RELATING TO CONVEYANCE.—(1) The Secretary may not carry out the conveyance of the water distribution system authorized under subsection (a) unless the Town agrees to accept the system in its existing condition at the time of the conveyance.

(2) The Secretary shall complete any environmental removal or remediation required under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) with respect to the system to be conveyed under this section before carrying out the conveyance.

(e) CONDITIONS.—The conveyance authorized in subsection (a) shall be subject to the following conditions:

(1) That the Town reserve for provision to Fort Pickett, and provide to Fort Pickett on demand, not less than 1,500,000 million gallons per day of treated water from the water distribution system.

(2) That the Town provide water to and distribute water at Fort Pickett at a rate that is no less favorable than the rate that the Town would charge a public or private entity similar to Fort Pickett for the provision and distribution of water.

(3) That the Town maintain and operate the water distribution system in compliance with all applicable Federal and State environmental laws and regulations (including any permit and license requirements).

(f) DESCRIPTION OF PROPERTY.—The exact legal description of the property to be conveyed under subsection (a), of any easements granted under subsection (b), and of any water rights granted under subsection (c) shall be determined by a survey and other means satisfactory to the Secretary. The cost of any survey or other services performed at the direction of the Secretary under the authority in the preceding sentence shall be borne by the Town.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance authorized under subsection (a), the easements granted under subsection (b), and the water rights granted under subsection (c) that the Secretary considers appropriate to protect the interests of the United States.

SEC. 2836. CONVEYANCE OF ELECTRIC POWER DISTRIBUTION SYSTEM, FORT IRWIN, CALIFORNIA.

(a) AUTHORITY TO CONVEY.—(1) The Secretary of the Army may convey to the Southern California Edison Company, California (in this section referred to as the ''Company''), without consideration, all right, title, and interest of the United States in and to the electric power distribution system described in subsection (b).

(2) The Secretary may not convey any real property under the authority in paragraph (1).

(b) COVERED SYSTEM.—The electric power distribution system referred to in subsection (a) is the electric power distribution system located at Fort Irwin, California, and includes the equipment, fixtures, structures, and other improvements (including approximately 115 miles of electrical distribution lines, poles, switches, reclosers, transformers, regulators, switchgears, and service lines) that the Federal Government utilizes to provide electric power at Fort Irwin.

(c) RELATED EASEMENTS.—The Secretary may grant to the Company any easement that is necessary for access to and operation of the electric power distribution system conveyed under subsection (a).

(d) REQUIREMENT RELATING TO CONVEYANCE.—The Secretary may not carry out the conveyance of the electric power distribution system authorized in subsection (a) unless the Company agrees to accept that system in its existing condition at the time of the conveyance.

(e) CONDITIONS ON CONVEYANCE.—The conveyance authorized by subsection (a) is subject to the following conditions:

(1) That the Company provide electric power to Fort Irwin, California, at a rate mutually agreed upon by the Secretary and the Company and approved by the appropriate Federal or State regulatory authority.

(2) That the Company comply with all applicable environmental laws and regulations (including any permit or license requirements) relating to the electric power distribution system.

(3) That, consistent with its ownership of the electric power distribution system conveyed, the Company assume full responsibility for operation, maintenance, and repair of the system and for compliance of the system with all applicable regulatory requirements.

(4) That the Company not commence any expansion of the electric power distribution system without approval of such expansion by the Secretary.

(f) DESCRIPTION OF PROPERTY.—The exact legal description of the electric power distribution system to be conveyed pursuant to subsection (a), including any easement granted under subsection (b), shall be determined by a survey and by other means satisfactory to the Secretary. The cost of any survey or other services performed at the direction of the Secretary pursuant to the authority in the preceding sentence shall be borne by the Company.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) and the grant of any easement under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2837. LAND EXCHANGE, FORT LEWIS, WASHINGTON.

(a) IN GENERAL.—(1) The Secretary of the Army may convey to the Weyerhaeuser Real Estate Company, Washington (in this section referred to as the ''Company''), all right, title, and interest of the United States in and to the parcels of real property described in paragraph (2).

(2) The authority in paragraph (1) applies to the following parcels of real property located on the Fort Lewis Military Reservation, Washington:

(A) An unimproved portion of Tract 1000 (formerly being in the DuPont-Steilacoom Road), consisting of approximately 1.23 acres.

(B) Tract 26E, consisting of approximately 0.03 acres.

(b) CONSIDERATION.—As consideration for the conveyance authorized by subsection (a), the Company shall—

(1) convey (or acquire and then convey) to the United States all right, title, and interest in and to a parcel of real property consisting of approximately 0.39 acres, together with improvements thereon, located within the boundaries of Fort Lewis Military Reservation;

(2) construct an access road from Pendleton Street to the DuPont Recreation Area and a walkway path through DuPont Recreation Area;

(3) construct as improvements to the recreation area a parking lot, storm drains, perimeter fencing, restroom facilities, and initial grading of the DuPont baseball fields; and

(4) provide such other consideration as may be necessary (as determined by the Secretary) to ensure that the fair market value of the consideration provided by the Company under this subsection is not less than the fair market value of the parcels of real property conveyed under subsection (a).

(c) DETERMINATIONS OF FAIR MARKET VALUE.—The determinations of the Secretary regarding the fair market value of the real property to be conveyed pursuant to subsections (a) and (b), and of any other consideration provided by the Company under subsection (b), shall be final.

(d) TREATMENT OF OTHER INTERESTS IN PARCELS TO BE CONVEYED.—The Secretary may enter into an agreement with the appropriate officials of Pierce County, Washington, which provides for—

(1) Pierce County to release the existing reversionary interest of Pierce County in the parcels of real property to be conveyed by the United States under subsection (a); and

(2) the United States, in exchange for the release, to convey or grant to Pierce County an interest in the parcel of real property conveyed to the United States under subsection (b)(1) that is similar in effect (as to that parcel) to the reversionary interest released by Pierce County under paragraph (1).

(e) DESCRIPTION OF PROPERTY.—The exact acreages and legal descriptions of the parcels of real property to be conveyed under subsections (a) and (b) shall be determined by surveys satisfactory to the Secretary. The cost of such surveys shall be borne by the Company.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require any additional terms and conditions in connection with the conveyances under this section that the Secretary considers appropriate to protect the interest of the United States.

SEC. 2838. LAND CONVEYANCE, NAVAL SURFACE WARFARE CENTER, MEMPHIS, TENNESSEE.

(a) AUTHORITY TO CONVEY.—The Secretary of the Navy may convey to the Memphis and Shelby County Port Commission, Memphis, Tennessee (in this section referred to as the ''Port''), all right, title, and interest of the United States in and to a parcel of real property (including any improvements thereon) consisting of approximately 26 acres that is located at the Carderock Division, Naval Surface Warfare Center, Memphis Detachment, Presidents Island, Memphis, Tennessee.

(b) CONSIDERATION.—As consideration for the conveyance of real property under subsection (a), the Port shall—

(1) grant to the United States a restrictive easement in and to a parcel of real property consisting of approximately 100 acres that is adjacent to the Memphis Detachment, Presidents Island, Memphis, Tennessee; and

(2) if the fair market value of the easement granted under paragraph (1) exceeds the fair market value of the real property conveyed under subsection (a), provide the United States such additional consideration as the Secretary and the Port jointly determine appropriate so that the value of the consideration received by the United States under this subsection is equal to or greater than the fair market value of the real property conveyed under subsection (a).

(c) CONDITION OF CONVEYANCE.—The conveyance authorized by subsection (a) shall be carried out in accordance with the provisions of the Land Exchange Agreement between the United States of America and the Memphis and Shelby County Port Commission, Memphis, Tennessee.

(d) DETERMINATION OF FAIR MARKET VALUE.—The Secretary shall determine the fair market value of the real property to be conveyed under subsection (a) and of the easement to be granted under subsection (b)(1). Such determinations shall be final.

(e) USE OF PROCEEDS.—The Secretary shall deposit any proceeds received under subsection (b)(2) as consideration for the conveyance of real property authorized under subsection (a) in the special account established pursuant to section 204(h) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)).

(f) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) and the easement to be granted under subsection (b)(1) shall be determined by surveys satisfactory to the Secretary. The cost of the surveys shall be borne by the Port.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance authorized by subsection (a) and the easement granted under subsection (b)(1) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2839. LAND CONVEYANCE, RADAR BOMB SCORING SITE, FORSYTH, MONTANA.

(a) AUTHORITY TO CONVEY.—The Secretary of the Air Force may convey, without consideration, to the City of Forsyth, Montana (in this section referred to as the ''City''), all right, title, and interest of the United States in and to the parcel of property (including any improvements thereon) consisting of approximately 58 acres located in Forsyth, Montana, which has served as a support complex and recreational facilities for the Radar Bomb Scoring Site, Forsyth, Montana.

(b) CONDITION OF CONVEYANCE.—The conveyance under subsection (a) shall be subject to the condition that the City—

(1) utilize the property and recreational facilities conveyed under that subsection for housing and recreation purposes; or

(2) enter into an agreement with an appropriate public or private entity to lease such property and facilities to that entity for such purposes.

(c) REVERSION.—If the Secretary determines at any time that the property conveyed under subsection (a) is not being utilized in accordance with paragraph (1) or paragraph (2) of subsection (b), all right, title, and interest in and to the conveyed property, including any improvements thereon, shall revert to the United States and the United States shall have the right of immediate entry onto the property.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property conveyed under this section shall be determined by a survey satisfactory to the Secretary. The cost of such survey shall be borne by the City.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary determines appropriate to protect the interests of the United States.

SEC. 2840. LAND CONVEYANCE, RADAR BOMB SCORING SITE, POWELL, WYOMING.

(a) AUTHORITY TO CONVEY.—The Secretary of the Air Force may convey, without consideration, to the Northwest College Board of Trustees (in this section referred to as the ''Board''), all right, title, and interest of the United States in and to a parcel of real property (including any improvements thereon) consisting of approximately 24 acres located in Powell, Wyoming, which has served as the location of a support complex, recreational facilities, and housing facilities for the Radar Bomb Scoring Site, Powell, Wyoming.

(b) CONDITION OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the condition that the Board use the property conveyed under that subsection for housing and recreation purposes and for such other purposes as the Secretary and the Board jointly determine appropriate.

(c) REVERSIONARY INTEREST.—During the 5-year period beginning on the date that the Secretary makes the conveyance authorized under subsection (a), if the Secretary determines that the conveyed property is not being used in accordance with subsection (b), all right, title, and interest in and to the conveyed property, including any improvements thereon, shall revert to the United States and the United States shall have the right of immediate entry onto the property.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property conveyed under this section shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Board.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2841. REPORT ON DISPOSAL OF PROPERTY, FORT ORD MILITARY COMPLEX, CALIFORNIA.

Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report describing the plans of the Secretary for the disposal of a parcel of real property consisting of approximately 477 acres at the former Fort Ord Military Complex, California, including the Black Horse Golf Course, the Bayonet Golf Course, and a portion of the Hayes Housing Facility.

SEC. 2842. LAND CONVEYANCE, NAVY PROPERTY, FORT SHERIDAN, ILLINOIS.

(a) AUTHORITY TO CONVEY.—Subject to subsections (b) and (l), the Secretary of the Navy may convey to any transferee selected under subsection (i) all right, title, and interest of the United States in and to a parcel of real property (including any improvements thereon) at Fort Sheridan, Illinois, consisting of approximately 182 acres and comprising the Navy housing areas at Fort Sheridan.

(b) REQUIREMENT FOR FEDERAL SCREENING OF PROPERTY.—The Secretary may not carry out the conveyance of property authorized by subsection (a) unless the Secretary determines that no department or agency of the Federal Government will accept the transfer of the property.

(c) CONSIDERATION.—(1) As consideration for the conveyance under subsection (a), the transferee selected under subsection (i) shall—

(A) convey to the United States a parcel of real property that meets the requirements of subsection (d);

(B) design for and construct on the property conveyed under subparagraph (A) such housing facilities (including support facilities and infrastructure) to replace the housing facilities conveyed pursuant to the authority in subsection (a) as the Secretary considers appropriate;

(C) pay the cost of relocating Navy personnel residing in the housing facilities located on the real property conveyed pursuant to the authority in subsection (a) to the housing facilities constructed under subparagraph (B);

(D) provide for the education of dependents of such personnel under subsection (e); and

(E) carry out such activities for the maintenance and improvement of the facilities constructed under subparagraph (B) as the Secretary and the transferee jointly determine appropriate.

(2) The Secretary shall ensure that the fair market value of the consideration provided by the transferee under paragraph (1) is not less than the fair market value of the property interest conveyed by the Secretary under subsection (a).

(d) REQUIREMENTS RELATING TO PROPERTY TO BE CONVEYED TO UNITED STATES.—The property interest conveyed to the United States under subsection (c)(1)(A) by the transferee selected under subsection (i) shall—

(1) be located not more than 25 miles from the Great Lakes Naval Training Center, Illinois;

(2) be located in a neighborhood or area having social and economic conditions similar to the social and economic conditions of the area in which Fort Sheridan is located; and

(3) be acceptable to the Secretary.

(e) EDUCATION OF DEPENDENTS OF NAVY PERSONNEL.—In providing for the education of dependents of Navy personnel under subsection (c)(1)(D), the transferee selected under subsection (i) shall ensure that such dependents may enroll at the schools of one or more school

districts in the vicinity of the real property conveyed to the United States under subsection (c)(1)(A) which schools and districts—

(1) meet such standards for schools and schools districts as the Secretary shall establish; and

(2) will continue to meet such standards after the enrollment of such dependents regardless of the receipt by such school districts of Federal impact aid.

(f) INTERIM RELOCATION OF NAVY PERSONNEL.—Pending completion of the construction of all the housing facilities proposed to be constructed under subsection (c)(1)(B) by the transferee selected under subsection (i), the Secretary may relocate Navy personnel residing in housing facilities located on the property to be conveyed pursuant to the authority in subsection (a) to the housing facilities that have been constructed by the transferee under such subsection (c)(1)(B).

(g) APPLICABILITY OF CERTAIN AGREEMENTS.—The property conveyed by the Secretary pursuant to the authority in subsection (a) shall be subject to the Memorandum of Understanding concerning the Transfer of Certain Properties at Fort Sheridan, Illinois, dated August 8, 1991, between the Department of the Army and the Department of the Navy.

(h) DETERMINATION OF FAIR MARKET VALUE.—The Secretary shall determine the fair market value of the real property interest to be conveyed under subsection (a) and of the consideration to be provided under subsection (c)(1). Such determination shall be final.

(i) SELECTION OF TRANSFEREE.—(1) The Secretary shall use competitive procedures for the selection of a transferee under subsection (a).

(2) In evaluating the offers of prospective transferees, the Secretary shall—

(A) consider the technical sufficiency of the offers and the adequacy of the offers in meeting the requirements for consideration set forth in subsection (c)(1); and

(B) consult with the communities and jurisdictions in the vicinity of Fort Sheridan (including the City of Lake Forest, the City of Highwood, and the City of Highland Park and the County of Lake) in order to determine the most appropriate use of the property to be conveyed.

(j) DESCRIPTIONS OF PROPERTY.—The exact acreage and legal descriptions of the real property to be conveyed by the Secretary under subsection (a) and the real property to be conveyed under subsection (c)(1)(A) shall be determined by surveys satisfactory to the Secretary. The cost of such surveys shall be borne by the transferee selected under subsection (i).

(k) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2843. LAND CONVEYANCE, ARMY RESERVE PROPERTY, FORT SHERIDAN, ILLINOIS.

(a) AUTHORITY TO CONVEY.—Subject to subsection (b), the Secretary of the Army may convey to any transferee selected under subsection (g) all right, title, and interest of the United States in and to a parcel of real property (including improvements thereon) at Fort Sheridan, Illinois, consisting of approximately 114 acres and comprising an Army Reserve area.

(b) REQUIREMENT FOR FEDERAL SCREENING OF PROPERTY.—The Secretary may not carry out the conveyance of property authorized by subsection (a) unless the Secretary determines that no department or agency of the Federal Government will accept the transfer of the property.

(c) CONSIDERATION.—(1) As consideration for the conveyance under subsection (a), the transferee selected under subsection (g) shall—

(A) convey to the United States a parcel of real property that meets the requirements of subsection (d);

(B) design for and construct on the property conveyed under subparagraph (A) such facilities (including support facilities and infrastructure) to replace the facilities conveyed pursuant to the authority in subsection (a) as the Secretary considers appropriate; and

(C) pay the cost of relocating Army personnel in the facilities located on the real property conveyed pursuant to the authority in subsection (a) to the facilities constructed under subparagraph (B).

(2) The Secretary shall ensure that the fair market value of the consideration provided by the transferee under paragraph (1) is not less than the fair market value of the real property conveyed by the Secretary under subsection (a).

(d) REQUIREMENTS RELATING TO PROPERTY TO BE CONVEYED TO UNITED STATES.—The real property conveyed to the United States under subsection (c)(1)(A) by the transferee selected under subsection (g) shall—

(1) be located not more than 25 miles from Fort Sheridan;

(2) be located in a neighborhood or area having social and economic conditions similar to the social and economic conditions of the area in which Fort Sheridan is located; and

(3) be acceptable to the Secretary.

(e) INTERIM RELOCATION OF ARMY PERSONNEL.—Pending completion of the construction of all the facilities proposed to be constructed under subsection (c)(1)(B) by the transferee selected under subsection (g), the Secretary may relocate Army personnel in the facilities located on the property to be conveyed pursuant to the authority in subsection (a) to the facilities that have been constructed by the transferee under such subsection (c)(1)(B).

(f) DETERMINATION OF FAIR MARKET VALUE.—The Secretary shall determine the fair market value of the real property to be conveyed under subsection (a) and of the consideration to be provided under subsection (c)(1). Such determination shall be final.

(g) SELECTION OF TRANSFEREE.—(1) The Secretary shall use competitive procedures for the selection of a transferee under subsection (a).

(2) In evaluating the offers of prospective transferees, the Secretary shall—

(A) consider the technical sufficiency of the offers and the adequacy of the offers in meeting the requirements for consideration set forth in subsection (c)(1); and

(B) consult with the communities and jurisdictions in the vicinity of Fort Sheridan (including the City of Lake Forest, the City of Highwood, and the City of Highland Park and the County of Lake) in order to determine the most appropriate use of the property to be conveyed.

(h) DESCRIPTIONS OF PROPERTY.—The exact acreage and legal descriptions of the real property to be conveyed by the Secretary under subsection (a) and the real property to be conveyed under subsection (c)(1)(A) shall be determined by surveys satisfactory to the Secretary. The cost of such surveys shall be borne by the transferee selected under subsection (g).

(i) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2844. LAND CONVEYANCE, NAVAL COMMUNICATIONS STATION, STOCKTON, CALIFORNIA.

(a) AUTHORITY TO CONVEY.—The Secretrary of the Navy may, upon the concurrence of the Administrator of General Services and the Secretary of Housing and Urban Development, convey to the Port of Stockton (in this section referred to as the ''Port''), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 1,450 acres at the Naval Communication Station, Stockton, California.

(b) INTERIM LEASE.—Until such time as the real property described in subsection (a) is conveyed by deed, the Secretary may lease the property, along with improvements thereon, to the Port under terms and conditions satisfactory to the Secretary.

(c) CONSIDERATION.—The conveyance may be as a public benefit conveyance for port development as defined in section 203 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484), as amended, provided the Port satisfies the criteria in section 203 and such regulations as the Administrator of General Services may prescribe to implement that section. Should the Port fail to qualify for a public benefit conveyance and still desire to acquire the property, then the Port shall, as consideration for the conveyance, pay to the United States an amount equal to the fair market value of the property to be conveyed, as determined by the Secretary.

(d) FEDERAL LEASE OF CONVEYED PROPERTY.—Notwithstanding any other provision of law, as a condition for transfer of this property under subparagraph (a), the Secretary may require that the Port agree to lease all or a part of the property currently under Federal use at the time of conveyance to the United States for use by the Department of Defense or any other Federal agency under the same terms and conditions now presently in force. Such terms and conditions will continue to include payment (to the Port) for maintenance of facilities leased to the Federal Government. Such maintenance of the Federal premises shall be to the reasonable satisfaction of the United States, or as required by all applicable Federal, State and local laws and ordinances.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of such survey shall be borne by Port

(f) ADDITIONAL TERMS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) or the lease under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

(g) ENVIRONMENTAL QUALITY OF PROPERTY.—Any contract for sale, deed, or other transfer of real property under this section shall be carried out in compliance with section 120(h) of the CERCLA (42 U.S.C. 9620(h)) and other environmental laws.

SEC. 2845. LAND CONVEYANCE, WILLIAM LANGER JEWEL BEARING PLANT, ROLLA, NORTH DAKOTA.

(a) AUTHORITY TO CONVEY.—The Administrator of General Services may convey, without consideration, to the Job Development Authority of the City of Rolla, North Dakota (in this section referred to as the ''Authority''), all right, title, and interest of the United States in and to a parcel of real property, with improvements thereon and all associated personal property, consisting of approximately 9.77 acres and comprising the William Langer Jewel Bearing Plant in Rolla, North Dakota.

(b) CONDITION OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the condition that the Authority—

(1) use the real and personal property and improvements conveyed under that subsection for economic development relating to the jewel bearing plant;

(2) enter into an agreement with an appropriate public or private entity or person to lease such property and improvements to that entity or person for such economic development; or

(3) enter into an agreement with an appropriate public or private entity or person to sell such property and improvements to that entity or person for such economic development.

(c) PREFERENCE FOR DOMESTIC DISPOSAL OF JEWEL BEARINGS.—(1) In offering to enter into agreements pursuant to any provision of law for the disposal of jewel bearings from the National Defense Stockpile, the President shall give a right of first refusal on all such offers to the Authority or to the appropriate public or private

entity or person with which the Authority enters into an agreement under subsection (b).

(2) For the purposes of this section, the term ''National Defense Stockpile'' means the stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98(c)).

(d) AVAILABILITY OF FUNDS FOR MAINTENANCE AND CONVEYANCE OF PLANT.—Notwithstanding any other provision of law, funds available in fiscal year 1995 for the maintenance of the William Langer Jewel Bearing Plant in Public Law 103–335 shall be available for the maintenance of that plant in fiscal year 1996, pending conveyance, and for the conveyance of that plant under this section.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property conveyed under this section shall be determined by a survey satisfactory to the Administrator. The cost of such survey shall be borne by the Administrator.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Administrator may require such additional terms and conditions in connection with the conveyance under this section as the Administrator determines appropriate to protect the interests of the United States.

SEC. 2846. LAND EXCHANGE, UNITED STATES ARMY RESERVE CENTER, GAINESVILLE, GEORGIA.

(a) IN GENERAL.—The Secretary of the Army may convey to the City of Gainesville, Georgia (in this section referred to as the ''City''), all right, title, and interest of the United States in and to a parcel of real property (together with any improvements thereon) consisting of approximately 4.2 acres located on Shallowford Road, in the City of Gainesville, Georgia.

(b) CONSIDERATION.—As consideration for the conveyance authorized by subsection (a), the city shall—

(1) convey to the United States all right, title, and interest in and to a parcel of real property consisting of approximately 8 acres of land, acceptable to the Secretary, in the Atlas Industrial Park, Gainesville, Georgia;

(2) design and construct on such real property suitable replacement facilities in accordance with the requirements of the Secretary, for the training activities of the United States Army Reserve;

(3) fund and perform any environmental and cultural resource studies, analysis, documentation that may be required in connection with the land exchange and construction considered by this section;

(4) reimburse the Secretary for the costs of relocating the United States Army Reserve units from the real property to be conveyed under subsection (a) to the replacement facilities to be constructed by the City under subsection (b)(2). The Secretary shall deposit such funds in the same account used to pay for the relocation;

(5) pay to the United States an amount as may be necessary to ensure that the fair market value of the consideration provided by the City under this subsection is not less than fair market value of the parcel of real property conveyed under subsection (a); and

(6) assume all environmental liability under the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9620(h)) for the real property to be conveyed under subsection (b)(1).

(c) DETERMINATION OF FAIR MARKET VALUE.—The determination of the Secretary regarding the fair market value of the real property to be conveyed pursuant to subsection (a), and of any other consideration provided by the City under subsection (b), shall be final.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the parcels of real property to be conveyed under subsections (a) and (b) shall be determined by surveys satisfactory to the Secretary. The cost of such surveys shall be borne by the City.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require any additional terms and conditions in connection with the conveyances under this section that the Secretary considers appropriate to protect the interest of the United States.

Subtitle D—Transfer of Jurisdiction and Establishment of Midewin National Tallgrass Prairie

SEC. 2851. SHORT TITLE.

This subtitle may be cited as the ''Illinois Land Conservation Act of 1995''.

SEC. 2852. DEFINITIONS.

As used in this subtitle:

(1) The term ''Administrator'' means the Administrator of the Environmental Protection Agency.

(2) The term ''agricultural purposes'' means, with respect to land, the use of land for row crops, pasture, hay, or grazing.

(3) The term ''Arsenal'' means the Joliet Army Ammunition Plant located in the State of Illinois.

(4) The term ''Arsenal Land Use Concept'' refers to the proposals that were developed and unanimously approved on April 8, 1994, by the Joliet Arsenal Citizen Planning Commission.

(5) The term ''CERCLA'' means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.).

(6) The term ''Defense Environmental Restoration Program'' means the Defense Environmental Restoration Program established under section 2701 of title 10, United States Code.

(7) The term ''environmental law'' means all applicable Federal, State, and local laws, regulations, and requirements related to the protection of human health, natural and cultural resources, or the environment, including—

(A) CERCLA;

(B) the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.);

(C) the Federal Water Pollution Control Act (commonly known as the ''Clean Water Act''; 33 U.S.C. 1251 et seq.);

(D) the Clean Air Act (42 U.S.C. 7401 et seq.);

(E) the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.);

(F) the Toxic Substances Control Act (15 U.S.C. 2601 et seq.); and

(G) title XIV of the Public Health Service Act (commonly known as the ''Safe Drinking Water Act'') (42 U.S.C. 300f et seq.).

(8) The term ''hazardous substance'' has the meaning given the term in section 101(14) of CERCLA (42 U.S.C. 9601(14)).

(9) The term ''MNP'' means the Midewin National Tallgrass Prairie established under section 2853 and managed as part of the National Forest System.

(10) The term ''national cemetery'' means a cemetery that is part of the National Cemetery System under chapter 24 of title 38, United States Code.

(11) The term ''person'' has the meaning given the term in section 101(21) of CERCLA (42 U.S.C. 9601(21)).

(12) The term ''pollutant or contaminant'' has the meaning given the term in section 101(33) of CERCLA (42 U.S.C. 9601(33)).

(13) The term ''release'' has the meaning given the term in section 101(22) of CERCLA (42 U.S.C. 9601(22)).

(14) The term ''response'' has the meaning given the term in section 101(25) of CERCLA (42 U.S.C. 9601(25)).

(15) The term ''Secretary'' means the Secretary of Agriculture.

SEC. 2853. ESTABLISHMENT OF MIDEWIN NATIONAL TALLGRASS PRAIRIE.

(a) ESTABLISHMENT.—On the date of the initial transfer of jurisdiction of portions of the Arsenal to the Secretary under section 2854(a)(1), the Secretary shall establish the MNP described in subsection (b).

(b) DESCRIPTION.—The MNP shall consist of all portions of the Arsenal transferred to the Secretary under this subtitle.

(c) ADMINISTRATION.—The Secretary shall manage the MNP as a part of the National Forest System in accordance with this subtitle and the laws, rules, and regulations pertaining to the National Forests, except that the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1000 et seq.) shall not apply to the MNP.

(d) LAND ACQUISITION FUNDS.—Notwithstanding section 7 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–9), money appropriated from the land and water conservation fund established under section 2 of that Act (16 U.S.C. 460l–5) may be used for acquisition of lands and interests in land for inclusion in the MNP.

(e) LAND AND RESOURCE MANAGEMENT PLAN.—The Secretary shall develop a land and resource management plan for the MNP, after consulting with the Illinois Department of Conservation and local governments adjacent to the MNP and providing an opportunity for public comment.

(f) PRE-PLAN MANAGEMENT.—In order to expedite the administration and public use of the MNP, the Secretary may, prior to the development of a land and resource management plan for the MNP under subsection (e), manage the MNP for the purposes described in subsection (g).

(g) PURPOSES OF MNP.—In establishing the MNP, the Secretary shall—

(1) conserve and enhance populations and habitats of fish, wildlife, and plants, including populations of grassland birds, raptors, passerines, and marsh and water birds;

(2) restore and enhance, where practicable, habitats for species listed as threatened or endangered, or proposed to be listed, under section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533);

(3) provide fish- and wildlife-oriented public uses at levels compatible with the conservation, enhancement, and restoration of native wildlife and plants and the habitats of native wildlife and plants;

(4) provide opportunities for scientific research;

(5) provide opportunities for environmental and land use education;

(6) manage the land and water resources of the MNP in a manner that will conserve and enhance the natural diversity of native fish, wildlife, and plants;

(7) conserve and enhance the quality of aquatic habitat; and

(8) provide for public recreation insofar as the recreation is compatible with paragraphs (1) through (7).

(h) PROHIBITION AGAINST THE CONSTRUCTION OF NEW THROUGH ROADS.—(1) Subject to paragraph (2), no new construction of a highway, public road, or part of the interstate system, whether Federal, State, or local, shall be permitted through or across any portion of the MNP.

(2) This subsection does not preclude—

(A) construction and maintenance of roads for use within the MNP;

(B) the granting of authorizations for utility rights-of-way under applicable Federal, State, or local law;

(C) necessary access by the Secretary of the Army for purposes of restoration and cleanup as provided in this subtitle;

(D) such other access as is necessary.

(i) AGRICULTURAL LEASES AND SPECIAL USE AUTHORIZATIONS.—(1) If, at the time of transfer of jurisdiction under section 2854(a), there exists a lease issued by the Secretary of the Army, Secretary of Defense, or an employee of the Secretary of the Army or the Secretary of Defense, for agricultural purposes on the land transferred, the Secretary, on the transfer of jurisdiction, shall issue a special use authorization. Subject to paragraph (3), the terms of the special use authorization shall be identical in substance to the lease, including terms prescribing the expiration date and any payments owed to

the United States. On issuance of the special use authorization, the lease shall become void.

(2) The Secretary may issue a special use authorization to a person for use of the MNP for agricultural purposes. The special use authorization shall require payment of a rental fee, in advance, that is based on the fair market value of the use allowed. Fair market value shall be determined by appraisal or a competitive bidding process. Subject to paragraph (3), the special use authorization shall include such terms and conditions as the Secretary considers appropriate.

(3) No special use authorization shall be issued under this subsection that has a term extending beyond the date that is 20 years after the date of enactment of this Act, unless the special use authorization is issued primarily for purposes related to—

(A) erosion control;

(B) provision for food and habitat for fish and wildlife; or

(C) resource management activities consistent with the purposes of the MNP.

(j) TREATMENT OF RENTAL FEES.—Funds received under a special use authorization issued under subsection (i) shall be subject to distribution to the State of Illinois and affected counties in accordance with the Act of May 23, 1908 (35 Stat. 260, chapter 192; 16 U.S.C. 500) and section 13 of the Act of March 1, 1911 (36 Stat. 963, chapter 186; 16 U.S.C. 500). All funds not distributed under such Acts shall be credited to an MNP Rental Fee Account, to be maintained by the Secretary of the Treasury. Amounts in the Account shall remain available until expended, without fiscal year limitation. The Secretary may use funds in the Account to carry out prairie-improvement work. Any funds in the account that the Secretary determines to be in excess of the cost of doing prairie-improvement work shall be transferred, on the determination, to miscellaneous receipts, Forest Service Fund, as a National Forest receipt for the fiscal year in which the transfer is made.

(k) USER FEES.—The Secretary may charge reasonable fees for the admission, occupancy, and use of the MNP and may prescribe a fee schedule providing for a reduction or a waiver of fees for a person engaged in an activity authorized by the Secretary, including volunteer services, research, or education. The Secretary shall permit admission, occupancy, and use of the MNP at no charge for a person possessing a valid Golden Eagle Passport or Golden Age Passport.

(l) SALVAGE OF IMPROVEMENTS.—The Secretary may sell for salvage value any facility or improvement that is transferred to the Secretary under this subtitle.

(m) TREATMENT OF USER FEES AND SALVAGE RECEIPTS.—Funds collected under subsections (k) and (l) shall be credited to a Midewin National Tallgrass Prairie Restoration Fund, to be maintained by the Secretary of the Treasury. Amounts in the Fund shall remain available, subject to appropriation, without fiscal year limitation. The Secretary may use amounts in the Fund for restoration and administration of the MNP, including construction of a visitor and education center, restoration of ecosystems, construction of recreational facilities (such as trails), construction of administrative offices, and operation and maintenance of the MNP.

(n) COOPERATION WITH STATES, LOCAL GOVERNMENTS, AND OTHER ENTITIES.—In the management of the MNP, the Secretary shall, to the extent practicable, cooperate with affected appropriate Federal, State, and local governmental agencies, private organizations, and corporations. The cooperation may include entering a cooperative agreement or exercising authority under the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101 et seq.) or the Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C. 1641 et seq.). The purpose of the cooperation may include public education, land and resource protection, or cooperative management among government, corporate, and private landowners in a manner that is consistent with this subtitle.

SEC. 2854. TRANSFER OF MANAGEMENT RESPONSIBILITIES AND JURISDICTION OVER ARSENAL.

(a) PHASED TRANSFER OF JURISDICTION.—(1) Not later than 180 days after the date of the enactment of this Act, the Secretary of the Army may transfer to the Secretary of Agriculture those portions of the Arsenal property identified for transfer to the Secretary of Agriculture under subsection (c), and may transfer to the Secretary of Veterans Affairs those portions identified for transfer to the Secretary of Veterans Affairs under section 2855(a). In the case of the Arsenal property to be transferred to the Secretary of Agriculture, the Secretary of the Army shall transfer to the Secretary of Agriculture only those portions for which the Secretary of the Army and the Administrator concur in finding that no further action is required under any environmental law and that have been eliminated from the areas to be further studied pursuant to the Defense Environmental Restoration Program for the Arsenal. Not later than 120 days after the date of the enactment of this Act, the Secretary of the Army and the Administrator shall provide to the Secretary—

(A) all documentation that exists on the date the documentation is provided that supports the finding; and

(B) all information that exists on the date the information is provided that relates to the environmental conditions of the portions of the Arsenal to be transferred to the Secretary under this paragraph.

(2)(A) The Secretary of the Army may transfer to the Secretary of Agriculture any portion of the property generally identified in subsection (c) and not transferred pursuant to paragraph (1) when the Secretary of the Army and the Administrator concur in finding that no further action is required at that portion of property under any environmental law and that the portion has been eliminated from the areas to be further studied pursuant to the Defense Environmental Restoration Program for the Arsenal.

(B) Not later than 60 days before a transfer under this paragraph, the Secretary of the Army and the Administrator shall provide to the Secretary—

(i) all documentation that exists on the date the documentation is provided that supports the finding; and

(ii) all information that exists on the date the information is provided that relates to the environmental conditions of the portions of the Arsenal to be transferred to the Secretary under this paragraph.

(C) Transfer of jurisdiction under this paragraph may be accomplished on a parcel-by-parcel basis.

(b) TRANSFER WITHOUT REIMBURSEMENT.—The Secretary of the Army may transfer the area constituting the MNP to the Secretary without reimbursement.

(c) IDENTIFICATION OF PORTIONS FOR TRANSFER FOR MNP.—The lands to be transferred to the Secretary under subsection (a) shall be identified in an agreement between the Secretary of the Army and the Secretary. All the real property and improvements comprising the Arsenal, except for lands and facilities described in subsection (g) or designated for transfer or disposal to parties other than the Secretary under section 2855, shall be transferred to the Secretary.

(d) SECURITY MEASURES.—The Secretary, the Secretary of the Army, and the Secretary of Veterans Affairs, shall each provide and maintain physical and other security measures on such portion of the Arsenal as is under the administrative jurisdiction of the respective Secretary. The security measures (which may include fences and natural barriers) shall include measures to prevent members of the public from gaining unauthorized access to such portions of the Arsenal as are under the administrative jurisdiction of each respective Secretary and that may endanger health or safety.

(e) COOPERATIVE AGREEMENTS.—The Secretary, the Secretary of the Army, and the Administrator individually and collectively may enter into a cooperative agreement or a memoranda of understanding among each other, with another affected Federal agency, State or local government, private organization, or corporation to carry out the purposes described in section 2853(g).

(f) INTERIM ACTIVITIES OF THE SECRETARY.—Prior to transfer and subject to such reasonable terms and conditions as the Secretary of the Army may prescribe, the Secretary may enter on the Arsenal property for purposes related to planning, resource inventory, fish and wildlife habitat manipulation (which may include prescribed burning), and other such activities consistent with the purposes for which the MNP is established.

(g) PROPERTY USED FOR ENVIRONMENTAL CLEANUP.—(1) The Secretary of the Army shall retain jurisdiction, authority, and control over real property at the Arsenal that is used for—

(A) water treatment;

(B) the treatment, storage, or disposal of a hazardous substance, pollutant or contaminant, hazardous material, or petroleum product or a derivative of the product;

(C) purposes related to a response at the Arsenal; and

(D) actions required at the Arsenal under an environmental law to remediate contamination or conditions of noncompliance with an environmental law.

(2) In the case of a conflict between management of the property by the Secretary and a response or other action required under an environmental law, or necessary to remediate a petroleum product or a derivative of the product, the response or other action shall take priority.

(3)(A) All costs of necessary surveys for the transfer of jurisdiction of a property to a Federal agency under this subtitle shall be borne by the agency to which the property is transferred.

(B) The Secretary of the Army shall bear the costs of any surveys necessary for the transfer of land to a non-Federal agency under section 2855.

SEC. 2855. DISPOSAL FOR INDUSTRIAL PARKS, A COUNTY LANDFILL, AND A NATIONAL VETERANS CEMETERY AND TO THE ADMINISTRATOR OF GENERAL SERVICES.

(a) NATIONAL VETERANS CEMETERY.—The Secretary of the Army may convey to the Department of Veterans Affairs, without compensation, an area of real property to be used for a national cemetery, as authorized under section 2337 of the Military Construction Authorization Act, 1988 and 1989 (division B of Public Law 100–180; 101 Stat. 1225), consisting of approximately 910 acres, the approximate legal description of which includes part of sections 30 and 31 Jackson Township, T. 34 N. R. 10 E., and including part of sections 25 and 36 Channahon Township, T. 34 N. R. 9 E., Will County, Illinois, as depicted on the Arsenal Land Use Concept.

(b) COUNTY OF WILL LANDFILL.—(1) Subject to paragraphs (2) through (6), the Secretary of the Army may convey an area of real property to Will County, Illinois, without compensation, to be used for a landfill by the County, consisting of approximately 425 acres of the Arsenal, the approximate legal description of which includes part of sections 8 and 17, Florence Township, T. 33 N. R. 10 E., Will County, Illinois, as depicted in the Arsenal Land Use Concept.

(2) Additional acreage shall be added to the landfill described in paragraph (1) as is necessary to reasonably accommodate needs for the disposal of refuse and other materials from the restoration and cleanup of the Arsenal property.

(3) Use of the landfill described in paragraph (1) or additional acreage under paragraph (2) by any agency of the Federal Government shall be at no cost to the Federal Government.

(4) The Secretary of the Army may require such additional terms and conditions in connection with a conveyance under this subsection as the Secretary of the Army considers appropriate to protect the interests of the United States.

(5) Any conveyance of real property under this subsection shall contain a reversionary interest that provides that the property shall revert to the Secretary of Agriculture for inclusion in the MNP if the property is not operated as a landfill.

(6) Liability for environmental conditions at or related to the landfill described in paragraph (1) resulting from activities occurring at the landfill after the date of enactment of this Act and before a revision under paragraph (5) shall be borne by Will County.

(c) VILLAGE OF ELWOOD INDUSTRIAL PARK.—The Secretary of the Army may convey an area of real property to the Village of Elwood, Illinois, to be used for an industrial park, consisting of approximately 1,900 acres of the Arsenal, the approximate legal description of which includes part of section 30, Jackson Township, T. 34 N. R. 10 E., and sections or part of sections 24, 25, 26, 35, and 36 Channahon Township, T. 34 N. R. 9 E., Will County, Illinois, as depicted on the Arsenal Land Use Concept. The conveyance shall be at fair market value, as determined in accordance with Federal appraisal standards and procedures. Any funds received by the Village of Elwood from the sale or other transfer of the property, or portions of the property, less any costs expended for improvements on the property, shall be remitted to the Secretary of the Army.

(d) CITY OF WILMINGTON INDUSTRIAL PARK.—The Secretary of the Army may convey an area of real property to the City of Wilmington, Illinois, to be used for an industrial park, consisting of approximately 1,100 acres of the Arsenal, the approximate legal description of which includes part of sections 16, 17, and 18 Florence Township, T. 33 N. R. 10 E., Will County, Illinois, as depicted on the Arsenal Land Use Concept. The conveyance shall be at fair market value, as determined in accordance with Federal appraisal standards and procedures. Any funds received by the City of Wilmington from the sale or other transfer of the property, or portions of the property, less any costs expended for improvements on the property, shall be remitted to the Secretary of the Army.

(e) OPTIONAL ADDITIONAL AREAS.—(1) Not later than 180 days after the construction and installation of any remedial design approved by the Administrator and required for any lands described in paragraph (2), the Administrator shall provide to the Secretary all information existing on the date the information is provided regarding the implementation of the remedy, including information regarding the effectiveness of the remedy. Not later than 180 days after the Administrator provides the information to the Secretary, the Secretary of the Army shall offer the Secretary the option of accepting a conveyance of the areas described in paragraph (2), without reimbursement, to be added to the MNP subject to the terms and conditions, including the limitations on liability, contained in this subtitle. If the Secretary declines the offer, the property may be disposed of as the Secretary of the Army would ordinarily dispose of the property under applicable provisions of law. The conveyance of property under this paragraph may be accomplished on a parcel-by-parcel basis.

(2)(A) The areas on the Arsenal Land Use Concept that may be conveyed under paragraph (1) are—

(i) manufacturing area, study area 1, southern ash pile;

(ii) study area 2, explosive burning ground;

(iii) study area 3, flashing-grounds;

(iv) study area 4, lead azide area;

(v) study area 10, toluene tank farms;

(vi) study area 11, landfill;

(vii) study area 12, sellite manufacturing area;

(viii) study area 14, former pond area;

(ix) study area 15, sewage treatment plant;

(x) study area L1, load assemble packing area, group 61;

(xi) study area L2, explosive burning ground;

(xii) study area L3, demolition area;

(xiii) study area L4, landfill area;

(xiv) study area L5, salvage yard;

(xv) study area L7, group 1;

(xvi) study area L8, group 2;

(xvii) study area L9, group 3;

(xviii) study area L10, group 3A;

(xix) study area L12, Doyle Lake;

(xx) study area L14, group 4;

(xxi) study area L15, group 5;

(xxii) study area L18, group 8;

(xxiii) study area L19, group 9;

(xxiv) study area L20, group 20;

(xxv) study area L22, group 25;

(xxvi) study area L23, group 27;

(xxvii) study area L25, group 62;

(xxviii) study area L31, extraction pits;

(xxix) study area L33, PVC area;

(xxx) study area L34, former burning area; and

(xxxi) study area L35, fill area.

(B) The areas referred to in subparagraph (A) shall include all associated inventoried buildings and structures as identified in the Joliet Army Ammunition Plant Plantwide Building and Structures Report and the contaminate study sites for both the manufacturing and load assembly and packing sides of the Joliet Arsenal as shown in the Dames and Moore Final Report, Phase 2 Remedial Investigation Manufacturing (MFG) Area Joliet Army Ammunition Plant Joliet, Illinois (May 30, 1993. Contract No. DAAA15-90-D-0015 task order No. 6 prepared for: United States Army Environmental Center).

(C) Notwithstanding subparagraphs (A) and (B), the landfill and national cemetery described in paragraphs (3) and (4) shall not be subject to paragraph (1).

SEC. 2856. CONTINUATION OF RESPONSIBILITY AND LIABILITY OF THE SECRETARY OF THE ARMY FOR ENVIRONMENTAL CLEANUP.

(a) RESPONSIBILITY.—The Secretary of the Army shall retain the responsibility to complete any remedial, response, or other restoration actions required under any environmental law in order to carry out a transfer of property under section 2854 before carrying out the transfer of the property under that section.

(b) LIABILITY FOR ARSENAL.—(1) The Secretary of the Army shall retain any obligation or other liability at the Arsenal that the Secretary had under CERCLA and other environmental laws. Following transfer of a portion of the Arsenal under this subtitle, the Secretary of the Army shall be accorded any easement or access to the property that may be reasonably required to carry out the obligation or satisfy the liability.

(2) The Secretary of Agriculture shall not be responsible for the cost of any remedial, response, or other restoration action required under any environmental law for a matter that is related directly or indirectly to an activity of the Secretary of the Army, or a party acting under the authority of the Secretary of the Army, in connection with the Defense Environmental Restoration Program, at or related to the Arsenal, including—

(A) the costs or performance of responses required under CERCLA;

(B) the costs, penalties, or fines related to noncompliance with an environmental law at or related to the Arsenal or related to the presence, release, or threat of release of a, hazardous substance, pollutant or contaminant, hazardous waste, or hazardous material of any kind at or related to the Arsenal, including contamination resulting from migration of a hazardous substance, pollutant or contaminant, a hazardous material, or a petroleum product or a derivative of the product disposed during an activity of the Secretary of the Army; and

(C) the costs of an action necessary to remedy noncompliance or another problem specified in subparagraph (B).

(c) PAYMENT OF RESPONSE COSTS.—A Federal agency that had or has operations at the Arsenal resulting in the release or threatened release of a hazardous substance or pollutant or contaminant shall pay the cost of a related response and shall pay the costs of a related action to remediate petroleum products or the derivatives of the products, including motor oil and aviation fuel.

(d) CONSULTATION.—The Secretary shall consult with the Secretary of the Army with respect to the management by the Secretary of real property included in the MNP subject to a response or other action at the Arsenal being carried out by or under the authority of the Secretary of the Army under any environmental law. The Secretary shall consult with the Secretary of the Army prior to undertaking an activity on the MNP that may disturb the property to ensure that the activity shall not exacerbate contamination problems or interfere with performance by the Secretary of the Army of a response at the property.

SEC. 2857. DEGREE OF ENVIRONMENTAL CLEANUP.

(a) IN GENERAL.—Nothing in this subtitle shall restrict or lessen the degree of cleanup at the Arsenal required to be carried out under any environmental law.

(b) RESPONSE.—The establishment of the MNP shall not restrict or lessen in any way a response or degree of cleanup required under CERCLA or other environmental law, or a response required under any environmental law to remediate petroleum products or the derivatives of the products, including motor oil and aviation fuel, required to be carried out by the Secretary of the Army at the Arsenal or surrounding areas.

(c) ENVIRONMENTAL QUALITY OF PROPERTY.—Any contract for sale, deed, or other transfer of real property under section 2855 shall be carried out in compliance with section 120(h) of the CERCLA (42 U.S.C. 9620(h)) and other environmental laws.

Subtitle E—Other Matters

SEC. 2861. DEPARTMENT OF DEFENSE LABORATORY REVITALIZATION DEMONSTRATION PROGRAM.

(a) PROGRAM REQUIRED.—The Secretary of Defense shall carry out a program for the revitalization of Department of Defense laboratories to be known as the ''Department of Defense Laboratory Revitalization Demonstration Program''. Under the program the Secretary may carry out minor military construction projects in accordance with subsection (b) and other applicable law to improve Department of Defense laboratories covered by the program.

(b) INCREASED MAXIMUM AMOUNTS APPLICABLE TO MINOR CONSTRUCTION PROJECTS.—For purpose of any military construction project carried out under the program—

(1) the amount provided in the second sentence of subsection (a)(1) of section 2805 of title 10, United States Code (as amended by section 2801 of this Act), shall be deemed to be $3,000,000;

(2) the amount provided in subsection (b)(1) of such section shall be deemed to be $1,500,000; and

(3) the amount provided in subsection (c)(1)(B) of such section, as so amended, shall be deemed to be $1,000,000.

(c) PROGRAM REQUIREMENTS.—(1) Not later than 30 days before commencing the program, the Secretary shall—

(A) designate the Department of Defense laboratories at which construction may be carried out under the program; and

(B) establish procedures for the review and approval of requests from such laboratories to carry out such construction.

(2) The laboratories designated under paragraph (1)(A) may not include Department of Defense laboratories that are contractor owned.

(3) The Secretary shall notify Congress of the laboratories designated under paragraph (1)(A).

(d) REPORT.—Not later than September 30, 1998, the Secretary shall submit to Congress a report on the program. The report shall include the Secretary's conclusions and recommendations regarding the desirability of extending the authority set forth in subsection (b) to cover all Department of Defense laboratories.

(e) EXCLUSIVITY OF PROGRAM.—Nothing in this section may be construed to limit any other authority provided by law for any military construction project at a Department of Defense laboratory covered by the program.

(f) DEFINITIONS.—In this section:

(1) The term ''laboratory'' includes—

(A) a research, engineering, and development center;

(B) a test and evaluation activity owned, funded, and operated by the Federal Government through the Department of Defense; and

(C) a supporting facility of a laboratory.

(2) The term ''supporting facility'', with respect to a laboratory, means any building or structure that is used in support of research, development, test, and evaluation at the laboratory.

(g) EXPIRATION OF AUTHORITY.—The Secretary may not commence a construction project under the program after September 30, 1999.

SEC. 2862. PROHIBITION ON JOINT CIVIL AVIATION USE OF MIRAMAR NAVAL AIR STATION, CALIFORNIA.

The Secretary of the Navy may not enter into any agreement that provides for or permits civil aircraft to use regularly Miramar Naval Air Station, California.

SEC. 2863. REPORT ON AGREEMENT RELATING TO CONVEYANCE OF LAND, FORT BELVOIR, VIRGINIA.

Not later than 60 days after the date of the enactment of this Act, the Secretary of the Army shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the status of negotiations for the agreement required under subsection (b) of section 2821 of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101–189; 103 Stat. 1658) in connection with the land conveyance authorized under subsection (a) of that section. The report shall assess the likelihood that the negotiations will lead to an agreement and describe the alternative uses, if any, for the land referred to in such subsection (a) that have been identified by the Secretary.

SEC. 2864. RESIDUAL VALUE REPORT.

(a) The Secretary of Defense, in coordination with the Director of the Office of Management and Budget (OMB), shall submit to the congressional defense committees status reports on the results of residual value negotiations between the United States and Germany, within 30 days of the receipt of such reports to the OMB.

(b) The reports shall include the following information:

(1) The estimated residual value of United States capital value and improvements to facilities in Germany that the United States has turned over to Germany.

(2) The actual value obtained by the United States for each facility or installation turned over to the Government of Germany.

(3) The reason(s) for any difference between the estimated and actual value obtained.

SEC. 2865. RENOVATION OF THE PENTAGON RESERVATION.

The Secretary of Defense shall take such action as is necessary to reduce the total cost of the renovation of the Pentagon Reservation to not more than $1,118,000,000.

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

SEC. 3101. WEAPONS ACTIVITIES.

(a) STOCKPILE STEWARDSHIP.—Subject to subsection (d), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for stockpile stewardship in carrying out weapons activities necessary for national security programs in the amount of $1,624,080,000, to be allocated as follows:

(1) For core stockpile stewardship, $1,386,613,000, to be allocated as follows:

(A) For operation and maintenance, $1,305,308,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $81,305,000, to be allocated as follows: Project 96–D–102, stockpile stewardship facilities revitalization, Phase VI, various locations, $2,520,000.

Project 96–D–103, Atlas, Los Alamos National Laboratory, Los Alamos, New Mexico, $8,400,000.

Project 96–D–104, processing and environmental technology laboratory (PETL), Sandia National Laboratories, Albuquerque, New Mexico, $1,800,000.

Project 96–D–105, contained firing facility addition, Lawrence Livermore National Laboratory, Livermore, California, $6,600,000.

Project 95–D–102, Chemical and Metallurgy Research Building upgrades, Los Alamos National Laboratory, New Mexico, $9,940,000.

Project 94–D–102, nuclear weapons research, development, and testing facilities revitalization, Phase V, various locations, $12,200,000.

Project 93–D–102, Nevada support facility, North Las Vegas, Nevada, $15,650,000.

Project 90–D–102, nuclear weapons research, development, and testing facilities revitalization, Phase III, various locations, $6,200,000.

Project 88–D–106, nuclear weapons research, development, and testing facilities revitalization, Phase II, various locations, $17,995,000.

(2) For inertial fusion, $230,667,000, to be allocated as follows:

(A) For operation and maintenance, $193,267,000.

(B) For the following plant project (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and land acquisition related thereto), $37,400,000:

Project 96–D–111, national ignition facility, location to be determined.

(3) For Marshall Islands activities and Nevada Test Site dose reconstruction, $6,800,000.

(b) STOCKPILE MANAGEMENT.—Subject to subsection (d), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for stockpile management in carrying out weapons activities necessary for national security programs in the amount of $2,035,483,000, to be allocated as follows:

(1) For operation and maintenance, $1,911,858,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $123,625,000, to be allocated as follows:

Project GPD–121, general plant projects, various locations, $10,000,000.

Project 96–D–122, sewage treatment quality upgrade (STQU), Pantex Plant, Amarillo, Texas, $600,000.

Project 96–D–123, retrofit heating, ventilation, and air conditioning and chillers for ozone protection, Y–12 Plant, Oak Ridge, Tennessee, $3,100,000.

Project 96–D–125, Washington measurements operations facility, Andrews Air Force Base, Camp Springs, Maryland, $900,000.

Project 96–D–126, tritium loading line modifications, Savannah River Site, South Carolina, $12,200,000.

Project 95–D–122, sanitary sewer upgrade, Y–12 Plant, Oak Ridge, Tennessee, $6,300,000.

Project 94–D–124, hydrogen fluoride supply system, Y–12 Plant, Oak Ridge, Tennessee, $8,700,000.

Project 94–D–125, upgrade life safety, Kansas City Plant, Kansas City, Missouri, $5,500,000.

Project 94–D–127, emergency notification system, Pantex Plant, Amarillo, Texas, $2,000,000.

Project 94–D–128, environmental safety and health analytical laboratory, Pantex Plant, Amarillo, Texas, $4,000,000.

Project 93–D–122, life safety upgrades, Y–12 Plant, Oak Ridge, Tennessee, $7,200,000.

Project 93–D–123, complex-21, various locations, $41,065,000.

Project 88–D–122, facilities capability assurance program, various locations, $8,660,000.

Project 88–D–123, security enhancements, Pantex Plant, Amarillo, Texas, $13,400,000.

(c) PROGRAM DIRECTION.—Subject to subsection (d), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for program direction in carrying out weapons activities necessary for national security programs in the amount of $118,000,000.

(d) ADJUSTMENTS.—The total amount authorized to be appropriated pursuant to this section is the sum of the amounts authorized to be appropriated in subsections (a) through (c) reduced by the sum of—

(1) $25,000,000, for savings resulting from procurement reform; and

(2) $86,344,000, for use of prior year balances.

SEC. 3102. ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT.

(a) CORRECTIVE ACTIVITIES.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for corrective activities in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $3,406,000, all of which shall be available for the following plant project (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and land acquisition related thereto):

Project 90–D–103, environment, safety and health improvements, weapons research and development complex, Los Alamos National Laboratory, Los Alamos, New Mexico.

(b) ENVIRONMENTAL RESTORATION.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for environmental restoration for operating expenses in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,550,926,000.

(c) WASTE MANAGEMENT.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for waste management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $2,386,596,000, to be allocated as follows:

(1) For operation and maintenance, $2,151,266,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $235,330,000, to be allocated as follows:

Project GPD–171, general plant projects, various locations, $15,728,000.

Project 96–D–400, replace industrial waste piping, Kansas City Plant, Kansas City, Missouri, $200,000.

Project 96–D–401, comprehensive treatment and management plan immobilization of miscellaneous wastes, Rocky Flats Environmental Technology Site, Golden, Colorado, $1,400,000.

Project 96–D–402, comprehensive treatment and management plan building 374/774 sludge immobilization, Rocky Flats Environmental Technology Site, Golden, Colorado, $1,500,000.

Project 96–D–403, tank farm service upgrades, Savannah River, South Carolina, $3,315,000.

Project 96–D–405, T-plant secondary containment and leak detection upgrades, Richland, Washington, $2,100,000.

Project 96–D–406, K-Basin operations program, Richland, Washington, $41,000,000.

Project 96–D–409, advanced mixed waste treatment facility, Idaho National Engineering Laboratory, Idaho, $5,000,000.

Project 96–D–410, specific manufacturing characterization facility assessment and upgrade, Idaho National Engineering Laboratory, Idaho, $2,000,000.

Project 95–D–402, install permanent electrical service, Waste Isolation Pilot Plant, New Mexico, $4,314,000.

Project 95–D–405, industrial landfill V and construction/demolition landfill VII, Y–12 Plant, Oak Ridge, Tennessee, $4,600,000.

Project 95–D–406, road 5–01 reconstruction, area 5, Nevada Test Site, Nevada, $1,023,000.

Project 94–D–400, high explosive wastewater treatment system, Los Alamos National Laboratory, Los Alamos, New Mexico, $4,445,000.

Project 94–D–402, liquid waste treatment system, Nevada Test Site, Nevada, $282,000.

Project 94–D–404, Melton Valley storage tanks capacity increase, Oak Ridge National Laboratory, Oak Ridge, Tennessee, $11,000,000.

Project 94–D–407, initial tank retrieval systems, Richland, Washington, $9,400,000.

Project 94–D–411, solid waste operations complex project, Richland, Washington, $5,500,000.

Project 94–D–417, intermediate-level and low-activity waste vaults, Savannah River, South Carolina, $2,704,000.

Project 93–D–178, building 374 liquid waste treatment facility, Rocky Flats Plant, Golden, Colorado, $3,900,000.

Project 93–D–182, replacement of cross-site transfer system, Richland, Washington, $19,795,000.

Project 93–D–183, multi-tank waste storage facility, Richland, Washington, $31,000,000.

Project 93–D–187, high-level waste removal from filled waste tanks, Savannah River, South Carolina, $34,700,000.

Project 92–D–171, mixed waste receiving and storage facility, Los Alamos National Laboratory, Los Alamos, New Mexico, $1,105,000.

Project 92–D–188, waste management environmental, safety and health (ES&H) and compliance activities, various locations, $1,100,000.

Project 90–D–172, aging waste transfer lines, Richland, Washington, $2,000,000.

Project 90–D–177, RWMC transuranic (TRU) waste characterization and storage facility, Idaho National Engineering Laboratory, Idaho, $1,428,000.

Project 90–D–178, TSA retrieval containment building, Idaho National Engineering Laboratory, Idaho, $2,606,000.

Project 89–D–173, tank farm ventilation upgrade, Richland, Washington, $800,000.

Project 89–D–174, replacement high-level waste evaporator, Savannah River, South Carolina, $11,500,000.

Project 86–D–103, decontamination and waste treatment facility, Lawrence Livermore National Laboratory, California, $8,885,000.

Project 83–D–148, nonradioactive hazardous waste management, Savannah River, South Carolina, $1,000,000.

(d) TECHNOLOGY DEVELOPMENT.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for technology development in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $505,510,000.

(e) TRANSPORTATION MANAGEMENT.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for transportation management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $16,158,000.

(f) NUCLEAR MATERIALS AND FACILITIES STABILIZATION.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for nuclear materials and facilities stabilization in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,596,028,000, to be allocated as follows:

(1) For operation and maintenance, $1,463,384,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $132,644,000, to be allocated as follows:

Project GPD–171, general plant projects, various locations, $14,724,000.

Project 96–D–458, site drainage control, Mound Plant, Miamisburg, Ohio, $885,000.

Project 96–D–461, electrical distribution upgrade, Idaho National Engineering Laboratory, Idaho, $1,539,000.

Project 96–D–462, health physics instrument laboratory, Idaho National Engineering Laboratory, Idaho, $1,126,000.

Project 96–D–463, central facilities craft shop, Idaho National Engineering Laboratory, Idaho, $724,000.

Project 96–D–464, electrical and utility systems upgrade, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $4,952,000.

Project 96–D–465, 200 area sanitary sewer system, Richland, Washington, $1,800,000.

Project 96–D–470, environmental monitoring laboratory, Savannah River Site, Aiken, South Carolina, $3,500,000.

Project 96–D–471, chlorofluorocarbon heating, ventilation, and air conditioning and chiller retrofit, Savannah River Site, Aiken, South Carolina, $1,500,000.

Project 96–D–472, plant engineering and design, Savannah River Site, Aiken, South Carolina, $4,000,000.

Project 96–D–473, health physics site support facility, Savannah River Site, Aiken, South Carolina, $2,000,000.

Project 96–D–474, dry fuel storage facility, Idaho National Engineering Laboratory, Idaho, $15,000,000.

Project 96–D–475, high level waste volume reduction demonstration (pentaborane), Idaho National Engineering Laboratory, Idaho, $5,000,000.

Project 95–D–155, upgrade site road infrastructure, Savannah River, South Carolina, $2,900,000.

Project 95–D–156, radio trunking system, Savannah River, South Carolina, $10,000,000.

Project 95–D–454, 324 facility compliance/renovation, Richland, Washington, $3,500,000.

Project 95–D–456, security facilities upgrade, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $8,382,000.

Project 94–D–122, underground storage tanks, Rocky Flats, Golden, Colorado, $5,000,000.

Project 94–D–401, emergency response facility, Idaho National Engineering Laboratory, Idaho, $5,074,000.

Project 94–D–412, 300 area process sewer piping system upgrade, Richland, Washington, $1,000,000.

Project 94–D–415, medical facilities, Idaho National Engineering Laboratory, Idaho, $3,601,000.

Project 94–D–451, infrastructure replacement, Rocky Flats Plant, Golden, Colorado, $2,940,000.

Project 93–D–147, domestic water system upgrade, Phase I and II, Savannah River, South Carolina, $7,130,000.

Project 93–D–172, electrical upgrade, Idaho National Engineering Laboratory, Idaho, $124,000.

Project 92–D–123, plant fire/security alarms system replacement, Rocky Flats Plant, Golden, Colorado, $9,560,000.

Project 92–D–125, master safeguards and security agreement/materials surveillance task force security upgrades, Rocky Flats Plant, Golden, Colorado, $7,000,000.

Project 92–D–181, fire and life safety improvements, Idaho National Engineering Laboratory, Idaho, $6,883,000.

Project 91–D–127, criticality alarm and production annunciation utility replacement, Rocky Flats Plant, Golden, Colorado, $2,800,000.

(g) COMPLIANCE AND PROGRAM COORDINATION.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for compliance and program coordination in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $81,251,000, to be allocated as follows:

(1) For operation and maintenance, $66,251,000.

(2) For the following plant project (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and land acquisition related thereto), $15,000,000:

Project 95–E–600, hazardous materials training center, Richland, Washington.

(h) ANALYSIS, EDUCATION, AND RISK MANAGEMENT.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for analysis, education, and risk management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $80,022,000.

(i) ADJUSTMENTS.—The total amount authorized to be appropriated pursuant to this section is the sum of the amounts specified in subsections (a) through (h) reduced by the sum of—

(1) $276,942,000, for use of prior year balances; and

(2) $37,000,000 for recovery of overpayment to the Savannah River Pension Fund.

SEC. 3103. OTHER DEFENSE ACTIVITIES.

(a) OTHER DEFENSE ACTIVITIES.—Subject to subsection (b), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for other defense activities in carrying out programs necessary for national security in the amount of $1,408,162,000, to be allocated as follows:

(1) For verification and control technology, $430,842,000, to be allocated as follows:

(A) For nonproliferation and verification research and development, $226,142,000.

(B) For arms control, $162,364,000.

(C) For intelligence, $42,336,000.

(2) For nuclear safeguards and security, $83,395,000.

(3) For security investigations, $25,000,000.

(4) For security evaluations, $14,707,000.

(5) For the Office of Nuclear Safety, $15,050,000.

(6) For worker and community transition, $100,000,000.

(7) For fissile materials disposition, $70,000,000.

(8) For naval reactors development, $682,168,000, to be allocated as follows:

(A) For operation and infrastructure, $659,168,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $23,000,000, to be allocated as follows:

Project 95–D–200, laboratory systems and hot cell upgrades, various locations, $11,300,000.

Project 95–D–201, advanced test reactor radioactive waste system upgrades, Idaho National Engineering Laboratory, Idaho, $4,800,000.

Project 93–D–200, engineering services facilities, Knolls Atomic Power Laboratory, Niskayuna, New York, $3,900,000.

Project 90–N–102, expended core facility dry cell project, Naval Reactors Facility, Idaho, $3,000,000.

(b) ADJUSTMENT.—The total amount that may be appropriated pursuant to this section is the total amount authorized to be appropriated in subsection (a) reduced by $13,000,000, for use of prior year balances.

SEC. 3104. DEFENSE NUCLEAR WASTE DISPOSAL.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for payment to the Nuclear Waste Fund established in section 302(c) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(c)) in the amount of $198,400,000.

SEC. 3105. PAYMENT OF PENALTIES ASSESSED AGAINST ROCKY FLATS SITE.

The Secretary of Energy may pay to the Hazardous Substance Superfund established under section 9507 of the Internal Revenue Code of 1986 (26 U.S.C. 9507), from funds appropriated to the Department of Energy for environmental restoration and waste management activities pursuant to section 3102, stipulated civil penalties in the amount of $350,000 assessed under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) against the Rocky Flats Site, Golden, Colorado.

SEC. 3106. STANDARDIZATION OF ETHICS AND REPORTING REQUIREMENTS AFFECTING THE DEPARTMENT OF ENERGY WITH GOVERNMENT-WIDE STANDARDS.

(a) REPEALS.—(1) Part A of title VI of the Department of Energy Organization Act and its catchline (42 U.S.C. 7211, 7212, and 7218) are repealed.

(2) Section 308 of the Energy Research and Development Administration Appropriation Authorization Act for Fiscal Year 1977 (42 U.S.C. 5816a) is repealed.

(3) Section 522 of the Energy Policy and Conservation Act (42 U.S.C. 6392) is repealed.

(b) CONFORMING AMENDMENTS.—(1) The table of contents for the Department of Energy Organization Act is amended by striking out the items relating to part A of title VI including sections 601 through 603.

(2) The table of contents for the Energy Policy and Conservation Act is amended by striking out the matter relating to section 522.

SEC. 3107. CERTAIN ENVIRONMENTAL RESTORATION REQUIREMENTS.

It is the sense of Congress that:

(1) No individual acting within the scope of that individual's employment with a Federal agency or department shall be personally subject to civil or criminal sanctions, for any failure to comply with an environmental cleanup requirement under the Solid Waste Disposal Act or the Comprehensive Environmental Response, Compensation, and Liability Act or an analogous requirement under comparable Federal, State, or local laws, whether the failure to comply is due to lack of funds requested or appropriated to carry out such requirement. Federal and State enforcement authorities shall refrain from enforcement action in such circumstances.

(2) If appropriations by the Congress for fiscal year 1996 or any subsequent fiscal year are insufficient to fund any such environmental cleanup requirements, the committees of Congress with jurisdiction shall examine the issue, elicit the views of Federal agencies, affected States, and the public, and consider appropriate statutory amendments to address personal criminal liability, and any related issues pertaining to potential liability of any Federal agency or department or its contractors.

SEC. 3108. AMENDING THE HYDRONUCLEAR PROVISIONS OF THIS ACT.

Notwithstanding any other provision of this Act, the provision dealing with hydronuclear experiments is qualified in the following respect:

''(c) LIMITATIONS.—Nothing in this Act shall be construed as an authorization to conduct hydronuclear tests. Furthermore, nothing in this Act shall be construed as amending or repealing the requirements of section 507 of Public Law 102–377.''.

Subtitle B—Recurring General Provisions

SEC. 3121. REPROGRAMMING.

(a) IN GENERAL.—Until the Secretary of Energy submits to the congressional defense committees the report referred to in subsection (b) and a period of 30 days has elapsed after the date on which such committees receive the report, the Secretary may not use amounts appropriated pursuant to this title for any program—

(1) in amounts that exceed, in a fiscal year—

(A) 110 percent of the amount authorized for that program by this title; or

(B) $1,000,000 more than the amount authorized for that program by this title; or

(2) which has not been presented to, or requested of, Congress.

(b) REPORT.—(1) The report referred to in subsection (a) is a report containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action.

(2) In the computation of the 30-day period under subsection (a), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(c) LIMITATIONS.—(1) In no event may the total amount of funds obligated pursuant to this title exceed the total amount authorized to be appropriated by this title.

(2) Funds appropriated pursuant to this title may not be used for an item for which Congress has specifically denied funds.

SEC. 3122. LIMITS ON GENERAL PLANT PROJECTS.

(a) IN GENERAL.—The Secretary of Energy may carry out any construction project under the general plant projects authorized by this title if the total estimated cost of the construction project does not exceed $2,000,000.

(b) REPORT TO CONGRESS.—If, at any time during the construction of any general plant project authorized by this title, the estimated cost of the project is revised because of unforeseen cost variations and the revised cost of the project exceeds $2,000,000, the Secretary shall immediately furnish a complete report to the congressional defense committees explaining the reasons for the cost variation.

SEC. 3123. LIMITS ON CONSTRUCTION PROJECTS.

(a) IN GENERAL.—(1) Except as provided in paragraph (2), construction on a construction project may not be started or additional obligations incurred in connection with the project above the total estimated cost, whenever the current estimated cost of the construction project, which is authorized by sections 3101, 3102, and 3103, or which is in support of national security programs of the Department of Energy and was authorized by any previous Act, exceeds by more than 25 percent the higher of—

(A) the amount authorized for the project; or

(B) the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to Congress.

(2) An action described in paragraph (1) may be taken if—

(A) the Secretary of Energy has submitted to the congressional defense committees a report on the actions and the circumstances making such action necessary; and

(B) a period of 30 days has elapsed after the date on which the report is received by the committees.

(3) In the computation of the 30-day period under paragraph (2), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(b) EXCEPTION.—Subsection (a) shall not apply to any construction project which has a current estimated cost of less than $5,000,000.

SEC. 3124. FUND TRANSFER AUTHORITY.

(a) TRANSFER TO OTHER FEDERAL AGENCIES.—The Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title to other Federal agencies for the performance of work for which the funds were authorized. Funds so transferred may be merged with and be available for the same purposes and for the same period as the authorizations of the Federal agency to which the amounts are transferred.

(b) TRANSFER WITHIN DEPARTMENT OF ENERGY; LIMITATIONS.—(1) Subject to paragraph (2), the Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title between any such authorizations. Amounts of authorizations so transferred may be merged with and be available for the same purposes and for the same period as the authorization to which the amounts are transferred.

(2) Not more than 5 percent of any such authorization may be transferred between authorizations under paragraph (1). No such authorization may be increased or decreased by more than 5 percent by a transfer under such paragraph.

(3) The authority provided by this section to transfer authorizations—

(A) may only be used to provide funds for items relating to weapons activities necessary for national security programs that have a higher priority than the items from which the funds are transferred; and

(B) may not be used to provide authority for an item that has been denied funds by Congress.

(c) NOTICE TO CONGRESS.—The Secretary of Energy shall promptly notify the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives of any transfer of funds to or from authorizations under this title.

SEC. 3125. AUTHORITY FOR CONCEPTUAL AND CONSTRUCTION DESIGN.

(a) REQUIREMENT FOR CONCEPTUAL DESIGN.—(1) Subject to paragraph (2) and except as provided in paragraph (3), before submitting to Congress a request for funds for a construction project that is in support of a national security program of the Department of Energy, the Secretary of Energy shall complete a conceptual design for that project.

(2) If the estimated cost of completing a conceptual design for a construction project exceeds $3,000,000, the Secretary shall submit to Congress a request for funds for the conceptual design before submitting a request for funds for the construction project.

(3) The requirement in paragraph (1) does not apply to a request for funds—

(A) for a construction project the total estimated cost of which is less than $2,000,000; or

(B) for emergency planning, design, and construction activities under section 3126.

(b) AUTHORITY FOR CONSTRUCTION DESIGN.—(1) Within the amounts authorized by this title, the Secretary of Energy may carry out construction design (including architectural and engineering services) in connection with any proposed construction project if the total estimated cost for such design does not exceed $600,000.

(2) If the total estimated cost for construction design in connection with any construction project exceeds $600,000, funds for such design must be specifically authorized by law.

SEC. 3126. AUTHORITY FOR EMERGENCY PLANNING, DESIGN, AND CONSTRUCTION ACTIVITIES.

(a) AUTHORITY.—The Secretary of Energy may use any funds available to the Department of Energy pursuant to an authorization in this

title, including funds authorized to be appropriated under sections 3101, 3102, and 3103 for advance planning and construction design, to perform planning, design, and construction activities for any Department of Energy national security program construction project that, as determined by the Secretary, must proceed expeditiously in order to protect public health and safety, meet the needs of national defense, or to protect property.

(b) LIMITATION.—The Secretary may not exercise the authority under subsection (a) in the case of any construction project until the Secretary has submitted to the congressional defense committees a report on the activities that the Secretary intends to carry out under this section and the circumstances making such activities necessary.

(c) SPECIFIC AUTHORITY.—The requirement of section 3125(b)(2) does not apply to emergency planning, design, and construction activities conducted under this section.

(d) REPORT.—The Secretary of Energy shall report to the congressional defense committees any exercise of authority under this section.

SEC. 3127. FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY.

Subject to the provisions of appropriations Acts and section 3121 of this title, amounts appropriated pursuant to this title for management and support activities and for general plant projects are available for use, when necessary, in connection with all national security programs of the Department of Energy.

SEC. 3128. AVAILABILITY OF FUNDS.

When so specified in an appropriation Act, amounts appropriated for operating expenses, plant projects, and capital equipment may remain available until expended.

Subtitle C—Program Authorizations, Restrictions, and Limitations

SEC. 3131. TRITIUM PRODUCTION.

(a) TRITIUM PRODUCTION.—Of the funds authorized to be appropriated to the Department of Energy under section 3101, not more than $50,000,000 shall be available to conduct an assessment of alternative means of ensuring that the tritium production of the Department of Energy is adequate to meet the tritium requirements of the Department of Defense. The assessment shall include an assessment of various types of reactors and an accelerator.

(b) LOCATION OF NEW TRITIUM PRODUCTION FACILITY.—The Secretary of Energy shall locate the new tritium production facility of the Department of Energy at the Savannah River Site, South Carolina.

(c) TRITIUM TARGETS.—Of the funds authorized to be appropriated to the Department of Energy under section 3101, not more than $5,000,000 shall be available for the Idaho National Engineering Laboratory for the test and development of nuclear reactor tritium targets for the various types of reactors to be assessed by the Department under subsection (a).

SEC. 3132. FISSILE MATERIALS DISPOSITION.

Of the funds authorized to be appropriated to the Department of Energy for fiscal year 1996 under section 3103(a)(7), $70,000,000 shall be available only for purposes of completing the evaluation of, and commencing implementation of, the interim- and long-term storage and disposition of fissile materials (including plutonium, highly enriched uranium, and other fissile materials) that are excess to the national security needs of the United States, of which $10,000,000 shall be available for plutonium resource assessment on a competitive basis by an appropriate university consortium.

SEC. 3133. TRITIUM RECYCLING.

(a) IN GENERAL.—Except as provided in subsection (b), the following activities shall be carried out at the Savannah River Site, South Carolina:

(1) All tritium recycling for weapons, including tritium refitting.

(2) All activities regarding tritium formerly carried out at the Mound Plant, Ohio.

(b) EXCEPTION.—The following activities may be carried out at the Los Alamos National Laboratory, New Mexico:

(1) Research on tritium.

(2) Work on tritium in support of the defense inertial confinement fusion program.

(3) Provision of technical assistance to the Savannah River Site regarding the weapons surveillance program.

SEC. 3134. MANUFACTURING INFRASTRUCTURE FOR REFABRICATION AND CERTIFICATION OF ENDURING NUCLEAR WEAPONS STOCKPILE.

(a) MANUFACTURING PROGRAM.—The Secretary of Energy shall carry out a program for purposes of establishing within the Government a manufacturing infrastructure that has the following capabilities as specified in the Nuclear Posture Review:

(1) To develop a stockpile surveillance engineering base.

(2) To refabricate and certify weapon components and types in the enduring nuclear weapons stockpile, as necessary.

(3) To design, fabricate, and certify new nuclear warheads, as necessary.

(4) To support nuclear weapons.

(5) To supply sufficient tritium in support of nuclear weapons to ensure an upload hedge in the event circumstances require.

(b) REQUIRED CAPABILITIES.—The manufacturing infrastructure established under the program under subsection (a) shall include the following capabilities (modernized to attain the objectives referred to in that subsection):

(1) The weapons assembly capabilities of the Pantex Plant.

(2) The weapon secondary fabrication capabilities of the Y–12 Plant, Oak Ridge, Tennessee.

(3) The tritium production and recycling capabilities of the Savannah River Site.

(4) A weapon primary pit refabrication/manufacturing and reuse facility capability at Savannah River Site (if required for national security purposes).

(5) The non-nuclear component capabilities of the Kansas City Plant.

(c) NUCLEAR POSTURE REVIEW.—For purposes of subsection (a), the term ''Nuclear Posture Review'' means the Department of Defense Nuclear Posture Review as contained in the Report of the Secretary of Defense to the President and the Congress dated February 19, 1995, or subsequent such reports.

(d) FUNDING.—Of the funds authorized to be appropriated under section 3101(b), $143,000,000 shall be available for carrying out the program required under this section, of which—

(1) $35,000,000 shall be available for activities at the Pantex Plant;

(2) $30,000,000 shall be available for activities at the Y–12 Plant, Oak Ridge, Tennessee;

(3) $35,000,000 shall be available for activities at the Savannah River Site; and

(4) $43,000,000 shall be available for activities at the Kansas City Plant.

SEC. 3135. HYDRONUCLEAR EXPERIMENTS.

Of the funds authorized to be appropriated to the Department of Energy under section 3101, $50,000,000 shall be available for preparation for the commencement of a program of hydronuclear experiments at the nuclear weapons design laboratories at the Nevada Test Site which program shall be for the purpose of maintaining confidence in the reliability and safety of the enduring nuclear weapons stockpile.

SEC. 3136. FELLOWSHIP PROGRAM FOR DEVELOPMENT OF SKILLS CRITICAL TO THE DEPARTMENT OF ENERGY NUCLEAR WEAPONS COMPLEX.

(a) IN GENERAL.—The Secretary of Energy shall conduct a fellowship program for the development of skills critical to the ongoing mission of the Department of Energy nuclear weapons complex. Under the fellowship program, the Secretary shall—

(1) provide educational assistance and research assistance to eligible individuals to facilitate the development by such individuals of skills critical to maintaining the ongoing mission of the Department of Energy nuclear weapons complex;

(2) employ eligible individuals at the facilities described in subsection (c) in order to facilitate the development of such skills by these individuals; or

(3) provide eligible individuals with the assistance and the employment.

(b) ELIGIBLE INDIVIDUALS.—Individuals eligible for participation in the fellowship program are the following:

(1) Students pursuing graduate degrees in fields of science or engineering that are related to nuclear weapons engineering or to the science and technology base of the Department of Energy.

(2) Individuals engaged in postdoctoral studies in such fields.

(c) COVERED FACILITIES.—The Secretary shall carry out the fellowship program at or in connection with the following facilities:

(1) The Kansas City Plant, Kansas City, Missouri.

(2) The Pantex Plant, Amarillo, Texas.

(3) The Y–12 Plant, Oak Ridge, Tennessee.

(4) The Savannah River Site, Aiken, South Carolina.

(d) ADMINISTRATION.—The Secretary shall carry out the fellowship program at a facility referred to in subsection (c) through the stockpile manager of the facility.

(e) ALLOCATION OF FUNDS.—The Secretary shall, in consultation with the Assistant Secretary of Energy for Defense Programs, allocate funds available for the fellowship program under subsection (f) among the facilities referred to in subsection (c). The Secretary shall make the allocation after evaluating an assessment by the weapons program director of each such facility of the personnel and critical skills necessary at the facility for carrying out the ongoing mission of the facility.

(f) FUNDING.—Of the funds authorized to be appropriated to the Department of Energy for fiscal year 1996 under section 3101(b), $10,000,000 may be used for the purpose of carrying out the fellowship program under this section.

SEC. 3137. EDUCATION PROGRAM FOR DEVELOPMENT OF PERSONNEL CRITICAL TO THE DEPARTMENT OF ENERGY NUCLEAR WEAPONS COMPLEX.

(a) IN GENERAL.—The Secretary of Energy shall conduct an education program to ensure the long-term supply of personnel having skills critical to the ongoing mission of the Department of Energy nuclear weapons complex. Under the program, the Secretary shall provide—

(1) education programs designed to encourage and assist students in study in the fields of math, science, and engineering that are critical to maintaining the nuclear weapons complex;

(2) programs that enhance the teaching skills of teachers who teach students in such fields; and

(3) education programs that increase the scientific understanding of the general public in areas of importance to the nuclear weapons complex and to the Department of Energy national laboratories.

(b) FUNDING.—Of the funds authorized to be appropriated to the Department of Energy for fiscal year 1996 under section 3101(a), $10,000,000 may be used for the purpose of carrying out the education program under this section.

SEC. 3138. LIMITATION ON USE OF FUNDS FOR CERTAIN RESEARCH AND DEVELOPMENT PURPOSES.

Funds appropriated or otherwise made available to the Department of Energy for fiscal year 1996 under section 3101 may be obligated and expended for activities under the Department of Energy Laboratory Directed Research and Development Program or under Department of Energy technology transfer programs only if such

activities support the national security mission of the Department.

SEC. 3139. PROCESSING OF HIGH LEVEL NUCLEAR WASTE AND SPENT NUCLEAR FUEL RODS.

(a) ELECTROMETALLURGICAL PROCESSING ACTIVITIES.—Of the amount authorized to be appropriated to the Department of Energy under section 3102, not more than $2,500,000 shall be available for electrometallurgical processing activities at the Idaho National Engineering Laboratory.

(b) PROCESSING OF SPENT NUCLEAR FUEL RODS AT SAVANNAH RIVER SITE.—Of the amount authorized to be appropriated to the Department of Energy under section 3102, $30,000,000 shall be available for operating and maintenance activities at the Savannah River Site, which amount shall be available for the development at the canyon facilities at the site of technological methods (including plutonium processing and reprocessing) of separating, reducing, isolating, and storing the spent nuclear fuel rods that are sent to the site from other Department of Energy facilities and from foreign facilities.

(c) PROCESSING OF SPENT NUCLEAR FUEL RODS AT IDAHO NATIONAL ENGINEERING LABORATORY.—Of the amount authorized to be appropriated to the Department of Energy under section 3102, $15,000,000 shall be available for operating and maintenance activities at the Idaho National Engineering Laboratory, which amount shall be available for the development of technological methods of processing the spent nuclear fuel rods that will be sent to the laboratory from other Department of Energy facilities.

(d) SPENT NUCLEAR FUEL DEFINED.—In this section, the term ''spent nuclear fuel'' has the meaning given such term in section 2(23) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10101(23)).

SEC. 3140. DEPARTMENT OF ENERGY DECLASSIFICATION PRODUCTIVITY INITIATIVE.

Of the funds authorized to be appropriated to the Department of Energy under section 3103, $3,000,000 shall be available for the Declassification Productivity Initiative of the Department of Energy.

SEC. 3141. AUTHORITY TO REPROGRAM FUNDS FOR DISPOSITION OF CERTAIN SPENT NUCLEAR FUEL.

(a) AUTHORITY TO REPROGRAM.—Notwithstanding any other provision of law and subject to subsection (b), the Secretary of Energy may reprogram funds available to the Department of Energy for fiscal year 1996 under section 3101(b) or 3102(b) to make such funds available for use for storage pool treatment and stabilization or for canning and storage in connection with the disposition of spent nuclear fuel in the Democratic People's Republic of Korea, which treatment and stabilization or canning and storage is—

(1) necessary in order to meet International Atomic Energy Agency safeguard standards with respect to the disposition of spent nuclear fuel; and

(2) conducted in fulfillment of the Nuclear Framework Agreement between the United States and the Democratic People's Republic of Korea dated October 21, 1994.

(b) LIMITATION.—The total amount that the Secretary may reprogram under the authority in subsection (a) may not exceed $5,000,000.

(c) DEFINITION.—In this section, the term ''spent nuclear fuel'' has the meaning given such term in section 2(23) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10101(23)).

SEC. 3142. PROTECTION OF WORKERS AT NUCLEAR WEAPONS FACILITIES.

Of the funds authorized to be appropriated to the Department of Energy under section 3102, $10,000,000 shall be available to carry out activities authorized under section 3131 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1571; 42 U.S.C. 7274d), relating to worker protection at nuclear weapons facilities.

Subtitle D—Review of Department of Energy National Security Programs

SEC. 3151. REVIEW OF DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS.

(a) REPORT.—Not later than March 15, 1996, the Secretary of Defense shall, in consultation with the Secretary of Energy, submit to the congressional defense committees a report on the national security programs of the Department of Energy.

(b) CONTENTS OF REPORT.—The report shall include an assessment of the following:

(1) The effectiveness of the Department of Energy in maintaining the safety and reliability of the enduring nuclear weapons stockpile.

(2) The management by the Department of the nuclear weapons complex, including—

(A) a comparison of the Department of Energy's implementation of applicable environmental, health, and safety requirements with the implementation of similar requirements by the Department of Defense; and

(B) a comparison of the costs and benefits of the national security research and development programs of the Department of Energy with the costs and benefits of similar programs sponsored by the Department of Defense.

(3) The fulfillment of the requirements established for the Department of Energy in the Nuclear Posture Review.

(c) DEFINITION.—In this section, the term ''Nuclear Posture Review'' means the Department of Defense Nuclear Posture Review as contained in the Report of the Secretary of Defense to the President and the Congress dated February 19, 1995, or in subsequent such reports.

Subtitle E—Other Matters

SEC. 3161. RESPONSIBILITY FOR DEFENSE PROGRAMS EMERGENCY RESPONSE PROGRAM.

The Office of Military Applications under the Assistant Secretary of Energy for Defense Programs shall retain responsibility for the Defense Programs Emergency Response Program within the Department of Energy.

SEC. 3162. REQUIREMENTS FOR DEPARTMENT OF ENERGY WEAPONS ACTIVITIES BUDGETS FOR FISCAL YEARS AFTER FISCAL YEAR 1996.

(a) IN GENERAL.—The weapons activities budget of the Department of Energy shall be developed in accordance with the Nuclear Posture Review, the Post Nuclear Posture Review Stockpile Memorandum currently under development, and the programmatic and technical requirements associated with the review and memorandum.

(b) REQUIRED DETAIL.—The Secretary of Energy shall include in the materials that the Secretary submits to Congress in support of the budget for a fiscal year submitted by the President pursuant to section 1105 of title 31, United States Code, a long-term program plan, and a near-term program plan, for the certification and stewardship of the enduring nuclear weapons stockpile.

(c) DEFINITION.—In this section, the term ''Nuclear Posture Review'' means the Department of Defense Nuclear Posture Review as contained in the Report of the Secretary of Defense to the President and the Congress dated February 19, 1995, or in subsequent such reports.

SEC. 3163. REPORT ON PROPOSED PURCHASES OF TRITIUM FROM FOREIGN SUPPLIERS.

(a) REQUIREMENT.—Not later than May 30, 1997, the President shall submit to the congressional defense committees a report on any plans of the President to purchase from foreign suppliers tritium to be used for purposes of the nuclear weapons stockpile of the United States.

(b) FORM OF REPORT.—The report shall be submitted in unclassified form, but may contain a classified annex.

SEC. 3164. REPORT ON HYDRONUCLEAR TESTING.

(a) REPORT.—The Secretary of Energy shall direct the joint preparation by the Lawrence Livermore National Laboratory and the Los Alamos National Laboratory of a report on the advantages and disadvantages for the safety and reliability of the enduring nuclear weapons stockpile of permitting alternative limits to the current limits on the explosive yield of hydronuclear tests. The report shall address the following explosive yield limits:

(1) 4 pounds (TNT equivalent).

(2) 400 pounds (TNT equivalent).

(3) 4,000 pounds (TNT equivalent).

(4) 40,000 pounds (TNT equivalent).

(b) FUNDING.—The Secretary shall make available funds authorized to be appropriated to the Department of Energy under section 3101 for preparation of the report required under subsection (a).

SEC. 3165. PLAN FOR THE CERTIFICATION AND STEWARDSHIP OF THE ENDURING NUCLEAR WEAPONS STOCKPILE.

(a) REQUIREMENT.—Not later than March 15, 1996, and every March 15 thereafter, the Secretary of Energy shall submit to the Secretary of Defense a plan for maintaining the enduring nuclear weapons stockpile.

(b) PLAN ELEMENTS.—Each plan under subsection (a) shall set forth the following:

(1) The numbers of weapons (including active weapons and inactive weapons) for each type of weapon in the enduring nuclear weapons stockpile.

(2) The expected design lifetime of each weapon system type, the current age of each weapon system type, and any plans (including the analytical basis for such plans) for lifetime extensions of a weapon system type.

(3) An estimate of the lifetime of the nuclear and non-nuclear components of the weapons (including active weapons and inactive weapons) in the enduring nuclear weapons stockpile, and any plans (including the analytical basis for such plans) for lifetime extensions of such components.

(4) A schedule of the modifications, if any, required for each weapon type (including active weapons and inactive weapons) in the enduring nuclear weapons stockpile, and the cost of such modifications.

(5) The process to be used in recertifying the safety, reliability, and performance of each weapon type (including active weapons and inactive weapons) in the enduring nuclear weapons stockpile.

(6) The manufacturing infrastructure required to maintain the nuclear weapons stockpile stewardship management program.

SEC. 3166. APPLICABILITY OF ATOMIC ENERGY COMMUNITY ACT OF 1955 TO LOS ALAMOS, NEW MEXICO.

(a) DATE OF TRANSFER OF UTILITIES.—Section 72 of the Atomic Energy Community Act of 1955 (42 U.S.C. 2372) is amended by striking out ''not later than five years after the date it is included within this Act'' and inserting in lieu thereof ''not later than June 30, 1998''.

(b) DATE OF TRANSFER OF MUNICIPAL INSTALLATIONS.—Section 83 of such Act (42 U.S.C. 2383) is amended by striking out ''not later than five years after the date it is included within this Act'' and inserting in lieu thereof ''not later than June 30, 1998''.

(c) RECOMMENDATION FOR FURTHER ASSISTANCE PAYMENTS.—Section 91 of such Act (42 U.S.C. 2391) is amended—

(1) by striking out '', and the Los Alamos School Board;'' and all that follows through ''county of Los Alamos, New Mexico'' and inserting in lieu thereof ''; or not later than June 30, 1996, in the case of the Los Alamos School Board and the county of Los Alamos, New Mexico''; and

(2) by adding at the end the following new sentence: ''If the recommendation under the preceding sentence regarding the Los Alamos School Board or the county of Los Alamos, New Mexico, indicates a need for further assistance for the school board or the county, as the case may be, after June 30, 1997, the recommendation

shall include a report and plan describing the actions required to eliminate the need for further assistance for the school board or the county, including a proposal for legislative action to carry out the plan.''.

(d) CONTRACT TO MAKE PAYMENTS.—Section 94 of such Act (42 U.S.C. 2394) is amended—

(1) by striking out ''June 30, 1996'' each place it appears in the proviso in the first sentence and inserting in lieu thereof ''June 30, 1997''; and

(2) by striking out ''July 1, 1996'' in the second sentence and inserting in lieu thereof ''July 1, 1997''.

SEC. 3167. SENSE OF SENATE ON NEGOTIATIONS REGARDING SHIPMENTS OF SPENT NUCLEAR FUEL FROM NAVAL REACTORS.

(a) SENSE OF THE SENATE.—It is the sense of the Senate that the Secretary of Defense, the Secretary of Energy, and the Governor of the State of Idaho should continue good faith negotiations for the purpose of reaching an agreement on the issue of shipments of spent nuclear fuel from naval reactors.

(b) REPORT.—(1) Not later than September 15, 1995, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a written report on the status or outcome of the negotiations urged under subsection (a).

(2) The report shall include the following matters:

(A) If an agreement is reached, the terms of the agreement, including the dates on which shipments of spent nuclear fuel from naval reactors will resume.

(B) If an agreement is not reached—

(i) the Secretary's evaluation of the issues remaining to be resolved before an agreement can be reached;

(ii) the likelihood that an agreement will be reached before October 1, 1995; and

(iii) the steps that must be taken regarding the shipment of spent nuclear fuel from naval reactors to ensure that the Navy can meet the national security requirements of the United States.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SEC. 3201. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 1996, $17,000,000 for the operation of the Defense Nuclear Facilities Safety Board under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

TITLE XXXIII—NAVAL PETROLEUM RESERVES

SEC. 3301. SALE OF NAVAL PETROLEUM RESERVE NUMBERED 1 (ELK HILLS).

(a) SALE OF ELK HILLS UNIT REQUIRED.—(1) Chapter 641 of title 10, United States Code, is amended by inserting after section 7421 the following new section:

''§7421a. Sale of Naval Petroleum Reserve Numbered 1 (Elk Hills)

''(a) SALE REQUIRED.—(1) Notwithstanding any other provision of this chapter other than section 7431(a)(2) of this title, the Secretary shall sell all right, title, and interest of the United States in and to lands owned or controlled by the United States inside Naval Petroleum Reserve Numbered 1, commonly referred to as the Elk Hills Unit, located in Kern County, California, and established by Executive order of the President, dated September 2, 1912. Subject to subsection (j), within one year after the effective date, the Secretary shall enter into one or more contracts for the sale of all of the interest of the United States in the reserve.

''(2) In this section:

''(A) The term 'reserve' means Naval Petroleum Reserve Numbered 1.

''(B) The term 'unit plan contract' means the unit plan contract between equity owners of the lands within the boundaries of Naval Petroleum Reserve Numbered 1 entered into on June 19, 1944.

''(C) The term 'effective date' means the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996.

''(b) EQUITY FINALIZATION.—(1) Not later than three months after the effective date, the Secretary shall finalize equity interests of the known oil and gas zones in Naval Petroleum Reserve Numbered 1 in the manner provided by this subsection.

''(2) The Secretary shall retain the services of an independent petroleum engineer, mutually acceptable to the equity owners, who shall prepare a recommendation on final equity figures. The Secretary may accept the recommendation of the independent petroleum engineer for final equity in each known oil and gas zone and establish final equity interest in the Naval Petroleum Reserve Numbered 1 in accordance with such recommendation, or the Secretary may use such other method to establish final equity interest in the reserve as the Secretary considers appropriate.

''(3) If, on the effective date, there is an ongoing equity redetermination dispute between the equity owners under section 9(b) of the unit plan contract, such dispute shall be resolved in the manner provided in the unit plan contract within five months after the effective date. Such resolution shall be considered final for all purposes under this section.

''(c) TIMING AND ADMINISTRATION OF SALE.—(1) Not later than two months after the effective date, the Secretary shall publish a notice of intent to sell the Naval Petroleum Reserve Numbered 1. The Secretary shall make all technical, geological, and financial information relevant to the sale of the reserve available to all interested and qualified buyers upon request. The Secretary, in consultation with the Administrator of General Services, shall ensure that the sale process is fair and open to all interested and qualified parties.

''(2)(A) Not later than two months after the effective date, the Secretary shall retain the services of five independent experts in the valuation of oil and gas fields to conduct separate assessments, in a manner consistent with commercial practices, of the value of the interest of the United States in Naval Petroleum Reserve Numbered 1. In making their assessments, the independent experts shall consider (among other factors) all equipment and facilities to be included in the sale, the estimated quantity of petroleum and natural gas in the reserve, and the net present value of the anticipated revenue stream that the Secretary and the Director of the Office of Management and Budget jointly determine the Treasury would receive from the reserve if the reserve were not sold, adjusted for any anticipated increases in tax revenues that would result if the reserve were sold. The independent experts shall complete their assessments within six months after the effective date.

''(B) The independent experts shall also determine and submit to the Secretary the estimated total amount of the cost of any environmental restoration and remediation necessary at the reserve. The Secretary shall report the estimate to the Director of the Office of Management and Budget, the Secretary of the Treasury, and Congress.

''(C) The Secretary, in consultation with the Director of the Office of Management and Budget, shall set the minimum acceptable price for the reserve. The Secretary may not set the minimum acceptable price below the average of three of the assessments (after excluding the high and low assessments) made under subparagraph (A).

''(3) Not later than two months after the effective date, the Secretary shall retain the services of an investment banker to independently administer, in a manner consistent with commercial practices and in a manner that maximizes sale proceeds to the Government, the sale of Naval Petroleum Reserve Numbered 1 under this section. Notwithstanding section 7433(b) of this title, costs and fees of retaining the investment banker shall be paid out of the proceeds of the sale of the reserve.

''(4)(A) Not later than six months after the effective date, the investment banker serving as the sales administrator under paragraph (3) shall complete a draft contract or contracts for the sale of Naval Petroleum Reserve Numbered 1, which shall accompany the invitation for bids and describe the terms and provisions of the sale of the interest of the United States in the reserve.

''(B) The draft contract or contracts shall identify—

''(i) all equipment and facilities to be included in the sale; and

''(ii) any potential claim or liability (including liability for environmental restoration and remediation), and the extent of any such claim or liability, for which the United States is responsible under subsection (d).

''(C) The draft contract or contracts, including the terms and provisions of the sale of the interest of the United States in the reserve, shall be subject to review and approval by the Secretary, the Secretary of the Treasury, and the Director of the Office of Management and Budget. Each of those officials shall complete the review of, and approve or disapprove, the draft contract or contracts not later than seven months after the effective date.

''(5) Not later than seven months after the effective date, the Secretary shall publish an invitation for bids for the purchase of the reserve.

''(6) Not later than 10 months after the effective date, the Secretary shall identify the highest responsible offer or offers for purchase of the interest of the United States in Naval Petroleum Reserve Numbered 1 that, in total, meet or exceed the minimum acceptable price determined under paragraph (2).

''(7) The Secretary shall take such action immediately after the effective date as is necessary to obtain from an independent petroleum engineer within six months after that date a certification regarding the quantity of the content of the reserve. The Secretary shall use the certification in support of the preparation of the invitation for bids.

''(d) FUTURE LIABILITIES.—The United States shall hold harmless and fully indemnify the purchaser or purchasers (as the case may be) of the interest of the United States in Naval Petroleum Reserve Numbered 1 from and against any claim or liability as a result of ownership in the reserve by the United States, including any claim referred to in subsection (e).

''(e) TREATMENT OF STATE OF CALIFORNIA CLAIM.—After the costs incurred in the conduct of the sale of Naval Petroleum Reserve Numbered 1 under this section are deducted, seven percent of the remaining proceeds from the sale of the reserve shall be reserved in a contingent fund in the Treasury (for a period not to exceed 10 years after the effective date) for payment to the State of California in the event that, and to the extent that, the claims of the State against the United States regarding production and proceeds of sale from Naval Petroleum Reserve Numbered 1 are resolved in favor of the State by a court of competent jurisdiction. Funds in the contingent fund shall be available for paying any such claim to the extent provided in appropriation Acts. After final disposition of the claims, any unobligated balance in the contingent fund shall be credited to the general fund of the Treasury.

''(f) MAINTAINING ELK HILLS UNIT PRODUCTION.—Until the sale of Naval Petroleum Reserve Numbered 1 is completed under this section, the Secretary shall continue to produce the reserve at the maximum daily oil or gas rate from a reservoir, which will permit maximum economic development of the reservoir consistent with sound oil field engineering practices in accordance with section 3 of the unit plan contract. The definition of maximum efficient rate

in section 7420(6) of this title shall not apply to the reserve.

''(g) EFFECT ON EXISTING CONTRACTS.—(1) In the case of any contract, in effect on the effective date, for the purchase of production from any part of the United States' share of Naval Petroleum Reserve Numbered 1, the sale of the interest of the United States in the reserve shall be subject to the contract for a period of three months after the closing date of the sale or until termination of the contract, whichever occurs first. The term of any contract entered into after the effective date for the purchase of such production shall not exceed the anticipated closing date for the sale of the reserve.

''(2) The Secretary shall exercise the termination procedures provided in the contract between the United States and Bechtel Petroleum Operation, Inc., Contract Number DE–ACO1–85FE60520 so that the contract terminates not later than the date of closing of the sale of Naval Petroleum Reserve Numbered 1 under subsection (c).

''(3) The Secretary shall exercise the termination procedures provided in the unit plan contract so that the unit plan contract terminates not later than the date of closing of the sale of reserve.

''(h) EFFECT ON ANTITRUST LAWS.—Nothing in this section shall be construed to alter the application of the antitrust laws of the United States to the purchaser or purchasers (as the case may be) of Naval Petroleum Reserve Numbered 1 or to the lands in the reserve subject to sale under this section upon the completion of the sale.

''(i) PRESERVATION OF PRIVATE RIGHT, TITLE, AND INTEREST.—Nothing in this section shall be construed to adversely affect the ownership interest of any other entity having any right, title, and interest in and to lands within the boundaries of Naval Petroleum Reserve Numbered 1 and which are subject to the unit plan contract.

''(j) NOTICE TO CONGRESS.—(1) Subject to paragraph (2), the Secretary may not enter into any contract for the sale of the reserve until the end of the 31-day period beginning on the date on which the Secretary notifies the Committee on Armed Services of the Senate and the Committee on National Security and the Committee on Commerce of the House of Representatives of the conditions of the proposed sale.

''(2) If the Secretary receives only one offer for purchase of the reserve or any subcomponent thereof, the Secretary may not enter into a contract for the sale of the reserve unless—

''(A) the Secretary submits to Congress a notification of the receipt of only one offer together with the conditions of the proposed sale of the reserve or parcel to the offeror; and

''(B) a joint resolution of approval described in subsection (k) is enacted within 45 days after the date of the notification.

''(k) JOINT RESOLUTION OF APPROVAL.—(1) For the purpose of paragraph (2)(B) of subsection (j), 'joint resolution of approval' means only a joint resolution that is introduced after the date on which the notification referred to in that paragraph is received by Congress, and—

''(A) that does not have a preamble;

''(B) the matter after the resolving clause of which reads only as follows: 'That Congress approves the proposed sale of Naval Petroleum Reserve Numbered 1 reported in the notification submitted to Congress by the Secretary of Energy on _____.' (the blank space being filled in with the appropriate date); and

''(C) the title of which is as follows: 'Joint resolution approving the sale of Naval Petroleum Reserve Numbered 1'.

''(2) A resolution described in paragraph (1) introduced in the House of Representatives shall be referred to the Committee on National Security of the House of Representatives. A resolution described in paragraph (1) introduced in the Senate shall be referred to the Committee on Armed Services of the Senate. Such a resolution may not be reported before the 8th day after its introduction.

''(3) If the committee to which is referred a resolution described in paragraph (1) has not reported such resolution (or an identical resolution) at the end of 15 calendar days after its introduction, such committee shall be deemed to be discharged from further consideration of such resolution and such resolution shall be placed on the appropriate calendar of the House involved.

''(4)(A) When the committee to which a resolution is referred has reported, or has been deemed to be discharged (under paragraph (3)) from further consideration of, a resolution described in paragraph (1), it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the resolution, and all points of order against the resolution (and against consideration of the resolution) are waived. The motion is highly privileged in the House of Representatives and is privileged in the Senate and is not debatable. The motion is not subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the resolution is agreed to, the resolution shall remain the unfinished business of the respective House until disposed of.

''(B) Debate on the resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is in order and not debatable. An amendment to, or a motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the resolution is not in order. A motion to reconsider the vote by which the resolution is agreed to or disagreed to is not in order.

''(C) Immediately following the conclusion of the debate on a resolution described in paragraph (2), and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, the vote on final passage of the resolution shall occur.

''(D) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution described in paragraph (1) shall be decided without debate.

''(5) If, before the passage by one House of a resolution of that House described in paragraph (1), that House receives from the other House a resolution described in paragraph (1), then the following procedures shall apply:

''(A) The resolution of the other House shall not be referred to a committee.

''(B) With respect to a resolution described in paragraph (2) of the House receiving the resolution—

''(i) the procedure in that House shall be the same as if no resolution had been received from the other House; but

''(ii) the vote on final passage shall be on the resolution of the other House.

''(6) This subsection is enacted by Congress—

''(A) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a resolution described in paragraph (1), and it supersedes other rules only to the extent that it is inconsistent with such rules; and

''(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

''(l) NONCOMPLIANCE WITH DEADLINES.—If, at any time during the one-year period beginning on the effective date, the Secretary determines that the actions necessary to complete the sale of the reserve within that period are not being taken or timely completed, the Secretary shall transmit to the Committee on Armed Services of the Senate and the Committees on National Security and on Commerce of the House of Representatives a notification of that determination together with a plan setting forth the actions that will be taken to ensure that the sale of the reserve will be completed within that period. The Secretary shall consult with the Director of the Office of Management and Budget in preparing the plan for submission to the committees.

''(m) OVERSIGHT.—The Comptroller General shall monitor the actions of the Secretary relating to the sale of the reserve and report to the Committee on Armed Services of the Senate and the Committee on National security of the House of Representatives any findings on such actions that the Comptroller General considers appropriate to report to such committees.

''(n) ACQUISITION OF SERVICES.—The Secretary may enter into contracts for the acquisition of services required under this section under the authority of paragraph (7) of section 303(c) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(c)), except that the notification required under subparagraph (B) of such paragraph for each contract shall be submitted to Congress not less than 7 days before the award of the contract.

''(o) RECONSIDERATION OF PROCESS OF SALE.—(1) If during the course of the sale of the reserve the Secretary of Energy and the Director of the Office of Management and Budget jointly determine that—

''(A) the sale is proceeding in a manner inconsistent with achievement of a sale price that reflects the full value of the reserve, or

''(B) a course of action other than the immediate sale of the reserve is in the best interests of the United States,

the Secretary shall submit a notification of the determination to the Committee on Armed Services of the Senate and the Committees on National Security and on Commerce of the House of Representatives.

''(2) After the Secretary submits a notification under paragraph (1), the Secretary may not complete the sale the reserve under this section unless there is enacted a joint resolution—

''(A) that is introduced after the date on which the notification is received by the committees referred to in such paragraph;

''(B) that does not have a preamble;

''(C) the matter after the resolving clause of which reads only as follows: 'That the Secretary of Energy shall proceed with activities to sell Naval Petroleum Reserve Numbered 1 in accordance with section 7421a of title 10, United States Code, notwithstanding the determination set forth in the notification submitted to Congress by the Secretary of Energy on _____.' (the blank space being filled in with the appropriate date); and

''(D) the title of which is as follows: 'Joint resolution approving continuation of actions to sell Naval Petroleum Reserve Numbered 1'.

''(3) Subsection (k), except for paragraph (1) of such subsection, shall apply to the joint resolution described in paragraph (2).''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 7421 the following new item:

''7421a. Sale of Naval Petroleum Reserve Numbered 1 (Elk Hills).''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Funds are authorized to be appropriated for fiscal year 1996 for carrying out section 7421a of title 10, United States Code (as added by subsection (a)), in the total amount of $7,000,000.

SEC. 3302. FUTURE OF NAVAL PETROLEUM RESERVES (OTHER THAN NAVAL PETROLEUM RESERVE NUMBERED 1).

(a) STUDY OF FUTURE OF PETROLEUM RESERVES.—(1) The Secretary of Energy shall conduct a study to determine which of the following options, or combination of options, would maximize the value of the naval petroleum reserves to or for the United States:

(A) Transfer of all or a part of the naval petroleum reserves to the jurisdiction of the Department of the Interior for leasing in accordance with the Mineral Leasing Act (30 U.S.C. 181 et seq.) and surface management in accordance with the Federal Land Policy and Management Act (43 U.S.C. 1701 et seq.).

(B) Lease of the naval petroleum reserves consistent with the provisions of such Acts.

(C) Sale of the interest of the United States in the naval petroleum reserves.

(2) The Secretary shall retain such independent consultants as the Secretary considers appropriate to conduct the study.

(3) An examination of the value to be derived by the United States from the transfer, lease, or sale of the naval petroleum reserves under paragraph (1) shall include an assessment and estimate, in a manner consistent with customary property valuation practices in the oil industry, of the fair market value of the interest of the United States in the naval petroleum reserves.

(4) Not later than December 31, 1995, the Secretary shall submit to Congress and make available to the public a report describing the results of the study and containing such recommendations as the Secretary considers appropriate to implement the option, or combination of options, identified in the study that would maximize the value of the naval petroleum reserves to or for the United States.

(b) IMPLEMENTATION OF RECOMMENDATIONS.—Not earlier than 31 days after submitting to Congress the report required under subsection (a)(4), and not later than December 31, 1996, the Secretary shall carry out the recommendations contained in the report.

(c) NAVAL PETROLEUM RESERVES DEFINED.—For purposes of this section, the term ''naval petroleum reserves'' has the meaning given that term in section 7420(2) of title 10, United States Code, except that such term does not include Naval Petroleum Reserve Numbered 1.

TITLE XXXIV—NATIONAL DEFENSE STOCKPILE

SEC. 3401. AUTHORIZED USES OF STOCKPILE FUNDS.

(a) OBLIGATIONS AUTHORIZED.—During fiscal year 1996, the National Defense Stockpile Manager may obligate up to $77,100,000 of the funds in the National Defense Stockpile Transaction Fund established under subsection (a) of section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h) for the authorized uses of such funds under subsection (b)(2) of such section.

(b) ADDITIONAL OBLIGATIONS.—The National Defense Stockpile Manager may obligate amounts in excess of the amount specified in subsection (a) if the National Defense Stockpile Manager notifies Congress that extraordinary or emergency conditions necessitate the additional obligations. The National Defense Stockpile Manager may make the additional obligations described in the notification after the end of the 45-day period beginning on the date Congress receives the notification.

(c) LIMITATIONS.—The authorities provided by this section shall be subject to such limitations as may be provided in appropriations Acts.

SEC. 3402. DISPOSAL OF OBSOLETE AND EXCESS MATERIALS CONTAINED IN THE NATIONAL DEFENSE STOCKPILE.

(a) DISPOSAL AUTHORIZED.—Subject to the conditions specified in subsection (b), the President may dispose of obsolete and excess materials currently contained in the National Defense Stockpile in order to modernize the stockpile. The materials subject to disposal under this subsection and the quantity of each material authorized to be disposed of by the President are set forth in the following table:

Authorized Stockpile Disposals

Material for disposal	Quantity
Aluminum	62,881 short tons
Aluminum Oxide, Abrasive Grade	2,456 short tons
Antimony	34 short tons
Bauxite, Metallurgical Grade, Jamaican	321,083 long dry tons
Bauxite, Refractory	53,788 long dry tons
Beryllium, Copper Master Alloy	7,387 short tons
Beryllium, Metal	300 short tons
Chromite, Chemical Grade Ore	34,709 short dry tons
Chromite, Metallurgical Grade Ore	580,700 short dry tons
Chromite, Refractory Grade Ore	159,282, short dry tons
Chromium, Ferro Group	712,362 short tons
Chromium Metal	2,971 short tons
Cobalt	27,868,181 pounds of contained cobalt
Columbium Group	2,871,194 pounds of contained columbium
Diamond, Bort	61,542 carats
Diamond Stones	3,030,087 carats
Fluorspar, Acid Grade	28,047 short dry tons
Germanium Metal	53,200 kilograms
Graphite, Natural, Ceylon Lump	5,492 short tons
Iodine	871 pounds
Indium	50,205 troy ounces
Jewel bearings	30,237,764 pieces
Manganese, Ferro, High Carbon	230,481 short tons
Manganese, Ferro, Medium Carbon	19,752 short tons
Manganese, Ferro, Silicon	202 short tons
Mica, Muscovite Block, Stained and Better	325,896 pounds
Mica, Phlogopite Block	130,745 pounds
Morphine, Sulfate & Analgesic, Refined	5,679 pounds of anhydrous morphine alkaloid
Nickel	887 short tons
Platinum	252,641 troy ounces
Palladium	1,064,601 troy ounces
Rubber, Natural	25,138 long tons
Rutile	257 short dry tons
Talc, Block & Lump	2 short tons
Tantalum, Carbide Powder	28,688 pounds of contained tantalum
Tantalum, Minerals	2,575,234 pounds of contained tantalum
Tantalum, Oxide	163,691 pounds of contained tantalum
Thorium Nitrate	551,687 pounds
Tin	1,077 metric tons
Titanium Sponge	24,830 short tons
Tungsten Group	82,312,516 pounds of contained tungsten
Vegetable Tannin, Chestnut	15 long tons
Zirconium	15,991 short dry tons

(b) CONDITIONS ON DISPOSAL.—The authority of the President under subsection (a) to dispose of materials stored in the stockpile may not be used unless and until the Secretary of Defense certifies to Congress that the disposal of such materials will not adversely affect the capability of the National Defense Stockpile to supply the strategic and critical materials necessary to meet the needs of the United States during a period of national emergency that requires a significant level of mobilization of the economy of the United States, including any reconstitution of the military and industrial capabilities necessary to meet the planning assumptions used by the Secretary of Defense under section 14(b) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h–5(b)).

(c) RELATIONSHIP TO OTHER DISPOSAL AUTHORITY.—The disposal authority provided in subsection (a) is in addition to any other disposal authority provided by law.

SEC. 3403. DISPOSAL OF CHROMITE AND MANGANESE ORES AND CHROMIUM FERRO AND MANGANESE METAL ELECTROLYTIC.

(a) DOMESTIC UPGRADING.—In offering to enter into agreements pursuant to any provision of law for the disposal from the National Defense Stockpile of chromite and manganese ores of metallurgical grade or chromium ferro and manganese metal electrolytic, the President

shall give a right of first refusal on all such offers to domestic ferroalloy upgraders.

(b) DOMESTIC FERROALLOY UPGRADER DEFINED.—For purposes of this section, the term ''domestic ferroalloy upgrader'' means a company or other business entity that, as determined by the President—

(1) is engaged in operations to upgrade chromite or manganese ores of metallurgical grade or chromium ferro and manganese metal electrolytic; and

(2) conducts a significant level of its research, development, engineering, and upgrading operations in the United States.

SEC. 3404. RESTRICTIONS ON DISPOSAL OF MANGANESE FERRO.

(a) DISPOSAL OF LOWER GRADE MATERIAL FIRST.—The President may not dispose of high carbon manganese ferro in the National Defense Stockpile that meets the National Defense Stockpile classification of Grade One, Specification 30(a), as revised on May 22, 1992, until completing the disposal of all manganese ferro in the National Defense Stockpile that does not meet such classification. The President may not reclassify manganese ferro in the National Defense Stockpile after the date of the enactment of this Act.

(b) REQUIREMENT FOR REMELTING BY DOMESTIC FERROALLOY PRODUCERS.—Manganese ferro in the National Defense Stockpile that does not meet the classification specified in subsection (a) may be sold only for remelting by a domestic ferroalloy producer.

(c) DOMESTIC FERROALLOY PRODUCER DEFINED.—For purposes of this section, the term ''domestic ferroalloy producer'' means a company or other business entity that, as determined by the President—

(1) is engaged in operations to upgrade manganese ores of metallurgical grade or manganese ferro; and

(2) conducts a significant level of its research, development, engineering, and upgrading operations in the United States.

SEC. 3405. EXCESS DEFENSE-RELATED MATERIALS: TRANSFER TO STOCKPILE AND DISPOSAL.

(a) TRANSFER AND DISPOSAL.—The Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 et seq.) is amended by adding at the end the following:

''EXCESS DEFENSE-RELATED MATERIALS: TRANSFER TO STOCKPILE AND DISPOSAL

''SEC. 17. (a) The Secretary of Energy, in consultation with the Secretary of Defense, shall transfer to the stockpile for disposal in accordance with this Act uncontaminated materials that are in the inventory of Department of Energy materials for production of defense-related items, are excess to the requirements of the department for that purpose, and are suitable for transfer to the stockpile and disposal through the stockpile.

''(b) The Secretary of Defense shall determine whether materials are suitable for transfer to the stockpile under this section, are suitable for disposal through the stockpile, and are uncontaminated.''.

(b) CONFORMING AMENDMENT.—Section 4(a) of such Act (50 U.S.C. 98c(a)) is amended by adding at the end the following:

''(10) Materials transferred to the stockpile under section 17.''.

TITLE XXXV—PANAMA CANAL COMMISSION

SEC. 3501. SHORT TITLE.

This title may be cited as the ''Panama Canal Commission Authorization Act for Fiscal Year 1996''.

SEC. 3502. AUTHORIZATION OF EXPENDITURES.

(a) IN GENERAL.—Subject to subsection (b), the Panama Canal Commission is authorized to make such expenditures within the limits of funds and borrowing authority available to it in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations, as may be necessary under the Panama Canal Act of 1979 (22 U.S.C. 3601 et seq.) for the operation, maintenance, and improvement of the Panama Canal for fiscal year 1996.

(b) LIMITATIONS.—For fiscal year 1996, the Panama Canal Commission may expend from funds in the Panama Canal Revolving Fund not more than $50,741,000 for administrative expenses, of which not more than—

(1) $15,000 may be used for official reception and representation expenses of the Supervisory Board of the Commission;

(2) $10,000 may be used for official reception and representation expenses of the Secretary of the Commission; and

(3) $45,000 may be used for official reception and representation expenses of the Administrator of the Commission.

(c) REPLACEMENT VEHICLES.—Funds available to the Panama Canal Commission shall be available for the purchase of not to exceed 38 passenger motor vehicles (including large heavy-duty vehicles to be used to transport Commission personnel across the isthmus of Panama) at a cost per vehicle of not more than $19,500. A vehicle may be purchased with such funds only as necessary to replace another passenger motor vehicle of the Commission.

DIVISION D—INFORMATION TECHNOLOGY MANAGEMENT REFORM

SEC. 4001. SHORT TITLE.

This division may be cited as the ''Information Technology Management Reform Act of 1995''.

SEC. 4002. FINDINGS.

Congress makes the following findings:

(1) Federal information systems are critical to the lives of every American.

(2) The efficiency and effectiveness of the Federal Government is dependent upon the effective use of information.

(3) The Federal Government annually spends billions of dollars operating obsolete information systems.

(4) The use of obsolete information systems severely limits the quality of the services that the Federal Government provides, the efficiency of Federal Government operations, and the capabilities of the Federal Government to account for how taxpayer dollars are spent.

(5) The failure to modernize Federal Government information systems and the operations they support, despite efforts to do so, has resulted in the waste of billions of dollars that cannot be recovered.

(6) Despite improvements achieved through implementation of the Chief Financial Officers Act of 1990, most Federal agencies cannot track the expenditures of Federal dollars and, thus, expose the taxpayers to billions of dollars in waste, fraud, abuse, and mismanagement.

(7) Poor planning and program management and an overburdened acquisition process have resulted in the American taxpayers not getting their money's worth from the expenditure of $200,000,000,000 on information systems during the decade preceding the enactment of this Act.

(8) The Federal Government's investment control processes focus too late in the system lifecycle, lack sound capital planning, and pay inadequate attention to business process improvement, performance measurement, project milestones, or benchmarks against comparable organizations.

(9) Many Federal agencies lack adequate personnel with the basic skills necessary to effectively and efficiently use information technology and other information resources in support of agency programs and missions.

(10) Federal regulations governing information technology acquisitions are outdated, focus on paperwork and process rather than results, and prevent the Federal Government from taking timely advantage of the rapid advances taking place in the competitive and fast changing global information technology industry.

(11) Buying, leasing, or developing information systems should be a top priority for Federal agency management because the high potential for the systems to substantially improve Federal Government operations, including the delivery of services to the public.

(12) Structural changes in the Federal Government, including elimination of the Brooks Act (section 111 of the Federal Property and Administrative Services Act of 1949), are necessary in order to improve Federal information management and to facilitate Federal Government acquisition of the state-of-the-art information technology that is critical for improving the efficiency and effectiveness of Federal Government operations.

SEC. 4003. PURPOSES.

The purposes of this division are as follows:

(1) To create incentives for the Federal Government to strategically use information technology in order to achieve efficient and effective operations of the Federal Government, and to provide cost effective and efficient delivery of Federal Government services to the taxpayers.

(2) To provide for the cost effective and timely acquisition, management, and use of effective information technology solutions.

(3) To transform the process-oriented procurement system of the Federal Government, as it relates to the acquisition of information technology, into a results-oriented procurement system.

(4) To increase the responsibility and authority of officials of the Office of Management and Budget and other Federal Government agencies, and the accountability of such officials to Congress and the public, in the use of information technology and other information resources in support of agency missions.

(5) To ensure that Federal Government agencies are responsible and accountable for achieving service delivery levels and project management performance comparable to the best in the private sector.

(6) To promote the development and operation of multiple-agency and Governmentwide, interoperable, shared information resources to support the performance of Federal Government missions.

(7) To reduce fraud, waste, abuse, and errors resulting from a lack of, or poor implementation of, Federal Government information systems.

(8) To increase the capability of the Federal Government to restructure and improve processes before applying information technology.

(9) To increase the emphasis placed by Federal agency managers on completing effective capital planning and process improvement before applying information technology to the execution of plans and the performance of agency missions.

(10) To coordinate, integrate, and, to the extent practicable, establish uniform Federal information resources management policies and practices in order to improve the productivity, efficiency, and effectiveness of Federal Government programs and the delivery of services to the public.

(11) To strengthen the partnership between the Federal Government and State, local, and tribal governments for achieving Federal Government missions, goals, and objectives.

(12) To provide for the development of a well-trained core of professional Federal Government information resources managers.

(13) To improve the ability of agencies to share expertise and best practices and coordinate the development of common application systems and infrastructure.

SEC. 4004. DEFINITIONS.

In this division:

(1) INFORMATION RESOURCES.—The term ''information resources'' means information and related resources such as personnel, equipment, funds, and information technology, but does not include information resources which support national security systems.

(2) INFORMATION RESOURCES MANAGEMENT.—The term ''information resources management'' means the process of managing information resources to accomplish agency missions and to improve agency performance, including through the reduction of information collection burdens on the public.

(3) INFORMATION SYSTEM.—The term ''information system'' means a discrete set of information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information.

(4) INFORMATION TECHNOLOGY.—The term ''information technology'', with respect to an executive agency—

(A) means any equipment or interconnected system or subsystem of equipment, that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the executive agency or under a contract with the executive agency which (i) requires the use of such system or subsystem of equipment, or (ii) requires the use, to a significant extent, of such system or subsystem of equipment in the performance of a service or the furnishing of a product; and includes computers; ancillary equipment; software, firmware and similar procedures; services, including support services; and related resources;

(B) does not include any such equipment that is acquired by a Federal contractor incidental to a Federal contract; and

(C) does not include information technology contained in national security systems.

(5) EXECUTIVE DEPARTMENT.—The term ''executive department'' means an executive department specified in section 101 of title 5, United States Code.

(6) EXECUTIVE AGENCY.—The term ''executive agency'' has the meaning given the term in section 4(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(1)).

(7) COMMERCIAL ITEM.—The term ''commercial item'' has the meaning given that term in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)).

(8) NONDEVELOPMENTAL ITEM.—The term ''nondevelopmental item'' has the meaning given that term in section 4(13) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(13)).

(9) INFORMATION ARCHITECTURE.—The term ''information architecture'', with respect to an executive agency, means a framework or plan for evolving or maintaining existing information technology, acquiring new information technology, and integrating the agency's information technology to achieve the agency's strategic goals and information resources management goals.

(10) NATIONAL SECURITY SYSTEMS.—The term ''national security systems'' are those telecommunications and information systems operated by the United States Government, the function, operation, or use of which: (A) involve intelligence activities; (B) involve cryptologic activities related to national security; (C) involves the command and control of military forces; (D) involves equipment that is an integral part of a weapon or weapons system; or (E) is critical to the direct fulfillment of military or intelligence missions, but does not include systems to be used for routine administrative and business applications (including payroll, finance, logistics, and personnel management applications).

(11) DIRECTOR.—The term ''Director'' means the Director of the Office of Management and Budget.

SEC. 4005. APPLICATIONS OF EXCLUSIONS.

IN GENERAL.—The exclusions for national security systems provided in section 4004 of the division apply only in title XLI of this division unless otherwise provided in that title.

TITLE XLI—RESPONSIBILITY FOR ACQUISITIONS OF INFORMATION TECHNOLOGY

Subtitle A—General Authority

SEC. 4101. AUTHORITY OF HEADS OF EXECUTIVE AGENCIES.

The heads of the executive agencies may conduct acquisitions of information technology pursuant to their respective authorities.

SEC. 4102. REPEAL OF CENTRAL AUTHORITY OF THE ADMINISTRATOR OF GENERAL SERVICES.

Section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759) is repealed.

Subtitle B—Director of the Office of Management and Budget

SEC. 4121. RESPONSIBILITY OF DIRECTOR.

(a) In fulfilling the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Director shall comply with this subtitle with respect to the specific matters covered by this subtitle.

(b) This subtitle shall sunset on September 30, 2001, after which the Director may continue to comply with this subtitle.

SEC. 4122. CAPITAL PLANNING AND INVESTMENT CONTROL.

(a) With respect to the responsibilities under section 3504(h) of title 44, United States Code, the Director shall—

(1) promote and be responsible for improving the acquisition, use and disposal of information technology by the Federal Government to improve the productivity, efficiency, and effectiveness of Federal programs, including through dissemination of public information and the reduction of information collection burdens on the public;

(2) develop, as part of the budget process, a process for analyzing, tracking and evaluating the risk and results of all major agency capital investments or information systems over the life of the system:

(A) The process should identify opportunities for interagency cooperation, ensure the success of high risk and high return investments, but not duplicate or supplant existing agency investment development and control processes.

(B) The process should include development of explicit criteria for analyzing the projected and actual cost, benefit and risk of information systems investments. As part of the process three categories of information systems investments should be identified:

(i) HIGH RISK.—Those projects that, by virtue of their size, complexity, use of innovative technology or other factors have an especially high risk of failure.

(ii) HIGH RETURN.—Those projects that, by virtue of their total potential benefits in proportion to their costs, have particularly unique value to the public.

(iii) CROSSCUTTING.—Those projects of individual agencies with shared benefit to or impact on other Federal agencies and State or local governments that require enforcement of operational standards or elimination of redundancies.

(C) Each annual budget submission shall include a report to Congress on the net program performance benefits achieved by major information systems investments and how these benefits support the accomplishment of agency goals.

(D) This process shall be performed with the assistance of and advice from the Chief Information Officers Council and appropriate interagency functional groups.

(E) The process shall ensure that agency information resources management plans are integrated into agency's program plans and budgets for acquisition and use of information technology to improve agency performance and the accomplishment of agency missions.

(3) in consultation with the Director of the National Institute of Standards and Technology, oversee the development and implementation of information technology standards by the Secretary of Commerce under section 4 of Public Law 100–235;

(4) designate (as the Director considers appropriate) one or more heads of executive agencies as an executive agent to contract for Governmentwide acquisition of information technology;

(5) encourage the executive agencies to develop and use the best practices in the acquisition of information technology by—

(A) identifying and collecting information regarding the best practices, including information on the development and implementation of the best practices by the executive agencies; and

(B) providing the executive agencies with information on the best practices and with advice and assistance regarding use of the best practices.

(6) assess, on a continuing basis, the experiences of executive agencies, State and local governments, international organizations, and the private sector in managing information technology;

(7) compare the performances of the executive agencies in using information technology and disseminate the comparisons to the executive agencies;

(8) monitor the development and implementation of training in the management of information technology for executive agency management personnel and staff;

(9) keep Congress fully informed on the extent to which the executive agencies are improving program performance and the accomplishment of agency missions through the use of the best practices in information technology;

(10) coordinate the development and review by the Office of Information and Regulatory Affairs of policy associated with Federal procurement and acquisition of information technology with the Office of Federal Procurement Policy; and

(11) seek and give due weight to the advice given by the Chief Information Officers Council or interagency functional groups regarding the performance of any responsibility of the Director under this subsection.

(b) The heads of executive agencies shall apply the Office of Management and Budget's guidelines promulgated pursuant to this section to national security systems only to the maximum extent practicable.

SEC. 4123. PERFORMANCE-BASED AND RESULTS-BASED MANAGEMENT.

(a) The Director shall encourage performance and results based management in fulfilling the responsibilities assigned under section 3504(h), of title 44, United States Code.

(1) EVALUATION OF AGENCY PROGRAMS AND INVESTMENTS.—

(A) REQUIREMENT.—The Director of the Office of Management and Budget shall evaluate the information resources management practices of the executive agencies with respect to the performance and results of the information technology investments of executive agencies.

(B) CONSIDERATION OF ADVICE AND RECOMMENDATIONS.—In performing the evaluation, the Director shall consider any advice and recommendations provided by the Chief Information Officers Council or any interagency functional group.

(2) GUIDANCE.—The Director shall issue clear and concise guidance to ensure that—

(A) an agency and its major subcomponents institutes effective and efficient capital planning processes to select, control and evaluate the results of all its major information systems investments;

(B) an agency determines, prior to making investments in new information systems—

(i) whether the function to be supported should be performed in the private sector rather than by an agency of the Federal Government and, if so, whether the component of the agency performing that function should be converted from a governmental organization to a private sector organization; or

(ii) whether the function should be performed by the executive agency and, if so, whether the function should be performed by private sector source under a contract entered into by head of the executive agency or executive agency personnel;

(C) the agency analyzes its missions and, based on the analysis, revises its mission-related processes and administrative processes, as appropriate, before making significant investments in information technology to be used in support of agency missions;

(D) the agency's information resources management plan is current and adequate and, to the maximum extent practicable, specifically identifies how information technology to be acquired is expected to improve agency operations and otherwise benefit the agency;

(E) agency information security is adequate;

(F) the agency—

(i) provides adequately for the integration of the agency's information resources management plans, strategic plans prepared pursuant to section 306 of title 5, United States code, and performance plans prepared pursuant to section 1115 of title 31, United States Code; and

(ii) budgets for the acquisition and use of information technology; and

(G) efficient and effective interagency and Governmentwide information technology investments are undertaken to improve the accomplishment of common agency missions.

(3) PERIODIC REVIEWS.—The Director shall ensure that selected information resources management activities of the executive agencies are periodically reviewed in order to ascertain the efficiency and effectiveness of information technology in improving agency performance and the accomplishment of agency missions.

(4) ENFORCEMENT OF ACCOUNTABILITY.—

(A) IN GENERAL.—The Director may take any authorized action that the Director considers appropriate, including an action involving the budgetary process or appropriations management process, to enforce accountability under this title in an executive agency.

(B) SPECIFIC ACTIONS.—Actions taken by the Director in the case of an executive agency may include—

(i) recommending a reduction or an increase in the amount proposed by the head of the executive agency to be included for information resources in the budget submitted to Congress under section 1105(a) of title 31, United States Code;

(ii) reducing or otherwise adjusting apportionments and reapportionments of appropriations for information resources;

(iii) using other authorized administrative controls over appropriations to restrict the availability of funds for information resources; and

(iv) designating for the executive agency an executive agent to contract with private sector sources for the performance of information resources management or the acquisition of information technology.

(b) The heads of executive agencies shall apply the Office of Management and Budget guidelines promulgated pursuant to this section to national security systems only to the maximum extent practicable. This subsection does not apply to subparagraphs (4)(A) or (4)(B) (i), (ii), or (iii).

SEC. 4124. INTEGRATION WITH INFORMATION RESOURCE MANAGEMENT RESPONSIBILITIES.

In undertaking activities and issuing guidance in accordance with this subtitle, the Director shall promote the integration of information technology management with the broader information resource management processes in the agencies.

Subtitle C—Executive Agencies

SEC. 4131. RESPONSIBILITIES.

(a) In fulfilling the responsibilities assigned under chapter 35 of title 44, United States Code, the head of each executive agency shall comply with this subtitle with respect to the specific matters covered by this subtitle.

(b) This subtitle shall sunset on September 30, 2001, after which the head of each executive agency may continue to comply with this subtitle.

(c) Guidance issued by the Director in accordance with subtitle B of this title shall sunset on September 30, 2001, unless the Director determines it should continue in effect pursuant to section 4121(b) of this division, and notifies the Congress and the agencies of that intent by March 31, 2001.

SEC. 4132. CAPITAL PLANNING AND INVESTMENT CONTROL.

(a) In fulfilling the responsibilities assigned under section 3506(h) of title 44, United States Code, the head of each executive agency shall design and apply in the executive agency a process for maximizing the value and assessing and managing the risks of the information technology acquisitions of the agency.

(b) The process shall—

(1) provide for the selection, control, and evaluation of the results of information technology investments of the agency;

(2) be integrated with budget, financial, and program management decisions of the agency;

(3) include minimum criteria for considering an information systems investment—to include a quantitative assessment of projected net, risk-adjusted return on investment—as well as explicit criteria, both quantitative and qualitative, for comparing and prioritizing alternative information systems investment projects;

(4) identify information systems investments with share benefit to or impact on other Federal agencies and State or local governments that require enforcement of operational standards or elimination of redundancies;

(5) provide for clearly identifying in advance of the proposed investment of quantifiable measurements for determining the net benefits and risks; and

(6) provide senior management with timely information regarding the progress of information systems initiatives against measurable, independently-verifiable milestones, including cost, ability to meet specified requirements, timeliness, and quality.

(c) This section applies to national security systems except for subsection (b).

SEC. 4133. PERFORMANCE AND RESULTS-BASED MANAGEMENT.

(a) IN GENERAL.—In fulfilling the responsibilities under section 3506(h) of title 44, United States Code, the head of an executive agency shall—

(1) establish goals for improving the efficiency and effectiveness of agency operations and, as appropriate, the delivery of services to the public through the effective use of information technology;

(2) prepare an annual report, to be included in the budget submission for the executive agency, on the progress in achieving the goals;

(3) ensure that—

(A) the agency determines—

(i) whether the function should be performed in the private sector rather than by an agency of the Federal Government and, if so, whether the component of the agency performing that function should be converted from a governmental organization to a private sector organization; or

(ii) whether the function should be performed by the executive agency and, if so, whether the function should be performed by a private sector source under a contract entered into by head of the executive agency or executive agency personnel;

(B) the agency—

(i) provides adequately for the integration of the agency's information resources management plans, strategic plans prepared pursuant to section 306 of title 5, United States Code, and performance plans prepared pursuant to section 1115 of title 31, United States Code; and

(ii) budgets for the acquisition and use of information technology;

(4) ensure that performance measurements are prescribed for information technology used by or to be acquired for the executive agency and that the performance measurements measure how well the information technology supports agency programs;

(5) where comparable processes and organizations in the public or private sectors exist, quantitatively benchmark agency process performance against such processes in terms of cost, speed, productivity, and quality of outputs and outcomes;

(6) analyze its missions and, based on the analysis, revises its mission-related processes and administrative processes as appropriate before making significant investments in information technology to be used in support of agency missions;

(7) ensure that the agency's information resources management plan is current and adequate and, to the maximum extent practicable, specifically identifies how information technology to be acquired is expected to improve agency operations and otherwise expected to benefit the agency;

(8) ensure that efficient and effective interagency and Governmentwide information technology investments are undertaken to improve the accomplishment of common agency missions; and

(9) ensure that an agency's information security is adequate.

(b) APPLICATION.—This section applies to national security systems except for subparagraph (3)(A).

SEC. 4134. SPECIFIC AUTHORITY.

(a) IN GENERAL.—The authority of the head of an executive agency under section 4101 and the authorities referred to in such section includes but is not limited to the following authorities:

(1) To acquire information technology as authorized by law.

(2) To enter into a contract that provides for multi-agency acquisitions of information technology subject to the approval and guidance of the Director.

(3) If the Director, based on advice from the Chief Information Officers Council or interagency functional groups, finds that it would be advantageous for the Federal Government to do so, to enter into a multi-agency contract for procurement of commercial items that requires each agency covered by the contract, when procuring such items, either to procure the items under that contract or to justify an alternative procurement of the items.

(4) To establish and support one or more independent technical review committees, composed of diverse agency personnel (including users) and outside experts selected by the head of the executive agency, to advise the head of the executive agency about information systems programs.

(b) FTS 2000 PROGRAM.—Notwithstanding any other provision of this or any other law, the General Services Administration shall continue to manage the FTS 2000 program, and to coordinate the follow-on to that program, on behalf and with the advice of the Federal agencies.

SEC. 4135. AGENCY CHIEF INFORMATION OFFICER.

(a) DESIGNATION OF CHIEF INFORMATION OFFICERS.—Section 3506(a) of title 44, United States Code, is amended by striking out ''senior official'' wherever it appears and inserting in lieu thereof ''Chief Information Officer''; and by striking out ''official'' wherever it appears and inserting in lieu thereof ''Officer''.

(b) IN GENERAL.—The chief information officer of an executive agency shall be responsible for—

(1) providing advice and other assistance to the head of the executive agency and other senior management personnel of the executive

agency to ensure that information technology is acquired and information resources are managed for the agency in a manner that implements the policies and procedures of this division and the priorities established by the agency head;

(2) developing, maintaining and facilitating the implementation of a sound and integrated information architecture for an agency; and

(3) promoting the effective and efficient design and operation of all major information resources management processes including work process improvements for an agency.

(c) DUTIES AND QUALIFICATIONS.—Duties and qualifications of chief information officers in agencies listed in section 901(b)(1) of title 31, United States Code:

(1) Information resources management duties shall be a primary duty of the chief information officer.

(2) The chief information officer shall monitor the performance of information technology programs of the executive agency, evaluate the performance on the basis of the applicable performance measurements, and advise the head of the executive agency regarding whether to continue or terminate programs and/or projects.

(3) The chief information officer shall, as part of the strategic planning process required under Government Performance and Results Act, annually—

(A) perform an assessment of the agency's knowledge and skill requirements in information resources management for achieving performance goals;

(B) an analysis of the degree to which existing positions and personnel, both at the executive and management levels, meet those requirements;

(C) develop strategies and specific plans for hiring, training and professional development to narrow the gap between needed and existing capability; and

(D) report to the agency head on the progress made in improving information management capability.

(4) Agencies may establish Chief Information Officers for major subcomponents or bureaus.

(5) Agency chief information officers shall possess demonstrated ability in general management of, and knowledge of and extensive practical experience in, information and information technology management practices of business or government entities.

(6) For each chief information officer, a deputy chief information officer shall be appointed by the agency head reporting directly to the respective agency or component chief information officer. Deputy chief information officers shall have demonstrated ability and experience in general management, business process analysis, software and information systems development, design and management of information technology architectures, data and telecommunications management at government or business entities.

(d) EXECUTIVE LEVEL IV.—Section 5315 of title 5, United States Code, is amended by adding at the end the following: ''Agency chief information officers designated under section 4135(c) of the Information Technology Management Reform Act of 1995.''.

(e) APPLICATION.—This section applies to national security systems.

SEC. 4136. ACCOUNTABILITY.

(a) SYSTEM OF CONTROLS.—The head of each executive agency, in consultation with the chief information officer and the chief financial officer of that agency (or, in the case of an agency without a chief financial officer, any comparable official), shall establish policies and procedures that—

(1) ensure that the accounting, financial, and asset management systems and other information systems of the agency are designed, developed, maintained, and used effectively to provide financial or program performance data for financial statements of the agency;

(2) ensure that financial and related program performance data are provided on a reliable, consistent, and timely basis to agency financial management systems; and

(3) ensure that financial statements support—

(A) assessment and revision of mission-related processes and administrative processes of the agency; and

(B) performance measurement in the case of information system investments made by the agency.

(b) INFORMATION RESOURCES MANAGEMENT PLAN.—The information resources management plan required under section 3506(b)(2) of title 44, United States Code shall—

(1) be consistent with the strategic plan prepared by the head of the agency pursuant to section 306 of title 5, United States Code, where applicable, and the agency head's mission analysis, and ensure that the agency information systems conform to those plans. The plan shall provide for applying information technology and other information resources in support of the performance of the missions of the agency and shall include the following:

(A) A statement of goals for improving the contribution of information resources to program productivity, efficiency, and effectiveness.

(B) Methods for measuring progress toward achieving the goals.

(C) Assignment of clear roles, responsibilities, and accountability for achieving the goals.

(D) A description of—

(i) the major existing and planned information technology components (such as information systems and telecommunication networks) of the agency and the relationship among the information technology components; and

(ii) the information architecture for the agency.

(E) A summary, for each ongoing or completed major information systems investment from the previous year, of the project's status and any changes in name, direction or scope, quantifiable results achieved and current maintenance expenditures.

(c) AGENCY INFORMATION.—The head of an executive agency shall periodically evaluate and, as necessary, improve the accuracy, security, completeness, and reliability of information maintained by or for the agency.

(d) APPLICATION.—This section applies to national security systems except for subsection (b).

SEC. 4137. SIGNIFICANT FAILURES.

The agency shall include in the plan required under section 3506(b)(2) of title 44, United States Code, a justification for the continuation of any major information technology acquisition program, or phase or increment of such program, that has significantly deviated from the established cost, performance, or schedule baseline.

SEC. 4138. INTERAGENCY SUPPORT.

The heads of multiple executive agencies are authorized to utilize funds appropriated for use in oversight, acquisition and procurement of information technology to support the activities of the Chief Information Officers Council established pursuant to section 4141 and to such independent review committees and interagency groups established pursuant to section 4151 in such manner and amounts as prescribed by the Director.

Subtitle D—Chief Information Officers Council

SEC. 4141. ESTABLISHMENT OF CHIEF INFORMATION OFFICERS COUNCIL.

(a) ESTABLISHMENT.—There is established a Chief Information Officers Council, consisting of—

(1) the Deputy Director for Management of the Office of Management and Budget, who shall act as chairperson of the council;

(2) the Administrator of the Office of Information and Regulatory Affairs of the Office of Management and Budget;

(3) the Administrator of General Services;

(4) the Administrator of the Office of Federal Procurement Policy of the Office of Management and Budget;

(5) the Controller of the Office of Federal Financial Management of the Office of Management and Budget; and

(6) each of the Chief Information Officers from those agencies listed in section 901(b)(1) of title 31, United States Code, along with a Chief Information Officer representing other Executive agencies.

(b) FUNCTIONS.—The Chief Information Officers Council shall meet periodically to advise and coordinate the activities of the agencies of its members by—

(1) obtaining advice on information resources, information resources management, including the reduction of information collection burdens on the public, and information technology from State, local, and tribal governments and from the private sector;

(2) making recommendations to the Director of the Office of Management and Budget regarding Federal policies and practices on information resources management, including the reduction of information collection burdens on the public, to increase the efficiency and effectiveness of Federal programs;

(3) providing for the Director of the Office of Management and Budget to establish temporary special advisory groups to the Chief Information Officers Council, composed of senior officials from industry, academia and the Federal Government, to review Governmentwide information technology programs, information technology acquisitions, and issues of information technology policy; and

(4) reviewing agency programs and processes, to identify opportunities for consolidation of activities or cooperation.

(c) CONSIDERATION.—The Chief Information Officers Council shall consider national security systems for advice or coordination only with the consent of the affected agency.

(d) CONSULTATION.—The Chief Information Officers Council shall consult with the Public Printer appointed under section 301 of title 44, United States Code, regarding implementation of section 4819 of this division.

Subtitle E—Interagency Functional Groups

SEC. 4151. ESTABLISHMENT.

(a) IN GENERAL.—The President may direct the establishment of one or more interagency groups to advise the Director and the agencies, known as ''functional groups''—

(1) to examine areas including telecommunications, software engineering, common administrative and programmatic applications, computer security, and information policy, that would benefit from a Governmentwide or multiagency perspective;

(2) to submit to the Chief Information Officers Council proposed solutions for problems in specific common operational areas;

(3) to promote cooperation among agencies on information technology matters;

(4) to review and make recommendations to the Director and the agencies concerned regarding major or high risk information technology acquisitions; and

(5) to otherwise improve the efficiency of information technology to support agency missions.

(b) TEMPORARY SPECIAL ADVISORY GROUPS.—The Director of the Office of Management and Budget is authorized to establish temporary special advisory groups to the functional groups, composed of experts from industry, academia and the Federal Government, to review Governmentwide information technology programs, major or high-risk information technology acquisitions, and issues of information technology policy.

SEC. 4152. SPECIFIC FUNCTIONS.

(a) The functions of an interagency functional group are as follows:

(1) To identify common goals and requirements for common agency programs.

(2) To develop a coordinated approach to meeting agency requirements, including coordinated budget estimates and procurement programs.

(3) To identify opportunities to share information for improving the quality of the performance of agency functions, for reducing the cost of agency programs, and for reducing burdens of agency activities on the public.

(4) To coordinate activities and the sharing of information with other functional groups.

(5) To make recommendations to the heads of executive agencies and to the Director of the Office of Management and Budget regarding the selection of protocols and other standards for information technology, including security standards.

(6) To support interoperability among information systems.

(7) To perform other functions, related to the purposes set forth in section 4151(a), that are assigned by the chief Information Officers Council.

(b) Interagency functional groups may perform these functions with respect to national security systems only with the consent of the affected agency.

Subtitle F—Other Responsibilities

SEC. 4161. RESPONSIBILITIES UNDER THE COMPUTER SECURITY ACT OF 1987.

(a) IN GENERAL.—(1) The Secretary of Commerce shall, on the basis of standards and guidelines developed by the National Institute of Standards and technology pursuant to section 20(a) (2) and (3) of the National Bureau of Standards Act, promulgate standards and guidelines pertaining to Federal computer systems, making such standards compulsory and binding to the extent to which the Secretary determines necessary to improve the efficiency of operation or security and privacy of Federal computer systems. The President may disapprove or modify such standards and guidelines if he determines such action to be in the public interest. The President's authority to disapprove or modify such standards and guidelines may not be delegated. Notice of such disapproval or modification shall be submitted promptly to the Committee on Government Reform and Oversight of the House of Representatives and the Committee on Governmental Affairs of the Senate and shall be published promptly in the Federal Register. Upon receiving notice of such disapproval or modification, the Secretary of Commerce shall immediately rescind or modify such standards or guidelines as directed by the President.

(2) The head of a Federal agency may employ standards for the cost effective security and privacy of sensitive information in a Federal computer system within or under the supervision of that agency that are more stringent than the standards promulgated by the Secretary of Commerce, if such standards contain, at a minimum, the provisions of those applicable standards made compulsory and binding by the Secretary of Commerce.

(3) The standards determined to be compulsory and binding may be waived by the Secretary of Commerce in writing upon a determination that compliance would adversely affect the accomplishment of the mission of an operator of a Federal computer system, or cause a major adverse financial impact on the operator which is not offset by Governmentwide savings. The Secretary may delegate to the head of one or more Federal agencies authority to waive such standards to the extent to which the Secretary determines such action to be necessary and desirable to allow for timely and effective implementation of Federal computer system standards. The head of such agency may redelegate such authority only to a Chief Information Officer designated pursuant to section 3506 of title 44, United States Code. Notice of each such waiver and delegation shall be transmitted promptly to the Committee on Government Reform and Oversight of the House of Representatives and the Committee on Governmental Affairs of the Senate and shall be published promptly in the Federal Register.

(4) As used in this section, the terms ''Federal computer system'' and ''operator of a Federal computer system'' have the meanings given in section 20(d) of the National Bureau of Standards Act.

(b) EXERCISE OF AUTHORITY.—The authority conferred upon the Secretary by this section shall be exercised subject to direction by the President and in coordination with the Director of the Office of Management and Budget to ensure fiscal and policy consistency.

(c) TECHNICAL AND CONFORMING AMENDMENT.—Subsections 3504(g) (2) and (3), and 3506(g) (2) and (3) to title 44, United States Code, are each amended by inserting the phrase ''and section 161 of the Information Technology Reform Act of 1995'' after the phrase ''the Computer Security Act of 1987 (P.L. 100–235).

Subtitle G—Sense of Congress

SEC. 4171. SENSE OF CONGRESS.

It is the sense of Congress over the next five years that executive agencies should achieve at least a real 5 percent per year decrease in the cost incurred by the agency for operating and maintaining information technology, and a real 5 percent per year increase in the efficiency of the agency operations, by reason of improvements in information resources management by the agency.

TITLE XLII—PROCESS FOR ACQUISITIONS OF INFORMATION TECHNOLOGY

Subtitle A—Procedures

SEC. 4201. PROCUREMENT PROCEDURES.

(a) RESPONSIBILITY.—The Director of the Office of Management and Budget of the United States shall issue guidance to be used in conducting information technology acquisitions.

(b) STANDARDS FOR PROCEDURES.—The Director shall ensure that the process for acquisition of information technology is, in general, a simplified, clear, and understandable process that specifically addresses the management of risk.

(c) PERFORMANCE MEASUREMENTS.—The guidance shall include performance measurements and other performance requirements that the Director determines appropriate.

(d) USE OF COMMERCIAL ITEMS.—The guidance shall mandate the use, to the maximum extent practicable, of commercial items to meet the information technology requirements of the executive agency.

(e) DIFFERENTIATED PROCEDURES.—Subject to subsection (b), the Director shall consider whether and, to the extent appropriate, how to differentiate in the treatment and conduct of acquisitions of information technology on any of the following bases:

(1) The dollar value of the acquisition.

(2) The information technology to be acquired, including such consideration as whether the item is a commercial item or an item being developed or modified uniquely for use by one or more executive agencies.

(3) The complexity of the information technology acquisition, including such considerations as size and scope.

(4) The level of risk, including technical and schedule risks.

(5) The level of experience or expertise of the critical personnel in the program office, mission unit, or office of the chief information officer of the executive agency concerned.

(6) the extent to which the information technology may be used Governmentwide or by several agencies.

SEC. 4202. INCREMENTAL ACQUISITION OF INFORMATION TECHNOLOGY.

(a) CIVILIAN AGENCIES.—

(1) PROCEDURES AUTHORIZED.—Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.) is amended by inserting after section 303H the following new section:

''MODULAR CONTRACTING

''SEC. 303I. (a) IN GENERAL.—An executive agency's need for a major system of information technology should, to the maximum extent practicable, be satisfied in successive acquisitions of interoperable increments pursuant to subsections (b) and (c). Such increments shall comply with readily available standards such that they can be connected to other increments that comply with such standards.

''(b) DIVISION OF ACQUISITIONS INTO INCREMENTS.—Under the successive, incremental acquisition process, a major system of information technology may be divided into several smaller acquisition increments that—

''(1) are easier to manage individually than would be one extensive acquisition;

''(2) address complex information technology problems incrementally in order to enhance the likelihood of achieving workable solutions for those problems;

''(3) provide for delivery, implementation, and testing of workable systems or solutions in discrete increments each of which comprises a system or solution that is not dependent on any subsequent increment in order to perform its principal functions; and

''(4) provide an opportunity for subsequent increments of the acquisition to take advantage of any evolution in technology or needs that occur during conduct of the earlier increments.

''(c) TIMELY ACQUISITIONS.—(1) A contract for an increment of an information technology acquisition should, to the maximum extent practicable, be awarded within 180 days after the date on which the solicitation is issued, or that increment of the acquisition should be considered for cancellation.

''(2) The information technology provided for in a contract for acquisition of information technology should be delivered within 18 months after the date on which the solicitation resulting in award of the contract was issued.''.

(2) CLERICAL AMENDMENT.—The table of contents in the first section of such Act is amended by inserting after the item relating to section 303H the following new item:

''Sec. 303I Modular contracting.''.

(b) DEPARTMENT OF DEFENSE.—

(1) PROCEDURES AUTHORIZED.—Chapter 137 of title 10, United States Code, is amended by inserting after section 2305 the following new section:

''§ 2305a. Modular Contracting

''(a) IN GENERAL.—An executive agency's need for a major system of information technology should, to the maximum extent practicable, be satisfied in successive acquisitions of interoperable increments pursuant to subsections (b) and (c). Such increments shall comply with readily available standards such that they can be connected to other increments that comply with such standards.

''(b) DIVISION OF ACQUISITIONS INTO INCREMENTS.—Under the successive incremental acquisition process, a major system of information technology may be divided into several smaller acquisition increments that—

''(1) are easier to manage individually than would be one extensive acquisition;

''(2) address complex information technology problems incrementally in order to enhance the likelihood of achieving workable solutions for those problems;

''(3) provide for delivery, implementation, and testing of workable systems or solutions in discrete increments each of which comprises a system or solution that is not dependent on any subsequent increment in order to perform its principal functions; and

''(4) provide an opportunity for subsequent increments of the acquisition to take advantage of any evolution in technology or needs that occur during conduct of the earlier increments.

''(c) TIMELY ACQUISITIONS.—(1) A contract for an increment of an information technology acquisition should, to the maximum extent practicable, be awarded within 180 days after the date on which the solicitation is issued, or that increment of the acquisition should be considered for cancellation.

''(2) The information technology provided for in a contract for acquisition of information technology should be delivered within 18 months after the date on which the solicitation resulting in award of the contract was issued.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2305 the following:

''2305a. Modular contracting.''.

SEC. 4203. TASK AND DELIVERY ORDER CONTRACTS.

(a) CIVILIAN AGENCY ACQUISITIONS.—

(1) REQUIREMENT FOR MULTIPLE AWARDS.—Section 303H(d) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253H(d)) is amended by adding at the end the following new paragraph:

''(4) In exercising the authority under this section for procurement of information technology, the head of an executive agency shall award at least two task or delivery order contracts for the same or similar information technology services or property unless the agency determines that it is not in the best interests of the United States to award two or more such contracts.''.

(2) DEFINITION.—Section 303K of such Act (41 U.S.C. 253K) is amended by adding at the end the following new paragraph:

''(3) The term 'information technology' has the meaning given that term in section 4 of the Information Technology Management Reform Act of 1995.''.

(b) ARMED SERVICES ACQUISITIONS.—

(1) REQUIREMENT FOR MULTIPLE AWARDS.—Section 2304a(d) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(4) In exercising the authority under this section for procurement of information technology, the head of an executive agency shall award at least two task or delivery order contracts for the same or similar information technology services or property unless the agency determines that it is not in the best interests of the United States to award two or more such contracts.''.

(2) DEFINITION.—Section 2304d of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(3) The term 'information technology' has the meaning given that term in section 4 of the Information Technology Management Reform Act of 1995.''.

Subtitle B—Acquisition Management

SEC. 4221. ACQUISITION MANAGEMENT TEAM.

(a) CAPABILITIES OF AGENCY PERSONNEL.—The head of each executive agency shall ensure that the agency personnel involved in an acquisition of information technology have the experience, and have demonstrated the skills and knowledge, necessary to carry out the acquisition competently.

(b) USE OF OUTSIDE ACQUISITION TEAM.—If the head of the executive agency determines that such personnel are not available for carrying out the acquisition, the head of that agency should consider designating a capable executive agent to carry out the acquisition.

SEC. 4222. OVERSIGHT OF ACQUISITIONS.

It is the sense of Congress that the director of the Office of Management and Budget, the heads of executive agencies, and the inspectors general of executive agencies, in performing responsibilities for oversight of information technology acquisitions, should emphasize reviews of the operational justifications for the acquisitions, the results of the acquisition programs, and the performance measurements established for the information technology rather than reviews of the acquisition process.

TITLE XLIII—INFORMATION TECHNOLOGY ACQUISITION PILOT PROGRAMS

Subtitle A—Conduct of Pilot Programs

SEC. 4301. AUTHORIZATION TO CONDUCT PILOT PROGRAMS.

(a) IN GENERAL.—

(1) PURPOSE.—The Administrator for Federal Procurement Policy (hereinafter referred to as the ''Administrator''), in consultation with the Administrator for the Office of Information and Regulatory Affairs shall be authorized to conduct pilot programs in order to test alternative approaches for acquisition of information technology and other information resources by executive agencies.

(2) MULTI-AGENCY, MULTI-ACTIVITY CONDUCT OF EACH PROGRAM.—Except as otherwise provided in this title, each pilot program conducted under this title shall be carried out in not more than two procuring activities in each of two executive agencies designated by the Administrator. The head of each designated executive agency shall, with the approval of the Administrator, select the procuring activities of the agency to participate in the test and shall designate a procurement testing official who shall be responsible for the conduct and evaluation of the pilot program within the agency.

(b) LIMITATIONS.—

(1) NUMBER.—Not more than two pilot programs shall be conducted under the authority of this title, including one pilot program each pursuant to the requirements of sections 4321 and 4322.

(2) AMOUNT.—The total amount obligated for contracts entered into under the pilot programs conducted under the authority of this title may not exceed $750,000,000. The Administrator shall monitor such contracts and ensure that contracts are not entered into in violation of the limitation in the preceding sentence.

(c) INVOLVEMENT OF CHIEF INFORMATION OFFICERS COUNCIL.—The Administrator may—

(1) conduct pilot programs recommended by the Chief Information Officers Council; and

(2) consult with the Chief Information Officers Council regarding development of pilot programs to be conducted under this section.

(d) PERIOD OF PROGRAMS.—

(1) IN GENERAL.—Subject to paragraph (2), the Administrator shall conduct a pilot program for the period, not in excess of five years, that is determined by the Administrator to be sufficient to establish reliable results.

(2) CONTINUING VALIDITY OF CONTRACTS.—A contract entered into under the pilot program before the expiration of that program shall remain in effect according to the terms of the contract after the expiration of the program.

SEC. 4302. EVALUATION CRITERIA AND PLANS.

(a) MEASURABLE TEST CRITERIA.—The head of each executive agency conducting a pilot program under section 4301 shall establish, to the maximum extent practicable, measurable criteria for evaluating the effects of the procedures or techniques to be tested under the program.

(b) TEST PLAN.—Before a pilot program may be conducted under section 4301 the Administrator shall submit to the Committee on Governmental Affairs and the Committee on Small Business of the Senate and the Committee on Government Reform and Oversight and the Committee on Small Business of the House of Representative a detailed test plan for the program, including a detailed description of the procedures to be used and a list of any regulations that are to be waived.

SEC. 4303. REPORT.

(a) REQUIREMENT.—Not later than 180 days after the completion of a pilot program conducted under this title the Administrator shall—

(1) submit to the Director of the Office of Management and Budget a report on the results and findings under the program; and

(2) provide a copy of the report to the Committee on Governmental Affairs and the Committee on Small Business of the Senate, and the Committee on Government Reform and Oversight and the Committee on Small Business of the House of Representatives.

(b) CONTENT.—The report shall include the following:

(1) A detailed description of the results of the program, as measured by the criteria established for the program.

(2) A discussion of any legislation that the Administrator recommends, or changes in regulations that the Administrator considers necessary, in order to improve overall information resources management within the Federal Government.

SEC. 4304. RECOMMENDED LEGISLATION.

If the Director of the Office of Management and Budget determines that the results and findings under a pilot program under this title indicate that legislation is necessary or desirable in order to improve the process for acquisition of information technology, the Director shall transmit the Director's recommendations for such legislation to the Committee on Governmental Affairs and the Committee on Small Business of the Senate and the Committee on Government Reform and Oversight and the Committee on Small Business of the House of Representatives.

SEC. 4305. RULE OF CONSTRUCTION.

Nothing in this title shall be construed as authorizing the appropriation or obligation of funds for the pilot programs conducted pursuant to this title.

Subtitle B—Specific Pilot Programs

SEC. 4321. SHARE-IN-SAVINGS PILOT PROGRAM.

(a) REQUIREMENT.—The Administrator may authorize agencies to carry out a pilot program to test the feasibility of—

(1) contracting on a competitive basis with a private sector source to provide the Federal Government with an information technology solution for improving mission-related or administrative processes of the Federal Government; and

(2) paying the private sector source an amount equal to a portion of the savings derived by the Federal Government from any improvements in mission-related processes and administrative processes that result from implementation of the solution.

(b) PROGRAM CONTRACTS.—Up to five contracts for one project each may be entered into under the pilot program.

(c) SELECTION OF PROJECTS.—The projects shall be selected by the Administrator, in consultation with the Administrator for the Office of Information and Regulatory Affairs, from among projects recommended by the Chief Information Officers Council.

SEC. 4322. SOLUTIONS-BASED CONTRACTING PILOT PROGRAM.

(a) IN GENERAL.—The Administrator may authorize agencies to carry out a pilot program to test the feasibility of the use of solutions-based contracting for acquisition of information technology.

(b) SOLUTIONS-BASED CONTRACTING DEFINED.—For purposes of this section, solutions-based contracting is an acquisition method under which the Federal Government user of the technology to be acquired defines the acquisition objectives, uses a streamlined contractor selection process, and allows industry sources to provide solutions that attain the objectives effectively. The emphasis of the method is on obtaining from industry an optimal solution.

(c) PROCESS.—The Administrator shall require use of the following process for acquisitions under the pilot program:

(1) ACQUISITION PLAN EMPHASIZING DESIRED RESULT.—Preparation of an acquisition plan that defines the functional requirements of the intended users of the information technology to be acquired, identifies the operational improvement results to be achieved, and defines the performance measurements to be applied in determining whether the information technology acquired satisfies the defined requirements and attains the identified results.

(2) RESULTS-ORIENTED STATEMENT OF WORK.—Use of a statement of work that is limited to an expression of the end results or performance capabilities desired under the acquisition plan.

(3) SMALL ACQUISITION ORGANIZATION.—Assembly of small acquisition organization consisting of the following:

(A) An acquisition management team, the members of which are to be evaluated and rewarded under the pilot program for contributions toward attainment of the desired results identified in the acquisition plan.

(B) A small source selection team composed of representatives in the specific mission or administrative area to be supported by the information technology to be acquired, a contracting officer, and persons with relevant expertise.

(4) USE OF SOURCE SELECTION FACTORS EMPHASIZING SOURCE QUALIFICATIONS.—Use of source selection factors that are limited to determining the qualifications of the offeror, including such factors as personnel skills, previous experience in providing other private or public sector organizations with solutions for attaining objectives similar to the objectives to be attained in the acquisition, past contract performance, qualifications of the proposed program manager, and the proposed management plan.

(5) OPEN COMMUNICATIONS WITH CONTRACTOR COMMUNITY.—Open availability of the following information to potential offerors:

(A) The agency mission to be served by the acquisition.

(B) The functional process to be performed by use of information technology.

(C) The process improvements to be attained.

(6) SIMPLE SOLICITATION.—Use of a simple solicitation that sets forth only the functional work description, source selection factors, the required terms and conditions, instructions regarding submission of offers, and the estimate of the Federal Government's budget for the desired work.

(7) SIMPLE PROPOSALS.—Submission of oral proposals and acceptance of written supplemental submissions that are limited in size and scope and contain information on the offeror's qualifications to perform the desired work together with information of past contract performance.

(8) SIMPLE EVALUATION.—Use of a simple evaluation process, to be completed within 45 days after receipt of proposals, which consists of the following:

(A) Identification of the offerors that are within the competitive range of most of the qualified offerors.

(B) Issuance of invitations for at least three and not more than five of the identified offerors to make oral presentations to, and engage in discussions with, the evaluating personnel regarding the qualifications of the offerors, including how the qualifications of each offeror relate to the approaches proposed to be taken by the offeror in the acquisition.

(C) Evaluation of the qualifications of the identified offerors on the basis of submissions required under the process and any oral presentations made by, and any discussions with, the offerors.

(9) SELECTION OF MOST QUALIFIED OFFEROR.—A selection process consisting of the following:

(A) Identification of the most qualified source, and ranking of alternative sources, primarily on the basis of the oral proposals, presentations, and discussions, but taking into consideration supplemental written submissions.

(B) Conduct for 30 to 60 days of a program definition phase, funded by the Federal Government—

(i) during which the selected source, in consultation with one or more intended users, develops a conceptual system design and technical approach, defines logical phases for the project, and estimates the total cost and the cost for each phase; and

(ii) after which a contract for performance of the work may be awarded to that source on the basis of cost, the responsiveness, reasonableness, and quality of the proposed performance, and a sharing of risk and benefits between the source and the Government.

(C) Conduct of as many successive program definition phases with the alternative sources (in the order ranked) as is necessary in order to award a contract in accordance with subparagraph (B).

(10) SYSTEM IMPLEMENTATION PHASING.—System implementation to be executed in phases that are tailored to the solution, with various contract arrangements being used, as appropriate, for various phases and activities.

(11) MUTUAL AUTHORITY TO TERMINATE.—Authority for the Federal Government or the contractor to terminate the contract without penalty at the end of any phase defined for the project.

(12) TIME MANAGEMENT DISCIPLINE.—Application of a standard for awarding a contract within 60 to 90 days after issuance of the solicitation.

(d) PILOT PROGRAM DESIGN.—

(1) JOINT PUBLIC-PRIVATE WORKING GROUP.—The Administrator, in consultation with the Administrator for the Office of Information and Regulatory Affairs shall establish a joint working group of Federal Government personnel and representatives of the information technology industry to design a plan for conduct of the pilot program. The establishment and operation of this working group shall not be subject to the requirements of the Federal Advisory Committee Act, Public Law 92–463, as amended (5 U.S.C. App.).

(2) CONTENT OF PLAN.—The plan shall provide for use of solutions-based contracting in the Department of Defense and not more than two other executive agencies for a total of—

(A) not more than 10 projects, each of which has an estimated cost of between $25,000,000 and $100,000,000; and

(B) not more than 10 projects, each of which has an estimated cost of between $1,000,000 and $5,000,000, to be set aside for small business concerns.

(3) COMPLEXITY OF PROJECTS.—(A) Subject to subparagraph (C), each acquisition project under the pilot program shall be sufficiently complex to provide for meaningful evaluation of the use of solutions-based contracting for acquisition of information technology for executive agencies.

(B) In order for an acquisition project to satisfy the requirement in subparagraph (A)—

(i) the solution for attainment of the executive agency's objectives under the project should not be obvious, but rather shall involve a need for some innovative development; and

(ii) the project shall incorporate all elements of system integration.

(C) An acquisition project should not be so extensive or lengthy as to result in undue delay in the evaluation of the use of solutions-based contracting.

(e) USE OF EXPERIENCED FEDERAL PERSONNEL.—Only Federal Government personnel who are experienced, and have demonstrated success, in managing or otherwise performing significant functions in complex acquisitions shall be used for evaluating offers, selecting sources, and carrying out the performance phases in an acquisition under the pilot program.

(f) MONITORING BY GAO.—

(1) REQUIREMENT.—The Comptroller General of the United States shall—

(A) monitor the conduct, and review the results, of acquisitions under the pilot program; and

(B) submit to Congress periodic reports containing the views of the Comptroller General on the activities, results, and findings under the pilot program.

(2) EXPIRATION OF REQUIREMENT.—The requirement under paragraph (1)(B) shall terminate after submission of the report that contains the final views of the Comptroller General on the last of the acquisition projects completed under the pilot program.

TITLE XLIV—OTHER INFORMATION RESOURCES MANAGEMENT REFORM

SEC. 4401. ON-LINE MULTIPLE AWARD SCHEDULE CONTRACTING.

(a) AUTOMATION OF MULTIPLE AWARD SCHEDULE CONTRACTING.—(1) In order to provide for the economic and efficient procurement of information technology, the Administrator of General Services shall establish a program for the development and implementation of a system to provide Governmentwide, on-line computer access to information on information technology products and services that are available for ordering through multiple award schedules.

(2) The system required by paragraph (1) shall, at a minimum—

(A) provide basic information on prices, features, and performance of all products and services available for ordering through the multiple award schedules;

(B) provide for updating that information to reflect changes in prices, features, and performance as soon as information on the changes becomes available;

(C) enables users to make on-line computer comparisons of the prices, features, and performance of similar products and services offered by various vendors;

(D) enable users to place, and vendors to receive, on-line computer orders for products and services available for ordering through the multiple award schedules (up to the maximum order limitation of the applicable schedule contract);

(E) enable ordering agencies to make payments to contractors by bank card, electronic funds transfer, or other automated methods in cases in which it is practicable and in the interest of the Federal Government to do so; and

(F) archive data relating to each order placed against multiple award schedule contracts using such system, including, at a minimum, data on—

(i) the agency or office placing the order;

(ii) the vendor receiving the order;

(iii) the products or services ordered; and

(iv) the total price of the order.

(3)(A) The system required by paragraph (1) shall be implemented not later than January 1, 1998.

(B) The Administrator shall certify to Congress that the system required by paragraph (1) has been implemented at such time as a system meeting the requirements of paragraph (2) is in place and accessible by at least 90 percent of the potential users in the departments and agencies of the Federal Government.

(4) Orders placed against multiple award schedule contracts through the system required by paragraph (1) may be considered for purposes of the determinations regarding implementation of the capability described under subsection (b) of section 30A of the Office of Federal Procurement Policy Act (41 U.S.C. 426a) and implementation of such capability under subsection (d) of such section.

(b) STREAMLINED PROCEDURES; PILOT PROGRAM.—(1)(A) In order to provide for compliance with provisions of law requiring the use of competitive procedures in Federal Government procurement, the procedures established by the Administrator of General Services for the program referred to in subsection (a) shall include requirements for—

(i) participation in multiple award schedule contracts to be open to all responsible and responsive sources; and

(ii) orders to be placed using a process which results in the lowest overall cost alternative to meet the needs of the Government, except in a case in which a written determination is made (in accordance with such procedures) that a different alternative would provide a substantially better overall value to the Government.

(B) The Administrator may require offerors to agree to accept orders electronically through the electronic exchange of procurement information in order to be eligible for award of a multiple award schedule contract.

(C) Regulations on the acquisition of commercial items issued pursuant to section 8002 of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355; 108 Stat. 3386; 41 U.S.C. 264 note) shall apply to multiple award schedule contracts.

(2) Within 90 days after the Administrator makes the certification referred to in subsection (a)(3)(B), the Administrator shall establish a pilot program to test streamlined procedures for the procurement of information technology products and services available for ordering through the multiple award schedules. The Administrator shall provide for the pilot program to be applicable to all multiple award schedule contracts for the purchase of information technology and to test the following procedures:

(A) A procedure under which negotiation of the terms and conditions for a covered multiple award schedule contract is limited to terms and conditions other than price.

(B) A procedure under which the vendor establishes the prices under a covered multiple award schedule contract and may adjust those prices at any time in the discretion of the vendor.

(C) A procedure under which a covered multiple award schedule contract is awarded to any responsible and responsive offeror that—

(i) has a suitable record of past performance on Federal Government contracts, including multiple award schedule contracts;

(ii) agrees to terms and conditions that the Administrator determines as being required by law or as being appropriate for the purchase of commercial items; and

(iii) agrees to establish and update prices and to accept orders electronically through the automated system established pursuant to subsection (a).

(3)(A) Not later than three years after the date on which the pilot program is established, the Comptroller General of the United States shall review the pilot program and report to the Committee on Governmental Affairs and the Committee on Small Business of the Senate and the Committee on Government Reform and Oversight and the Committee on Small Business of the House of Representatives on the results of the pilot program.

(B) The report shall include the following:

(i) An evaluation of the extent of the competition for the orders placed under the pilot program.

(ii) The effect of the pilot program on prices charged under multiple award schedule contracts.

(iii) The effect of the pilot program on paperwork requirements for multiple award schedule contracts and orders.

(iv) The impact of the pilot program on small businesses and socially and economically disadvantaged small businesses.

(4) Unless reauthorized by Congress, the authority of the Administrator to award contracts under the pilot program shall expire four years after the date on which the pilot program is established. Contracts entered into before the authority expires shall remain in effect in accordance with their terms notwithstanding the expiration of the authority to enter new contracts under the pilot program.

(c) DEFINITIONS.—In this section:

(1) The term ''information technology'' has the meaning given that term in section 4 of this Act.

(2) The term ''commercial item'' has the meaning given the term in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)).

(3) The term ''competitive procedures'' has the meaning given the term in section 309(b) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 259(b)).

SEC. 4402. DISPOSAL OF EXCESS COMPUTER EQUIPMENT.

(a) AUTHORITY TO DONATE.—The head of an executive agency may, without regard to the procedures otherwise applicable under title II of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.), convey without consideration all right, title, and interest of the United States in any computer equipment under the control of such official that is determined under title II of such Act as being excess property to a recipient in the following order of priority:

(1) Elementary and secondary schools under the jurisdiction of a local educational agency and schools funded by the Bureau of Indian Affairs.

(2) Public libraries.

(3) Public colleges and universities.

(b) INVENTORY REQUIRED.—Upon the enactment of this Act, the head of an executive agency shall inventory all computer equipment under the control of that official and identify in accordance with title II of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.) the equipment, if any, that is excess property.

(c) DEFINITIONS.—In this section:

(1) The term ''excess property'' has the meaning given such term in section 3 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 472).

(2) The terms ''local educational agency'', ''elementary school'', and ''secondary school'' have the meanings given such terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

SEC. 4403. LEASING INFORMATION TECHNOLOGY.

(a) ANALYSIS BY GAO.—The Comptroller General of the United States shall perform a comparative analysis of alternative means of financing the acquisition of information technology. The analysis should—

(1) investigate the full range of alternative financing mechanisms, to include leasing, purchasing and rentals of new and used equipment; and

(2) assess the relative costs, benefits and risks of alternative financing options for the Federal Government.

(b) LEASING GUIDELINES.—Based on the analysis, the Comptroller General shall develop recommended guidelines for financing information technology for executive agencies.

TITLE XLV—PROCUREMENT PROTEST AUTHORITY OF THE COMPTROLLER GENERAL

SEC. 4501. PERIOD FOR PROCESSING PROTESTS.

Section 3554(a) of title 31, United States Code, is amended—

(1) in paragraph (1), by striking out ''paragraph (2)'' in the second sentence and inserting in lieu thereof ''paragraphs (2) and (5)''; and

(2) by adding at the end the following:

''(5)(A) The requirements and restrictions set forth in this paragraph apply in the case of a protest in a procurement of information technology.

''(B) The Comptroller General shall issue a final decision concerning a protest referred to in subparagraph (A) within 45 days after the date of the protest is submitted to the Comptroller General.

''(C) The disposition under this subchapter of a protest in a procurement referred to in subparagraph (A) bars any further protest under this subchapter by the same interested party on the same procurement.''.

SEC. 4502. DEFINITION.

Section 3551 of title 31, United States Code, is amended by adding at the end the following:

''(4) The term 'information technology' has the meaning given that term in section 4 of the Information Technology Management Reform Act of 1995.''.

SEC. 4503. EXCLUSIVITY OF ADMINISTRATIVE REMEDIES.

Section 3556 of title 31, United States Code, is amended by striking out the first sentence and inserting in lieu thereof the following:

''Notwithstanding any other provision of law, the Comptroller General shall have the exclusive administrative authority to resolve a protest involving the solicitation, a proposal for award, or an award of a contract for information technology, to the exclusion of the boards of contract appeals or any other entity. Nothing contained in the subchapter shall affect the right of any interested party to file a protest with the contracting agency or to file an action in a district court of the United States of the United States Court of Federal Claims.''.

TITLE XLVI—RELATED TERMINATIONS, CONFORMING AMENDMENTS, AND CLERICAL AMENDMENTS

Subtitle A—Conforming Amendments

SEC. 4601. AMENDMENTS TO TITLE 10, UNITED STATES CODE.

For the Department of Defense section 2315 of such title is amended by striking out from the words ''Section 111'' through the words ''use of equipment or services if,'' and substituting therein the following:

''For the purposes of the Information Technology Management Reform Act of 1995, the term 'national security systems' means those telecommunications and information systems operated by the Department of Defense, the functions, operation or use of which''.

SEC. 4602. AMENDMENTS TO TITLE 28, UNITED STATES CODE.

Section 612 of title 28, United States Code, is amended—

(1) in subsection (f), by striking out ''section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759)'' and inserting in lieu thereof ''the provisions of law, policies, and regulations applicable to executive agencies under the Information Technology Management Reform Act of 1995'';

(2) in subsection (g), by striking out ''sections 111 and 201 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 and 759)'' and inserting in lieu thereof ''section 201 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481)'';

(3) by striking out subsection (l); and

(4) by redesignating subsection (m) as subsection (l).

SEC. 4603. AMENDMENTS TO TITLE 31, UNITED STATES CODE.

(a) AVAILABILITY OF FUNDS FOLLOWING RESOLUTION OF A PROTEST.—Section 1558(b) of title 31, United States Code, is amended by striking out ''or under section 111(f) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759(f))''.

(b) GAO PROCUREMENT PROTEST SYSTEM.—Section 3552 of such title is amended by striking out the second sentence.

SEC. 4604. AMENDMENTS TO TITLE 38, UNITED STATES CODE.

Section 310 of title 38, United States Code, is amended to read as follows:

''SEC. 310. CHIEF INFORMATION OFFICER.

''(a) The Secretary shall designate a chief information officer for the Department in accordance with section 4135(a) of the Information Technology Management Reform Act of 1995.

''(b) The chief information officer shall perform the duties provided for chief information officers of executive agencies under the Information Technology Management Reform Act of 1995.''.

SEC. 4605. PROVISIONS OF TITLE 44, UNITED STATES CODE, RELATING TO PAPERWORK REDUCTION.

(a) DEFINITION.—Section 3502 of title 44, United States Code, is amended by striking out paragraph (9) and inserting in lieu thereof the following:

''(9) the term 'information technology' has the meaning given that term in section 4004 of the Information Technology Management Reform Act of 1995;''.

(b) DEVELOPMENT OF STANDARDS AND GUIDELINES BY NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.—Section 3504(h)(1)(B) of such title is amended by striking out ''section 111(d) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759(d))'' and inserting in lieu thereof ''paragraphs (2) and (3)

of section 20(a) of the National Institute of Standards and Technology Act (15 U.S.C. 278g–3(a))''.

(c) COMPLIANCE WITH DIRECTIVES.—Section 3504(h)(2) of such title is amended by striking out ''sections 110 and 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 757 and 759)'' and inserting in lieu thereof ''the Information Technology Management Reform Act of 1995 and directives issued under section 110 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 757)''.

SEC. 4606. AMENDMENT TO TITLE 49, UNITED STATES CODE.

Section 40112(a) of title 49, United States Code, is amended by striking out ''or a contract to purchase property to which section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759) applies''.

SEC. 4607. OTHER LAWS.

(a) COMPUTER SECURITY ACT OF 1987.—(1) Section 2(b)(2) of the Computer Security Act of 1987 (Public Law 100–235; 101 Stat. 1724) is amended by striking out ''by amending section 111(d) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759(d))''; and (2) Nothing in the Information Technology Management Reform Act shall affect the limitations on the authorities set forth in Public Law 100–235.

(b) NATIONAL ENERGY CONSERVATION POLICY ACT.—Section 801(b)(3) of the National Energy Conservation Policy Act (42 U.S.C. 8287(b)(3)) is amended by striking out the second sentence.

(c) NATIONAL SECURITY ACT OF 1947.—Section 3 of the National Security Act of 1947 (50 U.S.C. 403c) is amended by striking out subsection (e).

SEC. 4608. ACCESS OF CERTAIN INFORMATION IN INFORMATION SYSTEMS TO THE DIRECTORY AND SYSTEM OF ACCESS ESTABLISHED UNDER SECTION 4101 OF TITLE 44, UNITED STATES CODE.

Notwithstanding any other provision of this division, if in designing an information technology system pursuant to this division, the agency determines that a purpose of the system is to disseminate information to the public, then the head of such agency shall ensure that information so disseminated is included in the directory created pursuant to section 4101 of title 44, United States Code. Nothing in this section shall authorize the dissemination of information to the public unless otherwise authorized.

SEC. 4609. RULE OF CONSTRUCTION RELATING TO THE PROVISIONS OF TITLE 44, UNITED STATES CODE.

Nothing in this division shall be construed to amend, modify or supercede any provision of title 44, United States Code, other than chapter 35 of title 44, United States Code.

Subtitle B—Clerical Amendment

SEC. 4621. AMENDMENT TO TITLE 38, UNITED STATES CODE.

The table of sections at the beginning of chapter 3 of title 38, United States Code, is amended by striking out the item relating to section 310 and inserting in lieu thereof the following:

''310. Chief information officer.''.

TITLE XLVII—SAVINGS PROVISIONS

SEC. 4701. SAVINGS PROVISIONS.

(a) REGULATIONS, INSTRUMENTS, RIGHTS, AND PRIVILEGES.—All rules, regulations, contracts, orders, determinations, permits, certificates, licenses, grants, and privileges—

(1) which have been issued, made, granted, or allowed to become effective by the Administrator of General Services or the General Services Administration Board of Contract Appeals, or by a court of competent jurisdiction, in connection with an acquisition activity carried out under the section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759), and

(2) which are in effect on the effective date of this title, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the Director of the Office of Management and Budget, any other authorized official, by a court of competent jurisdiction, or by operation of law.

(b) PROCEEDINGS AND APPLICATIONS.—

(1) TRANSFERS OF FUNCTIONS NOT TO AFFECT PROCEEDINGS.—This Act and the amendments made by this Act shall not affect any proceeding, including any proceeding involving a claim or application, in connection with an acquisition activity carried out under section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759) that is pending before the Administrator of General Services or the General Services Administration Board of Contract Appeals on the effective date of this Act.

(2) ORDERS IN PROCEEDINGS.—Orders may be issued in any such proceeding, appeals may be taken therefrom, and payments may be made pursuant to such orders, as if this Act had not been enacted. An order issued in any such proceeding shall continue in effect until modified, terminated, superseded, or revoked by the Director of the Office of Management and Budget, or any other authorized official, by a court of competent jurisdiction, or by operation of law.

(3) DISCONTINUANCE OR MODIFICATION OF PROCEEDINGS NOT PROHIBITED.—Nothing in this subsection prohibits the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this Act had not been enacted.

(4) REGULATIONS FOR TRANSFER OF PROCEEDINGS.—The Director of the Office of Management and Budget may prescribe regulations providing for the orderly transfer of proceedings continued under paragraph (1).

TITLE XLVIII—EFFECTIVE DATES

SEC. 4801. EFFECTIVE DATES.

This Act and the amendments made by this Act shall take effect 180 days after the date of the enactment of this Act.

ADDITIONAL STATEMENTS

LEE ROY SELMON

● Mr. MACK. Mr. President, my good friend and colleague, the senior Senator from Florida, BOB GRAHAM, joins me today on this occasion to honor one of the greatest football players of all time, Lee Roy Selmon.

Lee Roy Selmon was born on October 20, 1954 in Eufaula, OK to Lucious and Jessie Selmon. He played football at Eufaula High School before earning a scholarship to the University of Oklahoma in 1972. He led the Sooners to the national championship while earning a number of post-season individual awards. He was selected to the All Big Eight Conference team his junior and senior years. He was also selected a Consensus All-American and won both the Outland and Lombardi trophies for best collegiate lineman.

In 1976, he became the first draft pick in the history of the Tampa Bay Buccaneers' organization. The Bucs selected Lee Roy not only for his outstanding football ability, but also for his extraordinary leadership and work ethic.

Lee Roy played each game with tremendous tenacity, both physically and mentally. Despite the fact that he was consistently being double and triple teamed throughout his illustrious 10-year career, he still registered an amazing 78½ sacks. His inspirational play was instrumental in guiding the Tampa Bay Buccaneers to their only NFC Championship game appearance in 1979. He went on to play in six consecutive Pro Bowls, earn three All-Pro selections and win the NFL Players Association's NFC Defensive Lineman of the Year Award.

Lee Roy's rare combination of strength, speed and agility transformed the way in which future players would play his position.

On July 29th of this year, Lee Roy was inducted into the Pro Football Hall of Fame. In doing so, he became the first Buccaneer to accomplish this feat. Lee Roy on his induction stated, ''It's more than a dream come true because I never dreamt it. I'm very humbled by it and very thankful for it. I guess sometimes when you don't dream things yourself, then other people have bigger dreams for you.''

Lee Roy's accomplishments are not limited to his play on the gridiron. Since his retirement in 1984, he has remained active in local community efforts.

Lee Roy has always approached his off the field endeavors with the same tenacity that characterized his play on the field. He was chosen one of America's Ten Outstanding Young Men by the United States Jaycees and selected Kiwanis Citizen of the Year for Florida's west coast.

Currently, Lee Roy serves as an associate athletic director at the University of South Florida, where he has been the driving force behind USF's efforts to field an intercollegiate football team.

Mr. President, it is an honor for us, as United States Senators from the great State of Florida, to recognize a man that is revered by many, respected by many more, and well-liked by all. Lee Roy Selmon; a hero in every sense of the word.●

TRIBUTE TO VALORIE J. WATKINS, REGIONAL DIRECTOR FOR SENATOR LARRY CRAIG

● Mr. CRAIG. Mr. President, I rise today to pay tribute to an outstanding staff member of mine, Valorie J. Watkins who has served diligently as my regional director in eastern Idaho over the last several years.

Valorie's tenure as a congressional staff member has been long and distinguished. She has worked in the U.S. Congress for close to 25 years but now moves on to another position as director of alumni relations at Idaho State University in Pocatello, ID.

I have enjoyed working with Valorie over the years. Her leadership, insightful recommendations, and attitude toward serving others have been indispensable to my responsibility of effectively serving the great people of the State of Idaho.

Valorie was born in Pocatello, ID. A long time resident of eastern Idaho, she

graduated from Pocatello High School and received her degree from Idaho State University in 1966.

In 1966 as a bright-eyed and enthusiastic graduate of Idaho State University, she left Pocatello and boarded a plans for Washington, DC and arrived in our Nation's capital without having yet obtained a job. She was quickly hired by the Democratic Congressman from Idaho, Compton White Jr. After Congressman White's defeat in 1966, she immediately came on board Republican Congressman George Hansen's staff. From 1967 to 1969 Valorie proved to be an outstanding staff member for the Congressman and excelled in this capacity. In 1969 she returned with her husband Bill to Pocatello and became a teacher in the local school system and was involved in local education issues.

In 1973, her knowledge and work experience helped her to land a position as district director with one of the great leaders of Idaho, my predecessor, Senator James A. McClure. In this capacity she came to be well respected and looked upon for advice by Senator McClure. She worked for Senator McClure until his retirement in 1991.

Valorie Watkins' work for the people of Idaho is earmarked by her astute ability to keep in close contact with constituents by being involved in her community. She served in many capacities over the years in Pocatello; she has done a immense amount of work with the Greater Pocatello Chamber of Commerce, serving on over eight committees, including serving as a member of the board of directors from 1993 to 1996. She has been heavily involved in the Soroptimist International of Pocatello, from which she received several awards and also served as its president from 1993 to 1994.

In the 16 county region of which she oversaw, Valorie has come to be well respected by many leaders on both sides of the political isle. Valorie has traveled throughout southeast Idaho to small communities like Preston, Montpelier, Soda Springs, and Malad and gained the respect of many Idahoans because of her help. Many leaders have sought her help and advice, including mayors, city councilman, county commissioners, educators and administrators, and Idaho State representatives. She is also well respected by many of the Federal Government agency heads in the area, and has worked closely with some of those individuals to resolve trying cases.

Whenever southeast Idahoans have sought help from my office with a problem with a Federal agency, they most likely have found it with Valorie Watkins. In a more memorable and recent incident, Valorie took the lead in my office's involvement with Tom Johansen, a Pocatello scrap metal dealer who was brought into the national spotlight when he unknowingly bought several thousand tons of sensitive nuclear hardware and blueprints from the Department of Energy at an auction. Valorie's involvement with the case and persistence played a part in forcing the DOE to provide an equitable resolution in what might have otherwise been a disaster for Mr. Johansen.

Valorie's service to the people of Idaho I believe can be summed up from an editorial written by the editor of the Preston Idaho Citizen, a local small town newspaper in eastern Idaho:

> Over the years while Valorie was an aid to Senator Jim McClure and to Senator Larry Craig, she has been a wonderful intermediary for just about anyone who had a challenge that concerned the Federal Government. She is one of the most personable persons that we know and we have been so grateful for her listening ear and her assistance in cases where there has been a need for contact with the Federal Government. Valorie Watkins is most approachable. . . . We see her move as a gain for Idaho State University and a loss for Senator Larry Craig!

And so, Mr. President, as Valorie brings to a close her long and productive career in service to the people of Idaho and this Nation, I wish her and her husband Bill nothing but the very best wishes for happiness and prosperity.●

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to title 46, section 1295(b), of the United States Code, as amended by Public Law 101–595, appoints the following Senators to the Board of Visitors of the U.S. Merchant Marine Academy: the Senator from Louisiana [Mr. BREAUX], from the Committee on Commerce, Science, and Transportation; and the Senator from Hawaii [Mr. INOUYE], at large.

THE ROLE OF RELIGIOUS GROUPS IN CONTEMPORARY POLITICS

Mr. LOTT. Mr. President, yesterday morning, I had the pleasure of appearing on ''Face the Nation,'' an always engaging experience. One of the subjects we covered in our wide-ranging questions and answers was the role of religious groups, in particular the Christian Coalition, in contemporary politics.

During the course of our discussion, I commented on the fact that the Republican Party welcomes the participation of people of all faiths, and I disagreed with those who see something ominous or irregular in what is sometimes called the religious right. These are, in fact, good people who are rightly concerned about the security of their homes, the safety of their children, and the future of family life in America.

Both parties need the participation of people like that. Moral and ethical concerns should not be the singular property of either party. That is what I was trying to convey in my comments concerning religious Americans and the Democratic Party. I meant to express the hope that our fellow citizens, whose religious beliefs lead them to advocate school prayer, engage in home-schooling, or oppose abortion, could feel equally at home on either side of the political fence.

I did not mean to imply, and I regret it if my comments suggested otherwise, that the Democratic Party is without religious members. That of course is not the case. Neither party has a monopoly on faith, although, judging from the results of the 1994 elections, the GOP does seem to have a better track record with miracles.

I want to assure my colleagues, as well as the national television viewing audience of ''Face the Nation,'' that I have the greatest respect for the diversity of faith represented within both Republican and Democratic ranks. And I close with the observation that, during the next 2 months or so, as the Senate deals with the hardest, toughest issues of the day, both sides of the aisle here will need our share of prayers.

ORDERS FOR TUESDAY, SEPTEMBER 12, 1995

Mr. CHAFEE. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9 a.m. on Tuesday, September 12, 1995; that following the prayer, the Journal of proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate immediately resume consideration of H.R. 4, the welfare reform bill.

I ask further unanimous consent that the Senate recess between the hours of 12:30 and 2:15 for the weekly policy conferences to meet.

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

PROGRAM

Mr. CHAFEE. Mr. President, for the information of all Senators, the Senate will resume consideration of the welfare reform bill tomorrow morning. Under a previous consent agreement, there will be a rollcall vote at approximately 9:10 tomorrow morning on or in relation to the Conrad amendment.

Following that vote and a 4-minute debate, there will be a rollcall vote on or in relation to the Feinstein amendment. All Senators can therefore expect two rollcall votes early tomorrow morning.

Following those votes, the Senate will begin debate on the Breaux amendment on maintenance of effort, with a vote to occur on that amendment at 2:15. Senators are also reminded that a cloture motion was filed this evening but in accordance with the consent agreement reached on Friday, that cloture vote will not occur prior to 6 p.m. this forthcoming Wednesday.

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. CHAFEE. If there is no further business to come before the Senate, I

ask unanimous consent that the Senate stand in recess under the previous order following the remarks of Senator FEINSTEIN and Senator PRESSLER.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

UNITED STATES-CHINA RELATIONS: A RIVER TO CROSS

Mrs. FEINSTEIN. Mr. President, 2 weeks ago, I returned from a 6-day trip to China, during which time I spent more than 20 hours in meetings with top-level Chinese officials, including 4 hours with the President of the country, Jiang Zemin, Vice Premier Zhu Rongji, and senior Foreign Ministry officials.

We held wide-ranging discussions on a number of important issues in the United States-China relationship, including several issues which have caused the most serious strain between our two countries since relations were established in 1979.

I believe that these talks were informative and constructive for both sides. And I would like to share with my colleagues some of the major elements of those discussions and my observations as a result of this trip. I first met the President of China while I was mayor of San Francisco. In 1979, the first of my 9 years as mayor, I forged a sister city relationship with Shanghai, the first such relationship between an American and a Chinese city.

Jiang Zemin became mayor of Shanghai in 1985. And we became good friends as we negotiated agreements and overseas projects between our two cities. As partners in this endeavor, we vowed to shrink the vast Pacific Ocean that divides us into a small river across which communication, trade and an exchange of ideas could easily flow.

That was 10 years ago. Jiang Zemin is now President of China, and he leads a nation of 1.2 billion people. Over the last 20 years, I have visited China many times and spent a great deal of time studying its people, its culture, and its political dynamism. I have talked with China scholars and read avidly about this complicated country and its rich 5,000-year history.

Few nations rival China's strategic importance to the United States. China is the largest country in the world, one of the largest economies, one of only five declared nuclear powers, and a permanent member of the United Nations Security Council.

The cold war Soviet axis of power has dissolved in the last 5 years, and as Russia struggles with democracy and works to regain its military and economic stability, China's emerging presence will most certainly shape the balance of power in Asia and in the world.

I wrote to President Jiang on July 11 and expressed my deep concern about the state of United States-China relations. Issues that divide the United States and China today have increasingly prevented a productive exchange of views. And the detention of human rights activist Harry Wu, now an American citizen and resident in my State, had effectively blocked all lines of communication between our two countries.

In my letter, I offered to come to China to discuss the case of Mr. Wu and other matters. President Jiang wrote back and accepted, saying he would welcome my visit to Beijing. My husband and I left on August 17 for Beijing and Shanghai. We met privately with President Jiang for 2 hours and then were joined by Senator and Mrs. JOHNSTON for dinner with the President.

Our discussions with President Jiang were very frank and candid on matters pertaining to relations between our two countries, particularly the issues of Taiwan, the recent visit of Lee Teng-hui, and the detention of Harry Wu.

I delivered a message to President Jiang from President Clinton that he would be most appreciative of any assistance that the Chinese President could provide in the matter of Harry Wu, that Mr. Wu's release would remove an obstacle of communication between the United States and China, and that President Clinton looked forward to meeting with Jiang Zemin to chart a new and mutually beneficial course for Sino-American relations.

President Jiang sent an emissary to me on the morning of my departure from Shanghai with the message that Harry Wu would be released, quite possibly before I left China later that day, which did, in fact, happen just that way. As I left from the Shanghai airport, I saw the Air China flight that was being held for Harry Wu, who was right then on a flight from Wuhan, although I did not know it for sure at that time.

With the status of Mr. Wu resolved, the United States, and President Clinton in particular, now have a historic opportunity to chart the course of United States-China relations into the 21st century.

This will not be an easy road. China and the United States have many differences in culture, in our political systems, in our economic and legal structures. However, what many Americans may not understand is that today we also have many common interests. But the opportunity to bridge our differences and build on our common interests is wholly dependent upon dialogue, something sorely lacking at this time.

At this moment the United States and China have no ambassadors in each other's country, although I understand that this situation will now be partially remedied with the announcement that Ambassador Li Daoyu will soon return to Washington.

One example of the effect of a lack of diplomatic communication is the visit of Taiwanese President Lee Teng-hui to the United States in June. Although, as a U.S. Senator, I understood that there is no more important policy for China than the status of Taiwan as part of China, I and other Senators voted to allow the visit. I never heard from China that what we considered to be a personal visit by an alumnus of an American university would cause such a rift in our relations, and I was stunned by the intense reaction of the Chinese officials.

President Jiang told me that he learned of the decision to allow Lee Teng-hui's visit by reading it in a newspaper. The Chinese were, in turn, stunned by the insensitivity and lack of communication from the United States on what they saw as a major shift in policy toward their country, particularly since they were assured as late as mid-May that U.S. policy would be to refuse such a visit.

In an action that further convinced China that they were seeing an emboldened Taiwan, the day Lee Teng-hui left for the United States, Taiwan held joint military army, navy and air force exercises off the coast of China.

Also, Lee Teng-hui broached a Two Chinas Policy in a speech at Cornell, further inciting Beijing. And no one should think that Beijing did not take this seriously. All of this may have been avoided with consistent and frank dialogue between Beijing and Washington.

Reopening and strengthening diplomatic channels of communication is but one, albeit critical, step in building a new relationship with China. As important as what we seek from China in the way of human rights, open markets and Democratic reform is how we communicate ideals. Americans have a tendency to tell China what to do instead of trying to understand what China needs and how it is to China's interests to do some things. And it is time that we learned that this will not be the most effective method of encouraging change in China.

Much has changed in China since I first visited in 1979. People speak much more freely. Consumer goods from China and all over the world are available more than ever before. The standard of living is up. And privatization of formerly Government-controlled industries is taking hold. When I was there 2 years ago, only 8 percent of the industries were in private hands. Now 20 percent are either in joint venture or private hands, about 40 percent controlled by the central Government, and 40 percent in state cooperatives. A Western-style marketplace in the form of an economic democracy is, in fact, taking place.

The question we must ask ourselves is, Can an economic democracy exist long term without a social democracy following? I believe the answer to that is no. But make no mistake, China today is a Communist country. But by encouraging open markets and privatization of industries, we are exposing China to democracy in a much more effective manner than by calling for it on the front pages of our newspapers or by

making threats we cannot afford to carry out.

The effects of China's move to a free market economy can already be felt in Chinese social life. Shanghai television, for example, has had programs that include a show similar to America's ''All in the Family,'' which ran for 180 episodes, with the Chinese version of Archie Bunker, a stodgy Communist Party official, something I never thought I would see.

Also, there is a ''60 Minutes'' type Shanghai program that exposes Government institutions to questioning—unique in the context of China's long and complicated history.

I believe we will witness even greater changes in the next decade, which can bring China even closer to the West.

China's legal system and concept of individual rights is still primitive by western standards. I believe that the most consequential influence on the human rights situation in China will be the evolution of an independent judiciary and the development of a new set of civil and criminal laws.

Today in China, judges are not independent, either from individual or party persuasion, and there is no real criminal statute on the books to make it a crime to interfere with a judge. So this needs change.

China has asked for help in the evolution of its legal system. The development of due process of law, which in this country guarantees that no one can be picked up by the Government in the middle of the night and simply disappear, is something that is going to make a huge difference in China, and a new civil and criminal code could go a long way toward meaningful human rights advances.

While I was in China, the China daily front page carried articles saying that China welcomed help in evolving a new system of civil and criminal codes. This could go much further in securing major human rights advances, constitutionally and legally, than any rhetoric in this country.

Those in the West who care should utilize this opportunity in a sensitive way to bring many of the virtues of a western legal system to Chinese attention. I believe it is the most significant thing we can do long term.

There are those in this country, I believe, who are unconsciously pushing Sino-American relations into an adversarial position, reminiscent of the days of the Soviet Union. The world was, in a sense, much simpler then: Two major conflicting powers, with smaller nations lining up in each camp. This was good for weapons sales, it repressed many smaller national and ethnic rivalries which are now emerging in the form of civil wars, and it provided a clear role for China as a major geopolitical buffer.

Those days, however, are gone. China has emerged from these changes as a booming economy with the highest rate of economic growth in the world, gradually reducing centralized control of its economy and opening its doors to western entrepreneurship and thought.

All one has to do is contrast Russia today and China to see how centralized control in China has been gradually reduced, keeping stability, opening up entrepreneurship, creating an economic democracy and doing it in a much more successful way. So I believe that how America develops its relationship with China is critical for world peace and stability.

Ever since President Nixon traveled to China in 1972, the United States has maintained a one-China policy. It has been the foundation of Sino-American relations. That policy essentially says that there is only one China and Taiwan is part of China, and it recognizes the People's Republic of China as the sole legal Government of China.

This policy was stated in the 1972 Shanghai communique, the 1979 joint communique on the establishment of diplomatic relations, and the 1982 United States-China joint communique. The one-China policy was and is essential to United States-China relations. It remains essential today.

If China has any doubts about our commitment to this policy, our ability to conduct normal relations with China will be severely curtailed. For China, the question of Taiwan is an issue of sovereignty, and we must understand it as such.

Taiwan has developed well, even within these constraints and, in fact, Taiwan interests have the largest dollar amount of investment on mainland China. Communication has been established and a special across-the-straits initiative has been developed under the leadership of another friend and former Shanghai mayor, Wang DaoHan and Tang Shu Bei, former consul general in San Francisco.

The one-China policy has been beneficial for all three parties: China and the United States have been able to pursue a normal diplomatic relationship, while Taiwan has become economically strong and prosperous. Meanwhile, Taiwan and China have both encouraged the development of extensive economic and cultural ties across the Taiwan Straits.

There are many issues still to resolve with China, as we develop our relationship in the post-cold-war era. Consistent and open dialog is key.

President Jiang told me of an old Chinese proverb: When water flows, there will be a channel.

I truly believe that President Clinton now has the unique opportunity to craft a new course which can result in a stable and secure Asia, free of nuclear proliferation, a serious commitment to arms control, and one that sees China takes its rightful place as a leading nation at the world table.

I thank the Chair. I yield the floor.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER (Mr. SANTORUM). The Senator from South Dakota.

FCC/SPECTRUM/PUBLIC BROADCASTING REFORM

Mr. PRESSLER. Mr. President, as my colleagues know, as chairman of the Committee on Commerce, Science, and Transportation, I have made telecommunications policy reform my top priority for the 104th Congress. I am quite proud of the swift progress made to date, including the sweeping Senate passage of S. 652, the Telecommunications Communications Competition and Deregulation Act of 1995.

As I indicated before we left for the August recess, as significant and necessary as S. 652 is for our country's economic and social well-being in the 21st century, it is only one item in my overall plan for telecommunications policy reform.

Today, I would like to take a few minutes to briefly discuss two additional areas of telecommunications reform I intend to pursue through the remainder of the 104th Congress: Spectrum reform and public broadcasting reform.

Regarding spectrum policy reform, there was a recent essay by William Safire in the New York Times entitled ''The Greatest Auction Ever. Get Top Dollar for the Spectrum.''

Mr. President, I ask unanimous consent that William Safire's article be printed in the RECORD.

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

[From the New York Times Mar. 16, 1995]

THE GREATEST AUCTION EVER

(By William Safire)

WASHINGTON.—They all laughed at the economist Milton Friedman when he suggested a generation ago that the Federal Government auction off broadcast licenses, instead of giving them away to political favorites.

The last laugh is his; last week, in the greatest auction in history, bidders for wireless places on a tiny fragment of the broadband spectrum committed nearly $8 billion to the U.S. Treasury.

And that's only the beginning of the taxpayer's bonanza in the sale of our valuable thin air.

Remember all the talk, eight years go, of high-definition television, the Japanese invention that was supposed to force us all to replace our 200 million TV sets? U.S. manufacturers, with antitrusters' blessing, formed a ''Grand Alliance'' to match the Japanese advance.

Along came an unexpected scientific breakthrough. We leapfrogged the analog (feh!) competition into the brave new digital world. This not only produces a knock-your-socks-off picture but expands each TV channel into five or six wireless channels for video, audio, computer data transmission, telephones and every form of communication short of mental telepathy.

Broadcasters smacked their lips at the bonanza. ''Advanced television is not just about pretty pictures anymore,'' F.C.C. chairman Reed Hundt told Edmund Andrews of The Times, one of the few reporters on top of this story. ''It's about the digitization of television and a huge range of new services.''

It's as if one old oil well gave birth to six new gushers. Broadcasting lobbyists have descended on Congress and the F.C.C. to insure ''flexibility''—that is, to exploit exclusively

all the new technology, and to charge viewers for the ''ancillary and supplementary'' services.

Even if accompanied by payment of rent to the Government, the exclusive arrangement sought by broadcasters would be an outrageous taxpayer ripoff.

What is the digitized, divisible channel worth? Senate Commerce Committee Chairman Larry Pressler gave a hint in an op-ed piece last week, suggesting that noncommercial licensees had a huge hidden asset: ''Public broadcasting stations could rent, sell or make use of the additional channels for other telecommunications and information services.''

Based only on current uses, which are primitive, the market value of the VHF, UHF, cellular, broadband and narrowband spectrum ranges around $120 billion.

But in the near future, your television set will combine with your computers and telephone and fax machine into a single unit you can hang on the wall or fold up in your pocket. That's soon—possibly in the next Presidential term.

I've seen not-for-attribution estimates that the market value of the digitized spectrum in that onrushing era will be—hold your breath—a half-trillion dollars, give or take a hundred billion.

Before rushing into any giveaway, or any long-term exclusive rent-away, we need extended, wide-open, thoroughly debated hearings to make certain of three outcomes:

First, *we want a guarantee of spectrum competition*. The criterion to determine competition must be scrupulously economic, not jiggered by the Government to introduce sexual or racial or ethnic or ideological favoritism. An appeals court yesterday stayed the F.C.C. from holding auctions that favored minority fronts.

Next, *we want a holdback of certain rights*. For example, we can solve the campaign finance dilemma justlikethat by putting a right-of-way in the deed setting aside air time, online time and direct E-mail advertising for candidates, which could be used or traded or sold by them in election campaigns.

Finally, *we want top dollar for our public property*. That means a series of Friedman-style auctions. After the purchases, sophisticated risk-takers and their banking backers can enhance the value of their property at no cost to the taxpayer and with great benefit to the consumer.

Where should the spectrum-sale money go? Toward reduction of the crushing national debt. By recognizing our hidden asset of the spectrum, Americans can ride the wave of the future.

Mr. PRESSLER. Mr. President, a major priority for the 104th Congress involves giving American private enterprise a fuller and fairer chance. Right now, we just have too many rules and too many of them just do not make any sense. Remember, bad rules are not just expensive and foolish, they represent far more than a dead-weight loss for the economy; they are obstacles to progress.

One of the challenges we face today concerns channels that have been earmarked for advanced television. Not only has the FCC set aside a significant number of channels for the broadcast television industry, it has also placed severe restrictions on additional uses of those channels.

Mr. President, technologically speaking, these channels could be used to provide extensive new and competitive offerings, in addition to more TV. Due to advances in digital technology, they could be used for new mobile radio services, for wireless loops that could make the local telephone business more competitive, and for many other services as well.

Legally speaking, however, these channels currently are dedicated to one specific use: High-definition television, or HDTV. In effect, the Washington bureaucracy has defined and limited the future. The bureaucrats, not consumers of the marketplace, have decided what new technology will be offered, where it will be offered and how it will be offered. It is time to revisit these regulatory decisions. If broadcasting is the best and highest use of those channels, let the marketplace make that decision. Once the best use for these channels is determined, how should the licenses be allocated? Again, let the market decide. Consumer choice and preference will quickly choose who best deserves the licenses associated with the new channels.

I thus intend to work toward several changes in the FCC's advanced television broadcasting plan. All of these changes are geared toward unleashing creative powers, not smothering them with FCC rules. Therefore, our committee is considering allowing everyone—broadcasters including—to bid for the right to develop these channels. That bidding process can be carried out through spectrum auctions. At the same time, however, we want to guarantee the winning bidders have sufficient commercial and operational flexibility. In other words, they must be given the discretion to make what they think is the best use of those channels to meet consumer demand and increase consumer choice.

I will chair a Senate Commerce Committee hearing concerning this very topic tomorrow. Earlier this year several newspaper articles, including an excellent piece by William Safire, which I ask to be included in the RECORD following my remarks, characterized the FCC's HDTV plan as ''a billion dollar giveaway.''

At a July 27th Commerce Committee hearing, Henry Geller, former FCC General Counsel and NTIA Administrator, testified that giving broadcasters an additional six megahertz would be a ''national scandal.'' A number of organizations across political lines recently have come out against giving free spectrum to the broadcast industry and support auctioning the advanced television spectrum. Not surprisingly, the television broadcast industry strongly opposes auctioning spectrum which the FCC proposes to give away to them for free.

But beyond the special interest arguments, let me tell you, Mr. President, why this proposal is especially important. It is important because it plays right into another major priority for the 104th Congress—stimulating economic growth.

The great thing about communications technology is that it is such a powerful catalyst for growth. Engineers and economists talk about communications as a leverage technology. Experts point out it is both demand-inducing and cost-reducing at the same time. That is, at the same time advances in communications technology make it possible to encourage consumption and investment, they also make it possible for businesses to keep costs in line. This keeps America competitive.

Mr. President, some of the best economists in the world work for the Japanese Government. They have actually quantified how communications fosters economic growth. Their calculations show that for every dollar we invest in communications, we get almost 3 dollars of growth. That is why telecommunications industries are so important.

You cannot improve and expand communications services, however, if the basic building blocks—like the radio spectrum—are locked up in some regulatory backwater. You cannot improve and expand communications services, if the people who develop innovative ideas are artificially denied the ability to move their product to market.

Getting more spectrum into the hands of more people with more and better ideas on how to use it is a critical objective. Beyond bringing new and exciting technologies to the consumer, it also is an excellent way in which to contribute toward the new jobs, new services, and new investment opportunities this country needs.

This leads to public broadcasting policy reform regarding spectrum.

Such a bold, forward looking approach on spectrum policy reform also creates an opportunity to reinvent and privatize public broadcasting. To borrow a phrase from my good friend, Vice President AL GORE, we need to reinvent the way we finance public broadcasting in this country.

Ever since President Johnson's administration and the heyday of the Great Society, we have relied on taxpayer funds, channeled through the Washington-based bureaucracy at the Corporation for Public Broadcasting. Over the past few decades, literally billions of dollars in appropriations have flowed through Washington back to the public broadcasting stations.

Federal funds successfully have built a nationwide public broadcasting system that enjoys wide support. Viewers such as myself help stations with annual membership dues and other contributions. Corporate underwriting contributes significant programming support. At the same time, Federal financing funneled through a Washington bureaucracy has created a public broadcasting system not necessarily in touch with most Americans. Today the public broadcasting system is mature. It now must be allowed to evolve.

Why? One very good reason is that with today's crushing national debt, all

Federal spending must come under careful scrutiny. Unfortunately, when I first raised the issue of privatizing public broadcasting, no one in the public broadcasting establishment seemed to hear what I was saying. I was accused of trying to kill Big Bird and Barney.

Fortunately, public broadcasting is beginning to look at realistic options for survival in a budget deficit conscious world. I am encouraged by these efforts and look forward to working with my colleagues to ensure public broadcasting continues to serve public needs.

Should we reexamine the charter CPB was given in 1967? I think we should. As I mentioned earlier, today public broadcasting is a mature system. There are still some regions which are not served, but the vast majority of Americans receive one—if not several—public radio and television stations. Efforts to consolidate and increase efficiencies should be encouraged. At the same time, reaching under-served areas of our Nation must remain a primary objective of any reinvented public broadcasting system.

What about programming? Today's competitive marketplace has made the market failure rationale for public funding obsolete in some respects. Cable television network services including the Discovery Channel, the History Channel, Arts & Entertainment, the Disney Channel, Nickelodeon, and others provide quality, educational and artistic programming once thought only available on public television. At the same time, I believe most Americans want more quality children's and educational programming available over free TV. The great promise of broadcasting to educate and uplift our children and our citizens has not been realized. Too much violence and tawdry programming dominates the public's airwaves.

Children's and educational programming should be the primary, if not sole, focus of taxpayer support for public television programming. Public radio also should be helped to flourish.

At the same time, American taxpayers cannot afford to continue the inefficiencies in the current system. Because of historical accident, PBS and National Public Radio, for example, have separate distribution networks. I understand PBS actually has more audio capacity on its system than NPR. However, CPB has no power to make PBS and NPR consolidate and realize these efficiencies. Congress does. We should accept that responsibility and reinvent public broadcasting to provide a meaningful and quality legacy for our children.

We also need to provide public broadcasting with a baseline of support. An excellent model already exists for how a baseline of support can be continued in an industry while providing the flexibility necessary to allow the industry to evolve, improve its product, and expand its services. We have accomplished the kind of privatization of Federal functions I am talking about in other areas—with, for instance, the Federal Home Loan Mortgage Association, the Student Loan Marketing Association—Fannie Mae and Sallie Mae. We can and should do the same for public broadcasting.

We can accomplish the goals I have laid out by establishing a new privatized entity to provide public broadcasting baseline support. We can get the seed money necessary to carry out this initiative through the spectrum auction process. The fundamental goal should be to privatize the financing process and to empower broadcasters and public broadcasting organizations besides just those that exist in Washington—inside the Beltway.

This approach would pay a number of public policy dividends. It would provide public broadcasting with a financial baseline of support. That is, this year's, or next year's, financing would not be subject to the vagaries of the Washington appropriations process. That, in turn, would help stations plan. Among other things, public broadcasters would not have to continuously lobby Washington to get the support they need. They could bank on continued support. Not all the money for the initial capitalization, moreover, would have to come from Washington. The business community, foundations, and others would be encouraged to participate.

Financial experts currently are working out how much seed capital would be required. Indeed, I will chair a second Commerce Committee hearing this week in which we will take testimony from an investment banker at First Boston on how to move forward with this capitalization idea.

At the same time, and as a way of ensuring the continued success of public broadcasting, we need to change some of the restrictions on public broadcast stations. This can be controversial. Nobody wants to sanction unfair competition between tax-exempt public broadcasters and the private sector's commercial broadcasters. But there are safeguards that can be established.

One of the concepts that has been around for years is that of limited advertising. Numerous public broadcasting organizations in Europe already have commercials, clustered at natural program breaks. Limited advertising represents a significant source of revenue for public broadcast stations. It also represents a source of funds that may be preferable to the current situation in which companies basically produce and underwrite the programs run on public broadcasting. Advertising revenue tends to come without the content strings that program underwriting inevitably entails.

Privatization means relying more on private, individual effort, less on a Washington handout. It also ensures decisionmaking can take place at a level much closer to the particular consumer in the particular market. In any country as big and diverse as the United States, that is especially important. A one-size-fits-all approach virtually never works well in our society.

My thinking regarding public broadcasting is consistent with the approach this new Congress has taken in other areas. One of the cornerstones of most of the sound welfare reform proposals, for instance, is the concept of block grants and State and local decisionmaking. The thinking there is that local authorities are in the best position to manage these issues wisely, and Washington can assist them in addressing their State and local needs.

Privatizing public broadcast financing would accomplish much the same objective. It would cut the Washington umbilical cord—or should I say straitjacket—and vest decisionmaking—plus the money and resources needed—with the stations and people at the local level. It is they, after all, who provide the service to the American public.

Mr. President, the simple theme running through each of the reform ideas I have spoken of today is the fundamental principle that we do not want the Washington bureaucracy determining what is possible and what is going to be allowed.

Let me conclude with an excellent example of what telecommunications policy reform means at a practical level for my home State of South Dakota and other areas of the often forgotten West. I am referring to an article in Investor's Business Daily last August 31st. That is the new Wall Street Journal competitor, incidentally, which makes an effort to provide news, especially financial news, that is important to people out West.

The newspaper reported on a new communications technique that could revolutionize farming—a vitally important part of South Dakota's economy. It is called ''site-specific'' or ''precision'' farming.

Having grown up on a family farm, I find the technology fascinating. First, soil moisture and crop yield sensors are spotted in fields. These sensors can narrow acres and acres of land down to as little as 20 foot squares. These censors then interact with the new Global Positioning Satellite network. The system feeds information back to computers on the farm. This information give farmers the kind of precise information they need to target fertilizer, irrigation, and other services.

The approach radically reduces operating costs. It helps the environment by reducing leaching and stream runoff. It is the kind of smart farming we need in this country to maintain our global competitiveness. Mr. President, it is possible only because of the marriage of computers and communications.

Now, Mr. President, do you honestly believe the inside-the-Beltway crowd would ever have thought of this? I doubt it. It took innovative entrepreneurs to identify and fill a market need. What if the Washington bureaucracy had set up a system of rules that

kept communications channels from being used for ''site-specific'' farming? Its promise and all that means to the farming sector and the American economy as a whole would never have been realized. I ask consent the ''Investor's Business Daily'' article be printed in the RECORD immediately following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered. (See exhibit No. 1.)

Mr. PRESSLER. Americans are great and diverse thinkers. Unfortunately, not enough of that original thought and invention takes place in the big gray stone government buildings that sit around Washington. What we need to do is to try to unleash American ingenuity. At a minimum, we need to make sure we do not block it. I will continue to fight to make sure we do not—whether it is thought the comprehensive telecommunications reform bill, spectrum policy reform or public broadcasting reform.

In conclusion, Mr. President, let me say I think it is time that we fundamentally think about spectrum policy reform in this country. I think we must think about the taxpayers.

The Commerce Committee has been charged to raise $17 billion, give or take a few half billion. Indeed, we are told that we are supposed to round everything off to a half-billion dollars. So, having grown up on a farm in South Dakota and being told to round things off, in my response to a half-billion dollars, that is quite a change from the kind of money that I usually think about in my life.

In any event, the new potential uses of the spectrum of the property of the American people—as William Safire says, they should be auctioned off. How else will we do it? The auction system has been used successfully for some of the earlier spectrum that we have auctioned off.

We now have this complicated matter where the broadcasters propose to migrate from the spectrum they are on, the analog, to the UHF and digital, and they say that at some point they will give back the original spectrum, although some say that when the time comes that will not happen.

What we are proposing here is not to take anything away from them, not to take anything that they feel they may have paid for in terms of licenses to stations. What we are proposing is merely to auction the new uses of the spectrum, and the American taxpayers have a great interest in this. It is billions of dollars.

I propose that we use a small portion of that to capitalize public broadcasting and to set up a privatized base, and they would then be cut free from annual appropriations. We could eliminate the headquarters, the Corporation for Public Broadcasting, and many of the stations will testify this week that they would like that approach. We could do that without spending any appropriated taxpayers' money.

So we need to have some innovative thinking. We also need to think about reinventing many areas. As Mr. Safire quotes in his article, he quotes me as saying in the public broadcast area there is much spectrum and many overlapping jurisdictions where the taxpayers could be saved a great deal of money.

I know that anyone who makes proposals along these lines will be criticized by both the broadcasters and some in the public broadcasting area. In fact, I am sure the broadcasters will strongly oppose—I know they are strongly opposed to what I am trying to do.

The people inside the beltway here in public broadcasting are strongly opposed. They are strongly opposed to changing anything.

The stations have formed a coalition, that they want to change, and they would like to see this. The people out in the country in public broadcasting would like to see the change.

So, Mr. President, we stand at a crossroads with this spectrum reform. It is something that sounds like Greek to the average citizen, but the average taxpayer has a great interest in it. We have a responsibility to stand up to special interests and to auction off those portions of the spectrum that will provide new uses and will provide billions of dollars for the taxpayers of this country.

It will provide the basis for the Commerce Committee's reconciliation responsibilities, and it will provide our country with a more innovative and a better future. I yield the floor.

EXHIBIT 1

PLOWS, PC'S, SATELLITE DISHES

(By Ira Breskin)

As computer power drops in price, a new way to farm called site-specific or precision farming is taking off.

Precision farming lets growers take into account the unique features of each field, without boosting cost much. Paycheck usually takes about a year.

''Farmers used to farm fields,'' said David Franzen, a soil expert at North Dakota State University in Fargo. ''Now they farm locations in fields.''

Within five years, about half the 150,000 major grain farmers in the Midwest will use the approach, says Harold Reetz, Midwest director of the Potash and Phosphate Institute.

About 10% to 15% do now, he says. Most started this year or last. Sugar beet growers also are strong proponents.

''Interest among farmers is stronger than we anticipated,'' Reetz said. ''It helps us deal with the variability that is out there.'' Among these are big differences in soil found across a large farm.

The goal is to make the land more productive by using just the right amount of costly fertilizer and pesticide for each field or even part of a field down to a 20-foot section. These inputs now are blended to meet average regional conditions.

Fully outfitted farmers need high-tech yield monitors, crop moisture sensors and a satellite receiver, all mounted on a tractor. Personal computers and special analytical software usually is bought separately or provided by a consultant. Farmers also can buy special gear for applying field nutrients.

''The one thing that makes site-specific farming work is the computer processing power that is available today,'' said Steve Koep, marketing manager at privately held Ag Chem Equipment Co. in Minnesota, Minn. The company makes a 20-ton-capacity precision fertilizer applicator that costs about $250,000.

Site-specific farming ''minimizes cost and maximizes production,'' said Ron Phillips, a spokesman for the Fertilizer Institute in Washington.

The environment also gains. By making better use of nutrients, farmers reduce leaching, runoff into streams and soil erosion. Pesticide use often is cut.

Most farm chemical suppliers back site-specific farming because it helps them provide value-added service, says Jim Egenreider, regulatory affairs director at the Agricultural Retailers Association in Washington.

''For (farm) cooperatives, it's a wash,'' said Cheryl Kohls, an agronomy equipment specialist with Conex-Land O'Lakes Services, a co-op in St. Paul, Minn.

Farmers may use less fertilizer in one area but more in another. And even if co-ops do sell fewer chemicals, many also supply soil testing and other services needed for precision farming.

About half the time, farmers get exacting field maps so they can receive the most precise results. Farmers use a plow-mounted device to record signals from an orbiting satellite, part of the Global Positioning System.

New ''differential correction'' signals have boosted precision farming. They unscramble and orient the GPS satellite signal to a known, fixed point, ensuring accuracy.

The receiver is used to map the field on a grid. Separately, crop yield and moisture data are taken from sensors on the tractor when farmers harvest crops. The field maps and crop data later are correlated on a PC.

Demand for GPS hardware is strong, says Colin Stewart, a sales rep for Satloc Inc. of Tempe, Ariz., a major supplier. The company's backlog now is four to six weeks.

Other data also may be matched up to the maps. In Britain, for instance, farmers can quickly assess weather conditions by retrieving recent photos of cloud formations taken by a weather satellite. The British Metrological Office offers these photos for a $750-a-year license fee and $7.50 a frame. Photos are shipped to PC's via phone lines.

Even without weather photos, farmers gain. By overlaying and analyzing crop and soil data from their fields, they can pinpoint where yields are falling short.

''Yield monitoring is like a report card,'' said Koep. ''It tells you how you did.''

Farmers can buy the receiver-yield monitor and analytical software for less than $8,500. The satellite signal runs about $500 a year.

Using the data to improve yields usually means hiring an expert who relies on still more high-tech equipment to correlate data and figure out why the yields are low. The experts analyze soil samples and field features, again using the satellite to get precision positions. They then offer prescription. Topography and location of drainage systems are taken into account.

Treatments are straightforward. Farmers vary the use of additives over a large field, seeking maximum efficiency.

They may rely on precision applicators with tracking equipment. But some, armed with the new data on their fields, will fall back on institution and their old application gear when putting this information to use.

RECESS UNTIL 9 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands

in recess until 9 a.m., Tuesday, September 12, 1995.

Thereupon, the Senate, at 8:18 p.m., recessed until Tuesday, September 12, 1995, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate September 11, 1995:

DEPARTMENT OF THE TREASURY

DAVID A. LIPTON, OF MASSACHUSETTS, TO BE A DEPUTY UNDER SECRETARY OF THE TREASURY, VICE JEFFREY RICHARD SHAFER.

STATE JUSTICE INSTITUTE

FLORENCE K. MURRAY, OF RHODE ISLAND, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE STATE JUSTICE INSTITUTE FOR A TERM EXPIRING SEPTEMBER 17, 1998. (REAPPOINTMENT)

EXTENSIONS OF REMARKS

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees 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 Tuesday, September 12, 1995, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

SEPTEMBER 13

9:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
Business meeting, to mark up H.R. 2127, making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1996.
SD–138

Indian Affairs
To hold hearings on the nomination of Paul M. Homan, of the District of Columbia, to be Special Trustee, Office of Special Trustee for American Indians, Department of the Interior.
SR–485

9:30 a.m.
Banking, Housing, and Urban Affairs
To hold hearings to examine the status and effectiveness of the sanctions on Iran.
SD–538

10:00 a.m.
Judiciary
To hold hearings to examine proposals to divide the ninth circuit court, including S. 956, to divide the ninth judicial circuit of the United States into two circuits.
SD–226

Select on Intelligence
To hold hearings to examine intelligence roles and missions.
SD–G50

10:30 a.m.
Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
Business meeting, to mark up H.R. 1976, making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1996.
SD–192

Conferees on H.R. 2020, 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.
H–144, Capitol

2:00 p.m.
Appropriations
Business meeting, to mark up H.R. 2099, making appropriations for the Departments of Veterans Affairs, and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1996.
SD–192

Judiciary
Immigration Subcommittee
To hold hearings on legal immigration reform proposals.
SD–226

SEPTEMBER 14

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on public broadcasting reform.
SR–253

Energy and Natural Resources
To hold hearings on S. 1144, to reform and enhance the management of the National Park Service, S. 309, to reform the concession policies of the National Park Service, and S. 964, to amend the Land and Water Conservation Fund Act of 1965 with respect to fees for admission into units of the National Park System.
SD–366

Rules and Administration
Business meeting, to discuss Senate restaurant operations.
SR–301

10:00 a.m.
Foreign Relations
Near Eastern and South Asian Affairs Subcommittee
To hold hearings on missile proliferation in South Asia.
SD–419

Judiciary
Business meeting, to consider pending calendar business.
SD–226

2:00 p.m.
Foreign Relations
Near Eastern and South Asian Affairs Subcommittee
To continue hearings on missile proliferation in South Asia.
SD–419

Judiciary
Terrorism, Technology, and Government Information Subcommittee
To resume hearings on matters relating to the incident in Ruby Ridge, Idaho.
SD–G50

3:00 p.m.
Energy and Natural Resources
Energy Production and Regulation Subcommittee
To hold hearings on S. 1014, to improve the management of royalties from Federal and Outer Continental Shelf oil and gas leases, and S. 1012, to extend the time for construction of certain FEERC licensed hydro projects.
SD–366

SEPTEMBER 15

10:00 a.m.
Judiciary
Terrorism, Technology, and Government Information Subcommittee
To continue hearings on matters relating to the incident in Ruby Ridge, Idaho.
SD–G50

SEPTEMBER 18

3:00 p.m.
Armed Services
Business meeting, to consider recommendations which it will make to the Committee on the Budget with respect to spending reductions and revenue increases to meet reconciliation expenditures as imposed by H. Con. Res. 67, setting forth the Congressional Budget for the United States Government for fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002.
SR–222

SEPTEMBER 19

9:30 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD–366

Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the American Legion.
334 Cannon Building

10:00 a.m.
Commission on Security and Cooperation in Europe
To hold hearings to examine issues affecting U.S.-Turkish relations, including human rights and the Kurdish situation.
2172 Rayburn Building

SEPTEMBER 20

9:30 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD–366

Labor and Human Resources
Business meeting, to consider recommendations which it will make to the Committee on the Budget with respect to spending reductions and revenue increases to meet reconciliation expenditures as imposed by H. Con. Res. 67, setting forth the Congressional Budget for the United States Government for fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002, to mark up H.R. 1180, to provide for health performance partnerships, and S. 1221, to authorize appropriations for the Legal Services Corporation, and to consider pending nominations.
SD–430

Indian Affairs
To hold oversight hearings on the implementation of Title III of the National

Indian Forest Resources Management Act (P.L. 101-630).

SR–485

10:00 a.m.

Veterans' Affairs

Business meeting, to consider recommendations which it will make to the Committee on the Budget with respect to spending reductions and revenue increases to meet reconciliation expenditures as imposed by H. Con. Res. 67, setting forth the Congressional Budget for the United States Government for fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002, and to consider other pending business.

SR–418

SEPTEMBER 21

9:30 a.m.

Armed Services

To hold hearings on the nomination of Gen. John M. Shalikashvili, USA, for reappointment as Chairman of the Joint Chiefs of Staff.

SR–222

SEPTEMBER 26

9:30 a.m.

Commerce, Science, and Transportation

Oceans and Fisheries Subcommittee

To hold oversight hearings on the science of slow management and hatchery supplementation, focusing on the recovery of Snake River anadromous species.

SR–253

SEPTEMBER 27

9:30 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD–366

OCTOBER 25

10:00 a.m.

Veterans' Affairs

To hold hearings to examine veterans' employment issues.

SR–418

Daily Digest

Senate

Chamber Action

Routine Proceedings, pages S13143–S13313

Measures Introduced: Three bills were introduced, as follows: S. 1229–1231. **Page S13209**

Measures Reported: Reports were made as follows: Special Report entitled ''Revised Allocation to Subcommittees of Budget Totals for the concurrent Resolution for fiscal year 1996''. (S. Rept. No. 104–138) **Page S13208**

Family Self-Sufficiency Act: Senate continued consideration of H.R. 4, to restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence, with a committee amendment in the nature of a substitute, taking action on amendments proposed thereto, as follows:

Pages S13143–50, S13152–S13207

Adopted:

(1) By 76 yeas to 22 nays (Vote No. 407), Kassebaum Amendment No. 2522 (to Amendment No. 2280), to modify provisions relating to funds for other child care programs. **Pages S13147–49, S13196**

(2) Pressler Amendment No. 2501 (to Amendment No. 2280), to provide a State option to use an income tax intercept to collect overpayments in assistance under the State program funded under part A of title IV of the Social Security Act.

Pages S13206–07

Rejected:

(1) Dodd Amendment No. 2560 (to Amendment No. 2280), to provide for the establishment of a supplemental child care grant program. (By 50 yeas to 48 nays (Vote No. 406), Senate tabled the amendment.) **Pages S13163–96**

(2) By 32 yeas to 66 nays (Vote No. 408), Helms Amendment No. 2523 (to Amendment No. 2280), to require single, able-bodied individuals receiving food stamps to work at least 40 hours every 4 weeks.

Pages S13152–58, S13196–98

Pending:

Dole Modified Amendment No. 2280, of a perfecting nature. **Pages S13143–50, S13152–S13207**

Feinstein Modified Amendment No. 2469 (to Amendment No. 2280), to provide additional funding to States to accommodate any growth in the number of people in poverty. **Pages S13200–06**

Conrad/Bradley Amendment No. 2529 (to Amendment No. 2280), to provide States with the maximum flexibility by allowing States to elect to participate in the TAP and WAGE programs.

Pages S13160–63

(For remaining pending amendments, see DAILY DIGEST *of Friday, September 8, 1995).*

A motion was entered to close further debate on Dole Amendment No. 2280, listed above and, pursuant to the order of September 7, 1995, the vote not occur on that cloture motion prior to 6 p.m., on Wednesday, September 13, 1995.

Pages S13199–S13200

A unanimous-consent agreement was reached providing for further consideration of the bill and amendments pending thereto, on Tuesday, September 12, 1995. **Pages S13198–99**

Appointments:

Board of Visitors/Merchant Marine Academy: The Chair, on behalf of the Vice President, pursuant to Title 46, Section 1295(b), of the U.S. Code, as amended by Public Law 101–595, appointed the following to the Board of Visitors of the U.S. Merchant Marine Academy: Senator Breaux, from the Committee on Commerce, Science, and Transportation, and Senator Inouye, At-Large. **Page S13307**

Nominations Received: Senate received the following nominations:

David A. Lipton, of Massachusetts, to be a Deputy Under Secretary of the Treasury.

Florence K. Murray, of Rhode Island, to be a Member of the Board of Directors of the State Justice Institute for a term expiring September 17, 1998. **Page S13313**

Communications: **Page S13208**

Statements on Introduced Bills: **Pages S13209–10**

Additional Cosponsors: **Page S13210**

Additional Statements: **Pages S13306–07**

Record Votes: Three record votes were taken today. (Total—408) **Pages S13196, S13198**

Recess: Senate convened at 10 a.m., and recessed at 8:18 p.m., until 9 a.m., on Tuesday, September 12, 1995. (For Senate's program, see the remarks of the Acting Majority Leader in today's RECORD on page S13308.)

Committee Meetings

(Committees not listed did not meet)

APPROPRIATIONS—VA/HUD

Committee on Appropriations: Subcommittee on VA, HUD, and Independent Agencies approved for full committee consideration, with amendments, H.R. 2099, making appropriations for the Departments of Veterans Affairs, and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1996.

House of Representatives

Chamber Action

The House was not in session today. It will meet next at 10:30 a.m. on Tuesday, September 12.

Committee Meetings

No Committee meetings were held.

COMMITTEE MEETINGS FOR TUESDAY, SEPTEMBER 12, 1995

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Appropriations, Subcommittee on Labor, Health and Human Services, and Education, to hold hearings to examine the Goals 2000 education program, and family violence issues, 9:30 a.m., SD–192.

Subcommittee on District of Columbia, to hold hearings on proposed budget estimates for fiscal year 1996 for the government of the District of Columbia, 1:30 p.m., SD–138.

Subcommittee on Foreign Operations, business meeting, to mark up H.R. 1868, making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1996, 2 p.m., SD–116.

Full Committee, business meeting, to mark up H.R. 2076, making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1996, 3 p.m., SD–192.

Committee on Commerce, Science, and Transportation, to hold hearings to examine proposals to reform existing spectrum policy, 9:30 a.m., SR–253.

Committee on Energy and Natural Resources, to hold hearings on H.R. 1266, to provide for the exchange of lands within Admiralty Island National Monument, known as the ''Greens Creek Land Exchange Act, 9:30 a.m., SD–366.

Committee on the Judiciary, to hold hearings to examine the status of religious liberty in America, 10 a.m., SD–226.

Subcommittee on Terrorism, Technology, and Government Information, to resume hearings on matters relating to the incident in Ruby Ridge, Idaho, 1 p.m., SH–216.

Committee on Labor and Human Resources, to hold hearings on S. 969, to require that health plans provide coverage for a minimum hospital stay for a mother and child following the birth of the child, 9:30 a.m., SD–430.

NOTICE

For a listing of Senate Committee Meetings scheduled ahead, see pages E1753–54 in today's RECORD.

House

Committee on Commerce, Subcommittee on Telecommunications and Finance, hearing on the Future of Public Broadcasting, 1 p.m., 2123 Rayburn.

Committee on Government Reform and Oversight, Subcommittee on Civil Service, hearing on FEHB/CHAMPUS: Improving Access to Health Benefits for Military Families, 9 a.m., 2154 Rayburn.

Committee on International Relations, to mark up the following: Recommendations with respect to the Dismantlement of the Department of Commerce; and Response to the House's Reconciliation Instructions, 10 a.m., 2172 Rayburn.

Committee on the Judiciary, to mark up the following: H.R. 2277, Legal Aid Act of 1995; H.R. 1506, Digital Performance Right in Sound Recordings Act of 1995; H.R. 2259, to disapprove certain sentencing guideline amendments; and proposed language for insertion in the Omnibus Budget Reconciliation Act (Patent and Trademark Office User Fees), 10 a.m., 2141 Rayburn.

Committee on Resources, Subcommittee on Fisheries, Wildlife and Oceans, hearing on H.R. 1965, Coastal

Zone Management Reauthorization Act of 1995, 10 a.m., 1334 Longworth.

Subcommittee on National Parks, Forest and Lands to mark up the following bills: H.R. 1713, Livestock Grazing Act; and H.R. 1280, Technical Assistance Act of 1995, 10 a.m., 1324 Longworth.

Committee on Rules, to consider the following: H.R. 1670, Federal Acquisition Reform Act of 1995; and H.R. 1162, to establish a deficit reduction trust fund and provide for the downward adjustment of discretionary spending limits in appropriation bills, 2 p.m., H–313 Capitol.

Committee on Science, hearing on Restructuring the Federal Scientific Establishment: Dismantling the Department of Commerce, 9:30 a.m., 2318 Rayburn.

Committee on Ways and Means, to mark up the following: H.R. 2288, to amend part D of title IV of the Social Security Act to extend for 2 years the deadline by which States are required to have in effect an automated data processing and information retrieval system for use in the administration of State plans for child and spousal support; and budget reconciliation recommendations, 3 p.m., 1100 Longworth.

Subcommittee on Oversight, to consider Taxpayer Bill of Rights recommendations, 11 a.m., Longworth.

Permanent Select Committee on Intelligence, Subcommittee on Human Intelligence, Analysis, and Counterintelligence, executive, hearing on Terrorism, 2 p.m., H–405 Capitol.

Next Meeting of the SENATE

9 a.m., Tuesday, September 12

Senate Chamber

Program for Tuesday: Senate will resume consideration of H.R. 4, Work Opportunity Act.

(Senate will recess from 12:30 p.m. until 2:15 p.m. for respective party conferences.)

Next Meeting of the HOUSE OF REPRESENTATIVES

10:30 a.m., Tuesday, September 12

House Chamber

Program for Tuesday: Consideration of the following Suspension: H.R. 2150, Small Business Credit Efficiency Act;

Consideration of H.R. 1594, Pension Protection Act of 1995 (open rule, 2 hours of general debate); and

H.R. 1655, Fiscal Year 1996 Intelligence Reauthorization (modified open rule, 1 hour of general debate).

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